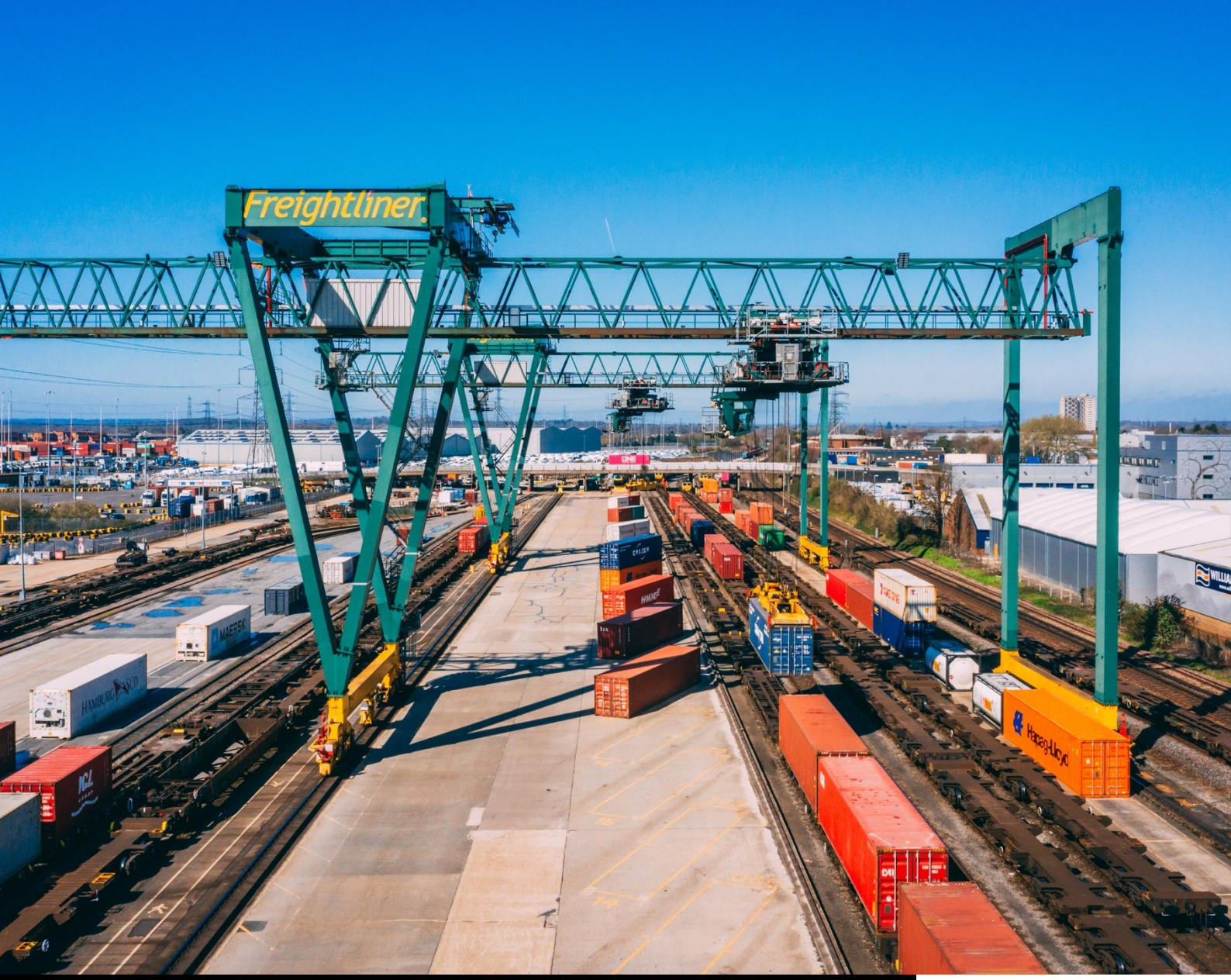

FREIGHTLINER 2025

Carbon Reduction Plan aligned to PPN 06/21

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1. Introduction

Freightliner is committed to supporting the UK Government's Net Zero Strategy and delivering meaningful carbon reduction across its operations in line with Procurement Policy Note (PPN) 06/21. As one of the UK's leading intermodal rail freight operators, Freightliner plays a critical role in enabling low-carbon logistics and reducing road congestion by offering a more sustainable alternative to road haulage.

This Carbon Reduction Plan sets out Freightliner's current greenhouse gas (GHG) emissions, the steps already taken to reduce our carbon footprint, and the clear, measurable targets we have established to achieve Net Zero emissions by 2050. It also reflects our broader environmental commitments and our continuous efforts to innovate and collaborate with partners, suppliers, and government to advance sustainable freight transport solutions.

Rail is already one of the most environmentally friendly modes of freight transport, and Freightliner is proud to be at the forefront of decarbonising the logistics sector. This plan demonstrates how we are embedding sustainability into the core of our operations and supply chains, in alignment with the requirements of PPN 06/21 and the broader aims of the UK's green industrial revolution.

2. Commitment to Achieving Net Zero

Freightliner is committed to achieving Net Zero emissions by 2050

3. Baseline Emissions

Baseline emissions are a record of the greenhouse gases that have been produced in the past and were produced prior to the introduction of any strategies to reduce emissions. Baseline emissions are the reference point against which emissions reduction can be measured.

Baseline Year: 2020

Additional Details relating to the Baseline Emissions calculations.

The following calculation methodology was approved as part of the ISO 14064 audit.

Scope 1 Emissions

Locomotive fuel consumption:

- Fuel purchased is recorded by volume.
- Emissions are calculated by: litres of fuel × conversion factor for fuel.

HGV fuel consumption

- Fuel purchased is recorded by volume.
- Emissions are calculated by: litres of fuel × conversion factor for fuel.

Terminal fuel consumption

- Fuel purchased is recorded by volume.
- Emissions are calculated by: litres of fuel × conversion factor for fuel.

Company-owned vehicle fuel consumption

- Fleet Vehicles: Fuel purchased is recorded by volume.
- Emissions calculated by: litres of fuel × conversion factor for fuel.
- Company Cars: Miles travelled are captured through the expenses system.
- Emissions calculated by: miles travelled × conversion factor for fuel.

Natural gas consumption

- Gas consumption is measured by volume.
- Emissions are calculated by: volume of gas × conversion factor for natural gas combustion.
- Where data is not provided (landlord-controlled buildings): Estimations are used based on square footage for similar-sized buildings in the portfolio.

Refrigeration top-ups

- Refrigerant top-ups for locomotive air conditioning units measured by volume.
- Emissions calculated by: top-up volume × conversion factor for refrigerant.

Hydrotreated Vegetable Oil (HVO) consumption

- Fuel purchased is recorded by volume.
- Emissions calculated by: litres of fuel × Renewable Fuel Assurance Scheme Certificate conversion factor figure.

Scope 2 Emissions (Location-Based)

Electric traction consumption

- Metered electricity consumption is recorded.
- Emissions calculated by: electricity consumption × conversion factor for electricity.

Facilities energy consumption

- Metered electricity consumption is recorded.
- Emissions calculated by: electricity consumption × conversion factor for electricity.
- Where data is not provided (landlord-controlled buildings): Estimations are used based on square footage for similar-sized buildings in the portfolio.

Company-owned vehicle electricity consumption

- For company car vehicles, miles travelled are captured through the expenses system.
- Emissions calculated by: miles travelled × conversion factor for electric vehicle electricity.

Scope 2 Emissions (Market-Based)

Electric traction consumption

- Metered electricity consumption is recorded.
- Emissions calculated by: electricity consumption × conversion factor for purchased electric traction electricity.

Non-traction electricity consumption

- Metered electricity consumption is recorded.
- Emissions calculated by: electricity consumption × conversion factor for purchased electricity.
- Where data is not provided (landlord-controlled buildings): Location-based method approach has been applied.
- Company-owned electric vehicles
- For company car vehicles, miles travelled are captured through the expenses system.
- Location-based method approach applied.
- Emissions calculated by: miles travelled × conversion factor for electric vehicle electricity.

Scope 3 Emissions

Category 1 – Purchased Goods and Services

- Includes products and services purchased via Freightliner's Procurement function.
- Emissions calculated using a spend-based method:
- Spend (£) × product category emission conversion factor.

Category 2 – Fuel and Energy-Related Activities

- Includes emissions associated with the purchased fuel and electricity consumed that are not covered by Scope 1 or 2.
- Fuel: Fuel purchased is recorded by volume.
- Emissions calculated by: fuel consumed × Well-to-Tank (WtT) conversion factor.
- Electricity: Metered consumption is recorded.
- Estimations are used for landlord-controlled buildings where data has not been provided.

Category 3 – Upstream Transportation

- Includes transportation and distribution services purchased.
- Emissions calculated using a spend-based method, extracted separately for reporting:
- Spend (£) × product category emission conversion factor.

Category 4 – Waste Generated in Operations

- Includes office and operational waste.
- Data sourced from Freightliner's national waste contractor collections.
- Emissions calculated by: waste type (by weight/quantity) × emission conversion factor for waste type.

Category 5 – Business Travel

- Includes employee business travel not in Freightliner-owned vehicles (e.g. air, rail, hotel stays, hire cars, personal cars).

Air, rail, and road travel:

- Distance travelled captured in miles.
- Emissions calculated by: miles × emission conversion factor.
- For 2024: A 50:50 petrol/diesel split assumption was used due to lack of specific fuel data.

Hotel stays:

- Number of nights stayed captured.
- Emissions calculated by: hotel location (London, outside London, outside UK) × emission conversion factor.

Category 6 – Employee Commuting

- Includes employee travel to/from work by car and rail.
- Estimated using postcode data (employee and base) to derive distance.
- Emissions calculated by: mileage × emission conversion factor (based on average transportation figures).

Baseline year emissions:

EMISSIONS	**TOTAL (tCO_2e)**
Scope 1	162,427 (Diesel Traction, Road Haulage, Company owned vehicles, Terminal fuel use, Gas, Refrigerant R134a)
Scope 2	9,848 (Non-electric Traction, Guidebridge Consumption, Electric traction)
Scope 3 **(Included Sources)**	263,573 (Purchased goods and services, Capital goods, Fuel (WTT) & Energy, Waste from Operations, Business travel personal vehicles, Business travel, Employee commuting)

Total Emissions	435,848

4. Current Emissions Reporting

Reporting Year: 2024	
EMISSIONS	**TOTAL (tCO_2e)**
Scope 1	146,702 (Diesel traction, HVO traction, Road haulage, Guidebridge consumption, Company owned vehicles, Terminal fuel use, Gas, Loco Refrigerant R134a)
Scope 2	8,530 (Non-traction electricity, electric traction, company owned vehicles – hybrid, company owned vehicles – electric)
Scope 3 **(Included Sources)**	111,717 (Purchased goods and services, , Fuel(WTT) & Energy, Upstream transportation, Waste from operations, Business travel, Employee commuting,
Total Emissions	266,949

5. Emissions Reduction Targets

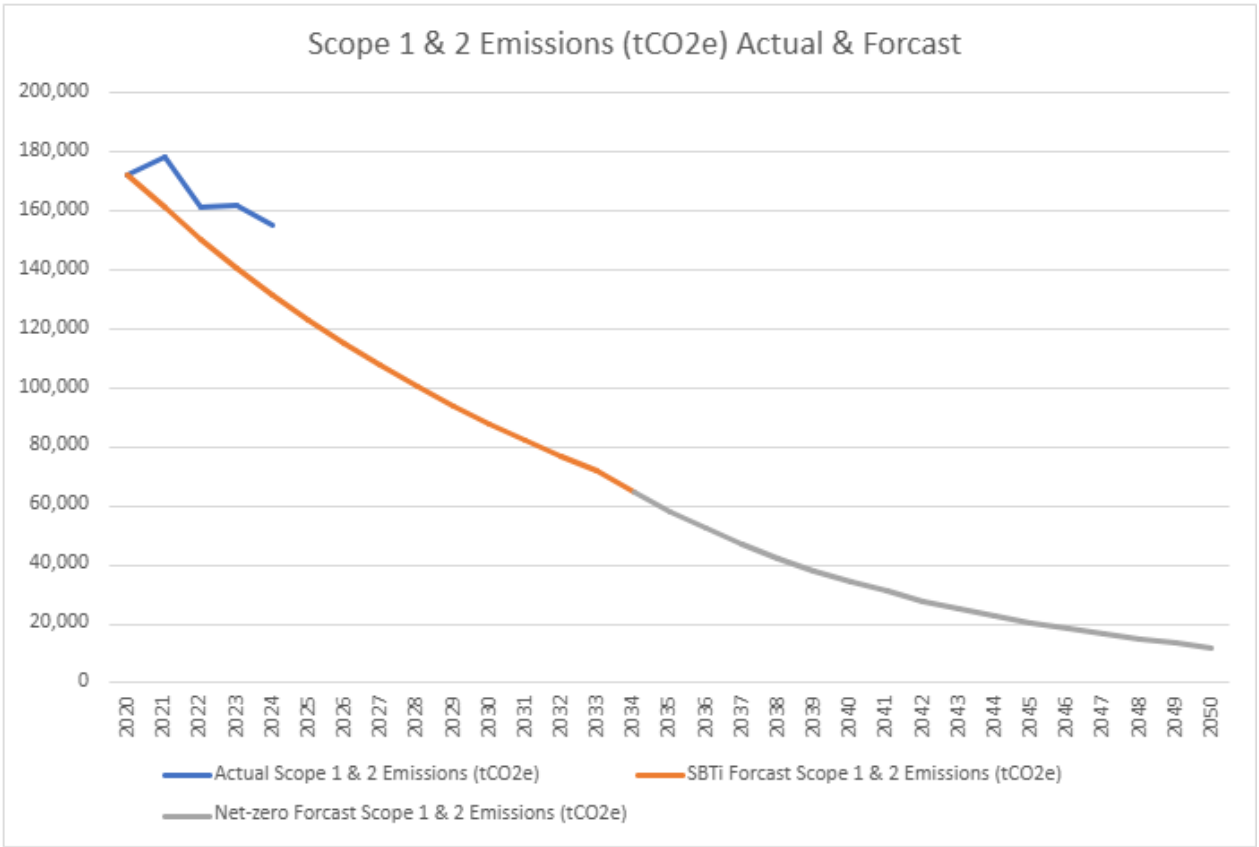
To continue our progress in achieving Net Zero, Freightliner have adopted the following SBTi approved carbon reduction targets:

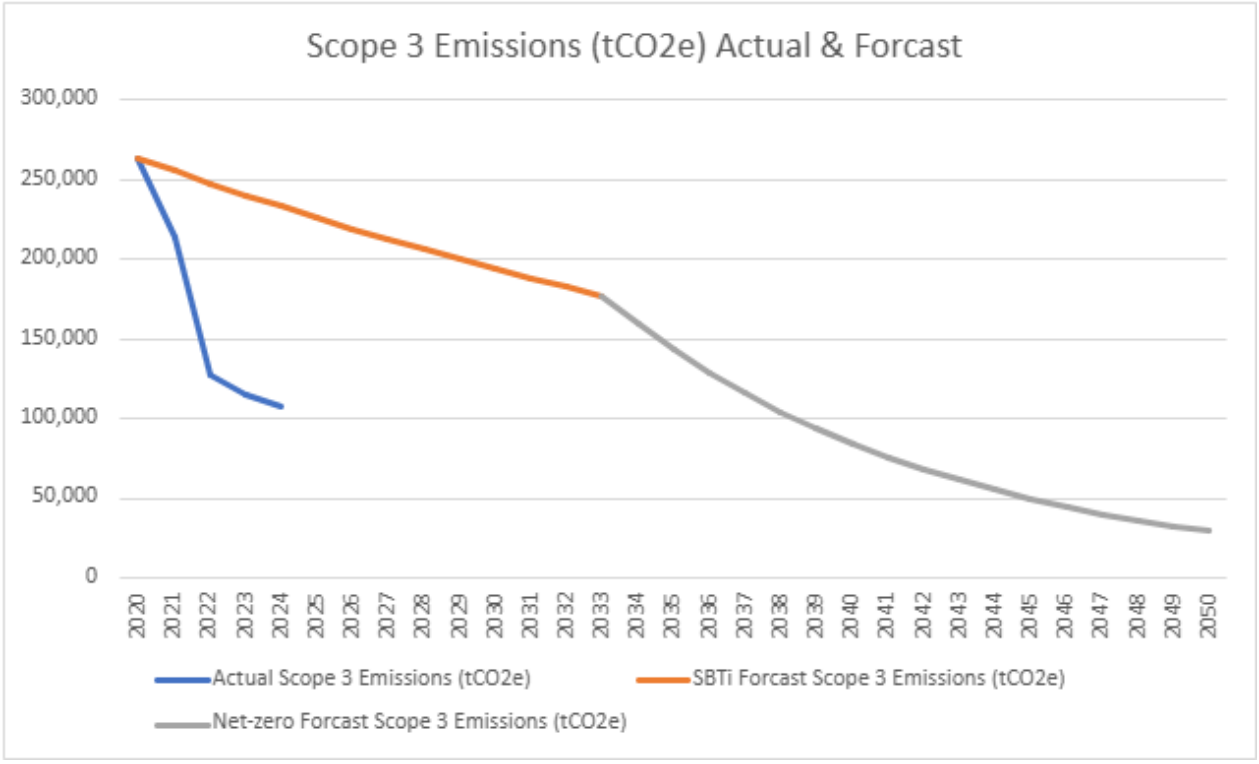
Overall Net-Zero Target: GWI UK ACQUISITION COMPANY LIMITED (Freightliner Group Limited UK) commits to reach net-zero greenhouse gas emissions across the value chain by 2050.

Near-Term Targets: GWI UK ACQUISITION COMPANY LIMITED (Freightliner Group Limited UK) commits to reduce absolute scope 1 and 2 GHG emissions 55% by 2033 from a 2020 base year.* GWI UK ACQUISITION COMPANY LIMITED (Freightliner Group Limited UK) also commits to reduce absolute scope 3 GHG emissions 32.5% within the same timeframe.* *The target boundary includes land-related emissions and removals from bioenergy feedstocks.

Long-Term Targets: GWI UK ACQUISITION COMPANY LIMITED (Freightliner Group Limited UK) commits to reduce absolute scope 1 and 2 GHG emissions 90% 2050 from a 2020 base year.* GWI UK ACQUISITION COMPANY LIMITED (Freightliner Group Limited UK) also commits to reduce absolute scope 3 GHG emissions 90% within the same timeframe.* *The target boundary includes land-related emissions and removals from bioenergy feedstocks.

Progress against targets is displayed below:





Data source: SBTI trajectory.xlsx

6. Carbon Reduction Projects

The following environmental management measures and projects have been completed or implemented since the 2020 baseline.

2021 FFA-G Wagons:

In collaboration with the vehicle design and manufacturing team (VTG), Freightliner established clear objectives for a new intermodal container wagon. These included reducing energy consumption ($kgCO_2$ - t/km), minimising maintenance requirements, lowering track wear, cutting CO_2 emissions, and increasing cargo capacity. The result was the introduction of a next-generation lightweight rail wagon, engineered to boost operational efficiency and reduce carbon emissions. By implementing an innovative design, the new wagon achieves approximately a 7% reduction in CO_2 emissions compared to traditional models.

2021 Idle Reduction:

In a focused effort to cut emissions and improve fuel efficiency, we launched a data-driven initiative to tackle unnecessary idling in our freight operations. By collecting and analysing idle time across the network, the team identified patterns around where and during which operational phases idling was most prevalent. Behavioural factors and day to day operational practices were also examined to better understand the root causes.

Building on the earlier implementation of Automatic Engine Stop-Start (AESS) technology, we are now preparing to introduce a new wave of engineering control measures designed to reduce idling even further. These forthcoming modifications, informed by real world data and frontline insights, will help eliminate avoidable engine use during dwell times. This initiative represents a meaningful step in our ongoing strategy to drive sustainability, reduce CO_2 emissions, and embed low-carbon thinking across its operations.

2022 Terminal Lighting:

Rolling Out Electric Vehicle (EV) Charging Infrastructure (2022–Present)

In 2022, electric vehicles (EVs) began to enter the company fleet. However, the cost of public charging made on-road refuelling economically unviable, prompting a strategic investment in on-site EV charging infrastructure. The rollout began with the installation of the first charger in Ipswich (2022), followed by active chargers being installed at:

- Manchester (2022)
- Liverpool (2023)
- Birmingham (2023)
- Leeds (2025)
- Doncaster (2025)

Each site installation is tailored to anticipated demand, with infrastructure supporting dual charging where feasible. The objective of this was to reduce the cost burden of EV use for employees, support the transition to electric company cars, and to enable future deployment of electric vans where infrastructure allows. Though uptake of company EVs remains modest, the infrastructure is designed to encourage adoption by making charging accessible and cost-effective. The infrastructure could allow for opportunities for electric van fleets as the business has since deployed 3 EV trucks for road haulage.

2022 Railfreight Energy and Emissions Calculator (REEC):

The REEC tool is a detailed energy and emission profile calculator, performing on-the-fly computation for any path. Freightliner supported The University of Hull Logistics Institute in developing this tool by providing industry knowledge, real-world use cases and thousands of on-train recorded performance data

downloads. Although the broad methodology was known, no single database contained all the necessary information gathered from on-train telematic equipment and train performance data (e.g. the tractive effort, braking performance), and network infrastructure constraints (e.g. line speed and gradients) before REEC was created. Previously, it required months of data gathering and experienced experts to perform detailed analysis for a single route and scenario.

REEC is now seen as a key decision-making tool for the many investment decisions to be made on the journey to net-zero for the rail freight industry. REEC significantly reduces the cost and time required for analysis of the energy and emissions impact of rail freight initiatives and investments. This enables faster, more, consistent and robust analysis to be done before large investments are made

2022 Vehicle Booking System (VBS):

At Freightliner, we helped our customers overcome significant challenges in their container delivery operations. Our distribution centres were experiencing chronic congestion, with HGVs often queuing for hours - resulting in wasted fuel, increased costs for their customers, and unnecessary emissions.

By implementing our advanced Vehicle Booking System (VBS), we revolutionised our delivery management. The intelligent scheduling platform eliminated bottlenecks by assigning precise arrival slots, while real-time monitoring allowed for dynamic adjustments. The results spoke for themselves a 4000t/CO2 reduction in CO_2 emissions for our customers and cost savings each year. Beyond the numbers, our solution delivered tangible benefits happier customers, more predictable operations, and cleaner air for surrounding communities.

2023 Alternative Fuels:

As part of our commitment to reducing carbon emissions across operations, Freightliner is actively exploring a range of alternative fuel options to support the transition to cleaner traction. We've already trialled and successfully tested Hydrotreated Vegetable Oil (HVO) in extended in-service conditions, and following rigorous performance evaluation, we've approved HVO for operational use across our fleet. This provides a valuable drop-in solution for immediate emissions reduction without compromising reliability or performance.

Looking ahead, we're also investigating synthetic fuels as a short- to medium-term bridge technology. These alternatives offer the potential for lower lifecycle emissions while leveraging existing infrastructure. To that end, we've recently signed a collaborative agreement with a leading synthetic fuel manufacturer to help accelerate development and deployment within a freight rail context. This multi-faceted strategy forms a crucial part of our broader decarbonisation roadmap striking a balance between immediate impact and long-term sustainability.

2023 GD+:

In January 2023 Freightliner started a new service for Ocean Network Express (ONE), connecting the Port of Southampton with Coatbridge, outside Glasgow, using GD+, a revolutionary new alternative fuel, between Southampton and Crewe, and electric locomotives between Crewe and the Central Belt of Scotland. GD+ is a type of Hydrotreated Vegetable Oil (HVO), with an additional additive that improves air quality. Using GD+ and electric traction for this 700-kilometre journey instead of diesel locomotives reduces carbon emissions by up to an additional 80% (compared to diesel) – increasing yet further the attractiveness of rail freight.

2024 Mendip Recast:

To enhance operational efficiency and reduce schedule timings, Freightliner have recast our Mendip services schedules by eliminating unnecessary stops in loops and improving route planning. By redesigning train paths, we minimised delays, reduced excessive braking and acceleration, and ensured smoother, uninterrupted runs. These changes led to increased capacity and improved on-time performance, demonstrating how strategic scheduling can enhance both cost-effectiveness and service reliability.

The initiative not only reduced bottlenecks and improved network flow but also allowed for increased freight capacity without additional infrastructure. Moving forward, we plan to expand these optimisations to more routes, supporting modal shift and creating capacity to move more good from road to rail.

2024 Electric Road Trucks:

In a further step toward decarbonising our transport operations, we have deployed three new electric trucks to replace diesel-powered vehicles, significantly reducing tailpipe emissions. To support this transition, we've also installed dedicated EV charging infrastructure, enabling efficient and reliable charging on-site. This investment not only lowers our carbon footprint but also enhances operational sustainability and future-proofs our fleet against evolving environmental standards.

2025 New Road Trucks:

As part of our ongoing commitment to sustainability, we have introduced 28 new road trucks into our fleet, each delivering a significant improvement in fuel efficiency. The new trucks achieve an average of 10.1 miles per gallon (MPG), compared to the previous fleet average of 9.1 MPG. This 11% increase in fuel efficiency translates to an annual reduction of approximately 214 tonnes of CO_2 emissions, contributing to our carbon reduction goals.

2025 Driver Efficiency:

At Freightliner, we recognise that our train drivers are key to unlocking greater fuel efficiency and lowering emissions across our operations. That's why we've developed a dedicated training programme focused on energy-efficient driving. The curriculum equips drivers with practical strategies such as optimal throttle use, coasting, anticipatory braking, and idle reduction techniques all backed by telematics data and real-time feedback. This data led approach helps translate individual driving behaviour into tangible environmental outcomes.

We're already seeing encouraging signs of improved fuel economy as drivers adopt these best practices. More importantly, this initiative is cultivating a shared commitment to sustainability across the frontline. By enabling our drivers to play an active role in our decarbonisation efforts, we're creating a culture that values low emission practices and operational excellence.

2025 Future Locomotive Strategy:

At Freightliner, our approach to future locomotive investment is grounded in both ambition and pragmatism. We're actively exploring a broad range of next-generation traction solutions that offer improved efficiency and lower emissions. We know that real-world freight operations demand more than just innovation they require technology that's robust, proven, and aligned to our specific traffic patterns.

That's why we're working closely with OEMs to help shape the development of future-ready locomotives, contributing operational insight to ensure new platforms meet the complex needs of modern rail freight. By timing our transition with purpose, we aim to adopt mature technologies at the right moment balancing ambition with operational viability, and setting the course for a sustainable, scalable future.

7. Declaration and Sign Off

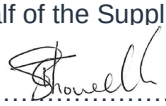
This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standard for Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard[i] and uses the appropriate Government emission conversion factors for greenhouse gas company reporting[ii].

Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements, and the required subset of Scope 3 emissions have been reported in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard[iii].

This Carbon Reduction Plan has been reviewed and signed off by the board of directors (or equivalent management body).

Signed on behalf of the Supplier:



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Date: 18th December 2025

[i] https://ghgprotocol.org/corporate-standard
[ii] https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting
[iii] https://ghgprotocol.org/standards/scope-3-standard