



31st May 2024

CUSTOMER ADVISORY:
Future of the Modal Shift Programme Trial at DP World UK

DP World are pleased to announce that the Modal Shift Programme (MSP) trial will be extended to the end of December 2025 at DP World Southampton. By continuing the trial for an extended period, we offer our customers assurance that the MSP Incentive will apply for all applicable annual contract cargo volumes in 2025. The Modal Shift Programme Incentive will be reviewed on a 6 monthly basis rather than quarterly from 1st October 2024. This customer advisory provides further details.

TRIAL UPDATE

In September 2023, DP World introduced a Modal Shift Programme (MSP) Trial at Southampton to encourage the uptake of rail for import laden containers.

Since its introduction, the MSP has increased the attractiveness of rail as a solution for customers at DP World Southampton. In the first half of 2023, the total share of rail was 21%, since introducing the MSP trial, the total rail share has increased to over 30%. In February 2024, we achieved a 10-year terminal record of 35% in a single month.

Our supply chain partners have chosen rail for an estimated additional 17,000 container journeys which would have otherwise only moved by road.

Q2 2024 - QUARTERLY INCENTIVE

The current MSP incentive is £80. This continues to apply until 30th June 2024.

Q3 2024 - QUARTERLY INCENTIVE

The MSP Incentive will be adjusted to **£50** per laden import container for the period from 1st July 2024 to 30th September 2024 (Q3 2024). Due to the success of moving containers from road to rail, the MSP Incentive has been reduced to match the income of the scheme. From 1st October 2024 the MSP Incentive will be reviewed on a 6 monthly basis.

HOW THE MSP WORKS

The MSP trial structure continues to operate on the basis of:

- The MSP Fee will be applied to all import laden containers.
- An MSP Incentive will be credited automatically for any import laden container which leaves DP World Southampton by rail to a railhead within the MSP Incentive Zone (as further detailed below).



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- Any import laden container which leaves DP World Southampton by rail to a railhead outside the MSP Incentive Zone will be refunded the MSP Fee.
- The MSP Fee will be levied to the import clearing agent who makes the customs declaration.

The MSP Fee and MSP Incentive levels are as follows:

- The MSP Fee is £10 per import laden container.
- The MSP Incentive will be £50 per applicable container, for the period between 1st July 2024 and 30th September 2024 (Q3,24).
- The MSP Incentive will be adjusted every six months from 1st October 2024 to allow for changes in rail share (Incentive to be announced by 31st August 2024).
- DP World reserve the right to adjust the MSP Fee annually.
- The import clearing agent will be credited £0.50 per MSP Fee paid to cover the administrative costs associated with the transaction.

CARBON SAVINGS

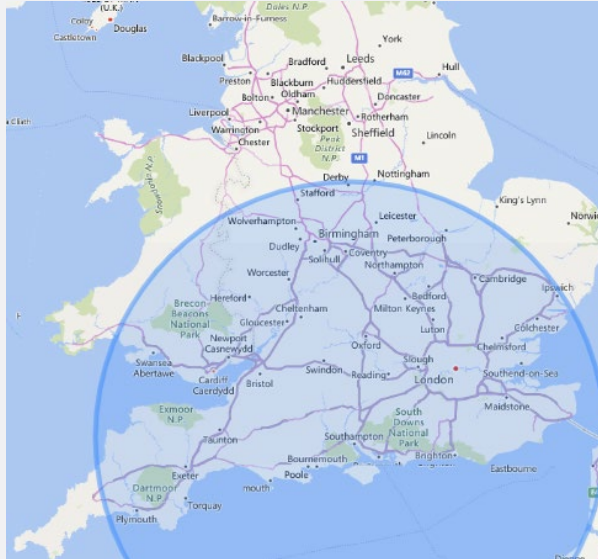
We have partnered with Pledge, the leading accredited carbon reporting platform for the freight and logistics industry, to independently calculate the carbon emissions of inland container transport. In the first 6 months of the MSP trial, Pledge calculated that:

- An incremental saving of ~6,400 tonnes of CO₂e was achieved. This amount of carbon dioxide would take 106,000 tree seedlings individually grown 10 years to absorb.
- In total, DP World Southampton has enabled over 25,000 tonnes of CO₂e savings by connecting import container shipments to rail.

The MSP Incentive for 1st October 2024 to 31st March 2025 will be announced by 31st August 2024.



Intermodal railheads within DP World Southampton MSP Incentive Zone include:



- Avonmouth;
- Birmingham Hams Hall;
- Birmingham (BIFT) Birch Coppice;
- Birmingham Landor Street;
- East Midlands Gateway;
- Bristol;
- Cardiff;
- Daventry;
- Northampton;
- DP World London Gateway;
- Portbury.

The MSP Incentive Zone is approx. 140 miles as the crow flies.

Further information

DP World commits to providing visibility on the progress of rail uptake as a result of the MSP trial.

DP World are reviewing the learnings of the Modal Shift Programme Trial at Southampton before extending the scheme further.

Should you have a specific question please email modalshift.uk@dpworld.com

Yours faithfully,

Vice President - Commercial & Supply Chain, UK