grs
We go beyond

ROADMAP TO NET ZERO

2025

ROADMAP TO NET ZERO

Introduction

The effects of climate change are all around us. The UK has set its sights on reaching net zero carbon by 2050, and the actions we take now and over the coming years will determine whether we succeed. The team at GRS has been galvanized into action and through a far-reaching set of initiatives we have developed a credible roadmap with a stretch target to reach net zero by 2040 for our Scope 1 and 2 emissions, and 2050 for Scope 3 emissions.

An essential ingredient

Aggregates are essential for all construction. Crushed rock, gravel, sand and recycled materials are raw ingredients in virtually every structure – our homes and workplaces, roads and railways, and the networks for water, power and data. Aggregates will also be needed for climate adaptation, from renewable energy infrastructure to flood defences.

Most aggregates used in the UK are domestically sourced from across the nation, meaning they travel shorter distances than other commodities. On the other hand, aggregates are heavy, and because they are so useful, they are used in huge volumes (more than 250 million tonnes in a typical year) and therefore require a lot of energy to process and transport. This gives us a huge opportunity to innovate and decarbonise the supply of aggregates.

Sustainable business model

The development of a sustainable business model has been at the heart of the GRS strategy for many years. The clearest practical evidence of this lies in the Group's efficient recovery and reuse of material resources and seamless end-to-end freight solutions that minimise material handling and empty miles, and maximise lower-carbon rail and marine transport. Indeed as a percentage of the 20 million tonnes of materials we trade and transport each year, GRS already moves more aggregates by rail than any other materials supplier in the UK.

More broadly, GRS has made strong commitments and solid progress in all three areas of our ESG framework - People, Planet, Practices. These are detailed in our Sustainable Development Reports. This document is focused on our commitments to decarbonisation.

"OUR AIM IS TO REACH NET ZERO BY 2040"

FOR SCOPE 1 & 2 EMISSIONS

Zero Waste, Zero Carbon

Our determination to operate a circular economic model is reflected in the GRS Group vision “*to be the driving force behind a circular economy in construction*”. Nothing is wasted – all materials handled by GRS are used to develop our built environment or restore our natural environment. We’ve got circularity sorted. This is reflected in our day-to-day mission “*to recover discarded materials and find smart ways to reuse them in construction and land remediation*”.

Energy and emissions

Sourcing, handling, transporting and processing aggregates – whether they are from primary (newly quarried) sources or materials from secondary sources – requires the use of energy.

Until 2020, most of the energy needed to run our business came from fossil fuels, but this is changing as we transition to net zero and will only accelerate over the years ahead.

The energy consumption, and therefore the carbon emissions, at GRS are generated across four categories of activity and these form the key levers for decarbonisation:

Transport

The way we move materials from where they are sourced to where they are needed in construction, including the energy required.

Operations

The way we process and handle materials such as washing, screening, bagging and loading, and the energy required to power our offices.

Materials

Our use of goods and materials, from aggregates and cement to packaging materials and everyday consumables.

Practices

The policies and practices that determine the decisions made by people, whether they are employees, customers or suppliers.

Developing our Net Zero Roadmap

Working with independent climate change consultants, GRS put together a senior team from across the business, representing every division, product line and function. This group came together to scrutinise every aspect of our business to identify the short, medium and long-term actions that could affect improvement in our greenhouse gas emissions.

These were then analysed to quantify the potential carbon savings and prioritised so they could be resourced and actioned*. In turn this enabled us to produce our Net Zero Roadmap, setting out a clear pathway to reduce emissions. Subsequently we appointed a dedicated in-house team to continue to drive progress and enable effective monitoring of our activities.

Total net carbon equivalent emissions

Using the vast array of data we currently have available, including from our upstream suppliers and downstream contractors, the total annual carbon equivalent footprint for GRS Group is calculated to 303,065T CO_2e. This number represents our total carbon footprint across Scopes 1, 2 and 3 for 2024. For each tonne of materials we supply, the carbon footprint is therefore calculated as 0.018T CO_2e.

We have set a target to reach net zero carbon for Scope 1 and Scope 2 emissions by 2040 through the implementation of actions that make up each of the levers of Transport, Materials, Operations and Practices.

We are committed to reaching net zero for Scope 3 emissions for our upstream and downstream supply chain by 2050.

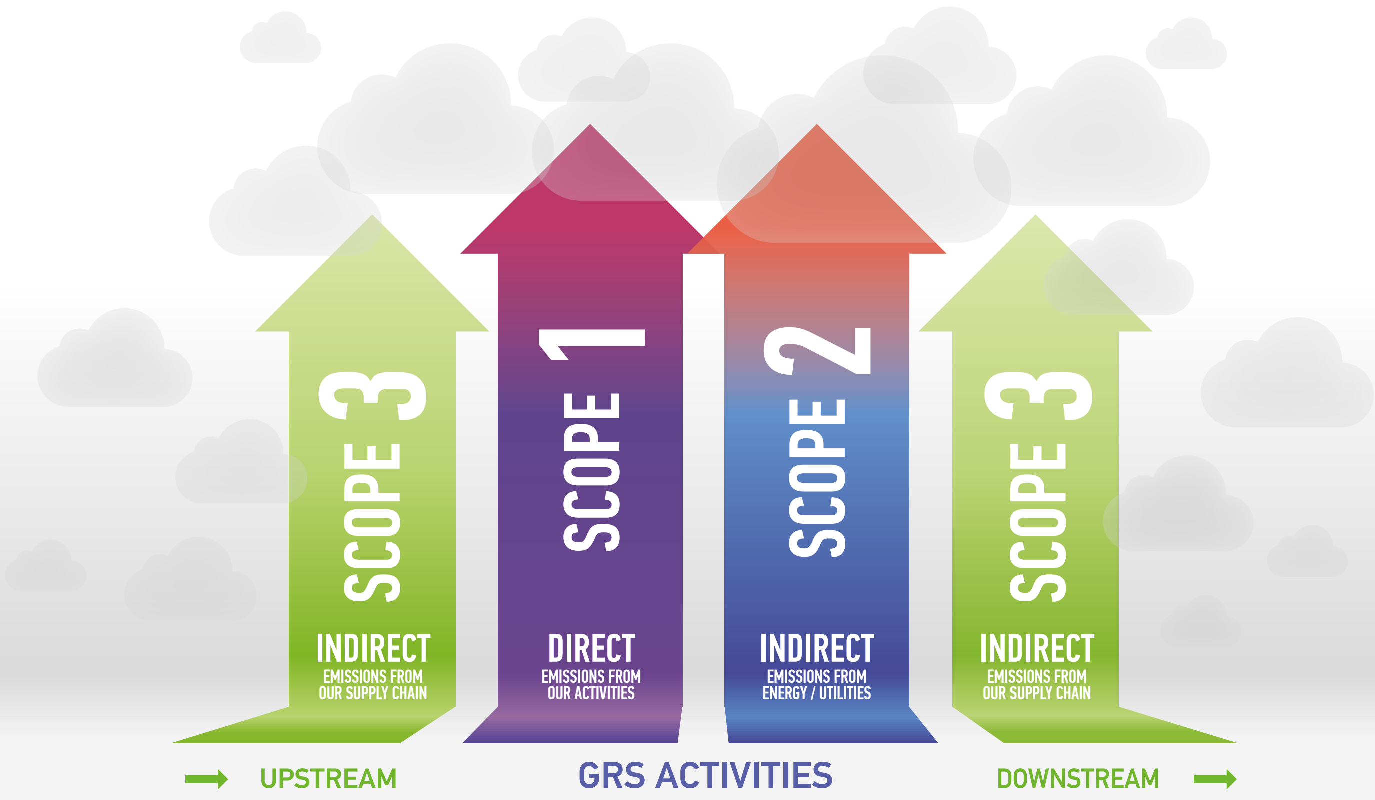
Scopes 1, 2 and 3

Carbon emissions of any organisation are commonly divided into three different 'Scopes' which are designed to define the source and primary responsibility for the emissions.

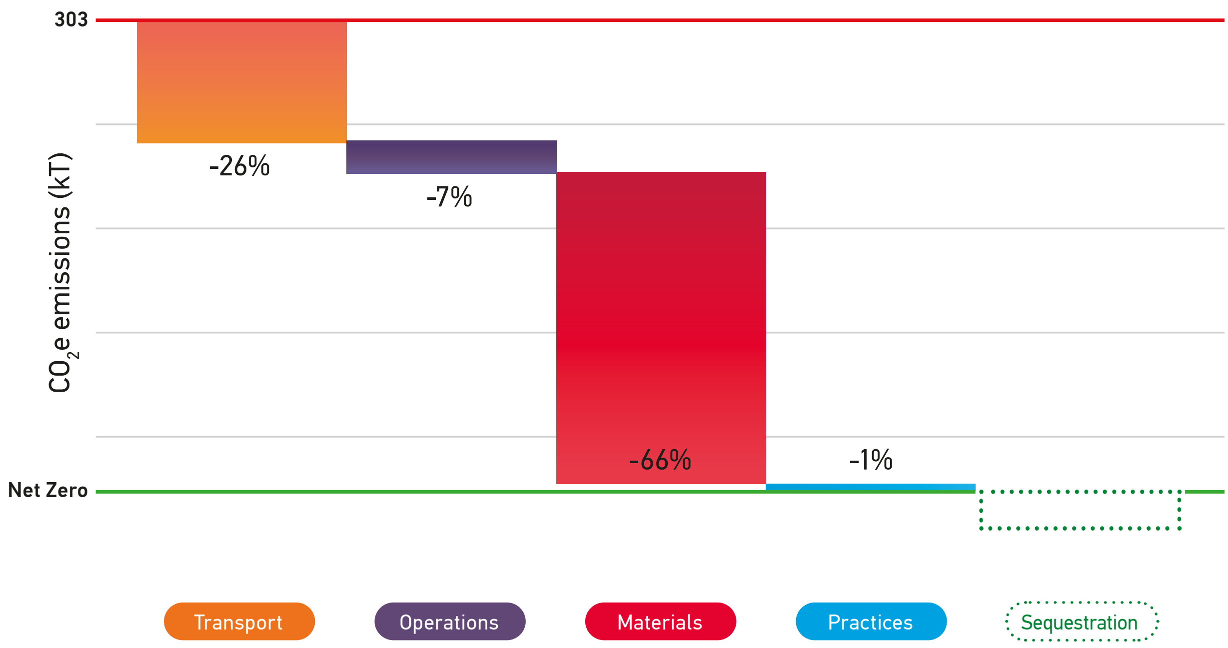
Scope 1 emissions are direct greenhouse gases from sources that we owned or control – at GRS these represent around 4.8% of our total emissions.

Scope 2 emissions are indirect greenhouse gases from our use of electricity – at GRS these represent 0.2% of our emissions.

Scope 3 emissions are indirect greenhouse gases resulting from other activities in our supply chain which we depend on but have no direct control over – at GRS this represents 95% of our emissions.



Decarbonisation by main categories of activity



Each of the four levers comprises numerous initiatives and actions that will deliver reductions in carbon emissions. Some represent a large contribution, others are small, but combined, these initiatives deliver our Net Zero Roadmap.

Decarbonisation across the four business areas will not necessarily happen evenly and will depend on numerous factors including available technology, the legislative framework and economic conditions. A major factor is likely to be whether an initiative lies within Scope 1, 2 or 3.

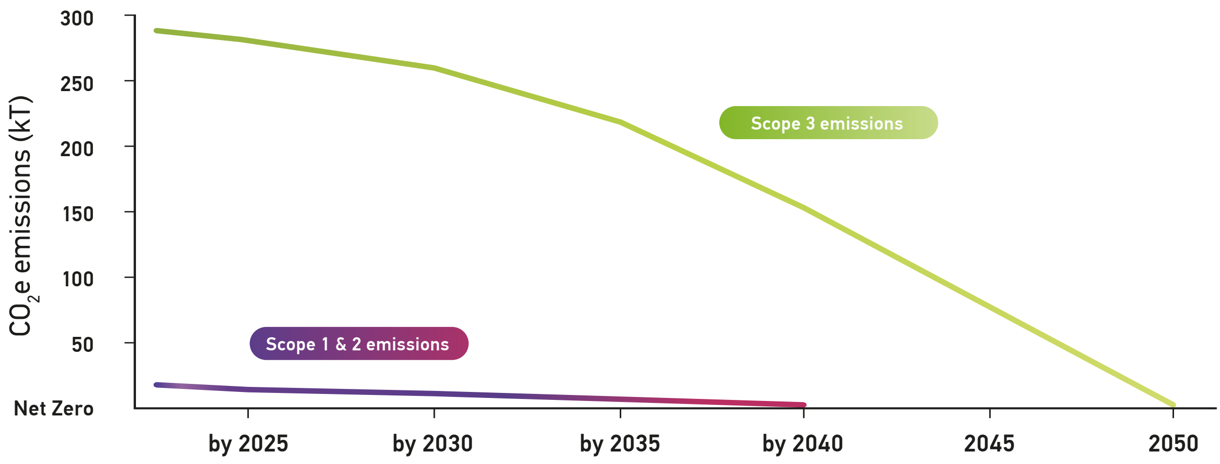
It is possible that any remaining emissions that are not able to be eliminated through the four key levers may be addressed through carbon sequestration initiatives including reforestation, soil management and mineral carbonation. Whilst not currently part of our roadmap, we recognise that sequestration initiatives in our supply chain have the potential to support our drive to net zero.

Decarbonisation and the supply chain

Like all businesses, GRS is part of a complex supply chain – we rely on third party organisations to provide us with materials and services (such as electricity and haulage) and our customers also procure products and services as part of their supply chain.

Importantly, in order to reach net zero across Scopes 1, 2 and 3, our entire value chain must take action towards decarbonisation. Some are well on the way, whilst others have yet to start this journey. However, in virtually all cases, decarbonisation of the supply chain will be reliant on support from Government to legislate effectively and incentivise the necessary transitions such as reaching 100% use of renewable fuel sources.

Our Roadmap to Net Zero



Transport

Operations

Materials

Practices

Some of the key Scope 1 & 2 initiatives that will help deliver our net zero road map >

by 2025

Transport

Optimisation of road haulage through telematics

Replace truck fleet with lowest-carbon vehicles available

Maximise use of rail freight through existing depots

Operations

Company-wide energy efficiency initiatives

Materials

Initiative to switch customers to local sources

Practices

Implement sustainable driving training

by 2030

Transport

30% of company vehicles to be electrically powered

20% of marine activity to use hydrogen or HVO

Operations

All forklift trucks to switch to electrical power

Materials

Solar panels to be fitted to sites and offices wherever feasible

20% of building products delivered direct to site to reduce vehicle miles

Materials segregation to turn more waste into useable aggregates

Increase use of secondary and recycled aggregates to beyond 20%

by 2035

Transport

50% of company vehicles to be electrical / hydrogen powered

50% of marine activity to use hydrogen or HVO

Operations

All wheel loaders to switch to electrical power

Materials

50% of primary materials will come from certified net zero sources

40% of building products delivered direct to site to reduce vehicle miles

Increase use of secondary and recycled aggregates to beyond 30%

by 2040

Transport

100% of company vehicles to be electrically / hydrogen powered

>1mT of rail freight deliveries made by electric trains

100% of marine activity to use hydrogen or HVO

Operations

Implement use of containerised bulk materials

Materials

100% of primary materials will come from certified net zero sources

Increase use of secondary and recycled aggregates to beyond 40%

*Carbon reduction calculations have been made possible based on the available information and reasonable assumptions. Should new information come to light during the implementation of our Net Zero Roadmap, the necessary adaptations will be made and a revised roadmap published.

When we reach net zero

The essence of our delivery of net zero carbon is:

Transport: All road, rail and marine freight will use 100% renewable fuels

Operations: All production sites and offices will operate with 100% renewable energy

Materials: All materials we supply will be net zero carbon

Practices: Our people will have the expertise and resources to influence others in our supply chain to make net zero choices

Sequestration: Any residual carbon emissions may be offset using sequestration

Tracking our progress

Over the coming years, we expect to make great strides in reducing emissions, especially in the core areas of Transport and Materials. Further along our roadmap, we anticipate more challenges and complexity as we look to introduce new technologies, materials and ways of working that remain unproven.

Today, we are trialling numerous different ideas and innovations, and we accept that some of these may not torn out to be a suitable fit for our business or our customers. We do however, look forward to reporting our experiences and outcomes in our future Sustainable Development reports.

Stability and consistency

Throughout our endeavours a stable economic and political environment is critical, with consistent Government policy and reliable financial support mechanisms to facilitate long-term decision-making and investment.

Access to net zero energy and decarbonised road, rail and marine freight will need to be matched by available mechanisms for the sequestration of carbon. If these can be delivered, there is every reason to feel both optimistic and excited about helping the construction industry and the UK as a whole reach net zero carbon by 2050.

About GRS

GRS has grown to become a full-service circularity supply chain partner to the construction industry. The Group supplies secondary and recycled aggregates, building products, contracting services, waste management solutions, and multimodal bulk freight services. From high-volume aggregates for major infrastructure to the widest range of decorative aggregates and paving products available anywhere, GRS handles around 20 million tonnes of materials each year, with revenues of more than £500 million. **www.grs-group.co.uk**.

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