



17 July 2023

Dear VBS customer

**DP World Southampton – Business Landside Update, and
Annual Adjustment of Vehicle Booking System (VBS) Service Charges – 1 September 2023 – 31 August 2024**

DP World Southampton – Business Landside Update

We have once again been busy this year with infrastructure and building works on our Terminal and we would like to thank you and your drivers for your patience and understanding in the various temporary traffic systems that have been in place over the last 12 months. Some of our various works have included: -

- Terminal Straddle Carriers now fully transferred to HVO – 7 new hybrid straddles in operation and 13 arriving Q2 2023
- New landside operational layout:-
 - * 2 x Empty Parks offering berth centric empty storage
 - * 2 x Transfer Areas for imports/exports with increased bay capacity
 - * Increased reefer capacity by 55%
- In addition to the landside reconfiguration to provide additional truck delivery/collection areas, a new labour model was introduced changing the straddle utilisation operation. Straddles are now in a 'pool' where they are dynamically allocated on workload demand. This new labour model has seen positive results for shipside – a record of over 9,000 containers handled on one vessel, together with landside operations, especially when experiencing high volume peaks which allows high number of available VBS bookings, together with consistent truck turnaround times which we have seen in Q2
- DPW Southampton had a 56% reduction in CO2 emissions in 2022 by changing to HVO on straddles, new building designs, QC regenerating electricity to name a few initiatives which will continue into the future
- Future infrastructure investment continues with a new OCR, Pre-Gate and Main Gate facility, together with a Truck Park with parking bays, shower and toilets and bistro – construction due to commence Q3 2023 and operational 2024
- DPW UK (London Gateway and Southampton) was awarded 'Port Company' and 'Sustainability Company' at this year's Multimodal awards, the logistics industry's flagship event in the UK

We have some exciting new programmes and features coming on stream in Q4 and in 2024 which are aimed at improved landside visibility, safety features for drivers and a new Driver App which will have an abundance of helpful areas for drivers and transport offices to utilise.

We will be implementing an Annual Terminal Awareness course for each driver, alongside a new Driver Registration System which will provide drivers with individual Driver ID Cards. This initiative is linked to operational safety and an awareness of the Terminal regarding locations, procedures, rules and regulations etc which will require a multiple-choice test. More details will follow in due course regarding this awareness initiative.

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We also have a dedicated team creating a Driver App which will be introduced in phases but will start with basic information and then leading into using it for VBS bookings, amendments and geo-fencing capabilities, amongst other items. We have created a working group which includes many of you, however, if you would like to be involved, then please contact us on operationsadmin@dpworldsouthampton.com.

We all continue to face challenges in our businesses with fluid vessel arrival times, volume fluctuations during Q1/Q2 for several global and political reasons, together with continued high energy/fuel prices, although fuel prices appear to be heading in the right direction. We continue to work together, and we would like to thank you once again for your support, feedback and interactions to new ideas. The new labour module has allowed us to improve our reliable and consistent turnaround times of 34 mins.

Annual adjustment of Vehicle Booking System (VBS) Service Charges

Following our regular service charge review, please note below the DP World Southampton VBS Tariff which will come into effect from 1 September 2023 until 31 August 2024.

A breakdown of all the charges is in the table below with brief explanations marked by a symbol and further Q&A are in the attachment.

VBS service charges have been revised in line with the Retail Price Index. With the May 2023 RPI at 11.3%, the new VBS charges for 2023/24 are as follows:

ITEM	CHARGE FROM 01/09/2023 - 31/08/2024
Off-Peak Booking	Free
Peak Booking	£5.56
Weekend Booking charge - Sat 12.00 - 18.00 / Sun 07.00 - 19.00	£14.63
VBS Premium Container Listing (per container)	£0.23
VBS Non-Conformance Charge [□]	£55.65
Passenger in cab charge	£146.39
Annual Terminal Awareness Course (3 year period) [□]	Year 1: £50.00 / Year 2: £35.00 / Year 3: £35.00
Replacement Driver ID Card [●]	£42.12
Vehicle Euro IV and Euro V Emission Charge [◇]	£50.00
Electric HGV Credit [≈]	+£10.00
Terminal Damage Administration Fee (<i>per instance</i>)	£278.25

[□] VBS Non-Conformance Charge: -

common examples: No vehicle has arrived within the VBS booking time, driver departs Terminal within 60 mins of arrival without completing transactions, seal check not completed

[●] Charge for Replacement Driver ID Card

[□] Annual Terminal Awareness Course – Drivers to undertake with multiple choice test – 3 year period, on 4th year the 3 year period will recommence with a higher charge for year 1 to allow for new functionality enhancements

[◇] Charge for high emission vehicles

[≈] Electric HGV Credit – haulage company who made VBS bookings will receive credit



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Please note that our safety and security procedures prohibit unauthorised passengers to travel in trucks whilst in the Terminal. For specific purposes, authorisation for a passenger can be obtained from our Operations Administrator at least 24 hours before the truck arrives at the Terminal by emailing operationsadmin@dpworldsouthampton.com.

Our VBS charges are subject to VAT and a standard rated VAT specification will show on your invoices.

If you have any questions or feedback, please contact our Commercial Team – commercial@dpworldsouthampton.com or call 023 80 701701.

Thank you once again for your continued support.

Yours faithfully

Angela Smith
Product Development Manager – Road Access Services – UK Commercial

Question and Answers

VBS Weekend Charges

DP World is committed to providing a smooth flow of containers to support supply chains serving the UK economy.

We increased landside operational hours many years ago to provide maximum access to our customers to collect/deliver cargo, we wanted to offer the flexibility given the range of cargo we handle through the Terminal. We understand this is an important area for customers whereby closures of the Terminal can cause supply chain issues. However, there are cost implications in offering this flexibility and a premium rate was applied which provides a small contribution towards the additional labour and equipment required.

As you are aware, global volumes over the last couple of years increased significantly and for us to continue to deliver smooth and consistent Terminal efficiencies, we took the decision to temporarily remove the weekend VBS charge, which is applicable to only a small period of time over the weekend, to encourage usage. However, the decreased volumes we are seeing for this year, together with the uncertainty for the remainder of the year, we have made the difficult decision to re-instate the weekend VBS tariff. We understand the importance of flexibility within the supply chain and want to continue offering this benefit to our customers who rely on maximum access to our Terminal and this small tariff makes a small contribution to the additional workforce and equipment usage required.

When is a VBS Non-Conformance Charge applied?

A VBS Non-Conformance Charge is applied when drivers have not conformed to the VBS booking criteria which ensures the collection/delivery of containers is managed. There are many scenarios, but the most common non-conformances are: -

- No vehicle has arrived within the VBS booking time
- Driver departs Terminal within 60 mins of arrival without completing transactions
- Driver has in-gated but attempts to return the booking to the system – this booking is now used and cannot be returned
- Driver has not completed seal check, this results in the cancellation of the booking



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Why have you applied an Annual Terminal Awareness Course?

The safety of all Port Users is of paramount importance and is, and always will be, the number one priority at our Terminal. We are making some large investments into new functionalities to ensure all Port Users, in this case drivers, are as well informed about our Terminal as possible. Although drivers currently undertake a presentation with a Q&A at the end, we are making substantial changes in this area and will be implementing an annual Terminal Awareness course for all drivers to undertake which will include a multiple-choice test ending in a pass/fail. The course will be taken annually but will be on a 3 year cycle, year 1 being a higher charge than year 2 and 3. This is due to providing driver ID card updates in the first year. Year 4 will commence the next 3 year cycle.

The functionalities and implementation of this course is currently in design stage but will be rolled out at the end of Q3 through to the end of the year and will require all drivers entering the Terminal to have undertaken the course, passed and have a Driver ID Card for identification purposes and future gate barrier access.

Why are you implementing a Driver App?

For many years, we have had the vision to introduce a Driver App and we have now received authority to proceed with designing and implementation. This project will be delivered in stages from a soft launch of Health & Safety with links to the Terminal Awareness Course, Terminal location maps, weather and traffic reports, notifications through to VBS activity and Geo-Fencing opportunities, together with other features. This is highly likely to be rolled out in 2024 but we wanted to make you aware of our plans. A working group with interested hauliers has been put together with the first workshop held a few months ago. This is a function for drivers and therefore your feedback and ideas are crucial to make this product viable and worthwhile. If you would be interested in joining the working group, please contact operationsadmin@dpworldsouthampton.com.

What has changed on the vehicle Euro III/IV/V emissions Tariff?

DP World has environment and sustainability at the core of our business for our customers, our people, and our society.

Trucks entering the Terminal that are Euro III, IV and V type (license plate of '63' or older) will be charged £50.00 per VBS booking.

Based on figures for the last 12 months, only a very small percentage of trucks are affected, and the small revenue generated is applied to investment in our Optical Character Recognition (OCR) infrastructure.

DP World has a net zero target of 2050, with a 2040 carbon neutrality target – which means that everything we do not manage to decarbonise through engineering solutions, we will offset through carbon credits. We have a 2030 DPW global target of 28% reduction in carbon footprint whereby we are making significant investments into equipment electrification, efficiency gains, renewable energy and R&D.

To encourage the reduction in carbon footprint, we are implementing a credit of £10.00 per VBS booking when an Electric Vehicle (EV) HGV is used. The credit will be awarded to the Haulage Company that made the VBS booking. The details on how the credit will be issued will follow in due course.