

Sustainability Report

Introduction

This report highlights the key sustainability efforts and initiatives undertaken to ensure environmental, social, and economic responsibility. The focus is on reducing our carbon footprint, promoting ethical practices, and fostering long-term ecological balance.

Company Overview

Mission Statement:

At HTC Group our mission is simple –

To keep your business moving; minimising downtime and maximising reliability.

Business Activities:

HTC Group have been authorised DAF Sales and Service Dealers since 1998 supplying and maintaining DAF Trucks across the South East.

We offer new and used DAF Trucks including the DAF Electric range.

With ten purpose-built sites, positioned around Greater London and the South East, our fully equipped workshops with dedicated DAFaid roadside assistance teams and expert technicians, are always on hand.

We offer a 'one stop shop' for truck and trailer parts including same day delivery. As well as supplying DAF parts, we can also provide over 80,000 TRP parts for all makes of trucks, trailers, tail lifts and bodies, including workshop consumables.

Environmental Policy

Policy Statement:

At HTC Group we are committed to achieve continual improvement by setting and reaching objectives and targets.

The company management will review our environmental policy regularly and communicate it to all stakeholders; clients, contractors, visitors, employees and public.

We pledge to ensure:

- the progressive reduction and prevention of pollution,
- environmental best practice in our working environment through a documented system,
- continuous improvement in our environmental performance by regular benchmarking and review against measurable objectives and targets,
- compliance with associated environmental legislation and other requirements,
- regular communication to our employees and interested parties, of our performance.

Objectives:

- Actively protect the environment by enacting energy and water conservation measures, reducing waste and preventing pollution and emissions.
- Encourage all involved parties to support a better environment.
- Striving for minimising negative effects of Dealer operations on the environment.
- Acknowledging that environmental care is a social responsibility of the Dealer and thus for everyone in his organisation.
- Creating an optimal balance between ecological and economic interests that is aimed for in activities, products and services.

This will be done by:

- Developing and maintaining a general awareness in the company that environmental care is a necessary requirement for the business success of both the Dealer and their customers.
- Encourage every employee to contribute towards our ongoing continuous improvement with regards our impact on the environment.
- Creating the necessary conditions and planning the processes, the resources, equipment, knowledge, facilities, infrastructure, and systems to support the environmental control and continuous improvement.
- Realizing a continuous program for environmental awareness, information, training, and communication for all employees on the premises.
- Dealing with environmental effects in a proactive way in order to comply with relevant environmental legislation and obligations before the deadline.
- Continuously preventing, controlling, and improving the environmental effect and the energy efficiency of Dealer/Service Partner activities including the products and services it supplies.

Targets:

We ensure that we conform to all environmental legislation requirements. We are working towards reducing energy and water usage by 5% initially. We ensure that all waste is effectively segregated at all sites and we are working to reduce general waste to landfill by 5%.

Environmental Management System (EMS)

EMS Description:

Our EMS meets the requirements of the EN ISO 14001:2015 Standards and is set up in order to ensure that all necessary steps are and will be taken to minimise a possible negative impact on the environment.

ISO 14001 Compliance:

We operate a management system in accordance with the requirements of EN ISO 14001:2015 as certified by TUV Nord CERT GmbH as a result of audit and assessment.

Legal Requirements:

We identify legislation pertinent to our activities, and which relate to the identified environmental aspects, via a monthly subscription which keeps us abreast of all relevant legislation updates. These are contained within our document 'Register of Legal (& Other) Requirements' QD 044E and are communicated to all staff via our SharePoint website.

Environmental Performance

Energy Efficiency:

We currently use 84.8% renewable electricity and aim to increase this over time.

| Fuel Mix (%) Disclosure Data: latest | | | | | | | | |
|--------------------------------------|------|------|-----------|-----------|-------|-------------------|-----------------|------------|
| supplier | coal | gas | nuclear † | renewable | other | CO ₂ * | nuclear waste * | disc. year |
| 100Green | 0.0 | 0.0 | 0.0 | 100.0 | 0.0 | 0 | 0.00000 | 2024 |
| Boost | 13.0 | 61.0 | 9.0 | 11.0 | 6.0 | 417 | 0.00050 | 2024 |
| British Gas | 4.0 | 17.0 | 57.0 | 20.0 | 2.0 | 117 | 0.00340 | 2024 |
| Co-op Energy | 0.0 | 0.0 | 15.2 | 84.8 | 0.0 | 0 | 0.00090 | 2024 |
| E | 14.7 | 67.9 | 10.6 | 0.2 | 6.6 | 466 | 0.00064 | 2024 |
| e.on next | 2.1 | 9.9 | 1.5 | 85.5 | 1.0 | 68 | 0.00010 | 2024 |
| Ecotricity | 0.0 | 0.0 | 0.0 | 100.0 | 0.0 | 0 | 0.00000 | 2024 |
| EDF Energy | 4.3 | 19.7 | 54.0 | 20.1 | 1.9 | 136 | 0.00320 | 2024 |
| Fuse Energy | 14.7 | 67.9 | 10.6 | 0.2 | 6.6 | 466 | 0.00064 | 2024 |
| Good Energy | 0.0 | 0.0 | 0.0 | 100.0 | 0.0 | 0 | 0.00000 | 2024 |
| Home Energy | 14.7 | 67.9 | 10.6 | 0.2 | 6.6 | 466 | 0.00064 | 2024 |
| London Power | 0.0 | 0.0 | 15.2 | 84.8 | 0.0 | 0 | 0.00090 | 2024 |

Water Use:

The 7 Step Action Plan – Energy/Saving Water – Reducing Costs and a bespoke Energy/Water Saving Plan has been implemented at all depots. These measures were adopted in line with the SMMT Dealer Energy Efficiency Guide.

Waste Management:

Dry Mixed Recycling is carried out at all depots. Our waste is logged and shared via our SharePoint website and company notice boards.

Emissions:

The increase in the use of renewable energy has in turn reduced air emissions. Staff commitment to our Energy Saving Measures will also contribute.

Environmental Objectives and Targets**Current Objectives:**

- Ensure we conform to environmental legislation requirements,
- Reduce the use of gas by 5%,
- Reduce the use of electricity by 5%,
- Reduce the use of water by 5%,
- Ensure effective waste segregation is in place,
- Reduce general waste to landfill by 5%.

Progress:

- Environmental Legislation is checked each month for new and updated legislation relevant to our business. A dedicated document is updated and shared within the organisation each month.
- We read the meters and monitor the bills. We have adopted measures from the 'Dealer Energy Efficiency Guide'. Year on year comparison graphs are displayed on energy/waste notice boards.
- We audit all waste streams regularly. We aim for continuous improvement and flag any issues of cross contamination (especially of hazardous waste).
- We monitor and log the volume of waste. We ensure recycling is maximised. Year on year comparison graphs are displayed on energy/waste notice boards.
- We have introduced an EV company car scheme and have installed EV charging facilities across multiple sites to reduce fuel consumption through company car use.
- Reduction in business travel. The majority of meetings are now conducted via Teams.
- Lighting upgrades to LED continue throughout the depots.

Future Targets:

- The use of more renewable electricity with a view to reaching 100% in the next 3 years.
- Introduce Supplier Code of Conduct covering ESG.
- Increase the amount of high-power vehicle chargers to encourage customers to change to BEV.
- Utilise PV site power systems wherever possible.

Sustainable Practices:

- The use of (85%) renewable energy.
- LED lighting, motion sensors and energy-efficient appliances are installed wherever possible.
- We encourage the use of paperless work streams, using digital communication and cloud based storage only wherever possible.
- The majority of our packaging material is reused/recycled and recyclable materials.
- Predictive Maintenance allowing proactive fixes to maintain peak efficiency and prevent costly downtime.
- When upgrading appliances, ensure energy efficient appliances with high energy ratings are attained.

Carbon Footprint Reduction:

- Remote working is encourage where possible.
- Many meetings now held via Teams to reduce business travel.

Plan to work towards net zero:

We plan to work towards net zero by:

- Measuring our emissions (carbon footprint),
- Continuing to increase our use of renewable energy,
- Continuing to increase efficiency by switching to LEDs, improving insulation, encouraging the use of energy efficient equipment etc.,
- Continuing to reduce, reuse, recycle and choose products with recycled content and minimal packaging,
- Continuing to encourage behaviour changes such as the use of EVs, less travel, less waste etc.,
- Work with suppliers committed to net zero and sustainable practices.

Solar energy plans:

- Our electricity supply is currently almost 85% renewable, which we hope to be 100% in the next 3 years.
- In the long term we would like to install solar panels where feasible.

Employee Training:

- Share all gathered consumption and waste data via SharePoint website and company notice boards.
- Share EMS Improvement Programme with all staff via SharePoint website and company notice boards.

Electric Vehicles:

- The majority of company cars are now EVs and all depots have chargers on site.
- Going forward when upgrading delivery vehicles we are also looking at converting to electric.

Paperless Environment:

- We encourage the use of paperless work streams, using digital communication and cloud based storage only wherever possible.

Climate Risk Management:

Driver Training has been implemented across the Group to equip drivers with advanced skills for handling adverse conditions, including managing skids, braking effectively, and handling strong crosswinds.

Transition Risks:

Our Risk Register(QD 063) has identified and analysed transition risks and our response to same.

Through our parent company, Ballyvesey Holdings Limited, we report to the Energy Savings and Opportunity Scheme (ESOS). Ballyvesey Holdings also reports annually to Streamlined Energy and Carbon Reporting (SECR). By doing so, we make a commitment to review our energy figures in detail with a view to reducing our carbon footprint. ESOS forms the basis of our energy reduction plan and ensures we are committed to driving change within the business.

Energy Savings:

Some new technologies which we will be looking into to help us reduce our energy outgoings.

- LEDs combined with occupancy sensors.
- Smart heating and cooling.
- Smart Meters & Plugs to provide real-time usage data and quickly identify issues. Smart plugs can shut off "phantom" energy drain from devices not in use.
- Solar panels to help efficiently use clean energy, reducing reliance on the grid.

Reputation:

We are aiming to prioritise Environmental, Social & Governance going forward. We will be implementing an Environmental, Social & Governance Policy in 2026.

This will help us to actively educate customers and partners about our ESG initiatives and their positive impacts. This communication will help us to build public perception and reinforce a commitment to shared values.

Renewable energy production:

This will be part of our plan in the longer term.

Resilience:

A bespoke Contingency Plan (QD 065) is in place for all depots and is available for all to access on the SharePoint website. Also available in paper form at each depot.

Monitoring and Measurement

Key Performance Indicators (KPIs):

- Ensure we conform to environmental legislation requirements,
- Reduce the use of gas by 5%,
- Reduce the use of electricity by 5%,
- Reduce the use of water by 5%,
- Ensure effective waste segregation is in place,
- Reduce general waste to landfill by 5%.

Monitoring Methods:

- Environmental Legislation is checked each month for new and updated legislation relevant to our business. A dedicated document is updated and shared within our organisation each month.
- We read the meters and monitor the bills. We have adopted measures from the 'Dealer Energy Efficiency Guide'. Year on year comparison graphs are displayed on energy/waste notice boards.
- We audit all waste streams regularly. We aim for continuous improvement and flag any issues of cross contamination (especially of hazardous waste).

We monitor and log the volume of waste. We ensure recycling is maximised. Year on year comparison graphs are displayed on energy/waste notice boards.

Results:

Graphs and logs are shared at depot level via displays on our Green noticeboards.

Training and Awareness

Training Programs:

Staff are directed to our main SharePoint portal where we advise best practise and share gathered information which will help us further continual improvement.

Awareness Campaigns:

Increase mindfulness with posters and 'switch off' stickers.

Social Sustainability

Employee Well-being:

Employee Health and Wellbeing is well managed within the HTC Group but to formalise this we plan to implement a ESG Policy in 2026.

Community Engagement:

Community and Engagement - The HTC Group is committed to establishing strong relationships with local communities, stakeholders and organisations to foster positive social and economic impacts but to formalise this we plan to implement an ESG Policy in 2026.

Education & Awareness:

Education and Awareness is raised from day one via the induction process. Staff awareness around expectations, individually and collectively, is a key part of this.

Economic Sustainability**Ethical Sourcing:**

Like DAF Trucks itself, we at HTC ensure that we monitor the performance of our suppliers on a regular basis. We expect partners to be socially responsible and ensure fair labour practices, safe working conditions, and respect for human rights, while also complying with environmental regulations and responsibly managing resources.

Innovation & Efficiency:

Future investment in new technologies as detailed above will enable us to streamline operations and in turn reduce waste and costs.

Long-term Growth:

With the development of our Environmental, Social, and Governance (ESG) Policy we will ensure that principles therein are integrated into core financial planning and operations; such as:

- Prioritising strategies that create value over the long term, rather than maximizing short-term profits at the expense of future resilience.
- Ensure financial decisions consider their environmental and social impacts.
- Build trust with stakeholders through open communication and clear reporting on both financial and sustainability performance.

Continuous Improvement**Improvement Initiatives:**

We plan to focus on making small, ongoing changes to processes, products, or services, driven by employee ideas and data which, in turn, will boost efficiency, quality, safety, and customer satisfaction. By empowering our staff, encouraging feedback and setting achievable goals we aim to reduce costs and improve our environmental and social performance.

Challenges:

Achieving our goals will happen over time. The current economic climate means that costly investments are having to be delayed. Our focus in the interim will be staff and supplier buy-in which will be achieved through clear communication of our vision and goals.

Future Plans:

Implementation of our ESG Policy in 2026 will further outline our strategies and objectives for environmental, social and governance practices going forward.

Conclusion**Summary:**

This sustainability report and the measures that have been, and will be implemented going forward will enable us to foster improved practices and ensure conscientious choices are made that positively impact our planet, communities and stakeholders.

Commitment:

Our commitment to sustainability is integral to our values and operations.

Appendices**Supporting Documents:**

- EN ISO 14001:2015 Certificate
- Register of Legal (& Other) Requirements (QD 044E)
- Risk Register(QD 063)
- Contingency Plans (QD 065)