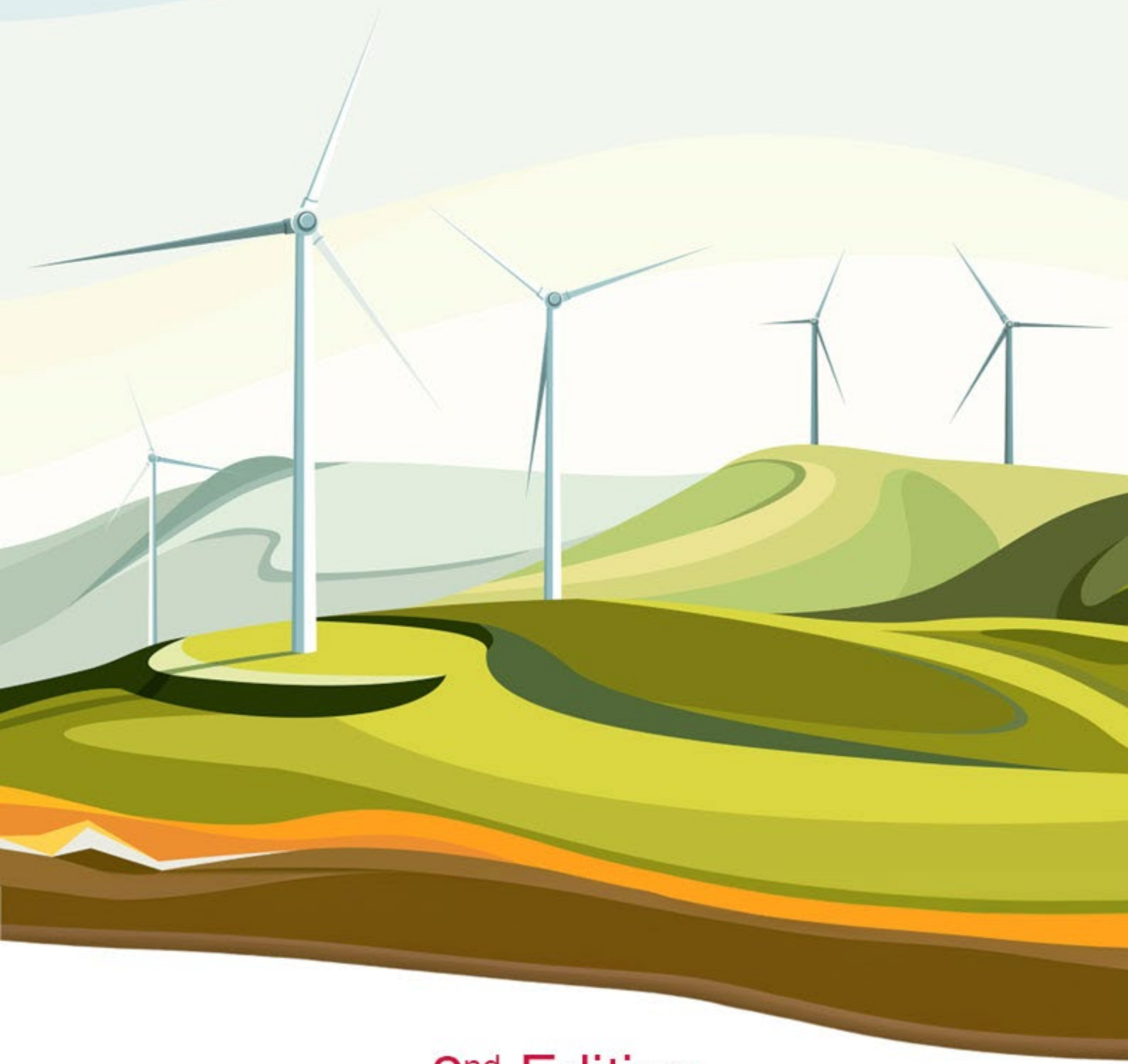
NAYLOR



2nd Edition

Net Zero Strategy

Net Zero Strategy

We understand the term 'Net Zero' to mean removing or negating Greenhouse Gas Emissions (GHG) emissions from entering the atmosphere or retrospectively sequestering GHG emissions from the atmosphere.

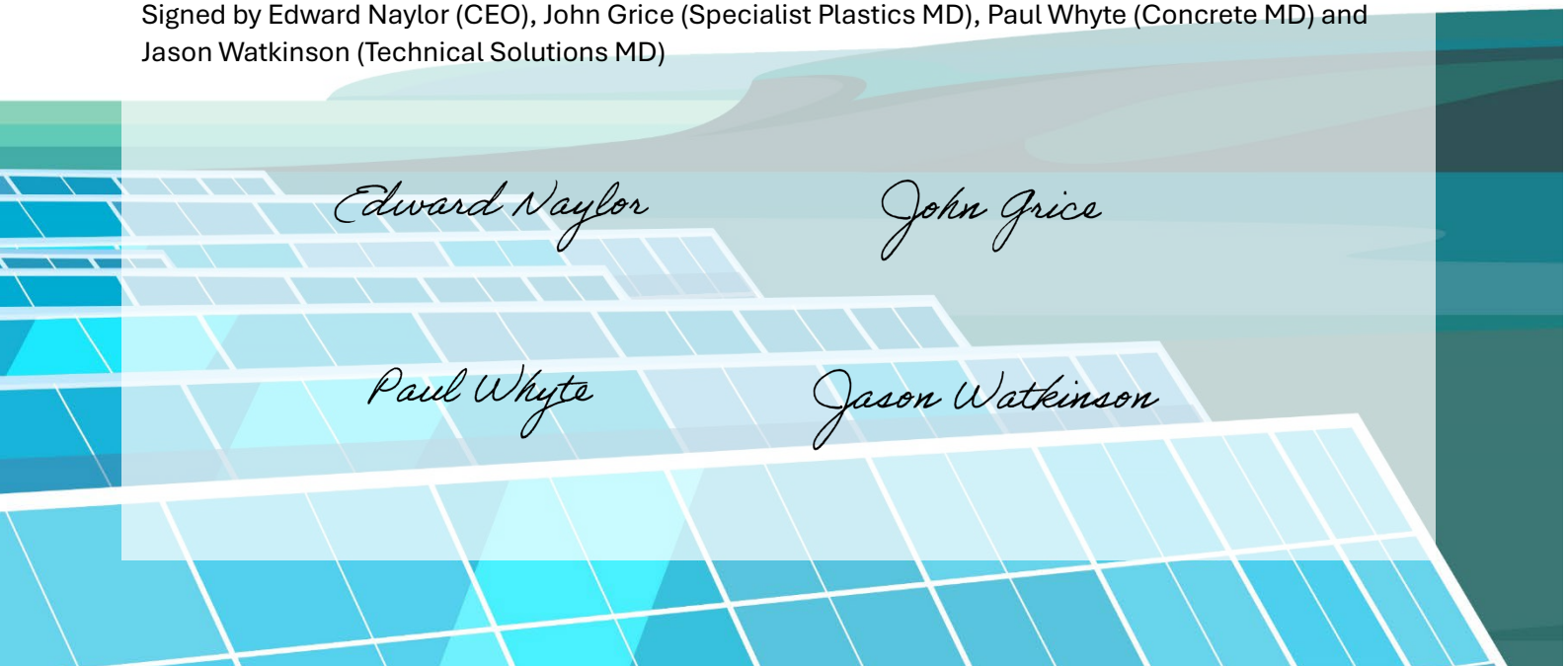
This may be achieved through, reducing energy consumption, cleaner alternative fuels, renewable energies, 'Green grid electricity', 'Power-purchase' agreements, engineering controls, advances in carbon reducing technologies, behavioural controls and selecting sustainable materials.

In addition to this, carbon offsets may also be used to 'cancel out' GHG emissions where complete elimination is not possible.

Director Commitment

- Educate our staff to develop engagement in environmental matters.
- Consider environmental aspects in all capex purchases.
- Research & embrace new technologies.
- Work to eliminate energy waste and improve efficiencies.
- Source sustainable material where possible.
- Ongoing investigation of more sustainable materials.
- Improve production yields to reduce resource waste.
- Maximise our use of renewable energies.
- Explore feasibility of hydrogen (and other green fuels)
- Work with industry bodies, educational institutes, local authorities, and the wider community to accelerate global journey to net zero.
- Regular review of our new zero Strategy.
- Hold regular meetings with key stakeholders to facilitate continual improvement.
- Strive for high standards of site management to protect and enhance local environment.
- Actively communicate to our wider team to properly embed net zero journey and values.
- Annual quantification of GHG emissions with progress tracked quarterly.

Signed by Edward Naylor (CEO), John Grice (Specialist Plastics MD), Paul Whyte (Concrete MD) and Jason Watkinson (Technical Solutions MD)

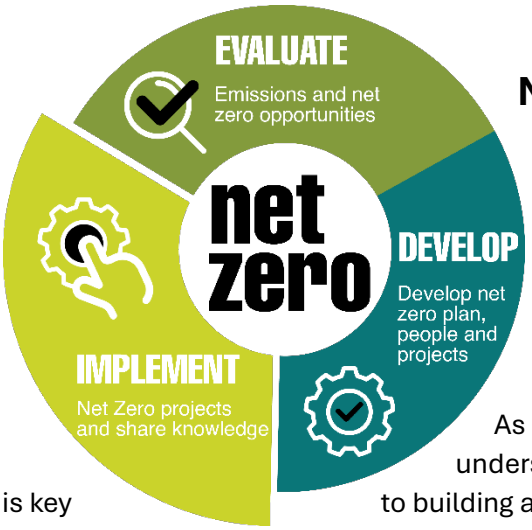


Our roadmap to Net Zero

The Plan

Naylor is dedicated to the task of achieving net zero but we also recognise that setting out an achievable pathway for our particular operations to meet net zero by 2050 at this time is particularly challenging and we are presented with significant barriers to achieving our goal due to factors beyond our control, primarily to energy and GHG reducing technologies being in their infancy and infrastructure limitations. We understand these technologies as 'emerging' and recognise that rapid development will occur as net zero becomes more widespread.

All businesses have unique operations and thus a unique GHG profile, therefore, each of our businesses will create its own 'Net Zero Plan' to reflect this. These plans will outline in detail how each business will aim to work towards Net Zero by following the below principles.



Methodology

Continual Improvement

We will approach net zero within the 'Evaluate – Develop – Implement' framework and will continually strive to improve our approach to this challenge.

Evaluate

As a matter of priority – quantifying GHG emissions and understanding where in our operations emissions originate from is key to building an effective approach to working towards net zero. We aim to;

•Commission annual quantifications of our GHG emissions.

•Record our GHG emissions on a quarterly basis where possible.

•Target key areas where GHG emissions are most prevalent.

Develop

We will investigate the latest opportunities and technologies by engaging with; industry bodies, project partners, educational bodies and our own in-house expertise. We aim to;

• Revise and review our net zero plan and Environmental policy statement annually.

- We aim to continually review our approach to GHG emissions and will aim quantify these emissions using the highest quality data available.

• Bring together key stakeholders to ensure an effective approach to net zero.

• Legitimacy of our plans is key – as such we will ensure that large projects are peer reviewed, costed with agreed time scales for implementation.

• As part of our journey to net zero, we will regularly review; our strategy, data, plan and projects, to ensure that they are effective and continue to meet our objectives.

• Develop projects in a competent manner, using the best available data and expertise to ensure optimal outcomes.

Implement

Structured, well-managed implementation is key to success.

All possible care will be taken throughout our journey to net zero to ensure that any actions/projects are rigorously planned and thoroughly evaluated to ensure the best possible result is achieved and does not create unintended consequences.

We also believe knowledge transfer is key to pushing the world towards a Net Zero future. As such, we are committed to working collaboratively, sharing knowledge, whilst also ensuring we have access to quality information. We understand that having this proactive approach to knowledge sharing will proliferate the global journey to a net zero future, benefitting our business and those wishing to join us on the net zero journey.

Organisational Responsibility

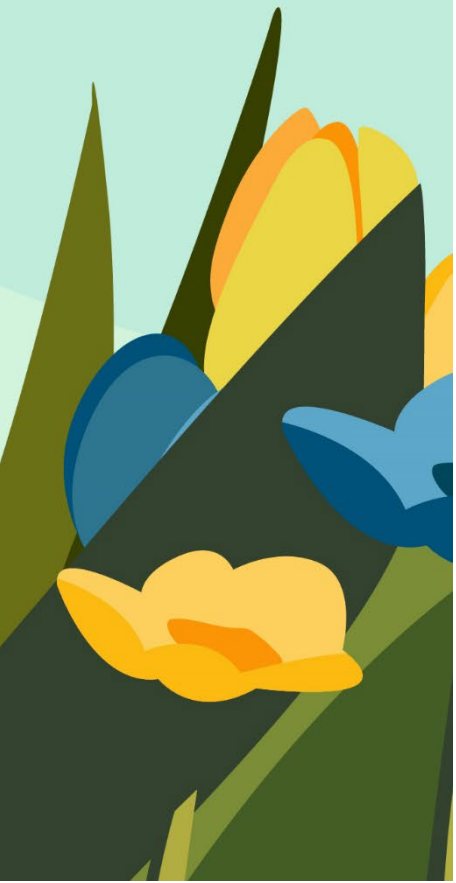
1. The Chief Executive Officer is responsible for driving top-down organisational commitment to achieving net zero.

2. Executive Board members and Directors are responsible for ensuring net zero commitments are a high priority within respective teams and their sphere of influence. In addition, company net zero commitments should also be considered during all decision making.

3. Production managers and supervisors are responsible for encouraging best practice in relation to net zero amongst their team and ensuring adherence with company goals and procedures.

4. The EHS team are responsible for coordinating organisational approach to net zero. This includes; investigating and implementing new technologies, driving energy reduction, securing funding (where applicable), developing and providing training to all staff, communicating progress to key stake holders, collaborating with other teams within the business to facilitate progress, collecting/collating and communicating data in relation to net zero, ensuring compliance with any regulations related to net zero or mandatory carbon reporting, liaising with environmental consultants, creating and maintaining any documentation required in relation to net zero.

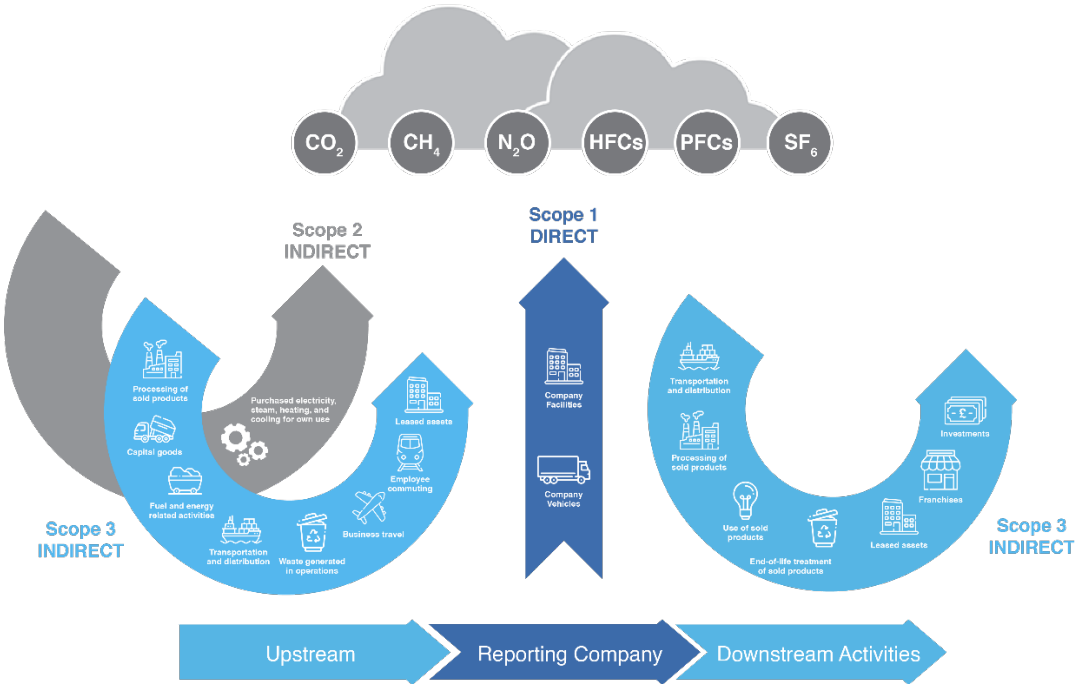
5. All Staff are required to follow any work instructions in relation to achieving net zero and as such engage with any training required, as part of the company effort to achieve net zero. Conduct work life in such a way, as to not hinder or obstruct organisational net zero commitments.



GHG Reports

Reporting

Since 2019, Naylor has been committed to voluntary annual GHG quantifications and reporting. As a matter of priority, we will seek to reduce our Scope 1 and 2 emissions. Drawing on our experience with GHG reductions to date, we believe we can make most impact on GHG emissions in our immediate operations and in due course we will address our scope 3 emissions.



In 2022, we invested in the commissioning of our first Scope 3 Screening analysis, this allowed us to better investigate our GHG emissions in greater detail and understand the most (GHG) intensive areas of our operations. Moving forward, we are committed to improving the way we quantify our GHG emissions, this will be done by;

- Using state-of-the-art reporting platforms.
- Working with our staff and partners to improve data capturing and data quality.

We also strive to increase our carbon-transparency by quantifying our emissions on an ongoing basis, making this information available to our stakeholders.

We believe that our demand for lower GHG technologies/fuels will drive wider decarbonisation within our supply chain and beyond.

We will also work to reduce our scope 3 emissions alongside our Scope 1 and 2 reductions. The focus of this will be making conscious decisions to choose more sustainable materials, opening up meaningful discussion with our supply chain to communicate our desire to move to lower GHG materials.

Our Greenhouse gas profile is as follows;

Natural Gas	Scope 1
Hydrofluorocarbons	Scope 1
LPG	Scope 1
Process Emissions	Scope 1
Diesel (Gas oil)	Scope 1

Kerosene (Burning oil)	Scope 1
Company Vehicles	Scope 1
Electricity	Scope 2
Grey Fleet (Employee-owned Vehicles used for business purposes)	Scope 3
Waste	Scope 3
Water	Scope 3
Air Travel	Scope 3
Rail Travel	Scope 3
Electricity T&D (Transfer and Distribution)	Scope 3
Electricity WTT (Well to Tank)	Scope 3
Natural Gas WTT (Well to Tank)	Scope 3
Bulk Fuel WTT (Well to Tank)	Scope 3
Business Travel WTT (Well to Tank)	Scope 3

Emissions classification

Our annual total CO_2e emissions (in tonnes of CO_2e – tCO_2e) to date are:

2019	14,669
2020	11,959 (Covid-19)
2021	13,878
2022	7,941 (Scaling back of ceramic operations)

Appendix

Definitions and abbreviations

Net Zero	'Removing' or negating CO_2e emissions from entering into the atmosphere or sequestering CO_2e emissions from the atmosphere. This overall balance may be achieved through; reducing energy consumption, cleaner alternative fuels, renewable energies, Green Grid Electricity, Power Purchase agreements, engineering controls, advances in carbon reducing technologies, behavioural controls and selecting sustainable materials. In addition to this, carbon offsets may also be used to 'cancel out' CO_2 emissions where complete elimination of CO_2e emissions is not possible.
T&D (Transfer and Distribution)	Transportation of fuel from place of manufacture to customer (haulage) (frequently included in Upstream transportation and distribution element of scope 3)
WTT (Well-to-tank)	All processes of extraction and processing to point of distribution.
GHG	Greenhouse Gases – referring to a range of atmospheric gases (CO_2, CH_4, N_2O, HFC's, PFC's and SF_6)
GHG Profile	Sources of GHG emissions in our operations
Scope 1 Emissions	Direct emissions generated on site (E.g. Natural Gas combustion)
Scope 2 Emissions	Indirect emissions generated offsite - Electricity
Scope 3 Emissions	Indirect emissions produced by third party but associated with own operations – Waste removal, deliveries, contractor haulage etc.