

YODEL

Driving forward



YODEL

collect+

Corporate Social Responsibility

Report 2018

Vision: Reputable, Sustainable and Profitable

Guiding Principles:

Environment – We will continue to improve the management and reduction of our environmental impacts.

Community – We support our local communities by providing a valuable service to our customers, offering employment opportunities, encouraging enterprise and working with our chosen charities.

People – We champion fairness, inclusion and respect, creating a great place where our people are proud to work.

Marketplace – Working with our suppliers, we build fair, open and honest relationships to deliver our clients promises and reflect shared values.

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“We are one business with two UK leading brands”

YODEL

collect+

Introduction

Things rarely standstill in business, you are either moving forward, or going in the opposite direction! At Yodel we are driving forward at pace, increased customer satisfaction rates, significant investment in all key areas of the businesses and reporting for the first time on our Corporate Social Responsibility (CSR) performance.

As you will read in this report, we already have a track record of responsible business practice. However, we see our first report as the start of a journey to increase the structure, focus and ultimately the positive impact we have on our environment and our communities.

Our investment into a state-of-the-art information hub provides real time information allowing us to react quickly to any issues across our entire network, driving improved customer service and reducing our environmental impacts. The microlise technology also allows us to

analyse driver behaviour, which alongside other investments into our health and safety processes, is enhancing safety performance and supporting the health and wellbeing of our people.

We also want to further engage our people and customers on responsible, sustainable business growth and in this report we set the baseline and foundation for ongoing continuous improvement.

At Yodel we understand we are delivering your promises and your parcels. We don't just want this to be a statement we want it to be a mindset. The same is true of our approach to CSR, we don't want this just to be a set of policies, we want it to be part of our DNA.

I hope you enjoy the report.

Andrew Peeler
CEO, YODEL



Yodel at a glance



£400+ million turnover



Net Assets of **£93.5 million**



155 million parcels delivered annually



83% Customer satisfaction rate



£17 million invested in fleet



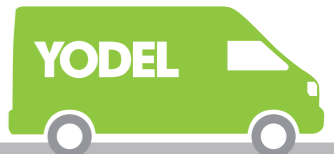
ISO 9001, 14001 & OHSAS 18001
accreditations



A flexible workforce reaching
14,000 people at peak periods



Award winning customer service



Delivering on the Environment

Yodel takes its impacts on the environment very seriously. Investment has been made in the key areas of our energy and fuel usage and following our mandatory submission into the Energy Saving Opportunities Scheme (ESOS) in 2015 we have now taken the decision to produce our first carbon footprint to baseline our performance and set reduction targets.

Current activity includes addressing our fleet, IT systems and property portfolio as well as innovative pilot schemes with bike courier firms.

Fleet Investment

£17 million has been invested into Yodel's fleet, by some way the largest part of our carbon footprint. At Yodel we run a fleet with an average age of less than 3 years meeting all the latest Euro 6 legislation requirements. Supported by our investment into logistics we are targeting reduced fuel use and carbon emissions through

excellence in fleet management and efficiency in route planning.

"Our investment in fleet is already showing excellent carbon and cost reductions. We are currently trialling electric vehicles and remain open to new technologies in our marketplace"

Ian Leonard
HEAD OF FLEET OPERATIONS



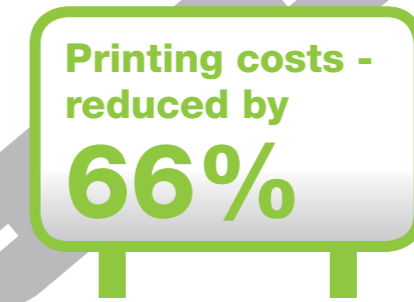
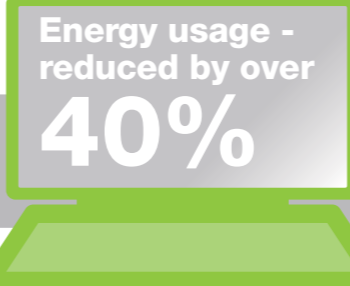
The Halo effect

At Yodel we have been making significant improvements to our IT systems over recent years, investing in excess of £8 million. The award winning project Halo, is a comprehensive overview of our IT capability and covers everything from new devices, to new IT infrastructure and the consolidation and improvement of our data centres.

The investment has not only significantly increased the efficiency of our service, but drastically reduced our carbon emissions.

"The investment in our IT function has transformed the efficiency of the business while reducing energy usage, waste and the related carbon emissions, it has been a real winning formula for the business and our environmental impacts!"

Shelley Solomans
IT HEAD OF COMMERCIAL AND CORPORATE SYSTEMS



Pedal Power

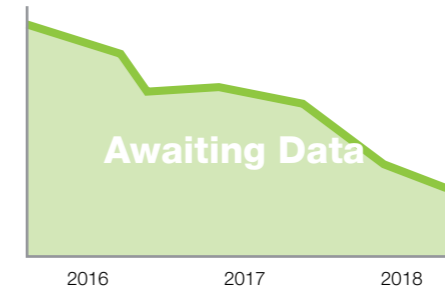


Two years ago Yodel started a 'final mile' delivery partnership with Pedal and Post in Oxford. From a small pilot project, the collaboration has flourished with volumes increasing and further increases anticipated. Initially started to help deliver at times when vehicle access in Oxford was limited, the benefits have stretched much wider, including increased customer satisfaction rates and zero carbon! Additionally Yodel has been delighted to support a small local business grow and prosper.

"The partnership with Yodel has been excellent, it is a relationship we value highly and hope to see continue growing." **Chris Benton** PEDAL & POST CEO

Waltham Cross - A Greenprint site

On the outskirts of London, Waltham Cross offers a state of the art depot, heavily insulated, and incorporating both solar panels and electric vehicle charging points. Sensor controlled LED lighting has also been installed to further assist in optimising energy usage. The depot serves North and East London and sets standards of best practice which can be incorporated across our depot network.



Carbon Footprint

At Yodel we are taking a comprehensive approach to managing our carbon. All key areas of the business from our property portfolio, to our fleet and our IT systems have received significant investment to reduce their carbon impacts. Third party delivery partners are currently not included due to the difficulties in ensuring accurate data, however this will be reviewed regularly and where possible incorporated in future.

Delivering in our Communities

Employment and quality of life

Delivering 155 million parcels every year means that Yodel touches communities the length and breadth of the UK every single day, this interaction we believe brings many potential benefits, including employment and a range of flexible self employment and enterprise opportunities. Also as the high street comes under increasing pressure we are providing a virtual high street at our communities finger tips so top brands remain only a click away.

The Yodel Foundation

The Yodel Foundation provides support to both MacMillan Cancer Research and also match funds local initiatives generated by our people. Work is currently underway to engage with our employees to review our charity partners and set a structure for engagement going forward.

Charities Aid Foundation (CAF)

We also engage with the Charities Aid Foundation, who provide both a conduit for charitable giving, as the foundation is not a registered charity, and an assurance process for the correct operation of the Fund. Their support has been invaluable.

Wrap up London case study



In 2015 Yodel approached 'Hands on London' the charity that each November runs the Wrap up London campaign to collect coats and warm clothing from across London for the city's homeless and most vulnerable residents. Collect+ saw an opportunity to offer their network of

national collection points to make it easier to donate coats and turn the campaign nationwide. To send a coat people simply have to download a label.

From humble beginnings in 2015 when

a 120 labels were downloaded and 55 used, last year we saw 2,750 labels downloaded and 1,082 parcels dropped at our collection points, many with more than one coat inside. We hope to see this figure grow again this year!

"The collaboration with Collect+ has been amazing for the campaign"

Jon Meech CEO HANDS ON LONDON



£25,000
raised for
good
causes

Walking with the Wounded

Yodel has a strong commitment to supporting the employment prospects of those who have served in our military forces. We first signed up to the Forces Friendly Employer covenant in 2015 and have built on this foundation ever since.

Walking with the Wounded has employment at the heart of its vision and our partnership which began in late 2017 has been tremendously beneficial for both parties and over recent years Yodel has recruited over a 100 ex-service personnel.

"Yodel is a fantastic company to work for and it is a credit to them how they recognise Armed Forces Personnel."

Peter Harrop YODEL EMPLOYEE
AND EX-ROYAL LOGISTICS CORPS

The Cumbrian Challenge

We're very proud of the team of 16 people from across five departments who pitted themselves against the elements to complete the challenge - smashing their fundraising target to raise a fantastic £4,871 for this brilliant cause, which enables vulnerable veterans to re-integrate back into society.



Committed to the Community

From to Alder Hey Children's Hospital to The Air Ambulance, from Macmillan to Help the Homeless the intrepid staff of Atlantic Pavilion have raised in excess of £25,000 over the last five years. One Friday of every month is used to raise money for important causes both national and local.

"We are five years in and still going strong. The generosity of our people both with their time and their money is fabulous and events like these run throughout the Yodel network!"

Gemma Downey
CHARITY CO-ORDINATOR, ATLANTIC PAVILION



Yodel understands and fully supports the concept of 'good work' as outlined in the Taylor Report. Our business is built on the efforts of our people and in return we aim to provide our people with a positive employment experience. We address this on a number of levels.

"The hardship fund came up trumps when we thought we had nowhere to turn."

retailtrust
looking after all people in retail



The Yodel Foundation Hardship Fund

The Yodel Foundation does not just support charity partners and charitable activities in our communities it also supports our own employees through the hardship fund. For employees who for whatever reason find themselves in difficult and trying times or simply need financial support for an unexpected turn in their life.



Keeping our people engaged

Have your say

Our annual staff survey looks to keep our people engaged, getting their views on every aspect of the business, what they feel we do well and just as importantly what we could do better. All our people are engaged, both those we employ directly and those who work indirectly for us.

Each year we also report back on a 'you said, we did' basis outlining improvements we have put in place and what actions we have taken to meet the concerns our people may have.

Our current engagement score is 64% and we are targeting 70% over the next 3 years.

The Yodel Academy

Offering over a 1,000 courses and covering a mixture of operational training, learning and development training, and apprenticeships, the Yodel Academy is putting our frontline employees at the heart of everything we do.

In terms of apprenticeships, the Yodel Academy will be home to courses from a level 2 Driver Apprenticeship through to Level 7 qualifications, which are equivalent to a Masters Degree. At the Yodel Academy there is something for everyone as we look to support a culture of lifelong learning.

Over 3,500 employees took up training opportunities last year



All our employees are paid the living wage irrelevant of age and so everyone at Yodel is paid in excess of the national minimum wage and we also look to have positive relationships with the trade unions who represent part of our workforce.

Currently undergoing a tender process for our contract labour provider we have emphasised our stance on ethical labour practices and wage levels.

Employee Assistance Programme

We work with the Retail Trust who provide the employee assistance programme for our employees across the whole range of work and personal issues which can affect people's health and well-being. The assistance programme provides a confidential advice line dealing with the key issues which can negatively affect people on a day to day basis.

Further to this the assistance programme also offers one-to-one counselling support for those employees who need extra help and support.

"I had got myself into a financial problems and the assistance programme guided me through a very hard time."

Delivering in our Marketplace

We are delighted with the positive trend of our relationships with our clients and customers and although pleased with our customer satisfaction score of 83% we simply see it as the platform from which we want to progress.

All the signs are good, we are attracting new customers and expanding business with current customers. Increased business with customers including M&S and ASOS is testament to the efforts that the whole Yodel team put into great customer service.



Best Customer Experience Award

Recognising Collect+ and Yodel's impact in the market through the most improved delivery experience and innovative approach, we were delighted to win the 'Best Customer Experience Award' at the MetaPack Delivery Excellence Awards at the Park Plaza in

London. With over 2000 delegates in attendance it was a great place to showcase how we are evolving as a business and as the award was voted for by our competitors and clients, it was a great reflection on how we are viewed within our industry. That is some accolade!

End 2 End Customer Service

'Our investment into microlise technology has allowed us to create an unprecedented end to end overview of our operations across the UK, giving 24/7 visibility of our entire network, allowing us to react quickly to any issues and improving our efficiency and also reducing our environmental impact. Most importantly it offers enhanced service capability for our customers.

Excellence in End 2 End logistics has already reduced road mileage by an impressive **69,000 miles**



Laithwaite's and Yodel Partnerships improve with age!

Yodel deliver over 2.3 million cases of Laithwaite's wine very year and are delighted that a pro-active and listening approach has proved of great benefit to a valued customer.

"Wine can be hard to deliver - everyone thinks they can do it, but not everyone can. Yodel are really consistent, they have designed their processes to better manage delivering wine."

Andy Hawker HEAD OF LOGISTICS, LAITHEWAITE'S WINE



"Hard work across the team and a refusal to simply accept the business as usual model has led to significant mileage savings."

Michael Watkins
DIRECTOR OF OPERATIONAL PLANNING, YODEL

Working with our Suppliers

We are currently embarking on a piece of work to establish a closer working partnership with our suppliers especially our strategic suppliers where the sharing of best practice and exchange of ideas could bring benefits not only to ourselves and our suppliers but to our clients and

customers. Opening the channels of communication can only help further establish our reputation in the market and keep Yodel ahead of our competitors and maintain and improve efficiency in everything we do.

We will report on progress next year.

Health and Safety

Yodel is committed to the health, safety and welfare of all employees, business partners, contractors and visitors.

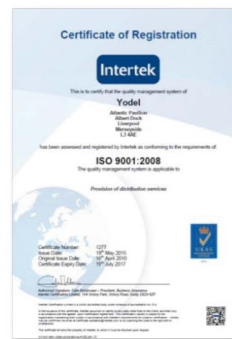
Our safety record is good but we are never complacent, significant investment into our processes has led to increased reporting of near misses, giving the Health and Safety team the data they need to address potential accidents before they occur.

"The health and wellbeing of our people is of paramount importance to us and the ability to prevent hazardous situations before they occur is a key element of keeping our people safe."

Andy Johnson
DIRECTOR HSEQ

Accreditations

ISO 9001



ISO 14001



OHSAS 18001



Where next

Recently formed, Yodel's Corporate Social Responsibility Working Group will act as the steering

group to manage our Key Performance Indicators going forward and act as the hub for new ideas, innovations, and monitoring our progress.



Key Performance Indicators	
Community	To commit £15,000 a year to the Yodel Foundation
	To raise £20,000 a year for our nominated charity
	To achieve Gold Covenant for military recruitment
Environment	To reduce our carbon emissions (per £1m turnover) by 3% annually
	To target zero waste to landfill by 2025
	To evaluate electric vehicle pilot by 2020
People	To raise our employee engagement score to 70% by 2020
	To provide all our employees with health & well-being advice over the next 2 years
Health & Safety	To reduce reportable accident statistics by 10% by 2020
Marketplace	To achieve 90% satisfaction rate on parcel delivery
	To audit all strategic suppliers by 2020
	To instigate a CSR award programme for our suppliers

YODEL



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