

Miniclipper Logistics Environmental, Social and Governance Report



Introduction

“Miniclipper Logistics has been part of the local community for 51 years, founded by my father, Mick Masters from his home office in Great Brickhill in 1971.

Operating primarily in Leighton Buzzard, the growth of the business has expanded our presence across Central Bedfordshire, and more recently into Northamptonshire.

We understand that as a logistics business, our industry has a responsibility to minimise our environmental impact locally, nationally, and globally. We recognise that we have a responsibility towards sustainable operating, the wellbeing of our employees and to conduct business ethically and with integrity. As a business, we put these values at the heart of all our decision making.

It is important to us at Miniclipper and all our stakeholders that we continually look into and trial new initiatives that show our commitment to continuous improvement, and that we are transparent, honest and accurate with our reporting.

We are delighted to launch our ‘Environmental, Social and Governance’ report which draws together our collective work throughout Miniclipper to achieve



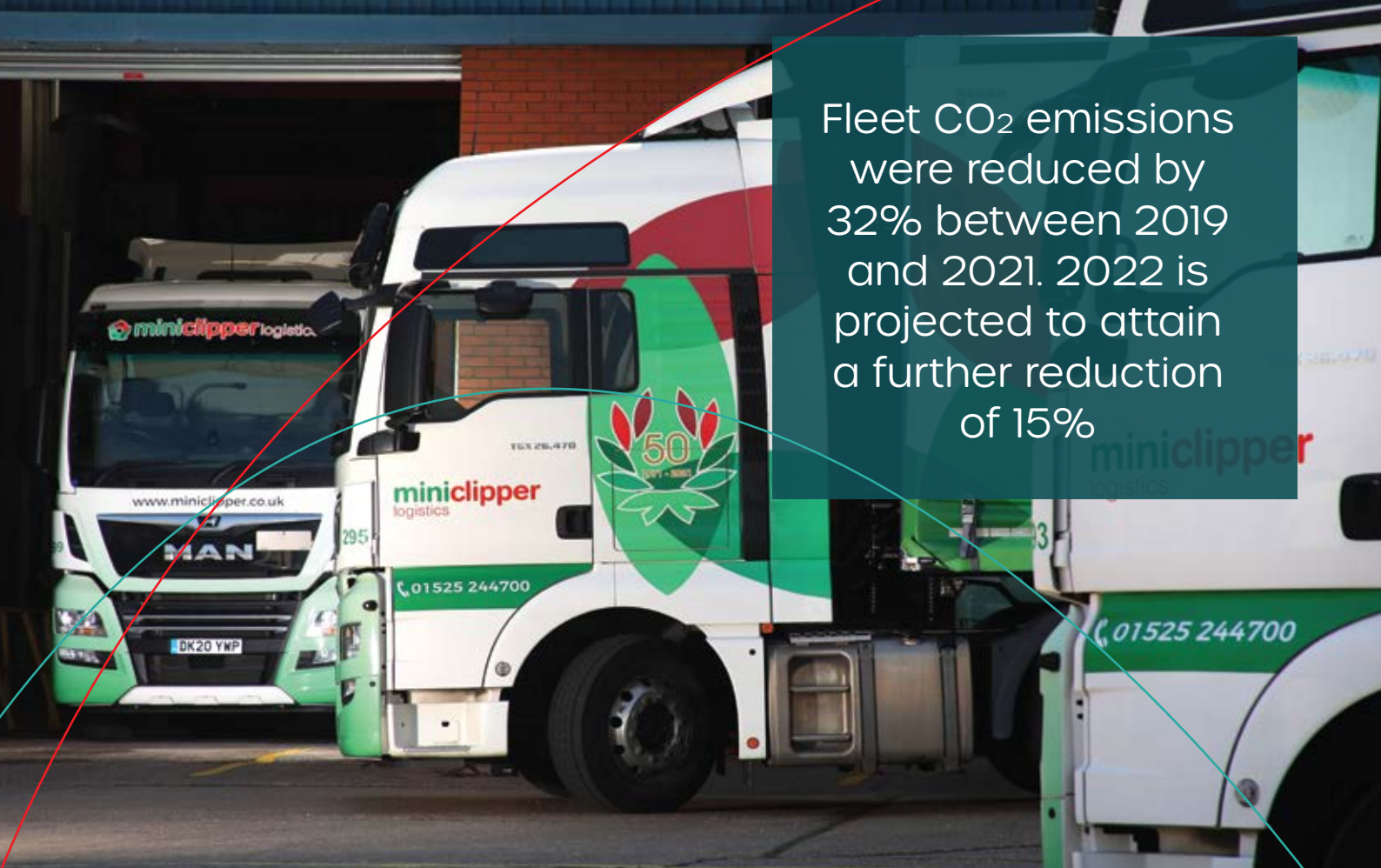
Peter Masters
Managing Director

Section 1

Environmental

As a transport and storage business, Miniclipper Logistics recognises its duty to ensure excellent environmental practices are incorporated into all our business operations by planning and developing policies, setting targets and monitoring results through regular audits.





Fleet CO₂ emissions were reduced by 32% between 2019 and 2021. 2022 is projected to attain a further reduction of 15%

We are committed to continuous improvement to minimise the impact of our business on the environment by:

- Optimising routes through cutting edge routing software (Paragon) to reduce diesel consumption

- Reducing emissions through our bespoke fleet maintenance programme, regularly servicing vehicles to monitor their efficiency and minimise GHG emissions

- Fitting all vehicles with Microlise Fleet Telematics to monitor driving styles, efficiency, MPG and fuel economy which triggers training when required

- Rewarding drivers who drive to the target standards with bonuses, resulting in improved MPG and vehicle damage reduction

- Upgrading our fleet in a rolling replacement programme

Examples of what we have achieved:

- Our tractor unit fleet was replaced with second generation MAN TGX units in 2020. In the first full calendar year of use (2021) MPG improved by 15%. This equates to a saving in fuel consumption of 43,599 litres and 114,291 Co2kg. Up to May 2022 there has been a saving in fuel consumption of 18,309 litres and 47,996 kgs of CO₂

- Fleet CO₂ emissions were reduced by 32% between 2019 and 2021. 2022 is projected to attain a further reduction of 15%

- We are participating in DfT trials of extra length double deck trailers which carry ten more pallets per trunk, increasing capacity on each journey by 20%. This saves one full trailer load per night trunking to our Midlands hub saving approx. 60,000 miles a year

Section 2

Sustainability

Our transport and compliance team are currently testing the market to transition to a low carbon road freight transport approach. We already have solar power on our warehouses, recycling initiatives at every site and have introduced cycle to work schemes.





Vehicle emissions, vehicle renewal & in-cab technology

Miniclipper trucks are fitted with Microlise Fleet Telematics to monitor driving styles, efficiency, MPG and fuel economy which triggers training when required. We have a driver bonus reward system to encourage drivers to meet the set criteria's of fuel efficient driving by looking at driving styles which impact the environment as well as other road users. The data is discussed with drivers monthly to further improve their driving style.

We are participating in DfT trials of extra length double deck trailers (four so far) which carry 10 more pallets per trunk, increasing capacity on each journey by 20% per trailer. This saves one full trailer load per night trunking to our

Midlands hub, saving approximately 40,000 miles per year. We now have four LST rear steer double deck trailers from Lawrence David.

The relocation of the Distribution Centre to an industrial site in Dunstable means our DC can work longer hours including nights and weekends if required and the people local to our site in Leighton Buzzard now have reduced commercial traffic in their local environment.

We have also reduced CO₂ night trunking emissions and by the end of 2022 we will have saved 58,950 tonnes of CO₂.

Our Microlise driver fuel consumption league table continues to improve fuel consumption across three out of four truck categories as the table below reinforces:

	Last year	Current	Difference	% increase
Artic	9.49	11.29	1.8	19%
18T	11.43	12.03	0.6	5%
12T	13.72	14.55	0.83	6%



We are now moving into the next stage of optimising Microlise by checking whether drivers follow routes not just for minimising mileage and fuel costs, but reducing time stuck in congestion

Increasing local multi-drop deliveries

We have introduced an initiative to increase the density of drops in each local area we work in. The aim is to reduce fuel use, improve environmental performance of trucks and reduce mileage. Keeping our own trucks closer to home increases utilisation of both our drivers and trucks.

We have also entered a collaboration with an international blue-chip business supporting them with local deliveries to further add weight to our local multi drop delivery strategy. It forms an integral part of their strategy to reduce the volume of smaller local deliveries so it can concentrate on its national trunking work. This collaboration has been successful. We share the same goals in respect of our environmental reduction and will continue to grow together.

Evaluating electric trucks

We have a high concentration of local work in place which fits well with operating electric trucks. We look forward to electric vehicle trials and are currently engaging several manufacturers.

We are now moving into the next stage of optimising Microlise by checking driver routes, not just for minimising mileage and fuel costs, but reducing time stuck in congestion.

All of these statistics will also help support our onboarding of electric trucks as we will know which routes and drivers will be best suited to moving to electric power and the reduced range they offer.



Our initiatives and improvements on heating efficiencies have reduced our gas usage between 2020 and 2021 by 8.16%

Reducing energy usage

In 2021 we generated 148,928 kWh of green energy by installing solar panels, adding to the total amount of electricity we receive from renewable sources or certified renewable electricity suppliers.

By replacing old inefficient lighting with new technology LED lighting, we have reduced our electricity usage between 2020 and 2021 (ongoing project) by -6.26%.

Our initiatives and improvements on heating efficiencies have reduced our gas usage between 2020 and 2021 by 8.16%.

We are currently working with a leading energy expert provider, Trident Utilities (www.tridentutilities.co.uk) to create effective processes, dashboards, improvement plans and targets to reach our Future Net Zero (FNZ) Scope 1, 2 and 3 and PAS 2060 target.

This includes assisting us in evaluating and introducing alternative options to lower our Carbon Footprint in terms of natural gas, LPG (sustainable fossil fuel), electricity / water / diesel / petrol.



Reducing waste and using more environmentally materials

We are using non-organic cleaning material, minimising packaging (ie cutting packaging to size) and encouraging the reuse and recycling of materials within all sectors of the business (where applicable).

We use a systemic waste minimisation programme to achieve targets to reduce waste and increase recycling, (all sites have a Zero to Waste Landfill target).

- We are looking at a wood recycling solution for our damaged and old pallets.
- We are also looking at water saving tap solutions which could save up to 70% water usage.
- An Environmental and Sustainability meeting is held bi-monthly and includes our MD and four Board members to continue championing our commitment to the environment and sustainability.

Social

Driver recruitment, retention, and wellbeing

Driver recruitment has proven to be a challenge for the entire UK transport industry over the past few years. In 2022 we launched our own local marketing campaign to attract new talent to our industry through advertising and social media. With local competition very high for drivers we made them aware of the driver package which is available.

- We introduced a driver referral scheme where drivers could recommend individuals to the company and we pay them £250 for each referral. Four drivers have been retrained and up skilled so far this year into HGV. Some of these have come via our newly launched Warehouse to Wheels program.
- We created a new full time management role of HR manager to develop employment policies, recruitment, and staff benefits, all of which are now in place.
- We launched a 'warehouse to wheels' program in house, offering free training to our warehouse teams to train as HGV drivers, 2 people are on this scheme.
- We shouted about Miniclipper being a steady, long term, committed and ethical employer - getting the message out there to compete with short term employers pre-Christmas.
- A driver video has been produced extolling the virtues of driving as a career, and with Miniclipper as an employer. We were surprised to hear the driver's feedback of why he likes to work for Miniclipper.
[See video clip](#) ➤
- We have given drivers three extra days holiday and a further extra three days for those who have been with the business for more than 5 years. The reaction has been very positive and as of 4 March 2022, we had a full complement of HGV drivers.



- Class 1 & 2 HGV drivers have received wage increases to retain and attract new employees.
- All drivers (after passing probation) are automatically ADR trained which means all our drivers are qualified to undertake the delivery of hazardous goods. Our Hazchem assessment which occurs every 3-5 years was passed with flying colours with no advisories.
- An Employee of the Month competition was introduced; Managing Director Peter Masters presents each winning employee with a bonus voucher.
- We evaluated our employee benefits and realised we had something very powerful to promote including permanent contracts with Medicash health plan for all employees and a pension scheme which we have outlined below. Also, we focused on the weekday working which is the norm at Miniclipper.



Promoting driver wellbeing is key

We have made a big push to provide drivers with more online training through IHASCO. This includes courses on mental health, stress awareness, cyber security, Covid-19, and anti-bribery to name just a few.

We have also invested in powered pallet trucks for all of our 7.5 tonne, 12 tonne and 18 tonne vehicles to support drivers with increasing number of home deliveries.

Covid-19

- A workplace adjustment policy was created and is still being implemented and updated within the organisation to keep drivers and warehouse staff safe and protected from contracting Covid at all times.

- Where the law allowed, we flexed furlough staff to part time, and worked in cooperation with employees to assist them with childcare and enabled working from home with phones and IT equipment where appropriate.

- We encouraged those with vulnerability in their family to take furlough with no loss of income.

- Air quality sensors have also been installed in all our offices including meeting rooms to help improve the working environment of all our employees.

Colleague benefits*

Medicash: Provides all employees with a healthcare plan where they can access GP and consultancy services, virtual healthcare tools, exclusive gym, and shopping discounts. This plan offers cashback on dental, optical, and therapeutic care, diagnostic scans, screenings etc.

In addition, the company will pay £20 directly towards eye tests.

As part of the Medicash health plan, employees have instant access to expert information and advice on a wide range of issues through a 24 hour telephone advice service also online support with additional information and self-help guides. Some of the areas that the experts support with are:

- Family Care
- Debt Concerns
- Bereavement
- Money Management
- Stress
- Work/Life Balance
- Redundancy
- Career Guidance
- Relationships
- Health and Wellbeing

Cycle to work: An initiative whereby the Employer buys a bike for the employee for them to ride to work and then the employee 'hires' it through salary sacrifice. (creating savings by not paying tax and National Insurance contributions on the monthly fees).

Company Group Life Assistance arrangements: Life cover to a legal spouse or civil partner in the event of death at x 3 annual salary (when entering the pension scheme).

Auto-enrolment pension scheme: Through Scottish Widows, Miniclipper contributes up to 4%. There is a choice of the traditional method (deduction from gross earnings before Income Tax is calculated) or salary exchange method (deduction from gross earnings before Income Tax and NI is calculated) often a more cost-effective way of saving for retirement.

*(upon completion of x3 months probationary period).



Our 'in-house' benefits

Employee of the Month: A personal letter and £50 voucher is presented to the winning employee every month. This is circulated to the business and on social media to maximise recognition.

Christmas: It is tradition to give each of our employees up to £75 in vouchers (usually Tesco) to spend on their Christmas groceries.

Ad-hoc: Vouchers issued to employees following successful company performance and service awards for long-standing employees (10+ years).

Employee Surveys: In 2019, we completed an employee engagement survey and from the results we reviewed holiday entitlement, employee recognition programmes and benchmarked salaries and wages. This exercise will be repeated in 2022, and every two years thereon after (not completed last year due to Covid 19).

Employee communication: Quarterly updates by Peter Masters (Managing Director) at every site with an aim to present to every employee in the business. This keeps everyone up to date with the progression and growth of the business and allows employees to ask Peter any questions they may have about the business. This is followed up by an employee newsletter containing all the information that Peter has talked about.

Training

Apprenticeships/Development: We engage with local colleges and schools to actively encourage apprentices in warehousing, customer services, business management, team leader, operatives, and HGV apprenticeships to develop our employees. Employees can also request to be mentored by one of our leadership team or an external professional.

All FLT operatives receive externally certified, and documented training before being given access to Manual Handling Equipment. Internal assessments are carried out on a regular basis, and refresher training is scheduled in accordance with our insurance guidelines.

Section 3

Governance

Accurate reporting to stakeholders on financial performance, business strategy and operations.





Mini Clipper Limited's registered number at Companies House is 02112488. Companies House is responsible for incorporating limited companies and thereon after registering company information to make it available for public view. The annual report and financial statements submitted for the previous financial year are available to view in the public domain.

Our Strategic Report & Directors Report is a balanced and comprehensive review of the performance and development of the business during the financial year and its position at year end. The review is consistent with the size and nature of the organisation and is written in the context of any business risks and uncertainties. This outlines the significant investment plans in place to meet customer needs and details financial key performance indicators.

The Directors are responsible for preparing the Strategic and Directors' Report and the financial statements in accordance with applicable law and regulations. Under company law the Directors must approve financial statements only if they are satisfied that they give a true and fair view of the state of affairs of the Company and its profit or loss of the Company for that period.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report is approved by the Board and signed by the Managing Director on its behalf. Miniclipper Logistics has appointed the independent auditor (MHA MacIntyre Hudson) in accordance with section 485 of the Companies Act.

Customers (existing and prospects), suppliers and employees are informed via company announcements, news (external articles and website news), newsletters, social media and business presentations of company performance, strategy and operational updates. We provide an honest evaluation of our environmental impact, sustainability commitments and company policies and processes to any prospective or existing clients that may require this information.

Financial performance and KPI performance are discussed, analysed and corrective action agreed at monthly reviews in the form of 'Board Meetings' and annual 'Strategy Meetings'. A Director is allocated accountability for specific functions, which covers the entirety of the business operation and administration.

An independent Chairman has been appointed to facilitate these meetings to ensure that decisions are balanced, unprejudiced, realistic and achievable.



Undertaking business ethically, such as preventing bribery

Ethical business practice is a priority; we act with integrity, competence, diligence and respect in all our business practices. We ensure we:

- Obey the law
- Do not negatively impact our customers
- Do not negatively impact our employees
- Respect our suppliers
- Minimise our carbon footprint & environmental impact
- Support the local community

Examples include:

- A robust and stringent approach to vetting suppliers and subcontractors.
- Utilising industry leading accounting management software for payroll processing, accounts payable and receivable, billing, cash management, general ledger, order management and purchasing with full audit trail.
- PAYE operated payroll for all company employed personnel. Temporary and agency staff are recruited through approved recruitment providers.
- We have zero tolerance approach to slavery and human trafficking.
- We have a zero-tolerance approach to bribery in any aspect of our business - We provide training and clear policy guidance on the expectations that we have of our employees and require that our suppliers take no part in any sort of bribery.

Ensuring diversity in any leadership team and being open about executive pay

Our Leadership Team is diverse in terms of gender, nationality and age.

Directors' remuneration is the process by which Directors of a company are compensated, either through fees, salary, or the use of the company's property, with approval from the shareholders and Board of Directors. Full disclosure of Directors' remuneration is available to view within the annual statutory accounts.

Health and Safety

Health and Safety is at the heart of everything we do as a business. Here is a copy of our most recent Health and Safety policy statement.



Supply chain partners

We have built up an experienced and reliable network of supplier partners over many years which helps us deliver a first-class service to our customers.

We are also members of key trade organisations that help and support our business through sharing industry best practice and promoting greater safety and compliance across our industry.

Palletline (pallet network)



- Palletline (launched in 1992) is the UK's first premium palletised freight distribution company (96 depots / over 6000 vehicles) and operates across the UK and 29 countries in Europe with 12,334 employees.

- Palletline uses a 'hub and spoke' distribution method. This means that members input freight into their local regional depot, reducing the distance travelled by 4.5 million miles which is 7.5 tonnes of Co2 eliminated over a 12-month period.

- 100% member owned / shareholder model meaning that members can have a say in the running and development of the network. In addition, Peter Masters is on the board.

- ISO9001: Quality Management / ISO14001: Environmental Management / ISO45001: Occupational Health and Safety Management / ISO50001: Energy Management accredited.

- RoSPA Gold Award Winner in 2021

- Recycling of WEEE (Waste Electric & Electronic Equipment), builders waste and confidential paper shredding.

- Hybrid forklift trucks utilise hydrostatic drives to improve surface grip and reduce gas usage.

- Smart heating and LED lighting controlled by infrared sensors at all hubs delivering a reduction of energy usage by almost 20%.

UPN (pallet network)



- 90+ depots.

- A big development in UPN in 2017 was the introduction of a "paperless paperwork system". This is a bespoke UPN system developed by an in-house IT team to manage and control the flow of customers' own paperwork more cost effectively and more efficiently within the delivery system.

Despite the growth in freight volumes, the flow of physical paperwork through UPN has now been significantly streamlined. This new IT initiative is enabling both UPN centrally, and members nationwide, to save significant staff hours whilst at the same time actually improving the overall quality of service provided. The new IT system for the electronic management of customers own paperwork, is further contributing to ongoing improvement of the overall UPN member and end user customer experience.



The Hazchem Network (pallet network)

THE HAZCHEM NETWORK

- The UK's only ADR pallet network - founded in 2005 as the pallet network to manage the safe and legal distribution of packaged dangerous goods in mainland UK. There are 70 member depots using a Hub and Spoke distribution method.

- Members are all 100% ADR compliant and are among the leading transport companies in their regions. They prioritise safety, security & the environment in everything that they do and are audited annually.

- Members are fully audited before becoming a Hazchem member and further audits are carried out periodically ensuring compliance.

- Every member has access to the services of a Dangerous Goods Safety Advisor (DGSA) for ongoing advice and legal compliance updates. We have a duty to ensure the carrier is ADR trained, certified and carrying photo ID of their ADR licence or adequate ADR to carry limited quantity LQ goods.

- Hazchem awareness training is offered to all members, including office, warehouse and operational teams.

- HERS (Hazchem Emergency Response Service).
 - A service exclusive to The Hazchem Network members and their customers which is a collaboration between The Hazchem Network, NCEC, Ambipar Response Ltd and OAMPS Hazardous Industries.
 - Rapid specialist response to incidents offering a 24-hour chemist back-up and specialist vehicles, telephone support service, with escalation when needed, and a disaster recovery plan.
 - Members are covered by HERS for ALL of their transport & warehousing activities throughout the lifecycle of collection and delivery, even if the consignments are not being shipped through the Hazchem Network.

- The Hazchem Network – Hubs and Members – are fully committed to a continuous improvement program in order to move forward together to achieve the safest and most efficient ADR distribution service for every consignor of hazardous packaged goods.

United Kingdom Warehousing Association - UKWA (trade organisation)

UKWA

The Voice of The UK Logistics Industry

- UKWA is Britain's leading trade organisation for the logistics sector, with over 800+ members including warehousing and logistics providers as well as manufacturers, retailers and wholesalers.

- Membership of UKWA confirms that our company adheres to the highest quality standards of operation required in today's demanding logistics environment. For our customers, the UKWA badge of membership provides the reassurance that our business has been independently assessed and is suitably accredited by the industry's leading trade body.

- UKWA has invested over many years in a comprehensive Conditions of Contract template that is specific to the 3PL industry and exclusive to members. This recognised legal framework, applies to a broad range of logistics services, including freight forwarding, haulage and warehousing.

- As a leading trade association for the warehousing and logistics industry, UKWA works hard engaging with policy makers and influencers, to ensure that the voice of the industry is heard at all levels. In recent times, UKWA has been vocal on a range of issues directly affecting the industry, particularly on the impact of Brexit.

- Peter Masters is on the Board of Directors.



Road Haulage Association (trade organisation)



- Established in 1945, the RHA is the UK's only trade body dedicated solely to the operators of commercial vehicles – trucks, coaches and vans. The Road Haulage Association has 8,500 members, ranging from owner operators to those with fleets of over 1000 vehicles. Between them, they account for well over 100K of commercial vehicles currently operating on UK roads.
- RHA Conditions of Carriage are regarded as the industry standard and protect members by limiting their liability under common law.
- Their Environmental aims include:
 - Champion the move towards net zero vehicles and technology
 - Help members make the journey towards Net Zero
 - Reduce carbon footprint

The technical team are in constant dialogue with members to ensure that they are running compliant vehicles and our in-house trainers deliver comprehensive, accredited courses at training facilities in Peterborough and Bathgate. They campaign on behalf of members on a range of subjects from speed limits to roadside facilities, clean air zones to issues surrounding cross border traffic – sea or land. The policy team work closely with the Government and their agencies in London, Edinburgh, Cardiff and Belfast as well as local authorities across the UK. Members' voices are heard on national issues as well as local roads policy.



British Retail Consortium Global Standards



- We have obtained our 'British Retail Consortium Global Standards' (BRCS) 'Grade A' at our Stanbridge Road warehouse in Leighton Buzzard. This involved a rigorous third-party certification scheme with the highest trained auditors to achieve the 'storage and distribution' standard. BRCS is a globally recognised accreditation across both foods and non-food categories, setting the benchmark for good manufacturing practice, and helping to provide assurance to customers that the products we store and services we provide are safe, legal and of the highest quality.



Logistics UK (trade organisation)

LOGISTICS UK

➤ Logistics UK members operate more than half of the UK's HGV fleet. As well as representing members' views in lobbying work with policy makers, Logistics UK provides compliance training, advice and certification.

➤ Their road based compliance advice ensure hauliers are adhering to rules and regulations. Members can access a range of detailed information, guidance and support to apply to road transport operations such as:

- Abnormal loads
- Construction and use of vehicles
- Dangerous goods
- Drivers' hours, records and tachographs
- Driving licences and Driver CPC
- Employment legislation
- Fuel
- Health and safety
- Insurance, risk management and loss control
- International road freight
- Lighting, markers and reflectors
- Loading of vehicles
- Operator licensing
- Passenger transport
- Prosecutions and court
- Road traffic
- Security
- Trade licences
- Type approval
- Vehicle excise licensing
- Vehicle registration and purchasing
- Vehicle testing, plating and prohibitions
- Weight and dimensions

The logistics industry recognises the impact it can have on the environment and wishes to play a positive role in helping address this. Through good practice, innovation and investment into new technologies, action is being taken across the sector. Transport decarbonisation is a key focus for the industry, and it is fully committed to achieving Net Zero by 2050. As the UK looks to achieve the goals set at COP26 in November 2021, Logistics UK will continue its engagement with the government and stakeholders on both the opportunities and barriers to achieving a more sustainable logistics industry. Logistics UK has launched the Route to Net Zero campaign to help the logistics industry come together to achieve Net Zero as quickly as possible, and to identify what logistics needs to succeed in this ambition.



50%
Logistics UK members operate more than 200,000 lorries – almost half the UK fleet



90%
Logistics UK members deliver over 90% of freight moved by rail



70%
Logistics members consign 70% of UK visible exports by sea



70%
Logistics UK members consign 70% of UK visible exports by air



Thank you from the Miniclipper leadership team



Many thanks for listening to how we are tackling the challenges of the Environment, Sustainability and Governance now and into the future.

If you have any more questions please do not hesitate to contact any of our leadership team which are detailed below.

Best regards
Peter Masters MD

Our Team



Laure Filippi
Financial Director



Lee Atterbury
Transport Operations Director



Jayne Masters
Sales Director



Jon Parish
Commercial Director



Steve Field
Warehouse Operations Director



Cale Sweetlove
IT Director



www.miniclipper.co.uk

