

# Carbon Reduction Plan 2026

Reporting Period:  
January-December 2025



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# We're committed to achieving Net Zero emissions by 2050.

## Baseline year

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.

## Organisational Boundary

Our organisational boundary is defined using the operational control approach.

### Baseline Year: 2025 (January - December)

#### Additional details relating to the Baseline Year emissions calculations:

CTS Logistics' baseline emissions cover all materially relevant emissions sources across Scopes 1, 2 and 3, including the mandatory activity categories required under the UK PPN 006 standard.

The Upstream Transport category was excluded in our baseline year because we do not buy many physical goods or materials, so the impact of transporting these is immaterial to our total footprint.

The up and downstream activity categories were omitted from our baseline year figures because the impact was estimated to be immaterial to overall emissions, as we do not buy many physical resources, nor do we sell physical products (<1%).

To better reflect our real-world environmental impact, our commuting emissions included estimated homeworking, all air travel and transport emissions. We took the effects of radiative forcing into account, and we used life cycle emission factors for Scope 3 activities wherever possible.

Some emissions in our baseline year were calculated using estimated volumes and spend-based data, where more accurate information was not available.

Emissions	Total (tCO <sub>2</sub> e)
Scope 1	580.94
Scope 2 (location-based)	18.03
Scope 3	548.61
<b>Total Emissions</b>	<b>1,147.57</b>

## Baseline Year Emissions

Scope 1		Tonnes CO <sub>2</sub> e
1.1 Stationary Combustion		7.01
1.2 Mobile Combustion		573.93
1.3 Fugitive Emissions		Excluded (immaterial)
1.4 Process Emissions		Excluded (not applicable)
Scope 2		
2.1 Electricity (location-based)		18.03
2.1 Electricity (market-based)		18.03
2.2 Heat and Steam		Excluded (not applicable)
Scope 3 (Upstream)		
3.1 Purchased Goods & Services		246.72
3.2 Capital Goods		Excluded (minimal impact/data availability)
3.3 Fuel & Energy Related Activities		147.56
3.4 Upstream Transportation & Distribution		Excluded (immaterial)
3.5 Waste Generated in Operations		0.12
3.6 Business Travel		7.14
3.7 Employee Commuting & Homeworking		147.07
3.8 Upstream Leased Assets		Excluded (not applicable)
Scope 4 (Downstream)		
3.9 Downstream Transportation & Distribution		Excluded (not applicable)
3.10 Processing of Sold Products		Excluded (not applicable)
3.11 Use of Sold Products		Excluded (not applicable)
3.12 End-of-Life Treatment of Sold Products		Excluded (not applicable)
3.13 Downstream Leased Assets		Excluded (not applicable)
3.14 Franchises		Excluded (not applicable)
3.15 Investments		Excluded (not applicable)

# Current Emissions Reporting

## Current Year: 2025 (January - December)

### Additional details relating to Current Year emissions calculations:

We are committed to continuous improvement in our emissions data, and recalculation of previous years will be implemented in future reports if necessary to maintain an effective base year comparison.

Emissions	Total (tCO <sub>2</sub> e)
Scope 1	580.94
Scope 2 (location-based)	18.03
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## Current Year Emissions Breakdown

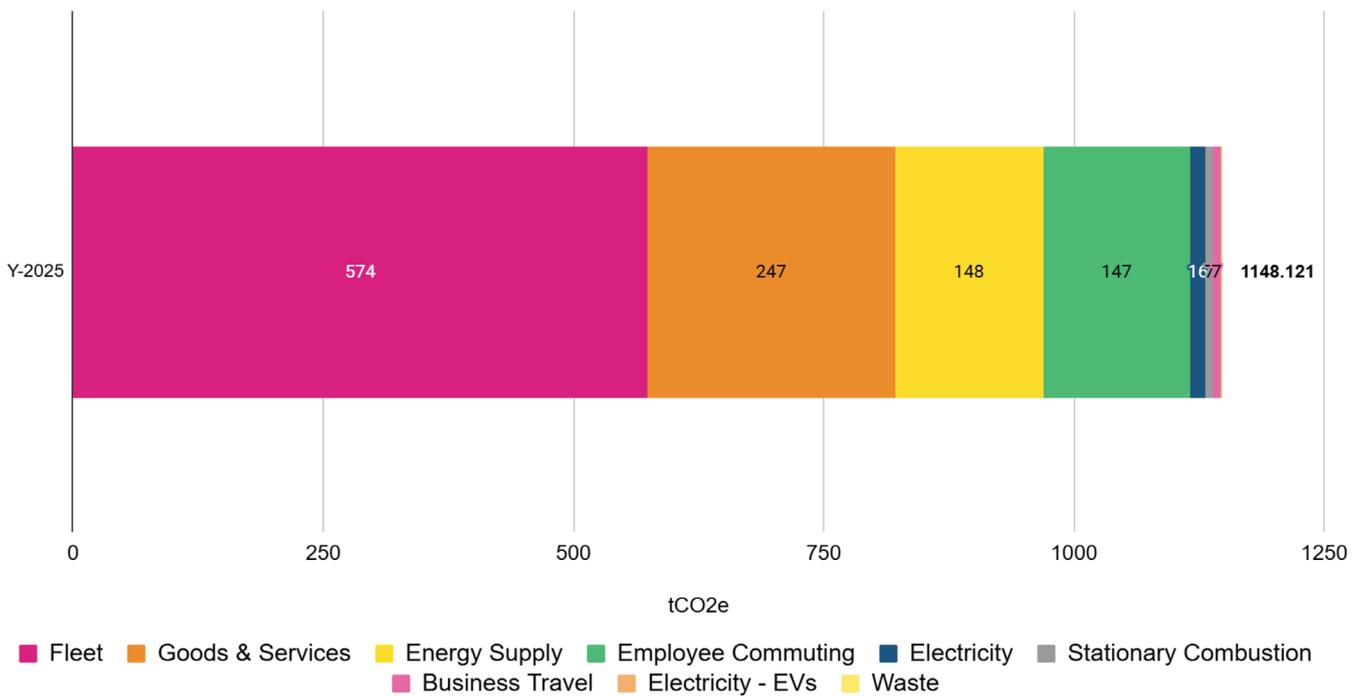
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# Emissions Reductions Targets

We have committed to a long-term target of achieving net zero by 2050.

In practice, this equates to a 90% absolute reduction in Scope 1, 2 and 3 emissions by 2050 from our 2025 baseline. The remaining 10% of emissions will be balanced by emissions removals to achieve net zero.

We have also set a near-term target of a 42% reduction in Scope 1+2 emissions by 2030 from our 2025 baseline. Our annual emissions reduction targets are set out in the charts below:

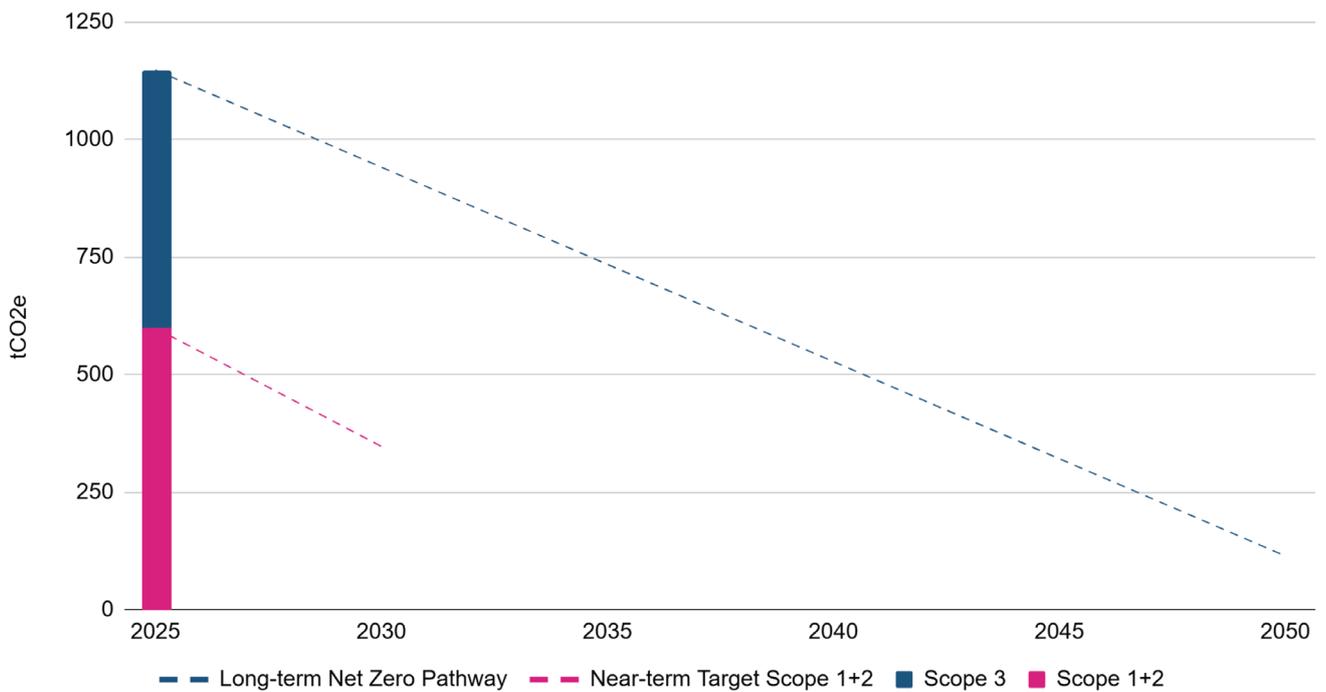


## Progress to date

Scope	Baseline Year	Current Year	Change
Scope 1	580.94	580.94	N/A
Scope 2 (location-based)	18.03	18.03	N/A
Scope 3	548.61	548.61	N/A
<b>Total</b>	<b>1,147.57</b>	<b>1,147.57</b>	<b>N/A</b>

# Carbon Reduction Projects

We are committed to taking action to bring down our emissions in line with our near-term and long-term targets. A materiality analysis of our baseline and current year emissions, showing the key contributors to our carbon footprint, is shown in the chart below:





## Current and Completed Carbon Reduction Initiatives

We are currently working on the following measures:

Measure Description	GHG Category
<p><b>Lower Carbon Fleet</b></p> <p>As a logistics business, the lion's share of our emissions are generated by the fuel used to transport our clients goods. In our baseline year, our vehicles travelled over 1.3 million km, equating to over 50% of our total emissions (573 tCO<sub>2</sub>e).</p> <p>We have already replaced 10% of our fleet with electric models, which travelled a combined 37,500 km in our baseline year. This avoided an estimated 6 tCO<sub>2</sub>e of emissions in the reporting period compared to operating a fully diesel fleet. The switch also delivers a reduction in our Fuel and Energy Related Activities (Energy Supply) Scope 3 emissions.</p> <p>We plan to continue transitioning away from fossil fuel vehicles over the coming years as and when feasibility allows.</p>	<p><b>Mobile Combustion</b></p>

## Future Initiatives

To keep on track to our targets we are committing to implementing the following initiatives in future:

Measure Description	GHG Category
<p><b>Scope 1: Fleet Decarbonization - 42 Vehicles</b></p> <p>Our fleet is the largest contributor to our Scope 1 emissions. We currently operate a fleet of 42 vehicles, of which 4 (9.5%) are fully electric. Our strategy relies on a multi-tiered approach regarding vehicle technology and fuel:</p> <ul style="list-style-type: none"> <li>• <b>Electric Vehicle (EV) Expansion:</b> We will continue to expand our EV fleet for last-mile and appropriate short-to-medium haul routes, replacing end-of-life Internal Combustion Engine (ICE) vehicles with electric alternatives where range and payload capacities allow.</li> <li>• <b>Near-Term Bridging Strategy: HVO Fuel:</b> For our remaining 38 diesel vehicles, we are actively investigating the transition to Hydrotreated Vegetable Oil (HVO).</li> <li>• <b>Reality Check:</b> HVO acts as a drop-in replacement for diesel and can reduce net CO2 emissions by up to 90% without requiring engine modifications. However, we are currently assessing local supply chain reliability and cost premiums to ensure this is a viable operational transition.</li> <li>• <b>Long-Term Heavy Transport Strategy: Hydrogen:</b> For heavy goods vehicles (HGVs) and long-haul routes where battery electric technology is currently limited by weight and range, we are exploring Hydrogen fuel cell technology. We are monitoring the development of regional hydrogen refuelling infrastructure and the commercial viability of hydrogen HGVs for integration into our fleet renewal program in the late 2020s and 2030s.</li> </ul>	<p><b>Mobile Combustion</b></p>
<p><b>Scope 2: Facility Energy and Electricity</b></p> <p>Our Scope 2 emissions are generated from the electricity used to power our depots, offices, and EV charging infrastructure.</p> <ul style="list-style-type: none"> <li>• <b>Current Contract (to 2029):</b> We are currently locked into a standard electricity procurement contract until 2029. Between now and 2029, our Scope 2 reduction efforts will focus strictly on energy efficiency. This includes upgrading to LED lighting, implementing smart-metering, and optimizing our EV charging schedules to off-peak times.</li> <li>• <b>Post-2029 Renewable Transition:</b> Upon the expiration of our current contract in 2029, we are committed to switching to a 100% renewable energy tariff (backed by REGO certificates or equivalent). This strategic procurement move will effectively reduce our market-based Scope 2 emissions to zero.</li> </ul>	<p><b>Stationery Combustion, Electricity</b></p>

## Future Initiatives (cont.)

Measure Description	GHG Category
<p><b>Scope 1 &amp; 3: Operational Efficiencies</b></p> <p>Technology and fuel are only part of the solution; how we operate our fleet is equally critical.</p> <ul style="list-style-type: none"> <li>• <b>Telematics and Route Optimization:</b> Utilizing advanced routing software to minimize mileage, avoid heavy traffic, and reduce engine idling times.</li> <li>• <b>Driver Eco-Training:</b> Implementing mandatory eco-driving training programs for all drivers to maximize fuel efficiency and optimize the battery range of our EVs.</li> <li>• <b>Supply Chain Engagement:</b> Working with our suppliers and sub-contractors to encourage them to adopt their own carbon reduction targets, addressing our Scope 3 emissions.</li> </ul>	<p><b>Cross category</b></p>
<p><b>Data Improvements</b></p> <p>The vast majority of our greenhouse gas inventory was calculated using accurate volumetric data. However, estimations were required for calculating some minor categories, such as Business Travel. For future reporting periods, we are exploring solutions to enable more accurate data capture, which will increase the accuracy of our Carbon Reduction Plan year-on-year.</p>	<p><b>Cross category</b></p>
<p><b>Sustainable Commuting</b></p> <p>Commuting is our fourth highest area of impact, with 13% of our total being attributed to this category. To support the reduction of this section, we are exploring solutions to support staff in travelling more sustainably, including a sustainable travel plan, and educating staff on the need for decarbonisation.</p>	<p><b>Commuting</b></p>
<p><b>Supplier Engagement</b></p> <p>Within the Purchased Goods and Services section, the majority of our emissions are generated via our relationships with other logistics partners. These partners enable us to provide the best possible service to our customers, and are a vital aspect of our value chain. To ensure that our chosen partners align to our net zero commitment, we are exploring a process of supplier engagement to collaborate on decarbonisation.</p>	<p><b>Purchased Goods and Services</b></p>

# Declaration

This Carbon Reduction Plan has been completed in accordance with PPN 006 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<sup>1</sup> and uses the appropriate Government emission conversion factors for greenhouse gas company reporting<sup>2</sup>.

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<sup>3</sup>.

This Carbon Reduction Plan has been reviewed and signed off by the CTS Senior Leadership Team and Board.

## Signed:



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**Nick Collins**  
Founder and Managing Director

**Date:** 23 March 2026

<sup>1</sup> <https://ghgprotocol.org/corporate-standard>

<sup>2</sup> <https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

<sup>3</sup> <https://ghgprotocol.org/standards/scope-3-standard>

An aerial photograph of a dense, vibrant green forest. A paved road with a yellow center line curves through the trees from the bottom left towards the middle right. Several power lines run diagonally across the lower right portion of the image. The overall scene is bright and natural, emphasizing a connection between nature and infrastructure.

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