

GENERAL - REPORTING BOUNDARIES

All DCC plc subsidiaries are included within the scope of the health and safety KPIs and the carbon emission data. New acquisitions are included from the date of completion and divestments are included up to the date of disposal. Prior year comparatives are not updated to reflect acquisitions or divestments in the current period. Joint ventures and associates are not included in the scope except where the joint venture or associate is under the operational control of a DCC subsidiary.

HEALTH AND SAFETY CRITERIA

HEALTH AND SAFETY REPORTING

These criteria have been developed to ensure Group wide health and safety KPIs are consistently calculated by the DCC group.

KPIs

- i) *Lost Time Injury Frequency Rate (LTIFR): Number of lost time injuries per 200,000 hours worked*

Calculation: $(\text{Number of lost time injuries} / \text{number of hours worked}) \times 200,000$

- ii) *Lost Time Injury Severity Rate (LTISR): Days lost per 200,000 hours worked*

Calculation: $(\text{Number of days lost} / \text{number of hours worked}) \times 200,000$

200,000 hours is used internationally as a normalising denominator. It allows for approximate benchmarking against similar industries.

Numerators

- i) *Lost time injuries:*

A lost time injury is defined as a non fatal or fatal physical injury incurred during the course of work (on or off site) that results in one or more days off work after the date of the accident. Minor injuries requiring first aid only) are not included.

Stress related absences are *not* included in LTI rates. Injuries that develop over time, for example ergonomic injuries or from exposure to asbestos, are not included.

Fatalities are included in LTI KPIs, and the absolute number is reported separately.

- ii) *Days lost:*

In most cases, days lost will commence from the day immediately following the accident but occasionally the days lost may begin 2 or 3 days after the accident, for example where a seemingly minor injury becomes more significant.

All calendar days (including weekends and holidays) are included, starting from the day after the accident, until the employee returns to work or is no longer employed by the company.

The day of the accident is not included.

In cases where lost time spans reporting periods, the time is allocated into the period in which the time off relates (rather than all the time being included in the period the incident occurred). If an injured party does not return to work for reasons other than the injury received, an internal review of the case will be completed by the Head of Group Sustainability. Lost days will only be adjusted if there is clear and substantive evidence (for example medical reports) that lost days were not incurred as a result of the injury itself (e.g. agency workers accepting work elsewhere, an underlying medical condition, a legal dispute).

Denominator

Hours worked:

Each company within the group has its own consistent process for determining scheduled hours worked, taking account of annual leave and public holidays. It is not required to adjust for absences due to sickness.

Allowances for part time employees, leavers and joiners are made using regular full time equivalent data.

i) Salaried employees:

Hours worked are calculated on the basis of contracted hours per week and the number of weeks worked in a year.

ii) Hourly paid employees:

Hours worked are calculated on the basis of either the payroll system/swipe cards/fobs or an estimate based on assumptions applicable to that group company.

Relevant definitions

Employee – included in KPI

- i. full time and part time employees
- ii. temporary workers
- iii. individuals who work exclusively for the Company but are paid by a service provider
- iv. agency workers

Contractor – not included in KPI

- i. individuals working on site under a permit to work or similar control system
- ii. individuals working on a specific defined project (e.g. significant construction, tank painting, IT consultant)
- iii. individuals employed by outsourced service providers who do not work exclusively for the subsidiary (e.g. third party hauliers, cleaning services)
- iv. visitors

CARBON CRITERIA

GENERAL

These criteria have been developed to assist users of the Sustainability Report in understanding our energy report and to ensure group wide consistent and transparent measurement and reporting.

Measuring carbon emissions forms the basis for reporting, identifying cost saving opportunities, setting reduction targets and measuring the energy efficiency performance of our operations.

The accurate recording of energy use data and the subsequent calculation of carbon emissions is a compliance, cost and strategic issue for DCC plc.

We are committed to publically reporting our carbon emissions and, more generally, informing stakeholders of our approach to the risks and opportunities arising from climate change.

Reporting Boundaries

DCC defines its carbon footprint as the amount of greenhouses gases (reported as CO₂e) emitted as a result of its direct, financially controllable operations i.e. those emissions where it has financial control of the company and pays for the fuel/electricity associated with those emissions.

The DCC Energy and Carbon Reporting Criteria sets out in detail the scope and sources included in the DCC Group carbon footprint as follows:

- the energy sources where DCC is the counter party to the contract to supply. Electricity and gas purchased and recharged to subtenants is included
- use of electricity and fuels to heat, light and operate buildings
- fuels used to operate company owned vehicles, plant and machinery
- fuels purchased with a company fuel card or credit card, irrespective of business or personal use and whether the vehicle is owned by the group or not
- any new acquisitions from the date of purchase completion
- any divestments from the point of disposal.

Emission sources are classified into the following categories for reporting purposes:

Scope 1

Direct: On site fuel use

Fuels purchased and consumed for heating or process activities – such as oil, gas, kerosene, LPG, etc. It does not include fuel that is purchased for resale, such as bottled gas. Natural gas recharged to subtenants on shared sites where DCC pay the supplier for that usage and then recharge costs are included.

Direct: Company Transport

Petrol, diesel and other fuels paid for directly to run trucks, vans, cars, loaders, shunters, FLT's or similar onsite transport. This could be via fuel cards, credits cards, onsite tanks with regular deliveries or other direct payment routes, such as direct payment to the refinery.

Fugitive or process emissions of greenhouse gases arising from large cooling systems and a closed landfill are separately assessed and disclosed if greater than 1% of total group emissions.

Scope 2

Indirect: Electricity

Electricity paid for directly to run buildings and light outdoor areas, including owned and leased sites. This includes electricity that is paid for by DCC and recharged to subtenants, either directly or via a service charge.

Other indirect Scope 3 emissions are not currently measured at Group level.

Energy Data

DCC measures and reports its greenhouse gas emissions based on activity data during the reporting period multiplied by publically available emissions factors. Activity is measured using actual consumption of electricity, natural gas or other fuel where readily available, although the following data sources are acceptable:

Energy use	Data sources
Electricity and Heating	<ul style="list-style-type: none"> ● Meter readings (manual or automatic) ● Invoices from utility suppliers (based on meter readings where readily available, otherwise based on supplier estimates) ● Annual statements from energy suppliers
Vehicles, Plant and Machinery	<ul style="list-style-type: none"> ● On site fuel tank readings ● Invoices for delivery to onsite tanks ● Fuel card invoices ● Credit cards ● Invoices for fuel supply at refineries/depots based on consumption. If consumption data is not available purchase data is used (e.g. heating oil with no tank gauge)

When data is missing and efforts to obtain actual data from a 3rd party have failed, usage is estimated rather than omitted. Several approaches are used, depending on specific circumstances:

- Seasonal change or site activity varies, an estimate can be taken using an average daily usage of the periods either side of the missing data (or just of the previous period if necessary).
- Where possible, if the missing data is electricity or gas usage (or similar) for the middle of the year, the invoices either side may be used if they have start and end estimates of usage.
- If the site activity has remained static during the year and does not have significant seasonal fluctuations, an estimate based on the average energy usage per day for up to 6 months either side of the missing data can be used.
- Significant estimates are replaced with real data when received.

Estimated data is reconciled to actual data where possible. Relevant adjustments are made when required.

Basis for inclusion/exclusion and significance

Significant is deemed to be greater than 1% of total Group emissions (i.e. not on a divisional basis).

Each reporting period, DCC assesses the emissions from a closed landfill site and the loss of refrigerant gas to establish if they are significant and therefore require reporting.

Carbon Conversion Factors

Conversion factors used in the ManageCO2 reporting tool (www.manageco2.com) are taken from the relevant published data from each jurisdiction (e.g. DEFRA in the UK).

Emissions = activity multiplied by emission factors

Base Year and Comparatives

DCC has not defined a base year and does not restate prior year comparatives for changes in emissions factors, subsidiary acquisitions and disposals of subsidiaries. Carbon intensity targets have been set based on the FY2011 GHG figures. In the event of an error greater than 1% of total emissions, prior year data is restated.