

# GENERAL - REPORTING BOUNDARIES

All DCC plc subsidiaries are included within the scope of 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.

## 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 greenhouse gases (reported as CO<sub>2</sub>e) 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"><li>● Meter readings (manual or automatic)</li><li>● Invoices from utility suppliers (based on meter readings where readily available, otherwise based on supplier estimates)</li><li>● Annual statements from energy suppliers</li></ul>
Vehicles, Plant and Machinery	<ul style="list-style-type: none"><li>● On site fuel tank readings</li><li>● Invoices for delivery to onsite tanks</li><li>● Fuel card invoices</li><li>● Credit cards</li><li>● 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)</li></ul>

When data is missing and efforts to obtain actual data from a 3<sup>rd</sup> 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 to establish if they are significant and therefore require reporting.

### **Carbon Conversion Factors**

Conversion factors used in the Accuvio reporting tool (<https://eco.accuvio.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.