

**whistl**

# Delivering on Sustainability

**2023 ESG Report**



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# Welcome from our Executive Chairman

As a business, we at Whistl pride ourselves on the way we value our colleagues, play a strong and supporting role in our communities and strive to do our best for the environment. So, basing our environment, social and governance strategy (ESG) on these three pillars feels natural and logical to us. This report highlights our progress as we make this journey towards some ambitious goals.

We are, fundamentally, a logistics business operating in an industry that has traditionally used fossil-based fuels to move items from A to B – and that makes the transition to less carbon-intensive operations quite difficult. Despite this, over the years, we have taken steps to operate in a sustainable manner, using the latest technology available to mitigate our impact on the environment.

We aim to be a sustainable business, not only financially but also within the environment and communities in which we operate. We must create momentum despite the technological challenges. That is why we have committed to achieving net zero by 2045. By calculating science-based emissions reduction targets adhering to the Science Based Targets initiative's framework, we have taken a pragmatic, two-stage approach in line with the latest climate science. From a baseline of 2022, the short-term aim is a 21% emissions reduction by 2030. By 2045, we commit to reducing our annual carbon dioxide equivalent emissions by 95%, the details of which can be read in this report.

We understand that we cannot do this on our own, and we will work closely with customers and suppliers to enable them to achieve their own emissions reduction targets.

Whistl's growth and success are based upon a fundamental commitment to having a great team of people doing a great job with a can-do attitude to deliver exceptional service to customers. We work hard as an organisation to ensure that our colleagues are treated with respect, can be free to be themselves at work and know that they will be listened to. We have made great strides in all aspects, from promoting equality, diversity and inclusion (EDI) through further developing our EDI charter, to building awareness and communication around mental health issues and expanding our flexible working approach to support employees with varying needs.

We are committed to using our resources to encourage the potential within our people and in the local communities in which we operate. You will read in this report about how, over the course of 2023, we have created and maintained a variety of initiatives to support the professional development of all employees within the business.

We understand that it will take commitment and investment to deliver on our ESG objectives. Beyond that, it will take time and technological change to enable us to achieve some of them. However, we are committed to do the right things by the environment, by our employees and the communities in which we work.

**Nick Wells,**  
**Executive Chairman**



Whistl's  
ESG strategy

Valuing  
colleagues

Fulfilling  
opportunities

Preserving  
our natural  
environment

Task Force on  
Climate-related  
Financial  
Disclosures

Appendices



## About Whistl

From our beginnings in the postal sector, the Whistl Group has expanded and diversified to position our business as the UK's leading logistics specialist, providing efficient, high-quality and competitively priced services across Mail management, Parcel management, Fulfilment solutions, Contact solutions, Cross-border solutions, Doordrop media and Product sampling both in the UK and internationally.

Our dedicated team comprises over 2,100 employees across our headquarters in Marlow and 25 additional warehouses/depots, contact centres and offices across the UK. We support businesses by managing eCommerce/customer journeys from collection to delivery. Our operations span various industry sectors, both private and public, including finance, utilities, eCommerce and charities. Our comprehensive logistics solutions are delivered through seven industry-leading business divisions that seamlessly operate within the Whistl Group and serve our clients and their end-use customers across the UK.



### Mail management

We are the largest Downstream Access (DSA) provider in the UK, providing efficient services including the collection, sorting and processing of over 50% of the UK's bulk business mail.



### Parcel management

We support small- and medium-sized businesses by managing a range of delivery services, both tracked and untracked, through one collection and one point of contact.



### Fulfilment solutions

We offer full-scope order fulfilment through a range of supply chain and customer service solutions.



### Contact solutions

We offer tailored customer service solutions to support inbound and outbound customer contact channels.



### Cross-border solutions

We provide strategic delivery solutions to support our customers as they expand to new markets and manage both export and import requirements.



### Doordrop media

We are market leaders in audience targeting and doordrop services, including targeted leaflet delivery, catalogues, samples and partially addressed mail.



### Product sampling

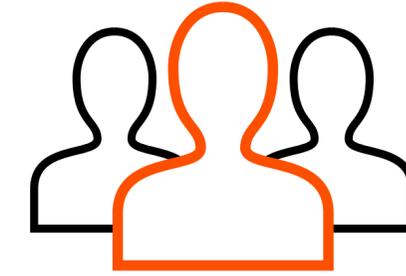
We support our customers with targeted product sampling through a range of channels and techniques.



-  Whistl Head Office
-  Whistl Fulfilment & Contact Centres
-  Relish
-  Whistl Depots
-  Parcelhub
-  Posthub



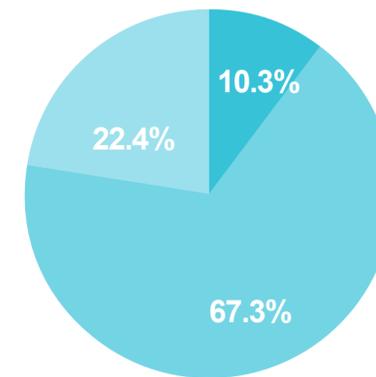
Locations:  
**20**



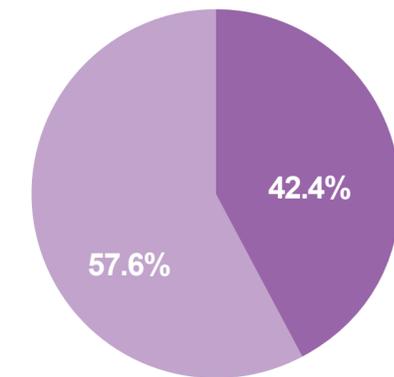
Workforce:  
**2,144**  
employees at end of year



FY23 revenue:  
**£766.3 m**



Age:  
 15 to 26  
 27 to 54  
 55+  
 Average age: 41



Gender:  
 Female  
 Male

Recent accreditations/awards:



# Whistl's ESG strategy

## Our approach to sustainability

Our mission is to grow by doing a great job, with can-do people working efficiently to deliver exceptional service to our customers.

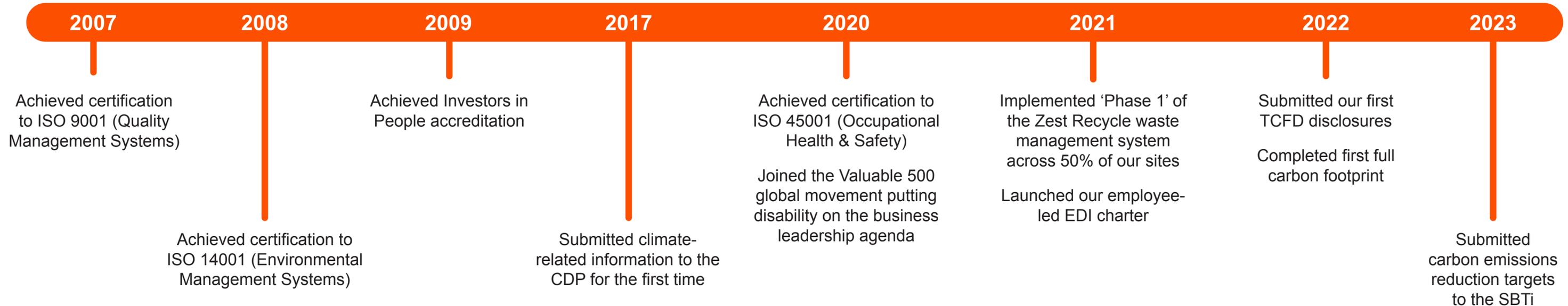
Developing an ESG strategy gave us a platform and unifying structure to capture the many ESG-related activities already ongoing across our business. We have outlined some of these critical milestones and will bring these and many more to light in subsequent pages.



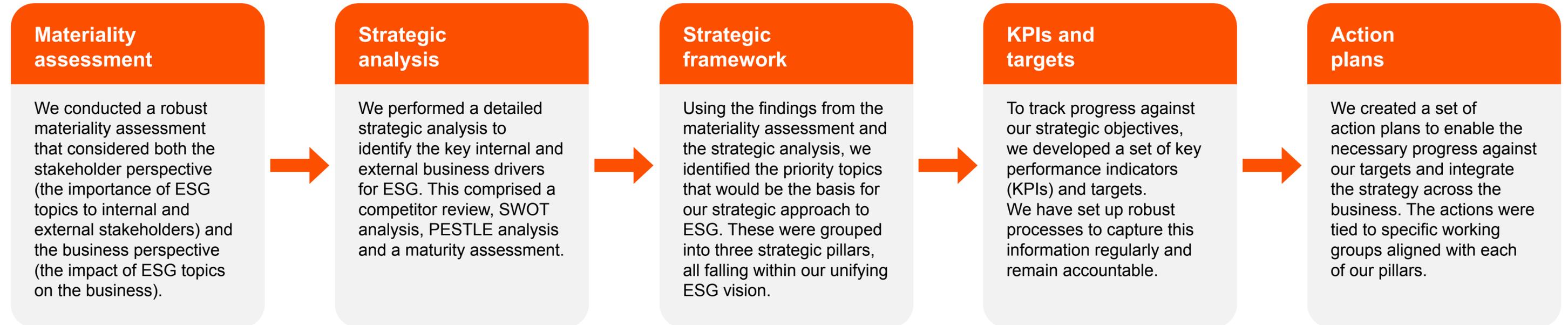
*“ From the moment we embarked on the development of our ESG strategy, we made it a priority to engage our incredible team throughout the process. Our remit was to develop a robust ESG strategy that responds to our stakeholders’ increasing expectations. The strategy needed to be clear, simple and appropriate for all our business units. It also needed to be well-informed and reflective of the external landscape. The role of our industry and our stakeholders’ perceptions of it have evolved significantly in recent years. While the proportion of physical mail has decreased, eCommerce has steadily grown.”*

Irene Boctor, Head of ESG and Sustainability

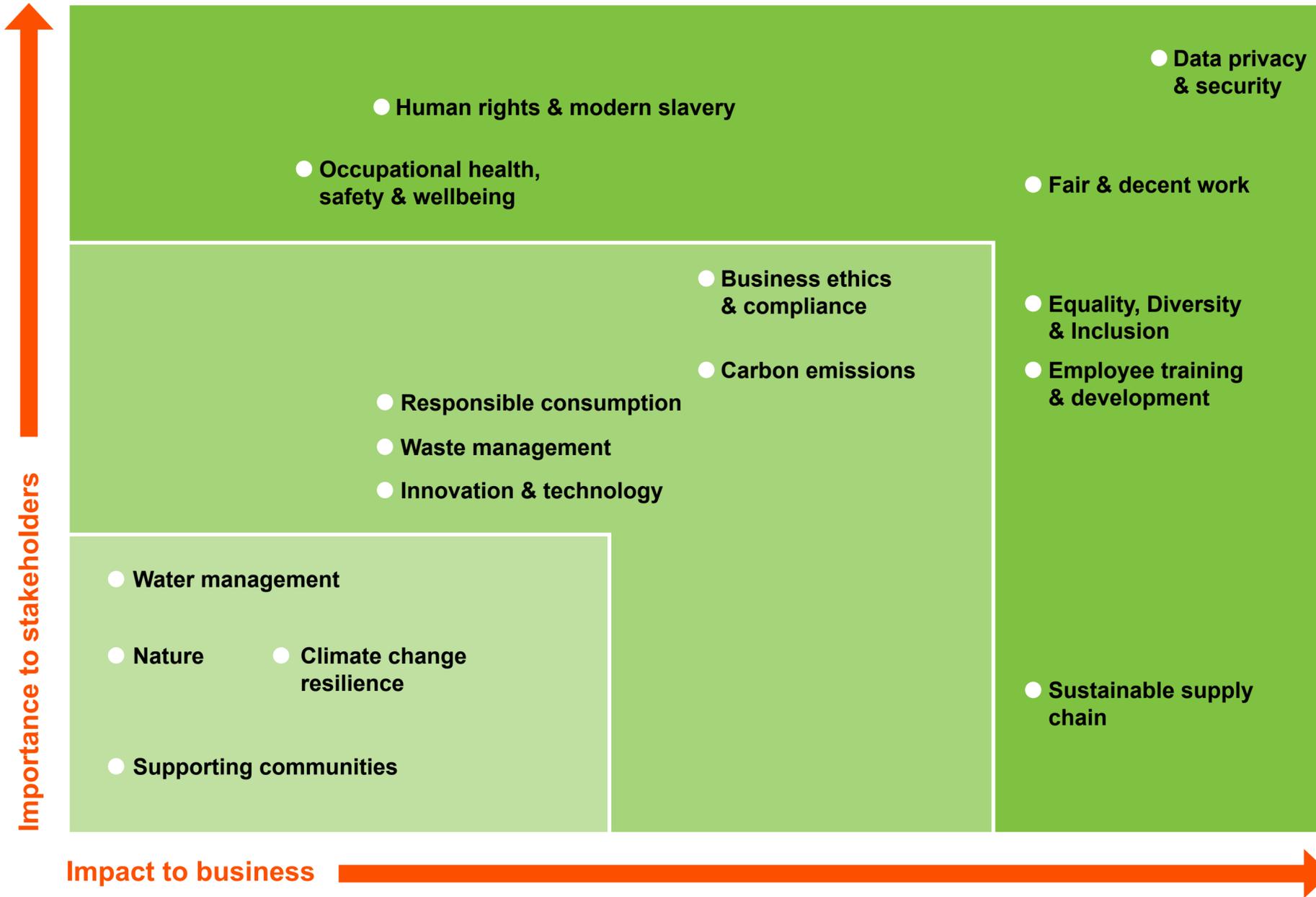
## Whistl's ESG milestones



In 2022, we engaged an external consultancy to support us with our ESG strategy development. We were committed to focusing on the issues that mattered most, and it was worth taking the time to dig deep and figure out what these were and how best to manage them. The process we took involved identifying which ESG topics were the highest priority for our internal and external stakeholders, understanding the drivers for our ESG business approach and aligning these with best practice sustainability frameworks: the Sustainability Accounting Standards Board (SASB), the Global Reporting Initiative (GRI) and the UN Sustainability Development Goals (UN SDGs).



# Materiality



The output of our materiality assessment was our materiality matrix, which shows the ESG topics that are of the highest priority to both our stakeholders and our business. These topics were evaluated alongside our strategic analysis to determine which were the most significant to the business.

The priority topics for our ESG strategy were identified to be:

- Equality, diversity and inclusion
- Fair and decent work
- Employee training and development
- Supporting communities
- Carbon emissions
- Waste management
- Sustainable supply chain

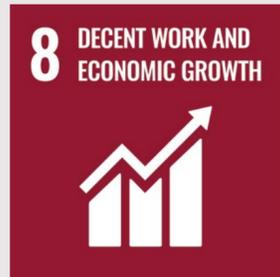
'Data privacy and security', 'occupational health, safety and wellbeing' and 'human rights and modern slavery' rated highly in the materiality assessment. However, our robust existing policies and procedures have driven consistent performance across these areas. We have disclosed performance against these topics within our report. Conversely, 'carbon emissions', 'waste management' and 'supporting communities' ranked lower, but are strategic priorities for our business, requiring ambitious action through our ESG strategy. Our priority topics were reviewed and approved by our Board of Management and Executive Board.

The framework of our ESG strategy demonstrates the culmination of our ESG ambitions and sets the stage for the remainder of this report. Our commitment to our colleagues, customers, communities and the environment is unwavering and gives direction to everything we do.

We are proud of our strategy. It represents who we are as a business and our ambition to make positive change in the areas that matter most.

# ESG strategic framework





### UN Sustainable Development Goals

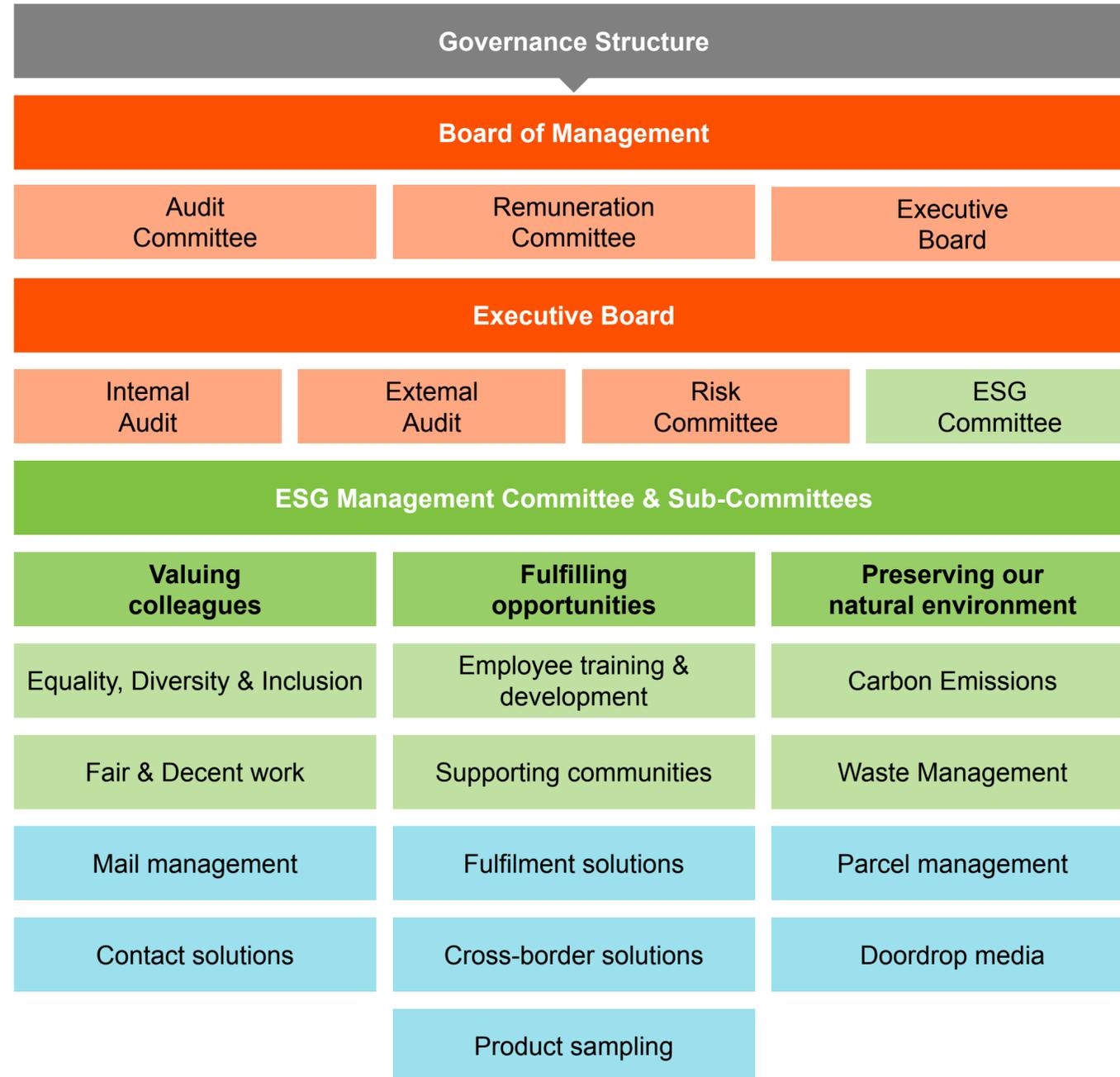
The UN Sustainable Development Goals (SDGs) are a set of 17 global goals adopted by all United Nations Member States in 2015. Their importance lies in the shared blueprint they provide for how everyone – from individuals to countries – must work together to tackle global issues such as poverty, gender equality, climate action and more.

Whistl is committed to supporting the UN SDGs and contributing to the global, collaborative approach they foster. We have mapped our ESG strategy to the UN SDGs to identify areas where we have the potential to have the most significant impact.

# ESG Governance structure

Effective ESG governance is critical to ensure the successful integration and management of Whistl's ESG strategy. As such, we have established strong governance mechanisms that provide top-down leadership from our Board of Management to the engagement of our business units. These mechanisms guarantee that the required actions are implemented and operationalised.

Our ESG governance structure is outlined below, along with the roles and responsibilities delegated to each senior management team.



## Board of Management

Our Board of Management (BoM) takes ultimate responsibility for the approval and execution of our ESG strategy, including the approval of large projects and capital expenditures. Our Business Services and ESG Director is the Board's sponsor for reviewing, monitoring and incorporating ESG and climate-related risks into the decision-making process, as well as monitoring progress against climate-related goals and targets every month.

## Audit Committee

The Board-level committee responsible for ESG performance is the Audit Committee, which receives monthly updates from the ESG Committee relating to climate-related risks and opportunities. The Audit Committee is also responsible for reviewing and approving the external disclosures that are included in our annual report.

## Executive Board

Our Executive Board is ultimately responsible for the Group's approach to ESG at an operational level while also ensuring that there is sufficient oversight of the identification and management of our ESG and climate-related business risks. The Executive Board meets every month and considers ESG matters, including climate-related factors, as a regular agenda item. Its mandate also includes the approval of ESG-related policies.

## ESG Committee

Chaired by the Business Services and ESG Director, and including our Head of ESG and Sustainability, our ESG Committee reports to the Executive Board and provides ESG-related progress updates every month. Our Chief Operating Officer is the ESG sponsor for the ESG Committee and is responsible for sharing ESG-related information with our BoM. The ESG Committee is responsible for delivering the ESG strategy across the business, drafting ESG-related policies and disclosures for approval, keeping up to date with ESG and climate-related issues, proposing large projects and costs, and reviewing ESG and climate-related risks and opportunities quarterly.

## Risk Management Committee

The Risk Management Committee informs the BoM quarterly about climate-related risks and opportunities and progress against climate-related objectives and targets. The Risk Management Committee consists of our senior management team and their nominated risk owners and risk delegates from across our business units. Each delegate has a deep knowledge of the current strategic and emerging risks and opportunities for the business and regularly liaises with senior management to identify those most significant to Whistl.

## ESG Management Committee and Sub-Committees

The ESG Management Committee sets out the expectations across each of the Sub-Committees and approves the project objectives and KPIs. It is responsible for sharing updates with the ESG Committee and Executive Board every month. A member of the Executive Board chairs each of the ESG Sub-Committees. The ESG Sub-Committees are comprised of subject matter experts who are responsible for remaining informed about the latest ESG topic issues. They manage and track progress against objectives and KPIs, reviewing and reporting back monthly to the ESG Management Committee.

## Businesses

Each of our business units plays a role in ensuring the execution of our strategy, agreeing on the internal resources needed, and implementing activities. The business units report progress to the ESG Management Committee every month and are kept up to date regarding the ESG workstream, performance and progress.

# Valuing colleagues

Our people are the essence of our business, and genuinely valuing our colleagues is one of our core principles at Whistl. This has been – and always will be – a key and consistent focus of ours. We believe that working hard to promote a diverse and inclusive culture while also protecting our employees' wellbeing creates a more resilient team with a stronger sense of belonging and purpose.

Throughout 2023, we set out to ensure that our commitment to valuing our colleagues was supported by real, tangible action. We made great strides in this, from promoting equality, diversity and inclusion (EDI) through further developing our EDI charter, to building awareness and communication around mental health issues and expanding our flexible working approach to support employees with varying needs.

## Equality, diversity and inclusion

At Whistl, we strive to create an environment where our employees are treated with respect and fairness, regardless of their background or characteristics. To achieve this, we believe it is important to recognise the interdependence of the concepts of equality, diversity and inclusion. A diverse workforce, for example, must be supported by practices that ensure that minorities are treated equally and feel included. In 2023, we progressed in all three areas by developing our EDI charter and strategy and working to promote gender equality and ethnic minority representation throughout our business.

### EDI charter

In 2023, we committed to promoting EDI by updating our EDI charter and EDI sponsors. The purpose of updating the charter was to create clarity around equality, diversity and inclusion for our employees. In addition, the updated charter laid out our core goals concerning EDI. The objective of our EDI sponsors was to take responsibility for these goals and ensure that they came to fruition. Over the year, we appointed our Head of Operations as the sponsor for race diversity, our Managing Director of International and Managing Director of Parcels to lead on disability awareness and our Commercial Director of Mail and Commercial Director of Fulfilment to lead on female diversity.

Within our EDI charter, we committed to supporting the Disability Confident scheme. We have increased our efforts to recruit, retain and ensure reasonable adjustments for our employees with disabilities. We have also committed to the Race at Work Charter, which aims to promote the career progression of ethnic minorities and break down obstacles to their recruitment.

There are approximately 20 EDI Allies across our business, and their objective is to meet every two months to decide on relevant EDI topics that would benefit from raised awareness and action. This has led to the creation of our EDI calendar, which includes several events to promote EDI across the business. To give our EDI sponsors a helping hand, we appointed an EDI Lead from amongst our EDI Allies this year.



*“ My Role as EDI Lead for Whistl is to direct the EDI Allies group and develop an integrated approach to EDI in line with Whistl values, behaviours and best practice. We're grateful for those who have put their hands up to be an EDI Ally and help to support our equality, diversity and inclusion strategy across the Whistl Group.”*

Louise O'Neil, HR Business Partner and EDI Lead





*“ I take immense pride in launching this campaign as Whistl’s sponsor for race. It is important to pronounce people’s names correctly and to take the time to get it right. I encourage all of you to use the guide and follow the step-by-step approach on how to spell your name phonetically and put it on your email signatures and social media.”*

Mark Lawrenson, Head of Operations and Sponsor for Race at Work

### EDI strategy

During 2023, we continued to develop a more extensive and strategic approach to EDI as one of our principal targets. While it remains a work in progress, we have made great strides. A key component of this was listening to our employees’ concerns around EDI so we could ensure that we created relevant and effective solutions. In a bid to encourage our employees to share their ideas and experiences, we organised online ‘Tea Break’ sessions, which aimed to explore challenges and solutions around EDI at Whistl. The initial uptake of the initiative was 45 people; we will promote awareness in 2024 to engage more of our team.

### Gender equity

As part of the development of our EDI strategy, we also made efforts to understand the distinct experiences of our female employees. In December 2023, we sent out a Women at Work development survey to gauge whether our female employees felt they were treated equally to their male counterparts, where challenges lay, and how obstacles could be overcome. We discovered that our female employees sought greater opportunities for career advancement and that approximately 33% of respondents wanted to be involved in a women’s group. As a result, we aim to create a women’s group in 2024 and will put together a series of actions to address the additional outcomes of the survey.

Whistl has a target to increase female representation in Board and management roles to 40% by the end of 2028. We are pleased to report that we achieved this target in 2023, with women representing 45.4% of management and Board positions across the Group. Looking deeper into this data, we understand that, moving forward, we need to enhance female representation at Board level, where we currently have only 9.1% female representation. We also aim to meet our target across all of our business units.

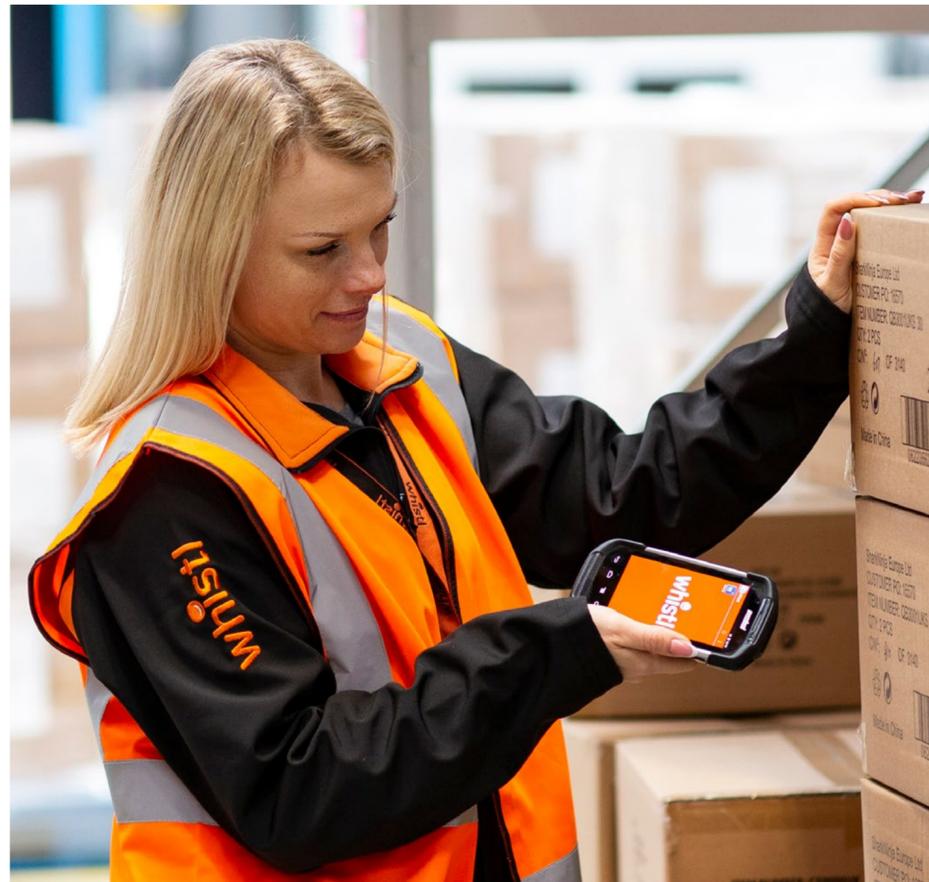
One of the greatest ways that we can support our female employees and retain them year on year is to ensure they are fairly compensated. Whistl collects gender pay gap information at the reporting company level, diving deep to understand any discrepancies. We strive to maintain a median gender pay gap below a deviation of 5% year on year, and in 2023 we achieved this across two of four reporting companies. In 2023 and beyond, we will continue our hard work to close the gap and report our progress transparently.



**Ethnic parity**

We also want to improve the experience of racial and ethnic minority employees at Whistl so, in 2023, we began working with Race Equality Matters (REM). REM is a not-for-profit organisation that aims to tackle racial inequality in the workplace by offering solutions and support. Our work with REM encouraged us to take part in the #MyNameIs initiative, which prompts people to include the phonetic spelling of their name in their email signature so that all names can be pronounced correctly. Although a small action, we believe that this enables our employees to share their full names and identities with pride.

We have committed to undertake a review of ethnic minority representation in management roles by the end of 2024. However, we recognise that, to carry out these efforts, we require a stronger understanding of our current position. As a result, we are in the process of implementing new data collection processes. In April 2024, our new Human Resources Information Security system is being introduced. This will enable us to understand any gaps in the pay of our ethnic minority and female employees so we can then make informed, concerted efforts to reduce them. This will enable us to complete our EDI strategy by the end of 2024.



**2023 performance:**

**45.4% female representation in Board and management roles**

**9.1% female representation in Board-level positions**

**39.9% female representation in management roles**

**Gender pay gap**

Reporting entity	Women's hourly rate
Whistl UK Ltd	2.8% lower
Whistl Fulfilment (Gateshead) Ltd	9.1% lower
Whistl Fulfilment (Rushden) Ltd	12.0% lower
Whistl Fulfilment (South West) Ltd	N/A

**Targets:**

**Increase female representation in Board and management roles to 40% by the end of 2028**

**Develop a strategic approach to EDI by 2024**

**Undertake a review of ethnic minority representation in management roles by the end of 2024**

**Undertake an ethnicity pay gap assessment by the end of 2025**

**Maintain a median gender pay gap below a deviation of 5% year on year**

## Fair and decent work

At Whistl, we are committed to providing our employees with work that offers them security, opportunities and respect. We work hard to ensure that the differing needs of all demographic groups are understood and acted upon to improve satisfaction. To better understand our employees' needs, we conduct annual employee engagement MySay surveys, and aim to increase survey participation annually. Our 2023 feedback helped inform us where we are doing well, and where we still need to improve. For instance:

- 67% agree their manager encourages and supports their development
- 55% feel that senior leaders are sufficiently visible and approachable
- 81% agree they can be themselves at work

In 2023, we strived to improve the wellbeing of our employees by strengthening their existing support networks and providing a more flexible approach to work. As a consequence, our wellbeing team were recognised for their exceptional efforts when they were awarded the 'Best Health and Wellbeing Programme' at the UK Contact Centre Forum National Awards at the end of the year.

## Flexible working

Flexible working refers to the adjustment of working patterns, hours or location. It can have many social and environmental benefits – such as supporting ageing, unwell or disabled employees and those with parental responsibilities – and therefore ensures that these groups have fair access to work. Where possible, we aim to provide our employees with a flexible working approach. Since 2020, we have permitted our office employees to work from home on two days per week and encouraged them to work in the office on three days.

Flexible working can present a challenge for Whistl as a logistics business. A large proportion of our employees work within operations, and for this group, flexible working is not always possible. However, we allow flexible working requests from our operational workers and make decisions based on individual cases. For example, many of our drivers reduced their work hours to four days per week in 2023. This was particularly important as it enabled us to retain a range of skilled and committed drivers and operational employees.

*“ On the flexible work shifts, I honestly think it's a positive step in retaining older employees who don't want to retire fully, but because of health or family issues would like to reduce their hours.”*

Alan Gibson, Driver, Bolton Depot



Spotlight:

# ANDYSMANCLUB

ANDYSMANCLUB is a men's suicide prevention charity, offering 130 support groups across the UK and online. Its aim is to end the stigma surrounding men's mental health, providing a safe space where they feel comfortable to talk and open up about their experiences. As part of our partnership with the charity, ANDYSMANCLUB is being promoted on our vehicle fleet, reassuring men that IT'S OK TO TALK – a message also conveyed to employees at our Bolton site (with others to follow), in an ANDYSMANCLUB session.



## #ITSOKAYTOTALK



*“ Male suicide is the biggest killer of men under 50. ANDYSMANCLUB is on a mission to help and, as well as raising awareness of their great work amongst*

*our employees, our van and HGV fleet is being kitted out with stickers to spread the word externally.”*

Andy Underwood, Managing Director of Parcels, Disability and Mental Health Sponsor





## Wellbeing

The welfare of our employees is of paramount importance to us. Our main objective for 2023 was to improve awareness amongst our workforce regarding mental health issues and addiction and to develop networks through which employees could be supported if faced with these challenges. Our aim is to create a resilient workforce by applying a proactive approach to wellbeing. To this end, we created a '2023 wellbeing calendar' filled with events such as 'Wellbeing Wednesdays' workshops with a focus on alcohol awareness, women's health, fathers' mental health awareness, maternity mental health awareness and personal safety.

During these workshops, information was shared with participants to enable them to build their knowledge around the topics and learn how to establish healthy coping mechanisms. From February onwards, we also held free weekly meditation sessions for all employees. The purpose of these sessions was to help our employees to prioritise their emotional wellbeing and learn to cope with stress. We held our meditation sessions on Zoom to make them accessible to all workers.

In our efforts to support both in-person and remote employees with their mental health, we also evolved our approach to mental health first aid in 2023. We have trained mental health first aiders (MHFAs) who act as the first point of contact when an employee or a person they know is mentally unwell. The MHFAs are available to provide advice and can encourage employees to pursue further support through either Whistl's resources or professional assistance. In 2023, we experienced considerable employee interest in becoming an MFHA. We now have 36 trained MFHAs across our sites, supported by 16 mental health champions.

To further encourage fair and decent work at Whistl, we aim to generate a greater uptake of our wellbeing initiatives amongst our lone workers by enhancing awareness and providing online access. We will continue to ensure that employees are aware that wellbeing workshop sessions are recorded and available to them at any time.

## 2023 performance:

**73% participation rate in MySay employee engagement survey**

## Targets:

**Improve employee engagement score**

**in the annual MySay survey year on year**

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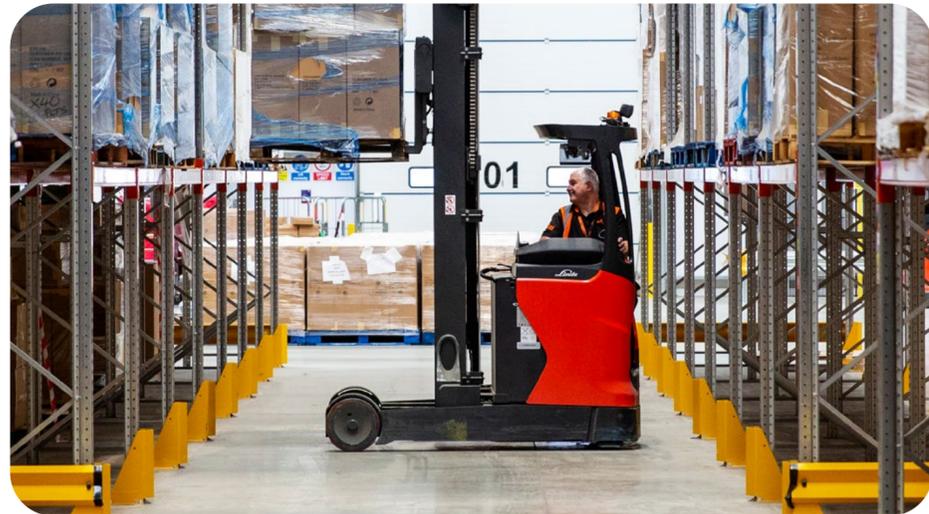
*The Whistl wellbeing team are committed to promoting the wellbeing of our colleagues. We recognise the pressures of work and modern life, which we aim to reflect in our approach. As a team, we were very proud to receive the award and recognition for the comprehensive programme which was rolled out in 2023.”*



David Bedwin, Account Development Director (Whistl Doordrop Media), Wellbeing Champion and Mental Health First Aider

## Occupational health and safety

We care deeply about our team, and keeping everyone safe is a top priority for our business. This includes monitoring the frequency of workplace accidents and injuries, taking time to understand the root cause of these occurrences, and acting to prevent future incidents to the best of our abilities. Our mature approach to occupational health and safety (OHS) is established through our ISO 45001-certified OHS management system. In 2023, our ASR and AFR values (32.3 and 4.3, respectively) remained comparable to those for 2022 (38.6 and 4.2), demonstrating that our established safety management processes remain functional.



The nature of our business means that driving is one of the highest-risk activities we do. In 2023, we took further action to ensure our driver training met the needs of our team members throughout their careers.

### 2023 performance:

Total incidents	635
Total fatalities:	0
Accident Severity Rate (ASR)	32.3
Accident Frequency Rate (AFR)	4.3

### Case study:

## Driver safety training

To reduce the incident rate and increase road safety, we stepped up our driver training in 2023. This began with hiring a National Transport Training Manager in mid-2023, who initially focused on understanding our current systems, strengthening policies and procedures, and employing two new Driver Trainers. Since then, we have strived to enhance driver training through the use of telematics monitoring systems and driver profiling.

Through telematics monitoring systems, we are able to understand critical information about each trip a driver takes. This includes metrics such as coasting, over-revving the vehicle, harsh acceleration, harsh braking and engine idle time. Taking all of this into account, driver profiling is then used to score safety performance and take proactive action to prevent incidents. Our drivers are ranked red, amber or green based on their driving performance.

Our Driver Trainers are all SAFED (Safe and Fuel-Efficient Driving) certified. By better understanding our drivers' needs, we are able to create personalised training programmes, including the following.

- Induction: New drivers are required to undertake a five-day induction to prepare them for work on the road.
- Vehicle familiarisation training: This is a process designed to acquaint individuals with the specific features, controls and operational aspects of the vehicles they drive.
- Annual driver refresher training: Informed by telematics and conducted by our SAFED Driver Trainers, we tailor annual driver training to what is required to improve driver performance. The training includes road safety, unnecessary braking and acceleration.
- Toolbox talks: Integrating safety into the daily procedures, our toolbox talks are an informal and to-the-point way for us to discuss hazards, prevention and safe work practices.
- Driver certificates of professional competence (CPC): These mandatory qualifications require 35 hours of classroom education every five years, ensuring our drivers are competent in areas of road safety, vehicle operations and regulatory compliance.

We are pleased to report a 10% improvement in driver scores over the six months since the programme has been implemented. This equates to moving from red to amber using the scorecard system. We are committed to having 60% of our drivers achieve green by 2025.



**“ Our drivers work hard year round to improve their safety scorecards. The immediate benefits are reduced vehicle incident rate and severity, but they go far beyond keeping everyone safe. Benefits also include improving the fuel efficiency, life of moving parts and life span of the vehicle. In effect, driver training saves money and reduces the emissions produced. Despite the importance of these elements, safety will always be our primary focus; when the driver training is done effectively, the rest falls into place naturally.”**

**Graeme Snowball, National Transport Training Manager**



## Human rights and modern slavery

Whistl is committed to a zero-tolerance approach to slavery and human trafficking. Our Anti-Slavery and Human Trafficking Statement and Policy outlines the principles we follow and the policies in place to protect human rights across our operations and supply chain. We continuously improve our practices to combat slavery and human trafficking, to help protect the most vulnerable and to prevent the violation of human rights. Our Modern Slavery Committee meets at least twice per year and is chaired by an HR representative with representatives from across Whistl (Legal, Compliance, Marketing and Procurement). We also strive to achieve transparency in our approach to tackling modern-day slavery throughout our supply chain, holding our suppliers to the same high standards as our business.

To demonstrate our accountability, we have a set of KPIs that are measured by Whistl and reported to the Executive Board on a quarterly basis.

- Anti-slavery and human trafficking training – 95% of our workforce has undergone training related to business ethics and whistleblowing, including human rights.
- Whistleblowing reports – In 2023, four whistleblowing incidents were identified, and each was responded to within 48 hours of being reported.
- Supplier audits – Our supplier expectations are established within our supplier charter and upheld throughout our request for proposal (RFP) and contractual processes.



“ Our people are key to our success, and we recognise their value by investing in development programmes and activities to help them to reach their potential. We endeavour to ensure that, when a Whistl employee has the desire and drive to develop their skills, they are thoroughly supported to accomplish this.”

Lynn Dillon, HR Director

## Fulfilling opportunities

We owe our position as a leading logistics company to our people; in turn, we are committed to using our resources to encourage the potential within our people and local communities. Over the course of 2023, we have created and maintained a variety of initiatives to support the professional development of our employees and enhance the wellbeing of our local communities.

### Employee training and development

When we invest time and resources into development initiatives, we want to be certain that they offer choice and flexibility to our employees. This is because our people are self-motivated individuals, so we have great confidence in them to drive their own progress. We believe this creates a sense of ownership, pride and achievement amongst our employees. This is fundamental to ensuring that we continue to develop a strong workforce capable of delivering high-quality services.

Over the course of 2023, our learning and development (L&D) team facilitated the delivery of new learning and development opportunities by providing tools, resources and advice to support our employees. Some of our highlights in 2023 include the further development of our apprenticeship programme, the improvement and maintenance of our learning management system, My Academy, and the preservation of our Investors in People accreditation.

Our main priority for the year was the introduction of a mandatory People Management Programme, which is now mandatory for all existing people managers and will form part of the induction for anyone appointed to roles supervising and managing staff in the future. For existing managers, it is an opportunity to take time to reflect and share best practices with other managers. For new managers, it is a chance to meet other managers, become aware of the tools and resources available to managers, and gain an understanding of key HR processes at Whistl. The programme involves an in-person workshop focused on leadership and management behaviours, supplemented by several essential e-learning modules about key people processes. We were remarkably successful in the rollout of this programme: by the end of 2023, 81% of our existing managers had attended the workshop.

To further promote learning and development, we will launch our new ‘behaviour framework’ in 2024. The framework will be bolstered by a range of learning resources such as workshops, e-learning courses, practical activities and books to enable employees to identify and close their skill gaps. We look forward to continuing to provide our employees with opportunities and support to reach their goals.





*The feeling of accomplishment after completing my apprenticeship was worth all the hard work. I've learned so much and now hold skills for life that not only help me massively in my professional life but my personal life too.*

*It's been great fun to join remote workshops with peers from other work areas that hold a mutual interest as everyone could openly express their thoughts, understandings, challenges, ideas, struggles and breakthroughs in work without the prior feeling of being judged."*

James Moor, Operations / Departmental Manager (Whistl Contact Centre) and Former Apprentice

## Apprenticeship opportunities

We recognise the value of offering a quality apprenticeship programme. Our apprenticeships play a key role in the development of our entry-level employees, providing new starters with the skills and confidence to advance their careers. This is a win-win situation for Whistl, as it also enables us to establish a pipeline of excellent talent in our business, enhancing our long-term success. Our Leadership and Management apprenticeships empower team members to achieve promotions or gain additional responsibilities through their roles; throughout 2022 and 2023, 42% were successful in doing so.

In 2023, we took a pragmatic approach to our apprenticeships. We worked hard to understand the challenges we had faced in previous years and applied what we had learned to optimise our approach. In 2021 and 2022, we experienced a considerable number of drop-outs, so this year, we focused on selecting individuals with strong levels of interest and commitment to create greater benefits. Our approach proved successful, with our drop-out rate among Leadership and Management apprentices reducing from 45% in 2022 to 18% in 2023 with 25 individuals completing the apprenticeship scheme. We recognise that there is always progress to be made and, moving forward, we aim to identify suitable individuals by conducting a skills gap analysis.

We are incredibly proud of the hard work and dedication that our apprentices exhibited in committing to develop themselves both personally and professionally. We also received immensely positive feedback from participants, who noted that the apprenticeship programme had enabled them to build their confidence and decision-making skills.

## My Academy

At Whistl, we believe in continuous learning for our employees throughout all career stages. We aim to fulfil this through the provision of our learning management system, My Academy, an online learning platform that employees can visit to undertake relevant training.

Through My Academy, our employees can access a range of different training and skills development courses. In 2023, we issued a new course on environmental, social and governance (ESG) topics. The objective of this course was to improve our employees' understanding of ESG and to inspire them to promote environmental and social goals both in the workplace and in their personal lives. Whistl's aim for 2024 is to see at least 80% of our employees complete this training, taking us closer to fulfilling our strategic commitment to providing training on ESG to all employees.

However, we are conscious that during the past year, My Academy was primarily used by our employees for mandatory training courses such as induction and compliance training. Recorded training averaged one and a half days per employee over the course of 2023. In the future, we are keen to attract further employee engagement by providing additional insightful training modules on the platform. On top of this, we will encourage our employees to record their training hours; this will provide accurate data so that we are able to measure progress clearly against our 2025 target of two days of training per employee each year. We also aim to review and evaluate recorded activities to monitor their effectiveness, continuously improving our approach to learning and development.

### Investors in People accreditation

In 2023, we were delighted to maintain our Investors in People (IIP) accreditation. The IIP is the national standard that defines good practice for organisations in terms of approach to the learning and development of their employees. We maintained our accreditation due to our ongoing commitment to the professional and personal development of our workforce.

The IIP programme operates through three-year accreditations, and 2024 will mark the final year of the current programme. Leading into our next certification cycle, we aim to focus on developing the business areas that have not yet been included in the programme, such as our Fulfilment Services, certain Downstream Access (DSA) depots, and several Shared Services departments. Once we have reached the end of 2024, our next accreditation year will be 2027.

### 2023 performance:

Maintained Investors in People accreditation

23,770 training hours logged

1.5 days of training per employee

25 employees completed apprenticeship scheme

### Targets:

Maintain the Investors in People accreditation year on year

Two days of training and development

per contracted employee per year by 2025

Increase the number of apprenticeship opportunities, or equivalent, year on year



## Supporting communities

Supporting our local communities and charities is an integral part of who we are at Whistl. We care deeply about lending a helping hand to those in need, and we aim to play an active role in society. To this end, we focus on forging mutually beneficial relationships with our local communities and charities that go beyond simply donating money. We enthusiastically support our employees in their fantastic local volunteering and fundraising efforts. For 2024, we will continue our bespoke approach to community giving while simultaneously aiming to establish a Group-wide community-giving strategy.

### Target:

**Establish a Group-wide community-giving strategy by 2024**

### Volunteering

Across the Whistl Group, we have several distinct operations in a variety of locations. We take a bespoke approach to volunteering to suit the specific needs of our surrounding communities and the interests of our employees. Each year, we encourage our sites to select a local charity of their choice to volunteer and fundraise for. We believe that offering our employees this freedom enables them to support causes with which they have a personal connection, providing them with the impetus to create meaningful change.

### Charitable contributions

Alongside their volunteering efforts, our employees across the country were busily engaging in an array of fundraising activities for local charities this year. They collectively raised over £8400, including company contribution. Notably, Parcelhub donated to the Trussell Trust Nottinghamshire through a Christmas raffle, the Marlow head office supported Berkshire Vision through a variety of fundraising events, and our transport teams across the DSA depots raised funds for Brake charity as part of National Road Safety Week.

### Glasgow supports St Andrew's Hospice

Frank Watson championed Glasgow's charity work this year, and kicked off fundraising by rallying his colleagues to complete St Andrew's Hospice's 'It's a Knockout' event in May. Not only did this one event raise an amazing £1400, but it also looked like a lot of fun! On top of this, Glasgow raised an additional £500 through a tombola and raffle event. Well done, team Glasgow!



### Whistl Fulfilment South West raises funds for Rowcroft Hospice and Children's Hospice South West

Our colleagues from our two sites based down in the south west chose to work with these closely linked charities in 2023. They rallied their teams, raising funds and building community spirit through a number of events such as a 10k charity walk around all the hills of Totnes and a Christmas Jumper Day. They also had volunteers make calls for Rowcroft Hospice's 'Big Thank You', thanking supporters.

Throughout 2023, we also maintained our Payroll Giving Scheme in partnership with Hands On Payroll Giving. The scheme encourages our employees to donate to charities through their salaries before income tax is applied, making it a tax-efficient method by which to donate. This enables employees to donate regularly and with ease and provides them with the freedom to donate however much they can personally afford. In 2023, there were 27 Payroll Giving pledges, equating to £190 per month.

Case study:

# Supporting Homeless Connect and reducing food waste in Belfast

During 2023, our Belfast team was recognised for their extraordinary volunteering efforts when they were awarded the 'Cultural Impact Award' from the Institute of Couriers for their work with Homeless Connect. Homeless Connect is a not-for-profit organisation operating in Northern Ireland (NI) with the objective of preventing and alleviating homelessness. Homeless Connect NI operates the FareShare NI project, which aims to relieve food poverty and reduce food waste by redistributing surplus food from shops and restaurants to those in need.

Our Belfast team completed over 250 hours of volunteering for these organisations, working within both the FareShare food warehouse and Homeless Connect. For the latter, our team built over 40 starter packs for people making the transition from homelessness to a new home. The packs included items such as cutlery and lightbulbs, with the intention of giving people a trouble-free start in their new accommodation. Our Belfast team has pledged to continue its relationship with the two organisations, having committed to offering a minimum of 250 volunteering hours each year to continue building starter packs and taking part in fundraising events. Efforts such as this do not go unnoticed at Whistl; we are incredibly proud of each of our teams' approaches to supporting those less fortunate than themselves.



*“ Volunteering with Homeless Connect and FareShare resonates with me for many reasons. We wanted to find a local charity and discovered Homeless Connect and FareShare were operating just minutes from our depot. The environmental benefits of reducing food waste, alongside the ability to support those in need in our local community, made it a perfect fit.*

*I know we do this to support our communities, but the positive impacts for our team are amazing. It's a way to be hands-on and physically involved, and there is satisfaction with what we achieve each time. We have fun with it, too – getting competitive over who can make the most packs in a day!*

*When you see the impact that the donations have on those who received them, it makes it all worth it. You never know what people are going through, and these little actions can make such a big difference to those in need.”*



At the heart of this work is Geraldine Grimes, General Manager at our Belfast depot.



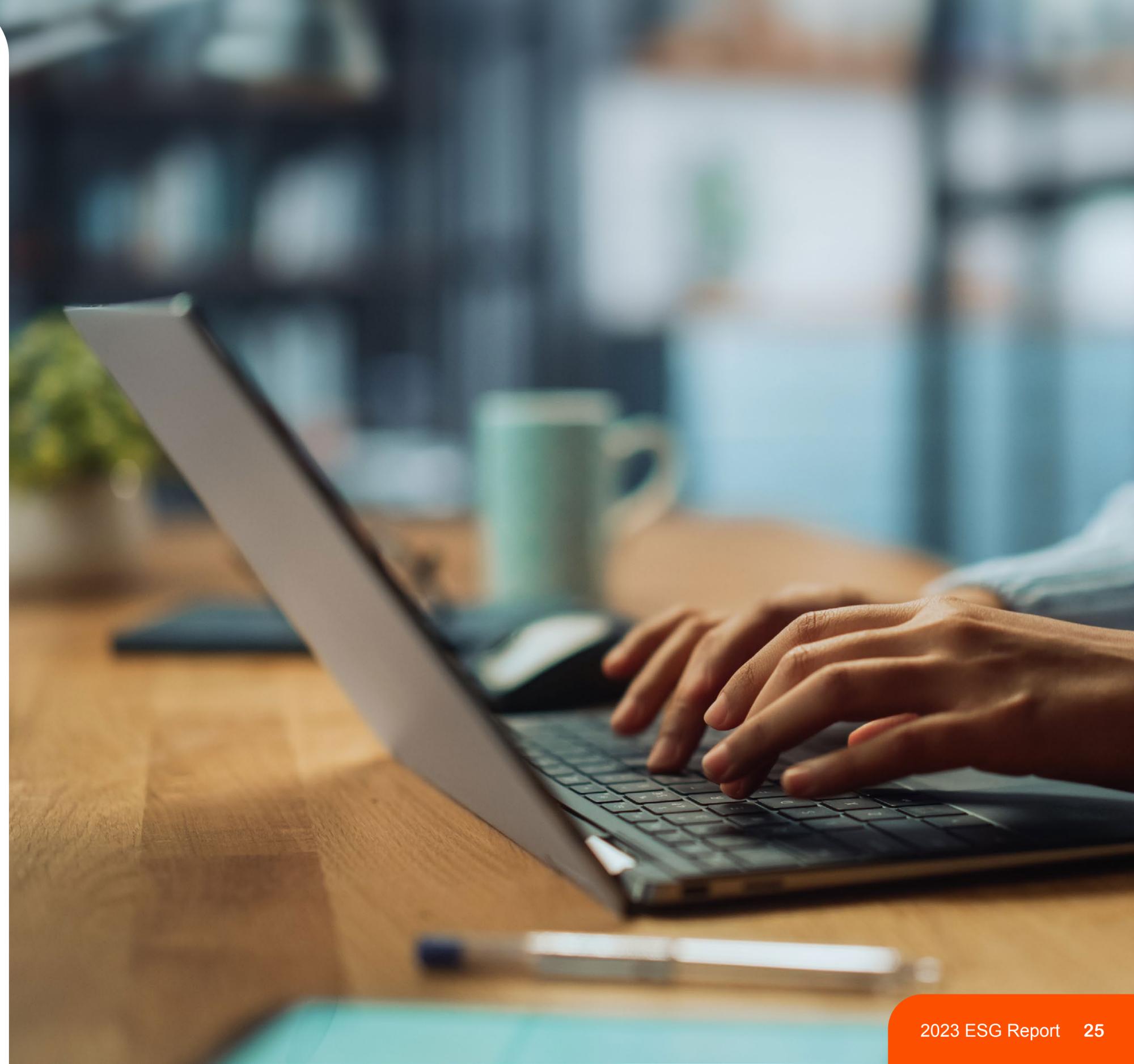
## Data privacy and security

Protecting the sensitive data of our team and customers is both a business and a moral requirement. We acknowledge the heightened risks to our data and systems and employ an Information Security Management System (ISMS) aligned with ISO 27001 principles, the international best-practice standard for ISMS. To mitigate potential threats, we implement controls such as vulnerability management, penetration testing, network monitoring, audits and access reviews. These are complemented by regular security reviews, strategic investments, training and a comprehensive Business Continuity Plan. We have reported no breaches in information security in 2023 and will continue to remain vigilant against the evolving nature of cyber threats.

We hold our suppliers to the same high standards and share our supplier expectations within our supplier charter. Suppliers must implement best practice IT security controls, including audio/visual, patching and upgrades, network security, endpoint security, and strong two-factor authentication to maximise security. They should ideally be certified as complying with ISO 27001.

### 2023 performance:

**0 information security breaches**



# Preserving our natural environment

At Whistl, we have pledged to reduce the environmental impact of our activities, and 2023 was a year of immense progress towards this ambition. Over the course of the year, we undertook several crucial measures to understand and manage the most impactful areas of our business: we calculated our first full carbon footprint, completed our net-zero strategy and demonstrated the robustness of our approach by submitting our net-zero target to the Science Based Targets initiative (SBTi). To support our progress towards these ambitious targets, we are establishing a strategy to transition to an electric van and car fleet, engage our suppliers on ESG issues and improve the energy efficiency of our sites. Furthermore, by establishing a partnership with Zest Recycle, we have made strong progress against our waste management targets. These and other areas of progress are detailed on the following pages.



*“Our aim is to be a sustainable business, not only financially but also within the environment and communities in which we operate, and I am delighted that we are able to announce our ambition to achieve net zero by 2045. We believe in taking a science-based approach to this important issue, and particularly in the logistics sector, we depend on innovation and collaboration from our suppliers to enable us to reach this goal. We also look forward to developing new products and services for our customers to enable them to reach their own carbon reduction targets.”*

Nigel Polglass, Chief Operating Officer and ESG Board Sponsor

# Carbon emissions

## Case study: Net-zero strategy

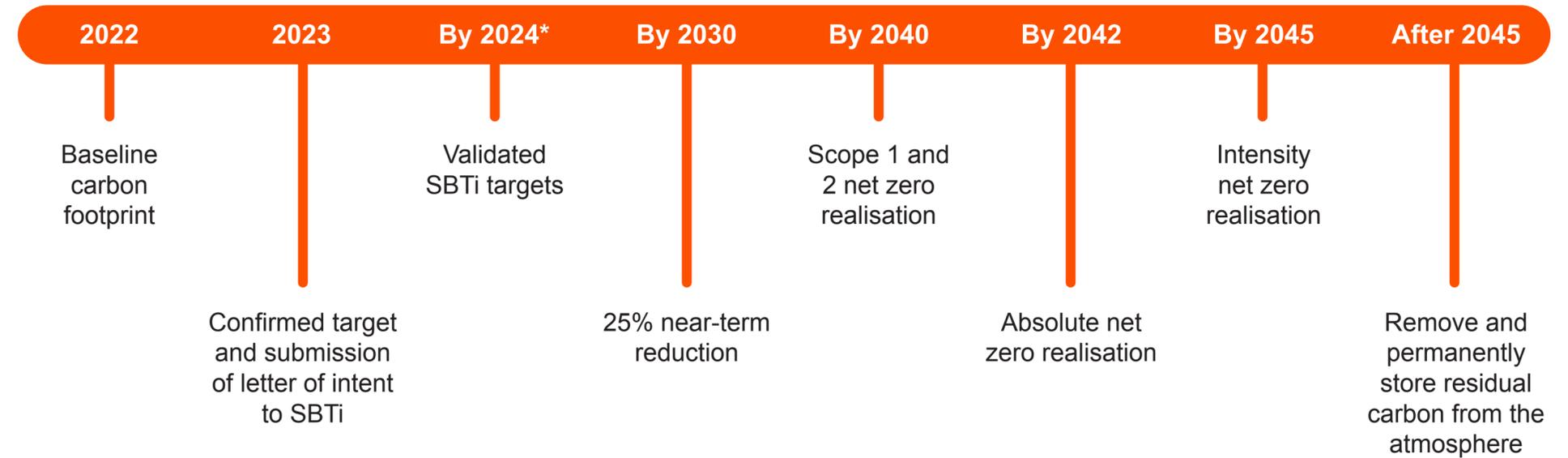
In 2023, we developed a decarbonisation strategy for our business. As with our ESG strategy, we were committed to engaging stakeholders across our team on the challenges and opportunities relating to decarbonising our operations. From fleet to supply chain, facilities to route management – we heard it all. And by taking this approach, our decarbonisation strategy is both ambitious and data driven.

### Decarbonisation strategy development:

- 1 Calculation of 2022 carbon footprint: our baseline on our net-zero journey
- 2 Review of best practice, legal drivers and compliance requirements impacting Whistl's decarbonisation pathway
- 3 Assessment of supplier, peer and competitor performance and targets with the potential to impact Whistl
- 4 Engagement of stakeholders from across the business to understand various perspectives and collaborate on solutions
- 5 Science-based net-zero target modelling, from both a top-down approach based on climate science and a bottom-up approach factoring in the internal and external enablers
- 6 Development of KPIs and targets relating to key milestones along Whistl's net-zero journey

On completion of our strategy development, we were confident in our approach and submitted our targets to the SBTi for validation, committing to achieve net-zero emissions across Scopes 1, 2 and 3 by 2045.

## Whistl's net-zero route-map



\* This is dependent on the length of time SBTi takes to validate the target as there is currently an 8-month wait list.



## Targets:

**Achieve net zero by 2045**

**Reduce absolute Scope 1 and 2 emissions by 90% by 2040,**

**in line with the SBTi, and reduce Scope 3 emissions intensity by 97% by 2045, from a 2022 baseline**

**Achieve a 100% zero and ultra-low emission**

**small vehicle fleet by 2030**

**Achieve 100% zero and ultra-low emission trucks and HGVs**

**by 2040**

**Achieve 100% procured renewable electricity across all sites**

**by the end of 2025**

**Achieve 20% energy consumption**

**from on-site generated renewable energy at key sites by 2026**



### Our 2023 carbon footprint

We decided to use 2022 as our baseline and calculated our first full carbon footprint in early 2022, in line with the best practice standards from the Greenhouse Gas Protocol. It became immediately evident that our carrier emissions were the most significant contributor to our footprint. We also came to understand the importance of good data to create accurate carbon footprint estimates.

Though we initially used spend-based, UK-Government emissions factors for our 2022 carbon footprint for our carriers, we were able to quickly improve our data by engaging with our carriers and getting supplier-specific data. The impact of supplier-specific data was enormous, and to ensure an accurate baseline, we recalculated our 2022 carbon footprint using the information they shared.

**Whistl Group: 2023 carbon footprint and energy consumption**

<b>Emissions (tCO<sub>2</sub>e)</b>	<b>2022 (original)</b>	<b>2022 (re-baseline)</b>	<b>2023</b>	<b>2023 vs 2022</b>
Gross Scope 1 emissions (tCO <sub>2</sub> e)	17,819.71	17,410.19	17,566.18	+
Vehicle fuel	15,695.77	15,695.77	16,214.40	+
Natural gas	791.70	791.70	529.91	-
Refrigerants	1,332.23	922.72	821.87	-
Gross Scope 2 emissions (tCO <sub>2</sub> e)	1,380.34	1,380.34	1,401.64	+
Grid electricity: location-based	1,380.34	1,380.34	1,401.64	+
Grid electricity: market-based	319.90	319.90	235.91	-
Gross Scope 3 emissions (tCO <sub>2</sub> e)	356,242.85	115,483.41	101,749.63	-
Upstream transport and distribution (carriers)	332,971.44	92,037.61	83,723.51	-
Upstream transport and distribution (sub-contractors)	8,578.40	8,578.40	4,478.18	-
Purchased goods and services	6,984.28	6,984.28	6,025.30	-
Fuel and energy activities	4,323.74	4,323.74	4,479.17	+
Employee commuting: staff travel	1,626.05	1,626.05	1,543.34	-
Capital goods	1,381.89	1,381.89	704.68	-
Business travel: transport	263.00	263.00	472.16	+
Waste	50.07	50.07	90.38	+
Employee commuting: homeworking	32.03	206.43	194.42	-
Business travel: hotel stays	21.80	21.80	29.36	+
Water	10.15	10.15	9.13	-
Total gross emissions (tCO <sub>2</sub> e): location-based	375,442.90	134,273.95	120,717.46	
Total gross emissions (tCO <sub>2</sub> e): market-based	374,351.61	133,213.51	119,551.73	
<b>Energy consumption ('000 kWh)</b>	<b>2022 (original)</b>	<b>2022 (re-baseline)</b>	<b>2023</b>	<b>2023 vs 2022</b>
Vehicle fuel	62,049	62,049	64,727	+
Natural gas	4,337	4,337	2,897	-
Electricity (non-renewable)	1,086	1,086	609	-
Electricity (renewable)	6,039	6,039	6,160	+
Total energy consumption ('000 kWh)		73,511	74,393	
Share of renewable electricity		85%	91%	

We are delighted to report an overall decrease in our carbon footprint in our second year of reporting. Due to the dynamic nature of our industry and business, we attributed key deviations to the following.

- We reduced our dependency on sub-contractors and increased the volume of direct carry through our HGV fleet. This change resulted in an increase in our Scope 1 vehicle fuel emissions, but a decrease in our sub-contractor emissions. The degree of Scope 1 increase was mitigated through the impact of our route management system and fuel-efficient driving, outlined in detail below.
- Reductions in Scope 1 natural gas emissions were achieved in part due to the closure of two locations during the year. We have continued to invest in facilities upgrades, which further reduced our Scope 1 impact.
- We transitioned more of our facilities to renewable energy sources, resulting in a decrease in our market-based Scope 2 emissions.
- As we continue to rebound from the Covid-19 pandemic, we have increased our business travel and its associated emissions. Addressing these emissions will be a focus for future years, by seeking ways to reduce travel and finding more sustainable travel options.
- We continued to work with our carriers, obtaining supplier emissions data that refined and decreased our carrier emissions estimates. This key area of focus will remain a priority and is outlined in detail below.

## Carrier partner emissions

In total, 69% of our 2023 Scope 3 emissions are directly associated with our carrier partners. It is, therefore, of paramount importance that we collaborate with our suppliers to reduce their emissions.

Throughout 2023, we worked with our carriers to understand their emissions reduction plans and the associated measures designed to see these come to fruition. To further support our carriers, we held a 'Net-Zero Webinar' to provide information about the importance of emissions reductions and to strengthen our communication with them on this topic. This was followed by a net-zero questionnaire for our carriers. In 2024, we aim to analyse the responses to identify emissions hotspots and support our carriers in decarbonising further.

## Targets:

**90% of domestic carriers to set a science-based net-zero target by 2025**

**100% of domestic carriers to provide primary carbon data by 2024**

## Fleet

Given the nature of our business, fleet decarbonisation is a critical part of our net-zero strategy. While we are firm in our commitment to transitioning to zero and ultra-low emission vehicles, there are real challenges to achieving this in full within the short term.

Our strategy to transition our small vehicle fleet (SVF) to electric vehicles (EVs) remains a dynamic process. In 2023, we operated 13 EVs within our van fleet. This enabled us to begin our vehicle transition and understand first-hand the benefits and challenges that EVs bring. Over the course of the year, we experienced challenges with the low mileage associated with our EV van fleet, but we have been agile in our approach and utilised these vehicles in higher-density areas so that we can deliver more packages over fewer miles. We are constantly evaluating the evolving EV offerings on the market; this will enable us to make strategic decisions when our leases are due for renewal. Going forward, and with Government support, we aim to lease EV vans with larger batteries, which will allow us to cover a greater number of miles with our EVs. We have, therefore, achieved 10% of our target of 100% zero and ultra-low emission small vehicles by 2030.

An integral part of our fleet transition strategy was the update we made to our commercial car fleet policy to incentivise the selection of electric or low-emission cars. We now have 36 electric cars in our fleet and a further 12 cars on order, making 65% of our car fleet electric or low emission. To support the electrification of vans and our car fleet, we have now successfully installed EV charging infrastructure across seven of our sites. In 2024, we aim to establish charging infrastructure at our sites in Belfast, Glasgow, Colwick Quays and Fulfilment (South West).

Furthermore, in 2023, we used our transport management software to reduce vehicle mileage by planning efficient routes and optimising load across each vehicle. In doing so, we increased our volume per route by 10%. In 2024, we will continue to use this software to enhance efficiencies. Our SAFED driver training also contributes to reducing the emissions generated across our fleet, as it encourages behavioural changes such as reducing vehicle idling; this is detailed further on page 18.

Currently, the short-term options for zero and ultra-low emission heavy goods vehicles (HGVs) that meet operational requirements and are commercially viable for Whistl remain limited. In 2024, we will be investing in higher-efficiency internal combustion engine (ICE) vehicles to reduce the emissions generated by our HGVs. Our focus will be on increased miles per gallon (MPG), driving fuel reduction and subsequent emissions reductions.

## Facilities

Having committed to procuring 100% renewable electricity across all sites by the end of 2025, we are well within reach of our target. In 2023, 91% of consumed electricity was from renewable sources, which was a 6% increase from 2022. Our approach to energy efficiency and reduction is driven through the operation of our Energy Management System, which is certified to ISO 50001.

To further reduce our GHG emissions and our reliance on the grid, we aim to install on-site renewable energy in several locations across the Whistl Group. In 2023, we carried out research into the most suitable locations to install solar panels, and in 2024, we intend to hold discussions with our landlords with the hope of establishing an instalment strategy. This will support us in fulfilling our strategic ambition to achieve, by 2026, the target of 20% of our energy consumption from on-site renewable energy sources at key sites.

During 2023, we also continued our strategic approach to improving the energy efficiency of our sites, making significant progress. Currently, if a building update is needed, we make a conscious effort to opt for sustainable choices during the upgrades. By the end of 2024, we aim to operate a minimum energy efficiency standard of a 'C' Energy Performance Certificate (EPC) rating across all buildings on our sites. Our efforts in 2023 included the following.

- We replaced the Glasgow gas boiler, used for hot water, with an electric water heater which had a significant impact on the site.
- We made adjustments to light sensors across our sites to reduce the use of lights when rooms are not in operation.
- Our Belfast site switched to renewable energy sources as of October 2023.
- In Northampton and Bedford, we began trialling energy consumption monitoring systems installed to identify any anomalies in energy consumption and where we can make improvements.
- We initiated asset surveys across our sites, which will be used to replace inefficient assets to reduce energy consumption.



## Waste management

At Whistl, we have a valuable role to play in the transition to a circular economy. We are striving to decrease our use of materials, limit our waste and improve our recycling rates. In turn, this will enable us to reduce emissions associated with waste and lessen our disposal costs.

### Partnership with Zest Recycle

In 2021, we partnered with Zest Recycle to improve our waste management across the Whistl Group. As part of this collaboration, we began collecting detailed data relating to our waste streams in a phased approach. Phase 1 focuses on general waste and recyclable materials, and Phase 2 will include hazardous waste and harder-to-recycle materials such as coffee cups, batteries and print cartridges.

This information will enable us to identify where less effective waste management practices are occurring in order to determine where and how our approach can be improved. Subsequently, we aim to create bespoke waste management plans for our distinct sites to help achieve our waste and recycling targets across the Group.

Importantly, Zest Recycle operates a zero-waste-to-landfill policy, meaning that for our sites signed up to Zest, zero waste goes to landfill. Across our sites signed up to Zest, our recycling rate increased to 90% in 2023, which was a 6% increase from 2022. We aim to have 100% of our sites signed up to Zest by the end of 2024 to ensure that we can fulfil our strategic ambition to have zero operational waste to landfill by the end of 2025. At present, 50% of our sites are signed up.

As we deliver thousands of packages each year, secure packaging is crucial so that products can be handled with care. In 2023, we focused on improving the recyclability of our packaging in order to minimise waste and reduce the constant need for new packaging products. By the end of the year, 83% of the packaging used was made from at least 50% recyclable content.

Together with our main packaging supplier, Antalis, we are working to identify more sustainable packaging solutions. We will undertake a complete review of single-use resources and operational packaging across all sites by the end of 2024.

In 2024, we will be offering tailored training sessions to our operations and management teams to enhance their understanding of the segregation of waste across the Whistl Group.

## 2023 performance:

**90% recyclability for sites with Zest recycle\*** \*50% of sites that have signed up to Zest Recycle.

Operational waste generated	Waste (tonnes)
General waste	304.93
Recycled material	2,855.59
Hazardous waste	6.01

## Targets:

**Zero operational waste to landfill by the end of 2025**

**Undertake a complete review of operational packaging used at all warehouses and depots by the end of 2024**

**Undertake a complete review of single-use resources across all sites by the end of 2024**

## Sustainable supply chain

Whistl's procurement team has a responsibility to ensure the goods and services it procures are fit for purpose and are from reputable suppliers. The team also has the responsibility of understanding the impact these goods and services have on the environment and society.

This includes:

- paying a fair price for goods and services
- paying suppliers on time
- providing long-term contractual commitment (where relevant)
- supporting local suppliers and SMEs
- supporting and promoting environmental protection
- complying with laws and regulations
- working in an ethical manner
- identifying and reporting any instances which go against these practices.

Our procurement policy dictates how Whistl expects employees to manage gifts and hospitality, conflicts of interest and payments to suppliers. It also sets our Whistl's responsibilities in relation to ESG, modern slavery and introducing new suppliers. The procurement practices at Whistl follow a standard seven-step sourcing process to ensure that any new sourcing exercise is fully considered and managed. This enables Whistl to clearly communicate the planned procurement process, including selection criteria, to suppliers upfront to ensure a fair and transparent supplier selection process is followed. A web-based supplier portal is used to manage due diligence activities on potential and existing suppliers, including any tender activity. This enables suppliers to see what is expected of them through a tender process upfront, before committing time to participating. We then provide commitment to suppliers in the form of contracts and purchase orders.

In 2023, we launched our new supplier charter, enabling us to establish and communicate more clearly the expectations we have of our suppliers in terms of environmental performance, ethics, human rights, modern slavery, EDI, health and safety and information security.



*“ We believe our people make the difference, and the right behaviours and actions are embedded in our culture. This isn't just internal; it extends to the business relationships we have with our suppliers and customers. We invest in these relationships as we believe they make a difference to the service we provide to our customers, and, importantly, they have a significant role to play in managing the impact we have on the environments and societies in which we operate.”*

Gareth Hughes, Business Services and ESG Director

Ahead of our 2024 target, 91% of our strategic suppliers (by spend) had signed up to our charter by the end of 2023; from 2024 onwards, our supplier contracts will include a contractual obligation to sign our supplier charter.

Simply put, our supplier charter outlines the expectations of our suppliers to:

- adhere to applicable laws and regulations
- behave ethically
- provide safe and secure working conditions for their employees and ensure the same in their supply chains
- treat their employees fairly, providing equal opportunities, being inclusive and encouraging diversity
- minimise their impact on the environment.

We know that effective communication is a two-way practice and conduct regular supplier engagement sessions such as webinars and in-person events. We utilise our annual 'Supplier Day' to collaborate with our suppliers across key areas and recognise stand-out performance across our teams. The theme for 2023 was 'Getting Stuff Done', with a focus on how we can be more efficient, capture innovation and remove waste. The day included a business update from our Executive Chairman, an update on our ESG strategy and carbon footprint, and shared information on the part suppliers play in our reporting and achieving net zero.

We aim to keep things simple and seek feedback from stakeholders to make sure our procurement practices are fit for purpose. For example, our onboarding and tender processes have been recently reviewed and updated, taking on board feedback from Whistl's tender team and suppliers. Their feedback has resulted in changes to the final process to ensure it is not overly onerous whilst including all the due diligence required. The process has also been updated so that suppliers' time is not wasted answering questions which are irrelevant to the goods/ services being provided.

### 2023 performance:

**91% of strategic suppliers signed up to supplier charter**

### Targets:

**80% of strategic suppliers to have signed up to the Whistl supplier charter by 2024**

# Task Force on Climate-related Financial Disclosures (TCFD)

At Whistl, we recognise that our operations and business model – both now and in the future – face climate-related risks. Recent global events and weather patterns illustrate the reality of climate change for our planet. The transition to a low-carbon economy is necessary and unstoppable, and Whistl has committed to navigating the challenges to create a more sustainable future for all. We owe it to our colleagues, customers, communities and the environment to play our role in the fight against climate change and in addressing the risks that it poses to our business.

This promise underlines our commitment to aligning with the Task Force on Climate-related Financial Disclosures (TCFD) and includes the development of a climate scenario risk mitigation plan. To this end, in 2023, we focused on enhancing our understanding of climate-related financial risks and opportunities and their potential impact on our business.

Over the year, we undertook the development of our net-zero target and decarbonisation strategy. By taking a science-based approach to our emissions reduction target and backing that up with climate-related KPIs, targets and strategic actions, we are setting ourselves up to steadily decarbonise. Alongside this, we have devoted time and resources to ensuring the physical states of our facilities are adapted to a changing climate and to keeping our workers and assets safe. These actions have strengthened our resilience to climate-related risks, and we will continue to report our progress towards adaptation and transition.

Our approach is structured in line with the four TCFD recommendations and supporting disclosures:

- Governance
- Strategy
- Risk management
- Metrics and targets

A summary of our performance against each supporting disclosure is outlined in the sections below, and a reference table can be found on page 38. The climate-related risks and opportunities deemed most material to Whistl have been summarised on page 35, alongside our management approach to control their impact on the business. We will continue to closely monitor the effects of climate change and the transitioning economy, adapting and enhancing our resilience for the times ahead.

## Governance

We view climate issues as material to the day-to-day operations of our organisation, and we continue to adhere to all relevant climate-related regulatory requirements. As we strive to increase our resilience towards the changing climate, it is vital that we have strong governance to efficiently manage corresponding climate-related risks and opportunities.

Ultimately, our Head of ESG and Sustainability and our Business Services and ESG Director hold responsibility for the management of our climate-related risks and opportunities. This includes the overall coordination and ongoing monitoring of identified risks through our audit, risk and compliance management software, Symbiant. Through the governance structure that we have in place, climate-related risks and opportunities are managed at the appropriate operational levels, and actions are communicated through the designated channels. Our comprehensive approach to ESG governance, including climate-related issues, is outlined on page 11.



## Strategy

A primary objective of the TCFD recommendations is for companies to identify climate-related risks and opportunities across short-, medium- and long-term horizons and outline their influence on the strategy and financial planning of their organisation. The desired outcome is an enhanced strategic resilience achieved through adaptation and the implementation of control measures. This section of our climate-related disclosures illustrates how Whistl has strengthened its strategic resilience by incorporating the management of climate-related risks and opportunities into our overall business strategy.

In 2022, Whistl declared its commitment to combatting climate change, and we took our first steps to identify our climate-related risks and opportunities. We developed a robust approach to climate scenario analysis to inform how climate-related risks may impact our business.

We undertook our climate scenario analysis in line with the climate science released by the Intergovernmental Panel on Climate Change (IPCC) and the UK Met Office, identifying two Representative Concentration Pathways (RCPs) as the climate emission scenarios for our modelling.<sup>1</sup> The RCPs represent two contrasting potential climate change futures.

### Medium-emission scenario (RCP4.5)

A predicted global temperature increase of between 1.7°C and 3.2°C, in line with current climate change policies, pledges and commitments. If the world continues on its current trajectory, this is seen as the most likely scenario.

### High-emission scenario (RCP8.5)

A global temperature increase of between 3.2°C and 5.4°C, where carbon emissions continue growing, unmitigated. With no mitigation, this is deemed the worst-case scenario.

To inform our scenario analysis, we took a portfolio-wide approach to consider the most significant climate-related risks and opportunities for Whistl's business across the UK. This process used climate data from the Met Office to identify the projected climate changes across England, Scotland and Wales.<sup>2</sup> The TCFD suggests examining short-, medium- and long-term time horizons for each scenario to provide a comprehensive overview of potential outcomes. The designated milestone year signifies when we should evaluate the risk for Whistl for each specified time horizon. The time horizons we chose align with global emissions milestones spanning from the current period to 2050. For each identified climate-related risk and opportunity, we therefore assessed the significance across the short term (2022 to 2030), medium term (2030 to 2040) and long term (2040 to 2050). In order to be consistent with TCFD requirements, we assessed the following.

- Transition risks: Policy and legal, technological, market and reputation impacts associated with the implementation of measures to reach a low-carbon economy.
- Physical risks: Direct damage resulting from climate change. These can be event-driven (acute) or long-term shifts (chronic) in climate patterns.
- Opportunities: Realised benefits of climate change arising from new policies, operational efficiencies and resource efficiencies, capitalising upon the low-carbon market and technological drivers.

Our assessment of Whistl's climate-related risks and opportunities considered both current and future strategic control measures to enhance the resilience of our business strategy, and then applied these measures to both of our chosen RCPs. Over time, we will continue to assess our business strategies against our identified climate-related impacts. This will include current and emerging risks and opportunities across the regulatory landscape, such as imposing limits on emissions, as well as the most prevalent transition risks to our business strategy.

After completing our initial scenario analysis, we conducted collaborative workshops to assess the potential business and financial implications of our identified risks and opportunities. These workshops were attended by senior leaders and key stakeholders, including the Head of ESG and Sustainability, the Business Service and ESG Director and subject matter experts from across our business units. All provided insights and supported the risk and opportunity assessments. The collective insights from these workshops provided a comprehensive evaluation of climate-related risks and opportunities in their projected impact areas.

In FY23, we strengthened our analysis by describing and quantifying the financial impact of our most material climate-related risks and opportunities. This involved assessing potential effects on the financial position (assets, liabilities, capital and financing) and performance (revenue and expenditures) for each identified risk and opportunity.

The most significant climate-related risks and opportunities for Whistl are summarised on the following page.

<sup>1</sup> Representative Concentration Pathways (RCPs) were defined by the IPCC. The RCPs are considered a method to set different scenarios under economic, social and physical assumptions that might occur because of climate change, and compare global carbon emissions against pre-industrial levels, projecting the effects from now until the end of this century.

<sup>2</sup> UK Climate Projections 2018 (UKCP18): Science Overview Report, Met Office, 2018.

## Physical climate-related risks

Risk	Actual and Potential impact	Materialisation	Management response
Sustained increase in temperatures generating health and safety risks for Whistl employees and risk of damage/reduced performance of certain equipment.	<p>Impact category: Minor</p> <ul style="list-style-type: none"> <li>Decreased revenue due to reduced efficiency of the workforce and equipment</li> <li>Increased operating costs due to higher employee turnover</li> <li>Increased operational costs for cooling to address overheating</li> </ul>	<p>Medium emissions (RCP4.5): medium term</p> <p>High emissions (RCP8.5): short term</p>	<p>To date, existing building and transportation management has been sufficient to mitigate risks. Future control measures may include:</p> <ul style="list-style-type: none"> <li>installing large fans across facilities to reduce the impact of extreme heat</li> <li>amending shift schedules to reduce employee exposure to extreme heat.</li> </ul> <p>Policies to dictate the course of action under various weather circumstances may be required, should extreme weather events impact business operations and employee health and safety.</p>
Extreme rainfall may disrupt Whistl's facilities and collection/delivery routes, affecting operational employees' utilisation and the business's ability to deliver to customers on time through its carrier partners.	<p>Impact category: Minor</p> <ul style="list-style-type: none"> <li>Reduced revenue due to delayed service delivery</li> <li>Increased operational costs associated with increased time frame and potential route diversion to provide services</li> <li>Increased capital costs for preventative upgrades and maintenance across facilities</li> </ul>	<p>Medium emissions (RCP4.5): medium term</p> <p>High emissions (RCP8.5): medium term</p>	<p>Weather conditions are monitored to ensure safe travel conditions for our employees. At present, this has been sufficient to manage the impact on routes.</p> <p>Larger sites across Whistl are built to the current standards with the installation of siphonic drainage systems to reduce the water pressure in the pipe work. We operate a planned preventative maintenance scheme for smaller sites to keep gutters and drains clear.</p> <p>Potential impacts to both routes and facilities will continue to be regularly monitored.</p>

## Transition climate-related risks

Risk	Actual and Potential impact	Materialisation	Management response
Failure to attract and retain climate-conscious customers, especially business customers seeking to reduce their Scope 3 emissions, due to a failure to transition to or utilise low-carbon carrier partners and processing methods.	<p>Impact category: Incidental</p> <ul style="list-style-type: none"> <li>Reduced market share</li> <li>Reduced revenue due to loss of customers owing to Whistl not meeting procurement criteria</li> </ul>	<p>Medium emissions (RCP4.5): long term</p> <p>High emissions (RCP8.5): medium term</p>	<p>Sustainability performance, especially related to emissions reductions, has become an increasingly important topic among our customer base. Whistl has committed to an ambitious net-zero target alongside its net-zero strategy to enable its transition to a low-carbon economy. We report our performance against our strategy transparently through reputable platforms, including EcoVadis, CDP and SBTi.</p> <p><a href="#">View our approach to decarbonisation for further information.</a></p>
Low-emission vehicle policies for Whistl's fleet, such as the 2035 ban on the sale of petrol/diesel and the introduction of vehicle charging zones (e.g. Clean Air Zones [CAZ] and the Ultra-Low Emission Zone [ULEZ]).	<p>Impact category: Incidental</p> <ul style="list-style-type: none"> <li>Increased capital cost for transitioning to a low-carbon fleet</li> <li>Increased operating costs associated with decreased efficiency of low-emission vehicles</li> </ul>	<p>Medium emissions (RCP4.5): short term</p> <p>High emissions (RCP8.5): short term</p>	<p>Whistl has committed to low-emission vehicle targets across its fleet, which are more ambitious than those stipulated by regulatory requirements. Low-carbon options are assessed at each lease renewal and, to date, we have introduced 13 electric vans across our fleet. While low-carbon options for HGVs are not commercially viable for our operations at present, we have plans to invest in higher-efficiency HGVs to reduce emissions across our HGV fleet.</p> <p><a href="#">For further details, view our fleet initiatives.</a></p>

## Climate-related opportunities

Opportunity	Actual and Potential impact	Materialisation	Potential for realisation
By leasing higher-efficiency heavy goods vehicles (HGVs) and completing driver efficiency training, Whistl can reduce operational emissions.	<ul style="list-style-type: none"> <li>Reduced operating costs due to lower fuel consumption</li> </ul>	<p>Medium emissions (RCP4.5): short term</p> <p>High emissions (RCP8.5): short term</p>	<p>Although transitioning to low-emission HGVs is not commercially viable at present, Whistl reviews opportunities to transition to higher-efficiency vehicles at each lease renewal. Drivers must also complete SAFED training, which reduces vehicle emissions through driver behaviour change.</p> <p><a href="#">View our fleet management approach and driver training approach for more information.</a></p>
Through collaboration and engagement with its suppliers, Whistl can accelerate the progress of its net-zero trajectory and drive change across the industry.	<ul style="list-style-type: none"> <li>Increased revenue and market share due to an improved perception of Whistl's ESG performance within the industry</li> </ul>	<p>Medium emissions (RCP4.5): short term</p> <p>High emissions (RCP8.5): short term</p>	<p>Whistl has engaged its top suppliers, predominantly carriers, for emissions data collection and collaboration toward emissions reductions. These actions can potentially reduce Whistl's carbon footprint faster and enhance its reputation across the industry.</p> <p><a href="#">For further details, view our approach to engaging with carrier partners.</a></p>



## Risk management

We have integrated the monitoring of climate-related risks and opportunities into our principal risk management process; this comprises control risk assessments, risk registers and reviews. This process is governed by our Risk Management Committee (which reports to the Board of Management), which uses the process to identify and monitor potential risks. Once we identify a climate-related risk or opportunity, we categorise it according to Whistl's five key risk categories:

- Strategic
- Operational
- Financial
- Compliance
- Reputational

Once the risk or opportunity has been categorised, we assess the size and scope of it based on the severity or likelihood of it occurring. We score both on a scale of 1 to 4 (minor to extreme for severity, and rare to almost certain for likelihood). In the case of risk, if the inherent score is beyond our acceptable risk appetite, we work to mitigate, transfer, accept or control the risk.

Our Risk Management Committee will regularly evaluate, control and update our climate-related risks and opportunities (currently every six weeks) as part of our Group control measures.

The significance of each climate-related risk and opportunity is reassessed following an evaluation and application of current control measures, and the resultant score is referred to as our residual risk score. Future controls and recommendations are also captured, producing a future risk score. This informs our strategic action planning.

## Metrics and targets

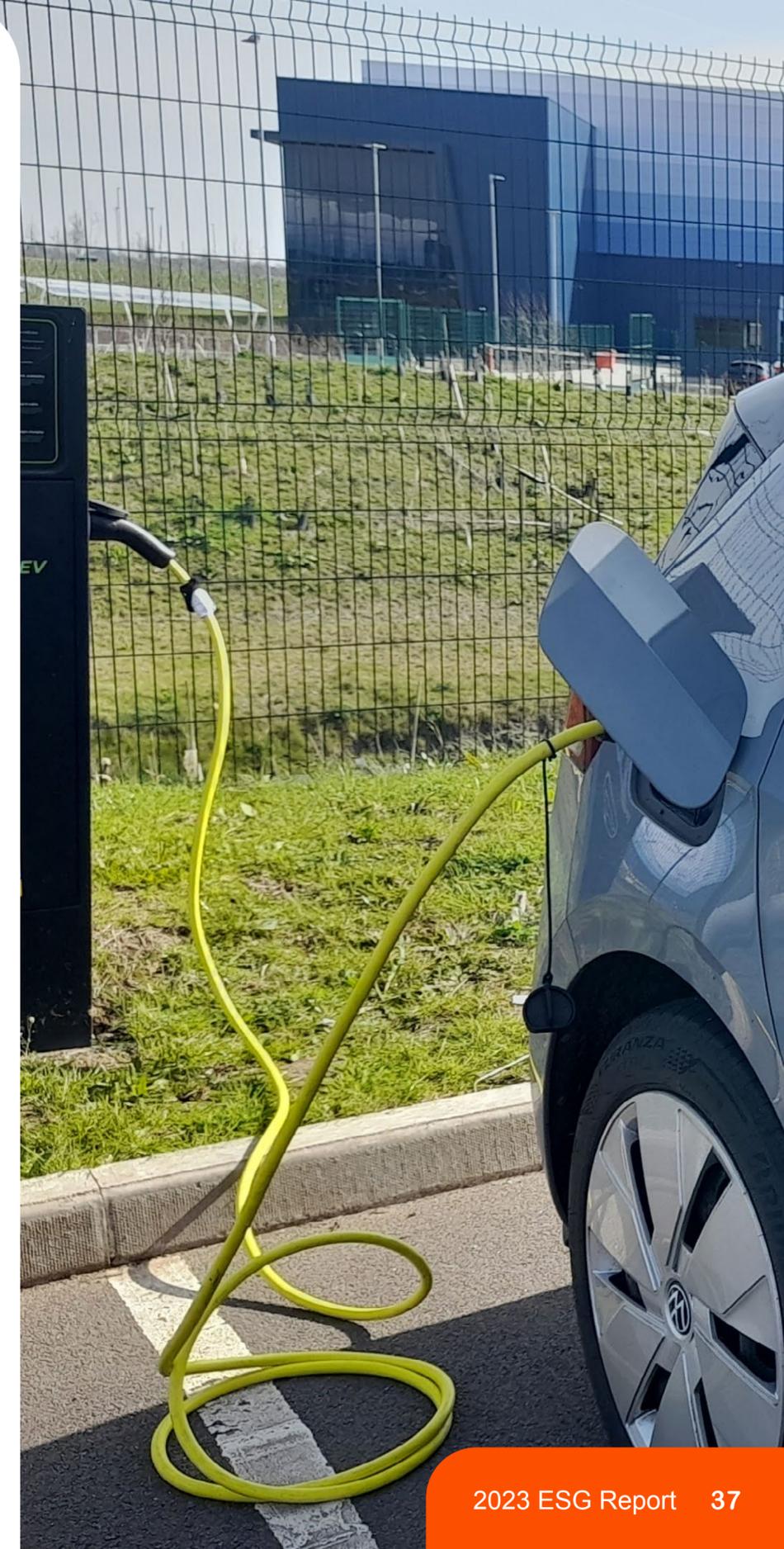
Metrics and targets are effective tools to help businesses successfully monitor, manage and communicate their risks and opportunities. They are a means to convey transparent information about a business's climate-related performance to both internal and external stakeholders.

As detailed within this report, Whistl has made ambitious commitments to emissions reductions, headlined by our commitment to achieving net zero by 2045. We report our energy consumption as part of our ongoing commitment to combatting climate change, and we have established targets that will help us meet the UK Government's commitment to net zero by 2050. In 2022, we completed our first comprehensive carbon footprint in line with the Greenhouse Gas Protocol and the UK's Streamlined Energy and Carbon Reporting (SECR), and this will enable us to track progress against our net-zero targets year on year.

Our full suite of ESG KPIs and targets further enables us to manage and communicate our climate performance over time. These KPIs and targets are detailed across the 'Preserving our natural environment' section of our report on page 28.

## Next steps

We recognise that we are on a journey towards a better understanding of the climate-related risks and opportunities for our business. As climate science evolves, we are committed to enhancing our understanding of what that means for Whistl. Therefore, we will conduct an updated scenario analysis in 2024, in line with the latest emission pathways from the IPCC; these are known as Shared Socioeconomic Pathways. We will also enhance our understanding of energy transition through an analysis of the International Energy Agency's World Energy Outlook's transition pathways. We will review our climate-related metrics and targets and measure progress against our 2022 baseline, as well as review our greenhouse gas (GHG) methodologies in line with best practice.



**Disclosure table**

Disclosure recommendation	Section reference	Assessment of compliance
<b>Governance</b>		
a) Describe the Board's oversight of climate-related risks and opportunities	ESG governance structure TCFD: Governance	Compliant
b) Describe management's role in assessing and managing climate-related risks and opportunities	ESG governance structure TCFD: Governance	Compliant
<b>Strategy</b>		
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	TCFD: Risks and opportunities	Compliant
b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning	TCFD: Strategy TCFD: Risks and opportunities	Compliant
c) Describe the resilience of the organisation's strategy, taking into consideration different future climate scenarios, including a 2°C or lower scenario	TCFD: Introduction TCFD: Strategy Preserving our natural environment	Compliant
<b>Risk management</b>		
a) Describe the organisation's processes for identifying and assessing climate-related risks	TCFD: Strategy TCFD: Risk management	Compliant
b) Describe the organisation's processes for managing climate-related risks	TCFD: Strategy TCFD: Risk management	Compliant
c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	TCFD: Strategy TCFD: Risk management	Compliant
<b>Metrics and targets</b>		
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities	TCFD: Metrics and targets Preserving our natural environment	Compliant
b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and the related risks	TCFD: Metrics and targets TCFD: Risks and opportunities Preserving our natural environment	Compliant
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	TCFD: Metrics and targets TCFD: Risks and opportunities Preserving our natural environment	Compliant

# Appendices

## Certifications

<b>OFCOM requirements</b>	UK Postal Regulator
<b>Mail Industry Code of Practice (MICOP)</b>	Operational requirements for postal operators
<b>Postal Services Act 2011</b>	Legislation enabling privatisation of Royal Mail
<b>Data Protection Act</b>	Controls how personal information is used by organisations, businesses or the Government
<b>ISO 9001:2015 certified (DSA)</b>	International standard dedicated to Quality Management Systems
<b>ISO 27001:2013 Information Security (DSA)</b>	A set of standardised requirements for an Information Security Management System
<b>ISO 45001:2018 certified (DSA, Whistl Fulfilment and Parcelhub)</b>	International standard for health and safety at work
<b>ISO 14001:2015 Environmental, Health &amp; Safety, Quality Management (DSA)</b>	The criteria for an environmental management system
<b>ISO 50001:2018 Energy Management (DSA)</b>	The international standard for Energy Management
<b>Business Continuity Good Practice Guidelines 2018</b>	The definitive guide for business continuity and resilience professionals
<b>PCI:DSS compliant</b>	The Payment Card Industry Data Security Standard
<b>Carbon Disclosure Programme (CDP)</b>	Recognised as a global leader for engaging with our suppliers on climate change
<b>EcoVadis Gold Medal</b>	Gold award for environmental performance and corporate social responsibility (CSR)
<b>FSQS (Financial Services Qualification System)</b>	Requirement by the largest financial services companies' supplier procurement processes
<b>UK's Border Force &amp; HMRC Customs Clearance Agent</b>	Enables us to offer air, sea and road clearance for mail and parcels entering the UK
<b>RSQS (Retail Suppliers Qualification System)</b>	A supplier is complying with a minimum set of standards including SR, legislation, information security and GDPR
<b>Ad NetZero</b>	To reduce the carbon impact of developing, producing and running UK advertising
<b>Investors in People (IIP)</b>	A framework to help focus on organisational priorities and improve performance through people
<b>PAS91</b>	Standard which enables us to fast-track procurement process by demonstrating as a contractor that we already comply to the latest standards across a number of criteria. The accreditation covers Health and Safety, Bribery and Corruption, Fraud, Training, Compliance, legal and regulatory requirements across modern slavery and EDI.



## List of policies

- Anti-Bribery and Corruption Policy
- Anti-Financial Crime Policy
- Anti-Harassment and Bullying Policy
- Anti-Money Laundering Policy
- Conduct and Capability Disciplinary Policy
- Data Protection Policy
- Drug and Alcohol Policy
- Employee Wellbeing Policy
- Energy Policy
- Environmental Policy
- ESG Policy
- Grievance Policy
- Human Rights Policy
- Learning and Development Policy
- Modern Day Slavery Policy
- Occupational Health and Safety Policy
- Procurement Policy
- Risk Management Policy
- Security Policy
- Thermal Comfort Policy
- Whistleblowing Policy

## GRI content index

We have reported with reference to the Global Reporting Initiative (GRI) Universal Standards 2021 for the period 1st of January 2023 to 31st of December 2023. Our content index provides information and data for topics that are material to our operations and sites alongside material information within the report narrative. We present performance data wherever possible, and we will continue to refine our reporting in 2024 and beyond.

## SASB content index

Whistl presents its reporting in conformance with the SASB Air Freight and Logistics and Road Transportation Sustainability Reporting Standards for the period January 1, 2023 – December 31, 2023. The SASB industry standards include disclosure topics, relevant accounting metrics, and detailed guidelines, along with industry-specific performance indicators.

Our GRI and SASB content indices are located on our website: <https://www.whistl.co.uk/company/esg>.

## About this report

Whistl Consolidated Limited is a private company limited by shares that is domiciled, incorporated, and operating in the United Kingdom.

The address of the registered office is Network House, Third Avenue, Marlow, Buckinghamshire, SL7 1EY.

Our ESG strategy covers a five-year period between 2022 and 2027. The ESG topics that the strategy includes were found to be of high importance in a materiality assessment conducted in 2022. Our KPIs and targets enable reporting of our performance year on year and provide a benchmark to measure our progress.

For any queries, please contact Irene Boctor, Head of ESG and Sustainability, at [Irene.boctor@whistl.co.uk](mailto:Irene.boctor@whistl.co.uk)

whistl