

Environmental, Social and Governance Report 2025

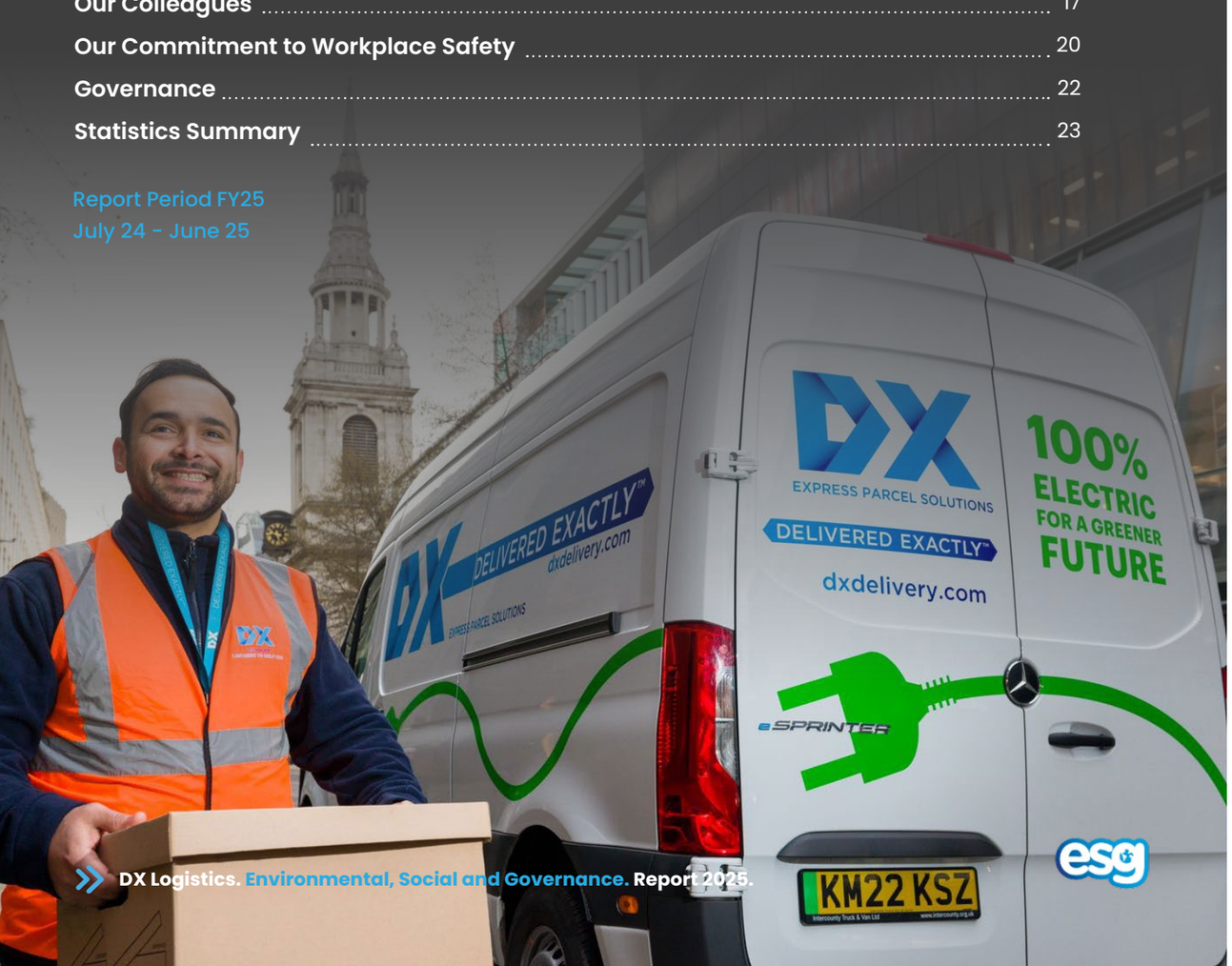
Delivering a better future.

DX Logistics. Dynamic Solutions. Delivered Exactly.

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Report Period FY25
July 24 - June 25





Introduction

This year marks a significant milestone for DX, 50 years since we first opened our network in 1975 during the postal strikes. From those beginnings, the business has grown and evolved from a specialist mail provider into a leading logistics group, offering a comprehensive range of services including parcels, secure, and tracked deliveries, irregular dimensions and weights (IDW), and bespoke logistics contracts. None of this would have been possible without our talented, dedicated, and hardworking colleagues, who operate around the clock to ensure that every customer delivery arrives safely and on time.

The past year marks one and a half years under H.I.G Capital ownership, a period that has seen both strategic expansion and continued investment. Our acquisition of Express Freight in Northern Ireland has strengthened our presence in Ireland, creating valuable synergies with our existing operations. Located just 25 miles from Belfast with easy access to Dublin, this acquisition offers a strong platform for future growth and has welcomed 116 new colleagues into the DX family.

We launched DX SameDay, a nationwide service available 24 hours a day, 365 days a year. Further externing our capability to meet our customers' evolving delivery requirements.

The last 12 months have been challenging for the UK economy, with inflation and rising living costs impacting consumer spending, and ultimately the delivery sector. Despite this, DX continued to progress, with business revenue (including acquisitions) increasing by 6.7% to £582m, demonstrating the resilience of our business model and colleagues.

Importantly, through these testing market conditions, we have continued to advance our Environmental, Social and Governance (ESG) agenda. This report highlights key areas of progress. Among the most notable is our 3 million litre investment into Hydrotreated Vegetable Oil (HVO) at our Freight Hub in Willenhall for national trunking operations. This shift away from diesel will eliminate approximately 7,700 tonnes of carbon and improve air quality in the communities where these vehicles operate.

Our commitment to our colleagues remains strong. We continue to "grow our own" talent, promoting 260 colleagues into new roles and supporting 45 apprenticeships to help build skills and strengthen future capabilities. We launched an inaugural employee survey for the first time helping to better understand our colleagues needs and where we can improve to continue to make DX a great place to work. Our investment in colleague wellbeing has also continued, with our fully funded cash healthcare plan reimbursing over £40,000, supporting colleagues in maintaining their health and wellbeing.

These collective efforts were recognised this year with the award of an EcoVadis Bronze Medal. EcoVadis is a global leading ESG scorecard ratings provider, this award places the business in the top 17% of respondents globally, a reflection of DX's progress in ESG in recent years.

Building on our 50-year legacy, we will continue to reduce our environmental footprint, build social value and uphold strong governance as we strive to be responsible corporate citizens.

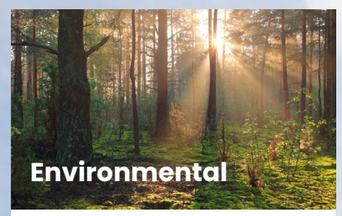
What is important to DX

Our ESG strategy is important both internally and externally. It strengthens our social and environmental contribution while supporting business growth and creating new opportunities with current and prospective customers.

As a responsible business, we actively engage with colleagues, customers and stakeholders, ensuring their perspectives shape our development plans. In parallel, we continue to identify and prepare for ESG related risks and opportunities that could influence our future performance.

Working alongside the DX Sustainability Committee, previously we engaged our Key Account Managers, and colleagues who lead relationships with our largest customers to score 28 ESG topics to help prioritise focus areas. Strong business ethics and meaningful employee benefits remain central to our success, forming core pillars of how we operate.

This report outlines the progress we have made and highlights the initiatives that are generating ESG value across our operations.



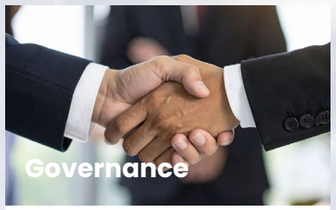
Environmental

- Carbon Reporting
- Net Zero
- Transition to EV
- Energy Efficiency
- Waste Management



Social

- Colleague H&S
- Right To Work
- Employee Benefits



Governance

- Information Security
- Risk Management
- Modern Slavery
- Business Ethics Training



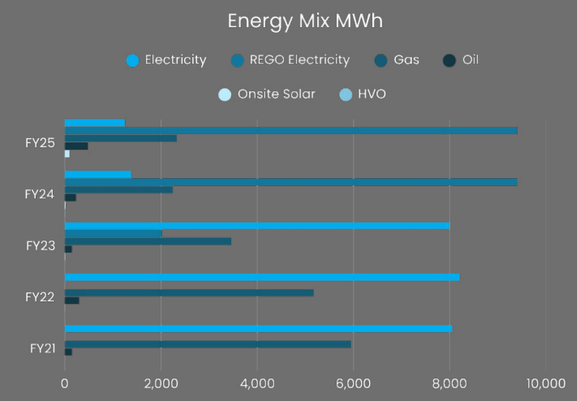
Estate Energy

DX operated a network of 112 depots across the UK and Ireland in FY25 opening 4 new locations, increasing the footprint by 10.86% with a further 23,000m^3 floor space introduced to support growth.



The business consumed 13,582 MWh of electricity, gas and oil during the year to power and heat our estate, an increase of 2%.

Electricity consumption (inc solar generation) decreased by 0.5% through the year from 10,821 MWh in FY24 to 10,769 MWh. Considering the estate growth, electricity consumption per m^2 of improved 10% to 46 kWh/m^2. The data shows our estate is operating more efficiently; however we acknowledge there are still opportunities to improve efficiency both through our own investment and in partnership with our landlords. For the third consecutive year REGO (Renewable Energy Guarantees of Origin) backed energy played a key role in decarbonising our properties. A total of 88% of electricity (9,509 MWh) consumed was renewable, the remaining was provided by landlords and offsite EV charging facilities.



While DX Network Services Limited procures 100% renewable backed energy within the UK, there was a small percentage procured by our Irish subsidiary (0.8%) which is not REGO backed, the renewable content of this supply is 46.25%*. During the year the business acquired MB Freight Forwarding in Northern Ireland, these energy supplies will be brought into a REGO arrangement during the next contract.

Gas consumption increased by 82 MWh to 2,331 MWh. Similarly heating oil usage increased by 244 MWh, with total consumption rising by 23,727 litres compared to FY24. Approximately 50% of this increase is attributable to the integration of two newly leased oil heated facilities. As FY25 was warmer than the prior year on average these heating increases suggest inefficiencies and opportunities to reduce heating energy consumption through schedulers, thermostats and insulation.

Target: Expand REGO backed electricity to Ireland and newly acquired Express Freight by 2027.

*This is based on the latest CRU Green Source Product Verification Report 2023.

Generating Renewables

We successfully achieved our target of operating 180 kWp of solar capacity, onsite renewable generation increased substantially from 24 MWh to 104 MWh. This progress was driven by the commissioning of a new 45 kWp solar array at our purpose-built Nottingham depot and the signing of two new leases for properties equipped with a combined 106 kWp of capacity. This generation has avoided approximately 25.5 tCO_{2e} of scope 2 emissions, making a meaningful contribution to our estate decarbonisation efforts.

Estate Energy (continued)

Monitoring

To improve our monitoring capabilities and abilities to identify opportunities, we focused on enhancing data visibility and billing accuracy by addressing non-half-hourly electricity supplies. Four non smart meters were replaced with smart meters, increasing automated monitoring for directly procured electricity by 5% compared to FY24, bringing it to 97%. Water monitoring is further behind other utilities, as such we are focusing on addressing manual meter read frequencies initially.

We collaborated with our utility broker, Ista, to develop automated energy insights for each depot. These reporting tools have strengthened our ability to monitor and challenge trends and anomalies in electricity, gas and water consumption across our estate.

Case study: Exeter depot, The local team adjusted heating schedules to operate during specific hours. This change reduced electricity usage by 9% compared to the previous March. However, the new reporting system also helped identify that the heating remained active over weekends due to a basic schedule controller. Using these insights, we have upgraded the heating controls, an improvement that is expected to save 9,000 kWh over the winter.

Energy Efficiency

The business continued to invest in energy efficiency initiatives, allocating over £81,000 during the year to upgrade 463 light fittings across five locations. These upgrades incorporated LED technology along with sensors where appropriate. Collectively, these projects are modelled to reduce annual consumption by approximately 107,000 kWh and deliver carbon savings of 26 tCO_{2e} per year.

Since the launch of our lighting efficiency programme in FY23, we have invested £600,000+ upgrading over 38 depots, improving 3,300+ light fittings. This ongoing programme is estimated to have reduced emissions by 249 tCO_{2e} annually.

DX complies with the requirements of the Energy Savings Opportunity Scheme (ESOS). Under our current efficiency plan for Phase 3, we expect to achieve a reduction of 897 MWh in grid energy consumption over the four-year compliance period, including 107 MWh generated from solar. From 2025 onwards we have identified an additional 47 MWh of potential savings, primarily from lighting projects which we aim to implement by December 2027.

Highlights

- **88% Renewable Electricity (DX & Landlord Supplied)**
- **463+ Lighting Efficiency Upgrades**
- **£81,000 Investment into Efficiency Upgrades**
- **10% Reduction in Electricity per m** 46 kWh/m^2
- **8% Reduction in Estate Energy (all) Intensity per m^2** 58 kWh/m
- **5 Efficiency-Related Improvement Projects Delivered**
- **104 MWh Solar Generation**

Targets

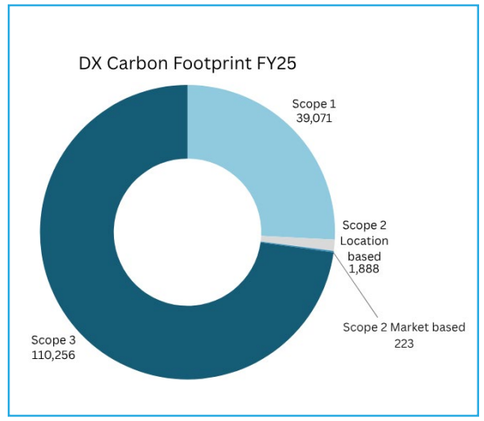
- Reduce estate energy intensity (kWh/m^2) by 40% by 2035 relative to the 2022 baseline.
- Deliver three lighting efficiency projects across the Estate

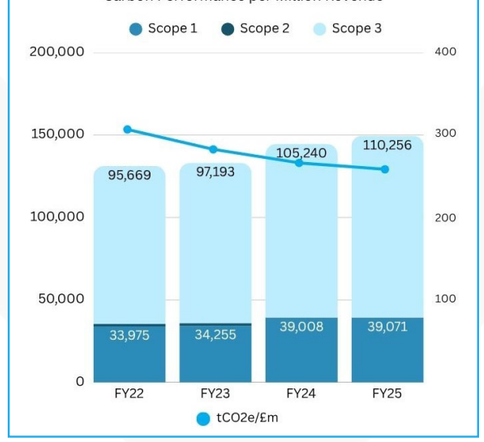


Carbon

DX committed to achieving Net Zero by 2050 in 2021 and has since established robust processes to measure and manage Scope 1, 2 & 3 emissions in alignment with the Greenhouse Gas (GHG) Protocol. In FY25, for the second year, our emissions methodology and data was third party verified to ISO 14064 (limited assurance and 5% materiality) by a UKAS accredited certification body.

In FY25, total emissions across all scopes increased 3.5% from 144,535 tCO_{2e} in FY24 to 149,550 tCO_{2e}. This rise reflects increased vehicle movements and a shift towards handling larger, irregular weight and dimension items compared to smaller parcels and mail. A significant scope 3 increase of 7,300 tCO_{2e} was recoded as a result of the UK spend based emission factors for whole sale trade services increasing by 177 times. This will be monitored to check for future corrections. Without this increase total emissions across all scopes would have decreased.





Improving emission intensity

Since FY22 (base year), emissions per million revenue has decreased by 16% across all scopes, and by 19% for Scopes 1 & 2 where the business has greatest influence. This better reflects the considerable growth the business has delivered since its financial turnaround, it clearly shows the work and investments made are improving environmental efficiency and decarbonisation while we continue to grow.

Emission Intensity Reduction since FY22

-16% All Scopes

-19% Scope 1 & 2



Exchange
65 gCO_{2e}



Express
1,141 gCO_{2e}



Logistics
1,437 gCO_{2e}



Freight
1,696 gCO_{2e}

Carbon (continued)

Group average delivery emission intensity

1,227 gCO_{2e}

Per delivery footprints

We split our carbon footprint by division to more accurately represent the diverse range of items moving through our delivery network each day, which include boilers, tractor tyres, doors, mattresses, lengths of metal, smaller parcels, jewellery, tracked specimens, and mail. The above-average footprint-per-item follows the GHG protocol minimum boundary requirements for Scope 1 & 2. In order to fairly reflect the direct relationship between our delivery services and master sub-contractors we have included Scope 3 Category 4 Upstream Transportation and Distribution.

Per footprint items are based on verified scope 1, 2 & 3 emissions, however these intensity measures are not externally verified.

Divisions are split based on item weight and volume, Exchange utilises the DX Express depot infrastructure.

Progress towards decarbonisation

DX remains committed to advancing decarbonisation across its operations. Key initiatives include the adoption of Hydrotreated Vegetable Oil (HVO) fuel, the expansion of EV and HVO-powered deliveries within Express, a company car policy focused on EV/PHEV vehicles, the procurement of REGO-backed electricity, and ongoing property and operational efficiency improvements.

While these actions have slowed emissions growth, we recognise that achieving Net Zero in the logistics sector remains a significant challenge. Each year without an absolute reduction makes the Net Zero trajectory steeper. We anticipate that continued innovation in EV technology, hydrogen fuel, and other low-carbon alternatives, supported by UK government tailpipe emission bans, will improve both availability and affordability, enabling wider adoption and helping us meet evolving customer requirements.

Monitoring

Fleet fuel usage including diesel and HVO increased by 1.17 million litres (7.5%). However, within this increase, there is a notable shift in fuel strategy as a result of the business' commitment to Net Zero. This transition contributed to a reduction in diesel use of 278,000 litres (1.67%) compared to the previous year, helping to mitigate the impact of the increased UK diesel emission factor. Overall fuel consumption increase can be attributed to the 5.4% increase in fleet size compared to FY24.

In January 2025, DX transitioned to using Hydrotreated Vegetable Oil (HVO) as a more sustainable alternative to conventional diesel at our largest hub in Willenhall. Emerging zero emission heavy goods vehicle technology remains in early development, and is not yet operationally or financially viable for DX's network at scale. Until technologies, infrastructure and policies mature, the adoption of HVO demonstrates DX's commitment to invest in a practical transitional decarbonisation step towards achieving low and zero carbon deliveries in the future.

The HVO supply is certified under the Renewable Fuels Assurance Scheme (RFAS), ensuring that the fuel is produced from sustainable feedstocks with verified carbon reductions and supply chain traceability. The switch will see 3 million litres of HVO deployed at our Willenhall hub, which is expected to avoid approximately 7,700 tCO_{2e} from trunking each year. Since implementation in January 2025 until July 2025 1.4m litres consumed avoiding 3,553 tCO_{2e} for the part year.

Additional benefits include:

- Reduce Nitrogen Oxide (NOx) and particulate matter, improving air quality and reducing exposure to harmful emissions
- Biodegradable: HVO is less toxic to the environment than conventional diesel. Meaning that in the event of a spill it poses a lesser ecological risk.
- HVO can be used as a direct replacement for diesel without any vehicle modifications, enabling seamless integration into existing infrastructure while maintaining operational continuity.

*Provided by our supplier Certas



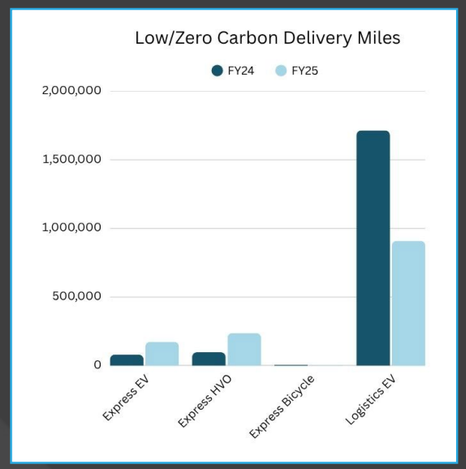


Low emission final mile delivery

During the year, DX halted a large portion of its electric vehicle (EV) logistics activity as a result of key contractual changes and operational inefficiencies experienced with these early to market models.

Despite this, within DX Express, in partnership with trusted master subcontractors, we continued to expand Zero and low carbon final mile deliveries. HVO fuelled final mileage increased by 142% during the year, contributing to an estimated 109 tCO reduction in emissions in Ireland.

Electric Vehicle mileage in DX Express increased 116%, resulting in a 64 $tCO2_e$carbon reduction. Moving into FY26, 9 EV's and the associated charging infrastructure from our logistics EV fleet have been reallocated to support the Express division, we redeployed several vehicles to trusted master subcontractors to enhance zero-carbon delivery capabilities across the DX network. This reallocation of resources will bring the total of EV's within Express to 37.



173 tCO_{2e} FY25

80 tCO_{2e} FY24

Tonnes of carbon reduced by Express fleet decarbonisation

Highlights

- **ISO 14064 external verification**
- **Per delivery footprint by division available for customer carbon reporting**
- **257 tCO_{2e} (-3%) carbon per million revenue**
- **+26 tCO_{2e} of carbon avoided through LED lighting projects**
- **22% reduction in market-based Scope 2 emissions**

Targets

- Committed to Net Zero by 2050
- 20% reduction in Scope 1 and Scope 2 emissions by 2035 relative to the FY22 baseline.
- 20% reduction in Scope 3 emissions by 2035 relative to the FY22 baseline.
- Reduce SECR carbon intensity (tCO_{2e})per £1m revenue) by 10% in FY26 compared with FY25.

Fleet

Company Cars

We use online meeting technology to reduce the requirement to meet in person. DX operates a fleet of 183 company cars and since 2021 the company car list has only offered PHEV or EV's. By the end of FY25 99% of vehicles have transitioned with the remaining two due to be replaced in FY26. As a result of this policy, the average manufacturer reported emissions for the company car fleet have reduced from 110 gCO2e/km in FY21 to 26 gCO2e/km this year.

The benefit of refurbished

DX has strengthened its long-standing relationship with TIP trailers, through a new initiative focused on trailer refurbishment. TIP recently acquired the UK's leading trailer refurbishment facility, enabling a comprehensive process that restores trailers to an "as-new" condition. This approach significantly extends the operational life of trailers, enhances functionality through advanced telematics and electronic brake performance monitoring, and delivers a refreshed appearance.

Compared to replacing, refurbishing reduces the environmental impact associated with raw material extraction and the energy-intensive manufacturing of new units. Life cycle assessments conducted by TIP indicate that each refurbished trailer avoids approximately 9.5 tCO_{2e} compared new builds. DX has committed to refurbishing 70 trailers in FY26, a decision projected to eliminate 665 tCO_{2e} in supply chain emissions. This initiative demonstrates DX's commitment to collaborative decarbonisation and circular economy principles within its fleet operations.

Refurbishment Target

20% - of trailers due for replacement in FY26

Proactive trailer and safety maintenance

Operating more than 1,100 trailers, DX recognises that to 'Deliver Exactly', effective maintenance is critical for safety, operational reliability, and environmental performance. In 2025, the Driver and Vehicle Standards Agency (DVSA) updated its guidance to require four annual brake performance inspections. To meet these requirements efficiently, DX implemented TIP's Electronic Brake Performance Monitoring System, integrated with Insight telematics across the trailer fleet which was completed in 2025.

This technology enables real-time monitoring of brake performance, allowing DX and TIP to adopt a proactive, preventative maintenance approach. By identifying potential issues before they become risks, we reduce downtime and enhance safety standards across the fleet. An additional benefit is the reduction in mileage associated with traditional inspection regimes. Without this system, trailers would need to be removed from service and transported to testing stations four times annually. For a single trailer based at our Willenhall hub, this innovation is expected to eliminate 104 miles of inspection-related travel per year, reducing fuel use and associated emissions. Across the entire fleet, this would amount to an estimated savings of 114,000 miles, and 153 tCO_{2e} of emissions each year.

Fleet Stats

DX Fleet Size	1059
Express EV's Routes	37
Express HVO Routes	11
Company Cars EV/PHEV	99%
Diesel Consumption (L)	14,758,074
HVO Consumption (L)	1,405,381

Targets

70 refurbished trailers in FY26

100% of company cars EV/PHEV in FY26



EcoVadis

DX assesses and reports ESG performance through EcoVadis, a global sustainability ratings platform. EcoVadis evaluates organisations against 21 criteria across Environment, Labour & Human Rights, Ethics and Sustainable Procurement, and has rated over 159,000 companies globally.

Over the past three years, DX has strengthened its ESG performance through initiatives and increased transparency. In March 2025, the business achieved an EcoVadis Bronze medal with a score of 67, placing it in the top 17% of rated organisations. In addition, our EcoVadis Carbon Scorecard ranks DX in the "Advanced" category, reflecting the progress the business has made in recent years including commitments, actions and reporting.

Participation in EcoVadis provides valuable insight into our ESG maturity and industry benchmarking, while offering a framework to drive continuous improvement across our operations, value chain and communities.

EcoVadis Training

Our Procurement and Environmental teams collaborate to ensure key suppliers are contributing to our sustainability journey. In 2025, 100% of the Procurement function completed the EcoVadis e-learning module "Value Chain risk Management", strengthening understanding of supply chain ESG risks, mitigation measures and responsible supplier engagement.

The environmental Manager responsible for the EcoVadis submission completed the EcoVadis Practitioner Programme in 2025, enhancing our capability to effectively capture and disclose ESG activity and improve scorecard performance.

CDP

We participate annually in CDP, a globally recognised non-profit operating the world's leading independent environmental disclosure platform. Over 22,000 organisations disclose each year, demonstrating transparency in managing climate-related risks.

For the latest reporting year covering FY23, DX achieved a B score, reflecting progress in decarbonisation and TCFD aligned climate disclosures. This result demonstrates a good understanding of material environmental risks and ongoing actions to reduce emissions, improve energy efficiency, and address climate related risks and opportunities.

Environmental training for colleagues

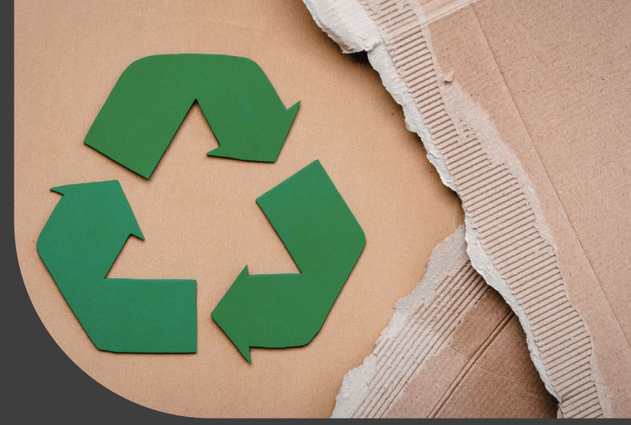
All colleagues joining DX are required to complete job specific and companywide e-learning modules. Two modules covering environmental issues include 'Safe and efficient driving' and 'Energy efficiency'. A total of 1303 training sessions for these two modules was completed during the year each approximately 8 minutes long for new colleagues.

All colleagues joining DX receive a copy of the DX colleague handbook which includes our safety and environmental operating procedures relevant to activities across the business. This includes Waste management equipment, energy awareness, and safe & efficient driving techniques.

The business operates teams across the UK and Ireland, with sales, account management and commercial colleagues playing a key role in building informed and trusted customer relationships. In 2025, five introductory ESG sessions were delivered to over 100 colleagues. These sessions covered core ESG principles, the distinction between Net Zero and Carbon Neutral, an overview of EcoVadis, and updates on DX's ESG journey. Equipping colleagues with knowledge to better support our customers sustainability objectives.

547 Safe and efficient driving
756 Energy Awareness

Waste Management



In FY25, the business generated 10,590 tonnes of waste, a slight increase from FY24. A large proportion of this comprises packaging materials including cardboard, and shrink-wrap from customer shipments which require breakdown and redistribution across the delivery network.

Through our partnership with Flame UK, offsite recycling, including additional sorting of general waste, reached 63%, a 4% increase from the prior year. When combined with reuse, which consists primarily of pallets, the total recycling and reuse rate was 74%, a small decrease due to fewer pallet collections as we repatriated more to customers. Over 36,000 pallets were collected for repair, extending their useful life. Direct to landfill operational waste has been eliminated*, with only 0.17% of waste sent indirectly to landfill via material and energy recovery facility byproduct processes, this is down from 0.37% in FY24.

Waste as collected (on site)	Tonnes	Waste stream by collected weight
General Waste (recovery)	2828	29%
Recycling	1052	11%
Wood Recycled	1861	19%
Wood Recovery	1382	14%
Hazardous/Other	17	0.2%
Pallets Reuse	2479	26%

*0.004% of total waste collected by our bathroom services provider was sent direct to landfill due to local treatment constraints. Across this contract the contractor achieves a 94% landfill diversion rate.

*Onsite vs offsite weights differ due to non-weighed collections being estimated.

We continue to improve our onsite recycling approach. Recycling at source helps produce clean, high-quality recyclable materials and maximises reuse. Onsite recycling accounted for 27% of general waste and recyclables collected (excluding wood/hazardous waste). Initiatives to improve segregation and recycling through the year included:

- Introducing mixed recycling, food waste bins and signage across depot canteens
- Four recycling balers installed with colleagues trained on the safe operation, improving ability to segregate card & shrink wrap for recycling and economical removal. Shrink wrap is not consistently collected as a recyclable nationally, bailing helps ensure this valuable commodity is sent for reprocessing rather than energy recovery.
- Upgrading old waste management equipment for newer more efficient versions where economical with a focus on replacing compactors with balers, to increase recycling.
- Over 77 colour coded warehouse bins were delivered and labelled using the Recycle Now Icons to help create clear onsite segregation routes that is consistent with messaging in public places.

Cardboard and shrink-wrap remain the largest element of average waste streams. Expanding bailing initiatives into FY26 will further increase onsite recycling rates, generating higher quality recyclable materials and supporting wider circularity.

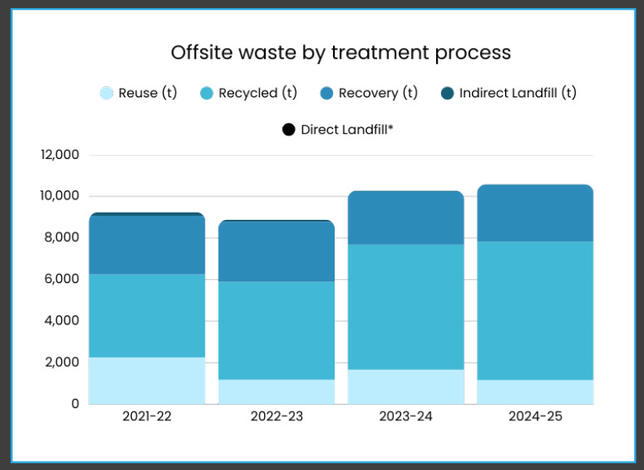


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Eliminating black plastic

Black plastics present a significant challenge to the recycling sector. Many recycling facilities are unable to automatically detect these materials, resulting in mis-sorting and reduced recycling. Additionally black plastics are typically produced from lower-grade materials and are difficult to recolour, leading to limited demand for their reuse.

In 2025, the business removed black shrink wrap from the central procurement list for the majority of locations. This initiative is expected to result in a 99% reduction from the 32 tonnes procured in the previous year. Further details on plastic reduction initiatives can be found in the procurement section.



Targets

- Recycle 40% of waste by 2030
- Zero Waste to Landfill
- Develop and launch a waste-management e-learning module by December 2026

Highlights

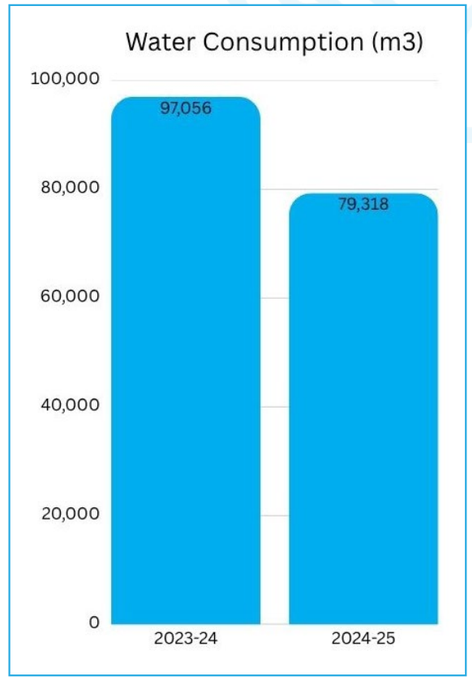
- **Zero waste to landfill rate: 0.17% (99.9% indirect)**
- **36,000+ pallets collected for repair**
- **4+ recycling balers installed**

Water

The business acknowledges that water scarcity is an increasing risk as evidenced over the summer of 2025, driven by climate change and growing population demands for fresh water.

Reported water consumption decreased by 18%, partly due to a leak repair at our Cannock depot. Many depots also recorded reductions in usage, likely linked to lower headcounts and more frequent meter reads at sites with high consumption risk, effectively reducing supplier over estimation. Average consumption across the estate deceased from 829m^3 to 666m^3 per location.

New monthly KPI reports are enabling faster detection of potential leaks and anomalies. While progressing, opportunities remain to further reduce consumption. Using these reports into FY26 we identified and actioned leaks which over a year would have consumed 13,000m^3. We plan to trial an intelligent water-saving device for urinals, which reduces consumption by up to 80%.





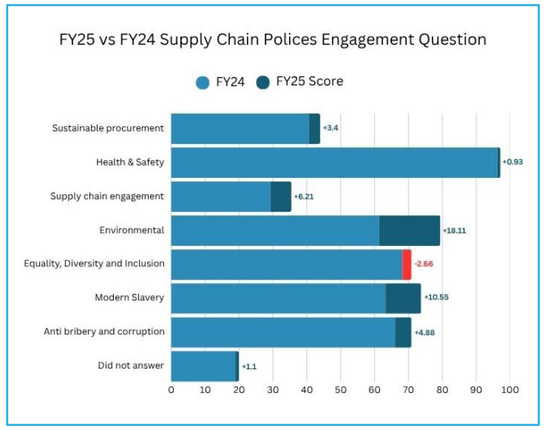
Procurement

The products and services that we source from our supply chain have both positive and negative impacts on the environment, our colleagues and wider communities. Our central procurement team play a key role in integrating sustainability into our suppliers' products and services. Over the last two years we have worked to ensure major contract tenders above £500k include specific environmental criteria.

Supply Chain ESG survey

This marked the second year in which the business conducted a supply chain ESG survey. Unless specific contractual ESG clauses are in place, suppliers are currently required to comply with our Supplier Code of Conduct. The survey therefore provides valuable insight into the maturity of the supply chain while helping to raise awareness of ESG expectations among suppliers, supporting continuous improvement overtime.

The questions remained unchanged to allow for comparability, however the audience expanded to include additional suppliers which resulted in a 35% increase in responses. Responses accounted for 25% of DX's supply chain spend at £36m (excluding couriers) with an 18% response rate. Of respondents, 57% were small enterprises (<25 colleagues), reflecting a socio-economic benefit of DX's purchasing practices in these local communities through supporting jobs and the local economy.



Survey results showed improvement in ESG practices. More suppliers reported recognised certifications including ISO 9001, ISO 14001, ISO 45001, Cyber Essentials, EcoVadis, and SafeContractor, alongside ESG policies covering bribery and corruption, modern slavery, equality, diversity and inclusion, environmental management, health and safety, and responsible procurement. Although an increase, some suppliers (29) did not report formal ESG policies, likely due to the higher proportion of small enterprises, which may lack the resources to maintain formal policies. This may represent a trade-off against the socio-economic benefits of engaging with small enterprises.

A similar trend was observed in Net Zero commitments. While the total number of suppliers committed rose from 50 to 53, this represented a 9.5% decrease as a proportion of respondents, highlighting the challenges small organisations face in measuring and reducing emissions.

DX recognises its role in supporting the supply chain and plans in 2026 to develop resources to help smaller suppliers enhance ESG maturity, for example tools to calculate Scope 1 and 2 carbon footprints.

Supplier EcoVadis

Suppliers are not required to hold an EcoVadis scorecard; however, where available, the data provides valuable insight for tracking performance over time. Among the 14 suppliers responding with EcoVadis scorecards, the average disclosed score increased from 49 to 62. Notably, our uniform provider, Veltuff, improved from 51 to 65, earning a Bronze medal in recognition of their performance. These insights will guide future engagement with suppliers where appropriate.

Target: Into FY26 we look to incorporate obtaining an EcoVadis scorecard a requirement for new supplier tenders above £500k.

Reducing Plastics

In addition to the removal of black shrink wrap from our central procurement list, we took the following actions during the year to reduce the impact of plastics consumed by the business and our customers:

- Standard shrink wrap gauge was reduced from 13 micrograms to 12, which over a year will reduce plastic consumption by 12 tonnes.
- The plastic mail bags provided to customers, contain a minimum mix of 30-50% recycled content.
- Last year we targeted a 5% reduction in plastic used within the plastic pouches supplied to customers. Working with our supplier, we reviewed the range of plastic gauges used, and reduced to 40 microns. As a result of this decision, we expect to reduce raw material use by 3.09 tonnes annually (since implementation 1.8 tonnes of plastic have been avoid), while utilising modern polymers to provide the structural qualities required.

Uniform

Expansion of uniform requirements across our subcontractor workforce has increased overall uniform procurement. To mitigate the associated environmental impact, partnering with Veltuff we source garments and PPE which incorporate 50% GRS (Global Recycle Standard) polyester. This approach gives textiles a second life and reduces reliance on virgin materials.

Currently, 39% of uniform garment and 31% of PPE are manufactured using a proportion on GRS polyester. Looking ahead to FY26, we expect approximately 53% of uniform garments to contain GRS-certified material following the introduction of a new shirt.

Highlights

- **99% of suppliers have signed DX's Supplier Code of Conduct, including ESG commitments.**
- **All relevant major FY25 tenders issued by Procurement included ESG criteria.**
- **Plastic pouch gauge reductions cuts plastic use by 3 tonnes.**
- **Black shrink wrap removed from procurement lists expected 32 tonne reduction.**
- **Clear shrink wrap gauge reduction saved 12 tonnes of plastic.**
- **18% of suppliers responded to DX's ESG survey covering 25% of supply chain spend £36m.**
- **39% of uniform garments now use GRS-certified recycled polyester.**
- **38% of ESG survey respondents have committed to Net Zero.**
- **16% of suppliers who responded to the ESG Survey are procuring renewable REGO-backed energy**





Sustainable Cleaning

Atlas delivers a sustainable cleaning service to DX, focused on improving productivity, effectiveness, colleague safety and reducing the carbon footprint of operations.

BioHygiene chemicals

A UK manufacturer of cleaning materials which use the power of microbes and enzymes from plants to break down and remove dirt, grease and grime. Used correctly, the cleaning power of Biohygiene remains working long after traditional cleaning substances have been wiped away, ensuring clean surfaces and odour free environments. Biohygiene can be provided in 'pod form', reducing transport costs and impacts by as much as 70%, minimising storage requirements by 67% and virtually eliminating plastic waste, through continual reuse of trigger spray bottles.

Overall, Biohygiene can deliver an estimated 93% reduction in carbon emissions. Since implementation in 2025, BioHygiene has reduced plastic waste by 72% totalling 4.52 kg, reduced the volume of cleaning chemicals stored by 8,968 litres of substances no longer stored for our contract and resulted in a 109 kgCO2e emissions avoidance.

Equipment – clever technology saves water.

The introduction of Timberline scrubber driers, proven to use 70-80% less water per square metre than traditional mop and bucket methods – based on a typical DX warehouse, cleaned five times per week, this equates to a saving of 15m^3 of water every year. Across 105 DX locations that's upto 1,400m , saving 0.5 tonnes of CO2e in emissions annually. Add to this fact that these machines are three to five times faster than mops and buckets, and do not leave a hazardous wet floor behind them, this is a win for the environment and productivity.



Our Colleagues

At DX, we are committed to ensuring equality of opportunity for all irrespective of race, gender, disability, belief, sexual orientation, age, or socio-economic background.

We aim to maintain an environment where our colleagues feel valued and appreciated. We communicate regularly with our colleagues throughout the year through targeted emails and poster campaigns, with our CEO issuing important business video updates to all colleagues. Our printed Despatches 'magazine' is published twice a year and is available to all colleagues at their work location. In this magazine we communicate business updates, celebrate success (be that long service or weddings and births), and updates on any important areas of the business we want our colleagues to know about.

Senior Management participate in regular calls, meetings and conferences to ensure cohesive engagement throughout the Group, and to raise awareness of the financial and economic factors affecting the Group's performance.

Colleague Wellbeing

We are pleased to recognise that our colleagues are staying with us longer than previous years, with the average length of service now being 4.25 years. To help us continue to increase length of service we have reviewed all our benefit offering and proudly provide the following benefits to support the wellbeing of our employees and their families:

- Enhanced Maternity and Paternity benefits.
- Length of Service awards, giving our employees more holiday and a financial reward to spend on themselves.
- After six months of service, all employees are automatically enrolled in the DX funded healthcare cash plan. This benefit helps cover everyday health costs such as optical care and dental treatment. Over the past year, 783 claims were made through the plan, resulting in more than £40,000 reimbursed to support colleague ongoing healthcare needs.
- Death in service policy for colleagues employed for 6 months.
- These are in addition to our Discount shopping platform and free access to WeCare which provides all colleagues and their families access to online doctors, mental wellbeing assistance and financial advice.

Colleague Engagement

As part of our ongoing commitment to making DX a great place to work, we launched a company-wide employee engagement survey in Early FY26 to understand where we can focus to enhance both business success and colleague experience. To improve accessibility, each depot received a tablet device in addition to an email link, ensuring all colleagues could share their views on motivation, satisfaction and commitment, among other topics.

We received 3,609 responses, representing an excellent 70% participation rate across the business. This feedback has helped identify key strengths and areas for improvement. Results have been shared with colleagues, and a follow-up survey will be conducted in 2026 to measure the impact of actions taken. This continuous cycle of feedback and improvement reinforces engagement, transparency, and communication, ensuring DX remains on track for success and is a supportive and rewarding place to work.

New role supporting internal engagement

Since the end of the reporting year, we have welcomed an Internal Communications Specialist to strengthen how we connect with and engage our colleagues. This role is central to sharing the outcomes of our employee survey and ensuring teams are informed about the actions being taken to drive improvements. It also supports broader communication efforts aimed at promoting a stronger sense of community and awareness across our network of delivery depots.

Talent development and apprenticeships

Across the business 260 colleagues stepped up through internal promotion. To support this growth and our commitment to promoting from within, we are developing an internal training programme for colleagues identified as future managers, preparing them to step into leadership roles.

We are supporting 35 drivers through a 7.5 tonne apprenticeship scheme, aimed at helping develop skills while tackling a potential future skills gap for the business. In addition to this, a further 10 colleagues are completing apprenticeships in areas such as customer service, business administration, and people management.

Workforce changes and strategic growth

While revenue grew, total headcount decreased by 4.9% to 5,131, reflecting efforts to improve operational efficiency, response to a change in volume demand, and a TUPE transfer of colleagues following a delivery contract change. At the same time, we welcomed 116 new colleagues through the acquisition of MB Freight Forwarding in Northern Ireland, enhancing our regional presence and capabilities.

Leavers

From time-to-time colleagues leave us to pursue careers in other companies, to understand why, we continue to run an anonymous Exit Survey so we can understand why our colleagues leave us. The information that we gain from this provides valuable insights into what aspects of the employment journey we need to improve; this can be anything from tweaking the recruitment process to dealing with facility issues at different sites.

Training

Our inhouse Learning and Management system, Infobank, ensures that all colleagues are up to date with the training they need to complete. It provides access to policies and procedures so that every colleague can access guidance whenever they need to on topics such as:

- Bully & Harassment
- Equality and Diversity
- Family friendly policies
- Whistleblowing

We have a target of 100% compliance for all statutory training with modules refreshed annually. Training is tracked throughout the year by depot teams, completion of mandatory e-learning modules stood at 88% at the end of the year, with the remaining 12% representative of modules expiring but not yet refreshed, and new colleagues who complete modules over their induction period with the business.

Average training per colleague

1.18hrs

Topic	Completion %
Bullying and harassment for line managers	96
Anti-fraud and bribery	93
Sexual harassment in the workplace	94
Conflict of interest	93
Modern slavery	89
Bullying and harrassment for colleagues	89
Equality and diversity training	88
Whistleblowing	88

Community

DX is delighted to support ACS Stainless Steel Fixings Ltd Steel Soldiers campaign, and this year's poignant new design pays tribute to Queen Elizabeth II, inspired by her wartime service in the Auxiliary Territorial Service. Designed by Leeds schoolgirl Elizabeth, the silhouette captures the 2025 theme: Service. Sacrifice. Legacy. In partnership with the Army Benevolent Fund, these steel silhouettes will help raise vital funds for soldiers, veterans and their families. Communities across the UK can order their own silhouette, with every donation going directly to the ABF. Since 2021, the campaign has distributed hundreds of silhouettes to towns and villages nationwide, raising thousands for the Army Benevolent Fund. This year's tribute is especially meaningful – a symbol of remembrance, service, and community

Our depots and colleagues support a number of national and local and charities within their communities. In the buildup to Christmas colleagues come together across the business to continue traditions which have become part of the fabric at these locations, activities included:

- Save the Children Christmas Jumper Day across the business
- Supporting charities, Mission Christmas, The Lighthouse Project and Promises in the Greater Manchester area. DX colleagues at our Manchester and Middleton Freight depots raised almost £2000 to support these charities in their Christmas activities, helping to buy gifts for children who might otherwise not have anything to open this Christmas.
- The generous team at our Contact Centre based at Crestwood House Willenhall donated toys to The Haven, Wolverhampton. The Haven provides safe accommodation and specialist domestic abuse support for women and children.
- The team in Northampton donated toys to the children's wards at Northampton General Hospital.



Supporting learning in the community

We recently gifted some of our apprenticeship levy to Involve Care Ltd to help them train people in looking after elderly people with memory lose issues.

We continue to advocate for apprenticeships as a career choice, we are also just embarking on a relationship with Involve Care where we are supporting 20 apprenticeships for their workers to enable them to get qualified in providing care to adults across the country.







Our Commitment to Workplace Safety

Safety is central to everything we do at DX. Everyone has a role to play in ensuring a safe and healthy working environment for our colleagues and stakeholders. To support this the business has a team of 6 Regional Safety Advisors supported centrally by a Head of Health, Safety and Environment who provide on the ground experience and advice to our management teams across the business. We operate a safety management system that is consistent with international standards, which applies the 'Plan – Do – Check – Act' principle to ensure continual improvement.

Workplace Accidents

During the year, the overall number of RIDDOR (Reporting of Injuries, Diseases, and Dangerous Occurrences Regulations) accidents and lost time has increased slightly compared to last year. The increase reflects changes in our operational activities, footprint, and increased absenteeism for minor injuries. Through our colleague engagement survey, targeted initiatives, and enhanced benefits, we aim to reduce these incidents by encouraging earlier returns to work. The number of specified injuries, reflecting those that are more serious in nature, under RIDDOR has declined despite the increase in operational activity.

KPI	FY25	FY24	FY23	FY22	FY21
Number of Minor Accidents	**653**	638	590	576	621
Number of RIDDOR Accidents	**79**	66	36	44	49
of which were 'Specified Injuries'	**10**	14	15	16	16
Total Accidents	**732**	704	626	620	670
Lost Time from Accidents (Days)	**1963**	1816	1194	1353	1403
Accident Incidence Rate (AIR)	**1397**	1138	714	1026	1089
Accident Frequency Rate (AFR)	**0.67**	0.55	0.34	0.49	0.52
Lost Time Injury Frequency (LTIF)	**17.69**	20.14	16.40		
Lost Time Injury Severity (LTIS)	**0.162**	0.167	0.119		

AIR = Number of RIDDOR Accidents / Number of Employees over the reporting period x 100,000
AFR = Number of RIDDOR Accidents / Total Hours Worked over the reporting period x 100,000
RIDDOR Accident = injuries resulting in more than 7 days absence and classified major injuries
LTIF = Number of lost time injuries / Total Hours Worked over the reporting period x 1,000,000
LTIS = Total days lost / Total Hours Worked over the reporting period x 1,000
Note that Hours Worked and Employees includes PAYE and Agency workers over the reporting period

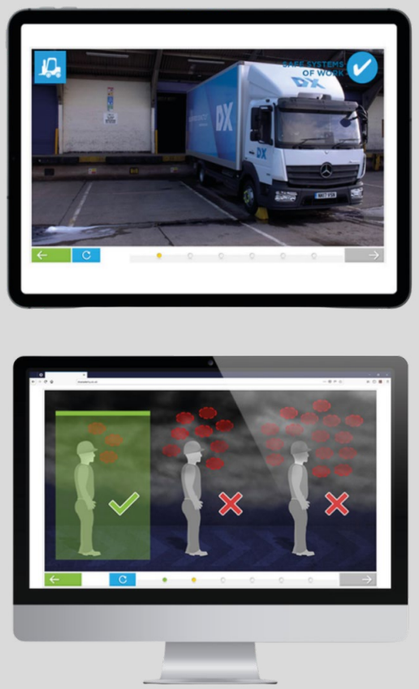
Safety integration for new sites

During the year, as the network expanded, four new depots opened following DX's comprehensive cross-functional project delivery framework. This approach ensures that safety and environmental considerations are embedded at every stage, from design and construction through to operational readiness through collaboration with stakeholders across the business. Our Safety Advisors, working closely with the Property function, play a critical role in this process, helping to guarantee that projects are delivered safely and that facilities meet operational safety standards before operations begin.

Our Safety Training Academy

For a logistics provider, operating 24 hours across more than 112 locations, managing safety training for around 5,100 colleagues is a constant challenge. Our Safety Academy is a bespoke interactive e-learning platform designed to meet the needs of our workforce and provide real meaningful safety and environmental training to help our colleagues to go home safe.

On the job training is provided to all colleagues as part of our commitment to maintaining a safe and competent workforce. We delivered 20,138 safety e-learning safety courses (averaging 1678 completions per month) during the year, covering a wide range of topics aligned to our business safe working procedures.



Our Risk Review Audit Program

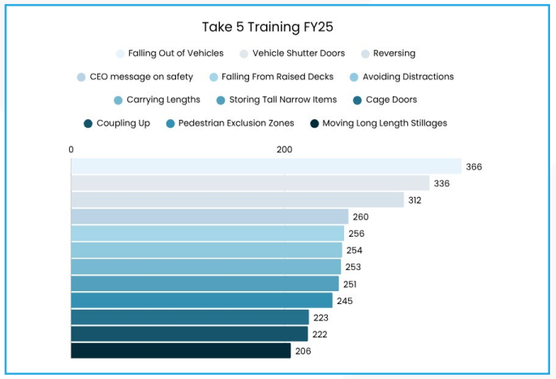
To reinforce these standards, each new depot undergoes a formal safety audit within six months of opening, verifying that operational safety practices are fully implemented. Furthermore, all locations are included in our annual Safety Risk Review Audit Programme, which evaluates risk assessments, processes, and control measures to ensure alignment with safe systems of work and continuous improvement.

The business Safety Audit Programme for the second consecutive year demonstrated improvements across the range of safety issues it looks to address. The average score for the group improved significantly and is clearly showing continual improvement as we strive for operational excellence.

	FY25	FY24	FY23	FY22	FY21
Average Safety Audit Score	**80**	73	71	70	71

Our Safety Behavioural Awareness Campaign

Building on this mature and effective core safety training foundation, we launched our digital 'Take 5' behavioural Safety Campaign, designed to strengthen everyday safety awareness and personal responsibility. In 2024, we partnered with an external safety training specialist to produce a suite of concise and engaging safety videos, each demonstrating safe working practices tailored to our operational environment. Filmed on-site using DX equipment and real scenarios, these short videos provide colleagues with practical, visual learning that is more relatable and impactful than traditional e-learning.



Since the campaign launch in March 2025, colleagues have completed 3,184 short role specific safety training sessions, each lasting 3-5 minutes focusing on a topic per month, the campaign continues to deliver a simple but effective message around the concept of avoiding taking shortcuts to reduce accidents.



Governance

Strong and effective governance underpins DX's responsible business approach, providing the framework for transparency, accountability and ethical decision making. Decisions are taken in the best interest of the business, our customers and wider stakeholders, while ensuring compliance with relevant legal and regulatory requirements. Since returning to private ownership, DX continues to develop and improve this governance model under the direction of its new CEO, Ian Truesdale, who was appointed during the summer. Our commitment to strong governance, and its role in supporting responsible corporate citizenship for both the business and our people, remains unchanged.

Governance is overseen by our Board of Directors which is made up of three independent directors and the CEO and CFO, and which meets at least four times a year. The Board of Directors is supported by its Audit and Risk Committee and its Remuneration Committee, both of which are chaired by independent directors. ESG matters are primarily considered through the Group Sustainability Committee, the ISO 14001 Management System, and TCFD (Task Force on Climate related financial Disclosures) working groups. During the year, the Sustainability Committee, met three times and was chaired by the CFO and led by the Environmental Manager. These forums bring together senior leaders from across the business and provide oversight of discussions and action plans relating to the material environmental and wider ESG issues facing the business.

Transparency

Although no longer publicly listed, DX recognises the importance of transparency and public disclosure in driving progress on ESG across the business and through the supply chain. The company will continue to publish an annual ESG update, and disclose performance through recognised third-party platforms.

The business provided the following supplementary disclosures in addition to statutory reporting requirements:

- EcoVadis- For the third consecutive year, the business improved its score achieving a Bronze Medal and moving into the 'Advanced' category.
- CDP – Disclosure through the global climate change and reporting platform, achieving a score of B (FY23)
- Crown Commercial Services PPN 06/21 | 006 – Publication of a carbon reduction plan outlining emissions performance and the company's trajectory towards Net Zero by 2050.
- Supplier ESG related communications including a summary ESG presentation for customers.

Modern Slavery

DX is dedicated to safeguarding workers' rights and ensuring that modern slavery or human trafficking does not occur within our operations or supply chain. We have established robust policies and procedures designed to prevent such practices within our workforce. All employees complete mandatory modern slavery e-learning modules. We identify modern slavery red-flags and have implemented processes to mitigate identified potential risks. These include, for example, specific approval for wage payments to third-party bank accounts, regular monitoring of overtime payments, and monitoring payments to multiple occupancy households. We maintain a whistleblowing hotline and other measures to raise awareness, enable prompt identification and prevention of modern slavery. During the reporting year, no cases of modern slavery were reported within DX or through the whistleblowing service.

We recognise that the risk of modern slavery can be higher within supply chains. All our delivery partner sub-contractors provide their services in compliance with anti-slavery and human trafficking laws and regulations and the Modern Slavery Act. All suppliers across our supply chain are also bound by our Supplier Code of Conduct, which strictly prohibits all forms of slavery, forced, bonded or compulsory labour. Furthermore, we require suppliers to treat their employees and subcontractors with dignity and respect, prevent discrimination, and comply with all relevant employment legislation.

Statistics Summary

Theme	Topic	Stat / Reference
Environment	Percentage of operational sites assessed on specific environmental risks	100%
Environment	Percentage of total energy consumption from renewable sources	88.30%
Environment	Percentage of total waste from company operations diverted from landfills	99.99%
Environment	Total energy consumption	13,582 MWh
Environment	Total renewable energy consumption	9,509 MWh
Environment	Total renewable energy generation on site	104 MWh
Environment	Total weight of air pollutants	Not tracked
Environment	Total weight of hazardous waste	17 tonnes (Page 11)
Environment	Total weight of non-hazardous waste	9,619.00 tonnes (Page 11) – Onsite waste inc reuse
Environment	Total weight of waste recovered	9,618.96 tonnes – Onsite waste inc reuse
Environment	Percentage of employees trained on specific environmental issues	100% colleagues' complete energy efficiency for the workplace. All drivers receive additional training on driving safely and efficiently.
People	Average unadjusted gender pay gap	12.21%
People	Percentage of women within the organisation's board	11%
People	Percentage of women at top management level	24%
People	Percentage of women employed in the whole organisation	15.7%
People	Average training hours per colleague (including tops on Ethical, Info Sec, Safety, Environment, and company policies)	1.18hrs (Page 18)
Safety	Percentage of operational sites for which an employee health and safety risk assessment has been conducted	100%
Safety	Percentage of employees who received skills-related training	100%
Safety	Lost time injury frequency rate (PAYE / Agency)	0.67
Safety	Lost time injury frequency rate for direct workforce	17.69
Safety	Lost time injury frequency rate for temporary workers	FY25 24.77 | FY24 34.30 | FY23 36.77
Safety	Lost time injury severity rate for direct workforce (Agency)	0.16
Safety	Lost time injury severity rate for temporary workers (Agency)	FY25 0.241 | FY24 0.277 | FY23 0.240
Safety	Number of days lost to work-related injuries, fatalities and ill health	1,963 Days
Safety	Number of hours worked	11,761,092
Safety	Number of work-related accidents	732
Procurement	Percentage of targeted suppliers that have signed the sustainable procurement charter or supplier code of conduct	99% of suppliers have agreed to DX's Supplier Code of Conduct, which includes ESG clauses
Procurement	Percentage of targeted suppliers that have gone through a sustainability assessment	18% of suppliers responded to DX's ESG survey in FY25 covering 25% of supply chain spend.
Procurement	Percentage of targeted suppliers that have gone through a sustainability on-site audit	0
Procurement	Percentage of buyers across all locations who have received training on sustainable procurement	100% (Page 10)
Governance	Percentage of employees trained on discrimination and harassment	88/89 (Page 18)
Governance	Number of confirmed corruption/bribery incidents	0
Governance	Number of identified discrimination or harassment incidents	4
Governance	Number of Child labour, forced labour, and human trafficking incidents reported	0
Governance	Number of confirmed cases of modern slavery	0
Governance	Number of confirmed information security incidents	7
Governance	Percentage of employees trained on business ethics	93% (Page 18)
Governance	Percentage of risky trading partners covered by a due diligence process on corruption or information security	100% Information security



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