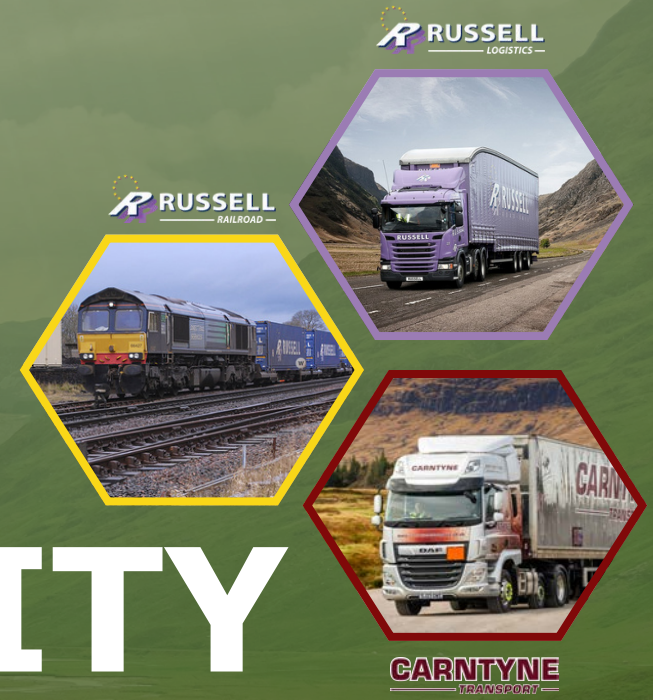




# SUSTAINABILITY STATEMENT

2024



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# Sustainability Statement

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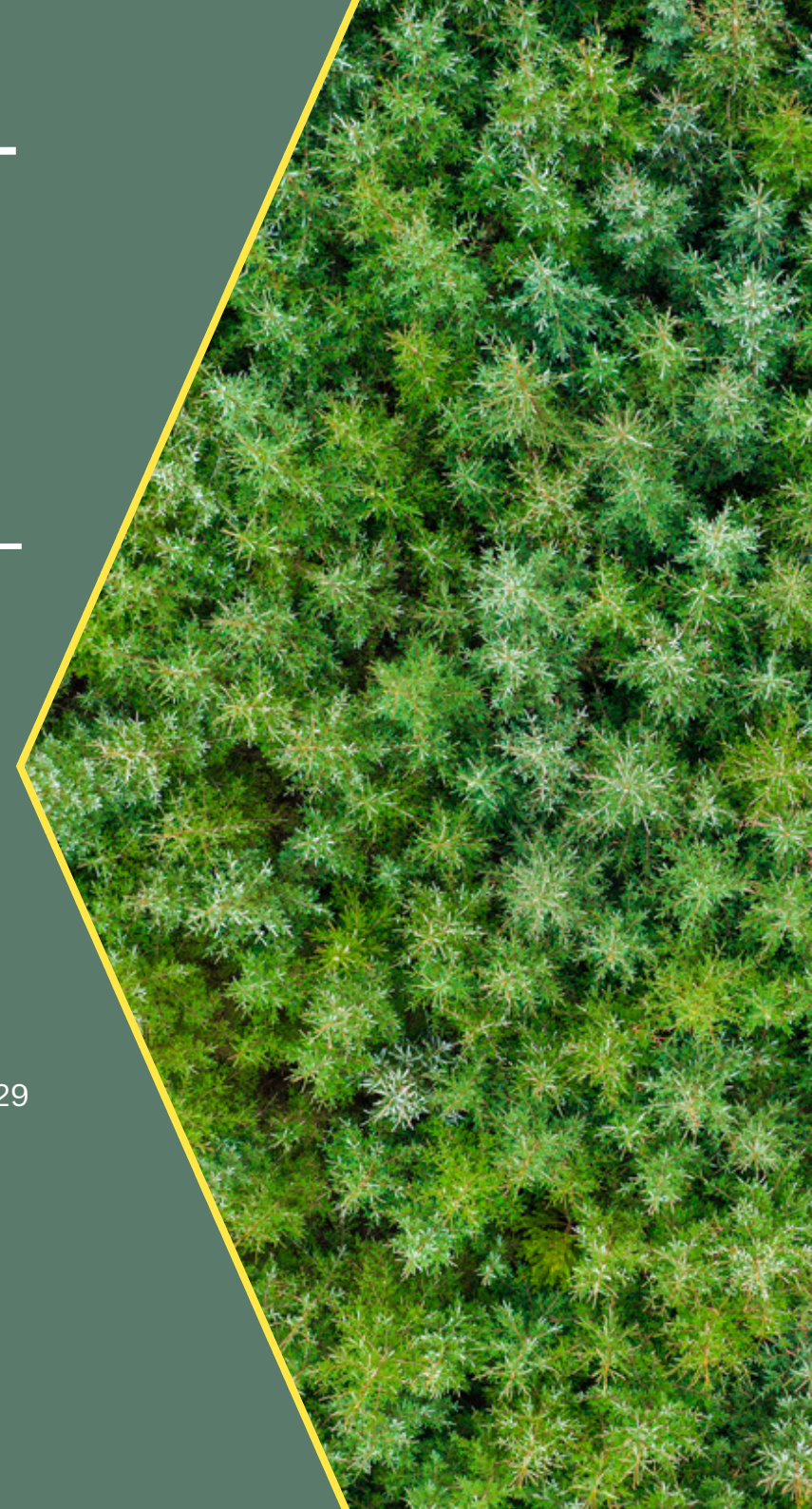
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# Company Profile

**Russell Group** is made up of three companies that work in partnership: John G Russell Ltd, Carntyne Transport Ltd and Russell RailRoad Ltd.



**Established 1969**



**£88.9M Turnover in 2023**



**740 Employees**



**14 UK Locations**



**John G Russell Ltd** is a leading transport and logistics provider committed to delivering high value solutions across the United Kingdom and Europe. Offering over 10 different services including warehousing, contract packing and distribution, the organisation has over 50 years' experience in expertly delivering your promises.



**Carntyne Transport Ltd** is a leading third-party logistics provider specialising in bulk transport and the provision of on-site logistics and cask storage. As part of the Russell Group, they have an established history of over 65 years within the transport industry, providing customers with the perfect blend of quality and service.



**Russell RailRoad Ltd** are leaders in the rail freight industry, specialising in intermodal rail services, container haulage, and storage. As members of Russell Group, they have been at the forefront of rail freight innovation for over 45 years.

# Our Mission, Vision and Values

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### Mission

Our mission is to become the most trusted third-party logistics Group for our customers by delivering goods and services in the cleanest, safest, and most sustainable manner.

### Vision

Our Vision is to drive ourselves, our customers, and our community forward through our dedicated, empowered team of employees using the most advanced and sustainable solutions.

### Partnership

We value our long-term partnerships with our employees, customers, and partners, working closely together to deliver innovative and sustainable solutions for today and for the future.

### Safety

We promote a positive safety culture across the Group through effective Health and Safety leadership which ensures our people arrive to a safe working environment each day and go home safe each night.

### People

Our people have been at the heart of our business since 1957. Their passion, unwavering commitment, and extensive expertise enable us to consistently provide our customers which an unparalleled level of service.

### Environment

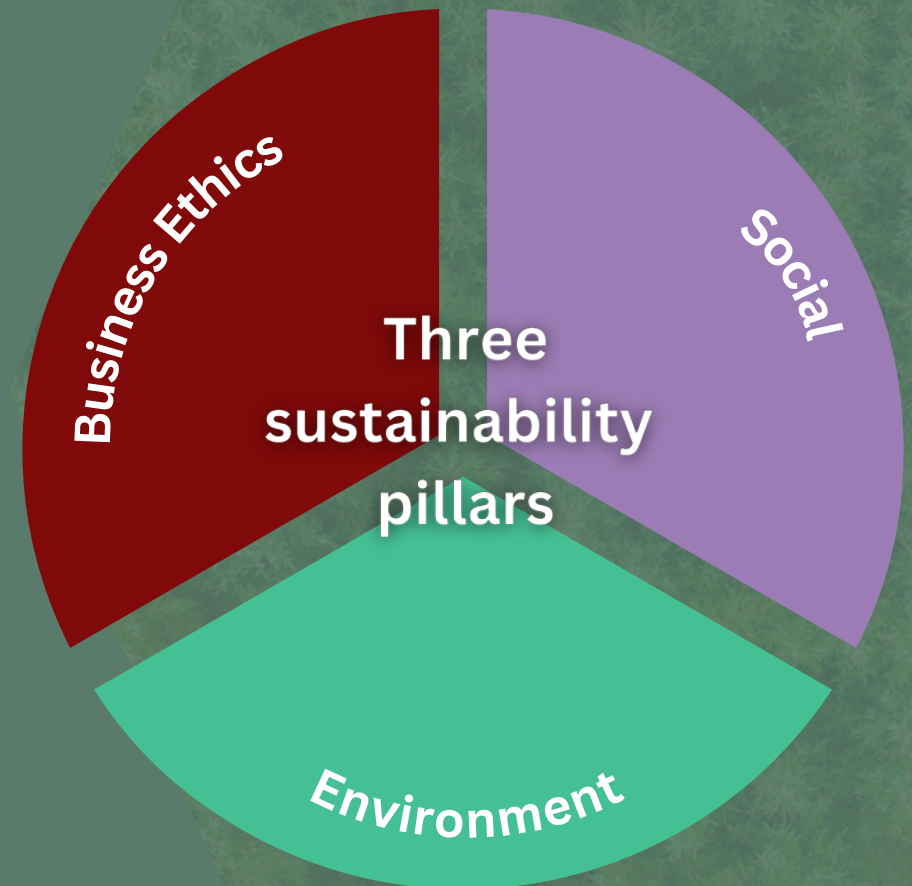
We value sustainability and the protection of our environment. Therefore, we have pledged to be Net Zero by 2040 through implementing decarbonisation strategies in line with the Paris Agreement and neutralising any remaining emissions with additional, quantifiable, real, permanent, and socially beneficial offsets.

# Our Sustainability Strategy

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We understand that sustainability is essential to the success of Russell Group. Our aim is to provide long-term value for our stakeholders while creating sustainable and responsible growth for the business.

With our customers, employees, and local community at the forefront of everything we do, we aspire to be a responsible and transparent company that upholds accountability. Therefore, our three key pillars to sustainability are the Environment, Social and Business Ethics.



# Environment

- 🌍 Introduction
- 🌍 Climate Pledge
- 🌍 Baseline Emissions Footprint
- 🌍 Current Emissions Reporting
- 🌍 Emissions Reduction Targets
- 🌍 Steps to Net Zero



# Introduction

At Russell Group, **we take our environmental performance and responsibilities seriously.** Through our Environmental Policy and Sustainability Strategy, we have put many initiatives in place to tackle CO2 emissions, with the aim to be **NET Zero by 2040.**

As we play a key role in the supply chain management of our customers, our performance affects not only our success in meeting our own environmental commitments but plays an important role in helping our customers meet theirs. We therefore work closely with our suppliers and each of our customers to support their environmental commitments.



# Climate Pledge: our commitment to achieving Net Zero

Russell Group, along with over 100 of the World's leading companies, have signed The Climate Pledge; net zero carbon by 2040. **The three principal areas of action for the pledge are:**

- 🌍 Measure and report greenhouse gas emissions on a regular basis.
- 🌍 Implement decarbonisation strategies in line with the Paris Agreement through real business changes and innovations, including efficiency improvements, renewable energy, material reductions, and other carbon emission elimin strategies.
- 🌍

Neutralise any remaining emissions with additional, quantifiable, real, permanent, and socially beneficial offsets to achieve net zero annual carbon emissions by 2040.

We are also signatories of the International Chambers Climate Coalition; creating a global forum that offers members actionable, real-world solutions and recommendations on cost-effective, sustainable business practices aligned with Paris targets.





# Baseline Emissions Footprint

Baseline emissions are a record of the greenhouse gases that have been produced in the past and were produced prior to the introduction of any strategies to reduce emissions. Baseline emissions are the reference point against which emissions reduction can be measured.

We have been calculating Scope 1 and 2 emissions to GHG emission protocols since their introduction in 2015. These results are publicly available in our Group Annual Report.

We are currently calculating our ESOS phase 3 emissions, and these will be submitted in December 2023. We also submit all our climate data and plans to CDP (The Carbon Disclosure Project) annually. This will ensure that our customers can clearly see and verify our transition independently.

Baseline year emissions 2019	
EMISSIONS	TOTAL (tCO2e)
Scope 1	20233
Scope 2	908
Scope 3 (Included Sources)	We did not collect data on scope 3 for yhe base year.
Total Emissions	21208

# Current Emissions Reporting

Reporting Year: 2022	
Emissions	20227 (tCO2e)
Scope 1	19616
Scope 2	611

Scope 1 and 2 details are documented in the table.

Out of the fifteen categories necessary for the reporting of Scope 3, nine are relevant to our business operations. Despite this reduction, we anticipate that the process of reporting on Scope 3 will require a considerable amount of time to be completed. Consequently, we have given priority to the categories that are essential for meeting contractual obligations by dividing our reporting procedure into two distinct phases.

# Scope 3, Phase 1:

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### **Upstream transportation and distribution:**

Currently we manufacture trailers for our own use, and there is no distribution involved. Capturing the upstream outputs for this activity will be captured under “Capital goods”. Going forward we will add to this to include transportation and distribution services purchased by us including inbound and outbound logistics when we move into supply. Our plan is to deliver our product ourselves, so the collection of the distribution data should be relatively simple. We will work with our suppliers to put into place methodologies to capture this data.

### **Waste generated in operations:**

We closely monitor the quantity of waste generated and strive to minimise the amount that ends up in landfills. Additionally, we exclusively collaborate with waste disposal firms that are duly registered. Given that the waste is primarily treated within local facilities, we will engage in discussions with our suppliers to determine the carbon footprint associated with the treatment and disposal processes. At present, we do not intend to include a report on the transportation of the waste. However, we remain committed to maintaining a formal approach without sacrificing approachability.

### **Business travel:**

Our finance department diligently maintains records of all business travel. Presently, we are exploring methodologies to encompass business travel that has not been accounted for within the parameters of scope 1 & 2.

### **Employee commuting:**

We shall explore a systematic approach to collect data regarding commuting between residences and workplaces and implement this practice across our organisation.

# Scope 3, Phase 2:

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### **Purchased goods and services:**

In relation to the company's overall functioning, only a minute fraction of our carbon emissions will fall within this category. Several of the service providers utilised by our organisation, spanning various sectors, are diminutive micro or SME enterprises, devoid of any obligation or stipulation to disclose such information. Regarding our maintenance activities, a closer examination of tyres is warranted as this aspect may carry significant weight.

### **Capital Goods:**

In order to comprehensively monitor the environmental impact of our purchased capital goods, it is imperative that we establish a close collaboration with all our suppliers. This entails capturing all upstream emissions (from cradle to gate) associated with the procurement of new and replacement vehicles, trailers, and any plant and equipment required for our logistics operations. Although we have not yet implemented this system, we are actively engaging with our suppliers to gain a thorough understanding and ensure accurate reporting.

### **Fuel and energy related activities:**

We currently document our fuel and energy consumption across the entire group under Scope 1 and 2.

### **Use of sold products:**

The Trailers we presently manufacture possess a minimal carbon footprint resulting from the consumables employed for maintenance purposes, such as tyres. However, as we expand our business ventures in the future, it will be imperative to reassess this aspect. The products we intend to sell will be free from emissions when used. Additionally, any required maintenance will be minimal.

# Emissions reduction targets









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In order to continue our progress to achieving Net Zero, we are currently working with GEP Environmental on a Business Net Zero Gap Analysis which will provide us with a clear understanding of how to approach a Net Zero Business Strategy for Russell Group that is authentic to our business, appropriate for our sector and meets stakeholder expectations. As an outcome from this we would also have a clearer understanding on the programme of activities required to develop and implement Science Based Targets.

# Steps to Net Zero: Current Initiatives

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John G Russell Ltd , Carntyne Transport Ltd and Russell RailRoad Ltd work together as a group to implement a variety of environmental initiatives to achieve our collective aim of being Net Zero by 2040. Some examples of our joint efforts include:

-  Carbon Footprint Calculator
-  Road to Rail
-  Sustainable Road Freight
-  Electric
-  Transport Systems
-  Vehicle Procurement and Replacement
-  Waste Management
-  Travel Policy

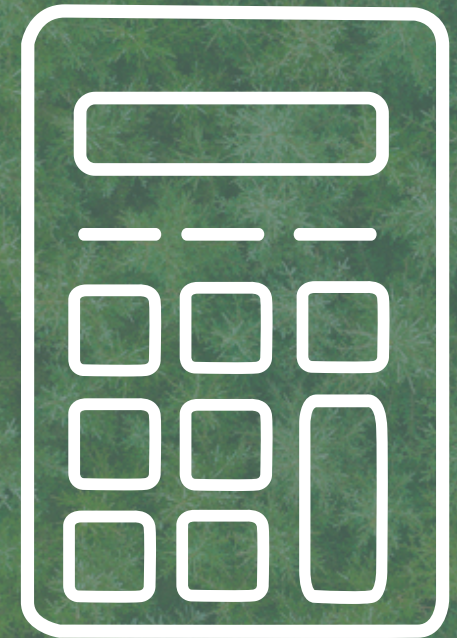
Environment

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# Carbon Footprint Calculator




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Russell Group has developed a carbon footprint calculator to assist our customers in reducing their carbon footprint. Our team at Russell Group inputs travel data into the calculator, which then generates potential savings by suggesting different routes or a switch to rail transportation. Additionally, our carbon footprint calculator can analyse past data, enabling customers to visualise the savings they could have achieved and make informed choices for the future.







# Road to Rail

**Russell Group has been at the forefront of transitioning from road to rail transportation. Our journey began in 1976 with our first rail movements, and by 1984, we had successfully established our first contract train. Our primary objective is to expand our rail infrastructure to achieve the following goals:**

-  Further eliminate road journeys to significantly decrease CO2 emissions.
-  Cater to a larger customer base and assist them in reducing their carbon footprint.
-  Position ourselves as a frontrunner in sustainable transport and logistics.

**Some of the current initiatives we have in place for our freight services include:**

-  Moving our LNG gas customer from road to rail, taking approximately 65% of road miles out of the journey per week, improving our carbon footprint significantly.
-  Switching from Diesel locomotives to electric locomotives for 24 rail services per week between Coatbridge and Daventry, greatly lowering CO2 emissions. Our current service from Daventry to Inverness can eliminate up to 120 long-haul road journeys each day!
-  We are currently collaborating with one of our key customers to construct an interchange terminal to facilitate the shift from road to rail. This project aims to not only decrease the distance travelled by road and the resulting fuel consumption and emissions, but also minimise the inconvenience caused to local residents due to heavy truck traffic passing through the nearby village.
-  We have submitted a planning application for a new rail linked terminal spanning over 100 acres. This terminal will include an intermodal rail terminal that will be capable of facilitating 16 trains per day in both directions. If this project is approved, it will significantly reduce carbon emissions for our customers' supply chains.



# Sustainable Road Freight

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Russell Group have a target for its vehicle fleet to be Net Zero by 2040. We are actively looking at the following alternative fuels as a short term and mid-term solution to reducing our carbon footprint on our journey to achieving our 2040 goal.

## **HVO**

HVO is a renewable biofuel and an alternative to diesel. We are currently trialling a vehicle powered by a 20% blend of HVO with the intention of increasing the number of HVO vehicles in our fleet if the trial is successful.

## **CNG**

We are currently in the process of testing our first Compressed Natural Gas (CNG) vehicle. If this trial proves successful, we plan to expand the use of CNG powered vehicles within our fleet. This is due to the fact that CNG provides us with a reduction of over 90% in CO2 emissions.

## **Hydrogen**

We are also interested in the use of green hydrogen which offers a 100% reduction in CO2 emissions. Road trials for these vehicles are expected to take place in 2025.

# Electric

We have introduced a range of projects involving electricity to reduce our energy consumption and assist us on our journey to net zero. These include:

## **Forklift trucks and rubber tyre gantry cranes**

The Group have invested in electric forklift trucks to use across our warehouses and rubber tyre gantry cranes at our Daventry and Blackford sites. The benefits of these are:

- ⚡ Zero carbon emissions
- ⚡ Reduced noise pollution
- ⚡ Increased safety measures
- ⚡ Cleaner to operate and maintain
- ⚡ Fast charging options to accommodate double shift operations

## **Electric powered shunters.**

Currently we are trialing an electric shunter for our on-site operations. If this trial is successful, we intend to substitute our current diesel-powered shunters with electric shunters.

## **Lighting review & replacement**

We are reviewing and replacing our lighting with LED light bulbs and light sensors across our sites.



Environment

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# Transport Systems

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## Telematics

The Group's vehicle tracking systems monitor driver performance to help manage fuel consumption. Driver performance is measured on various criteria including speeding, driving events (harsh steering, harsh braking), fuel consumption, green band driving, constant speed, and gear shifting.

This programme helps us save on fuel, maintenance, and insurance costs, reduces fuel consumption and CO2 emissions, and provides real-time feedback and advice for safer driving. Permitting each driver to review and enhance their performance, and if necessary, undergo reassessment, retraining, and/or vehicle-specific training.

## Route planning








The Group has teams of planners who use transport management systems to plan work and ensure efficient daily operations with the aim of minimising empty running.



# Vehicle Procurement and Replacement

**Our road fleet comprises 250 vehicles across the Group, with over 95% meeting Euro 5 and 6 Standards.**

Every 7 years, we replace our vehicles with the latest technology as part of our commitment to carbon neutrality. When procuring our fleet, we prioritize several items that will help us achieve our goal. These include:

-  22% biofuel used in all fleet
-  Long life synthetic oils and lubricants
-  Fuel saver tyres
-  LED light fittings
-  Sealed bearing axles
-  Air dams
-  Water based paint



# Waste Management: How we're reducing, reusing, recycling.

We have implemented a range of changes in our waste management to encourage reducing, reusing, and recycling. These include:

- Recycling our glass, cardboard, plastic and batteries.
- Recycling all office paper and IT equipment and providing recycling bins for paper and cans in canteens across each site.
- Disposing all ICT related equipment for re-use developing nations (i.e., mobile phones, printer cartridges).
- Segregating waste and less frequent collections.
- Re-treading old tyres to be sold on and re-used.
- Re-using our walking floors by removing and reconditioning them from old trailers and repurposing them into newer second-hand trailers.



Environment

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# Travel Policy

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**In addition to improving the sustainability of our fleet, we also aim to minimise the carbon emissions generated by our on-site staff. To achieve this, we have implemented the following policies:**



**Staff Travel policy**

Aims to reduce unnecessary travel with the introduction of video conferencing.



**Company car policy:**

we are committed to ensuring that our company cars are energy efficient. Therefore, we thoroughly evaluate each car to ensure it meets this standard.



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# Social

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- 👤 Introduction
- 👤 Code of Conduct
- 👤 Workforce Development
- 👤 Employee Engagement
- 👤 Diversity and Inclusion
- 👤 Health and Wellbeing
- 👤 Health and Safety



Social

# Introduction

**Our people are the heart and soul of our business. Their passion, dedication, and expertise are the driving force behind our success.**

Spread across 14 UK locations, we have over 740 valued employees. Our aim is to cultivate a positive, safe working environment where our employees feel respected and appreciated each day and go home safe each night.

Russell Group are committed to investing in our workforce to ensure that we are an employer of choice in our industry. Our incredibly low staff turnover rate of 1.5% on average, along with our 210 employees who have been with us for over a decade, showcases our strong relationship with our workforce.

The following pages demonstrates how we are building and maintaining a safe and positive working environment and culture.





Social

# Code of Conduct

**Our company's Code of Conduct outlines our core principles and values, supported by a robust corporate governance structure and a thorough risk, controls, and compliance programme. Adhering to this code helps our colleagues make ethical choices and exhibit the highest standards of integrity in all aspects of their work.**

Regardless of position or location within the Group, our comprehensive framework of policies and standards applies uniformly. It is our collective responsibility as a Group and as individuals, to work towards achieving company and personal goals while upholding the utmost standards of behaviour and performance.

In summary, our Code of Conduct serves as a guide for desired behaviours, beliefs, and standards that form the foundation of our established practices. It is an integral part of our corporate identity, reflects our values, and aligns with our commitment to service excellence.



# Code of Conduct

## Group Training Programme

The Group are highly invested in the training of our teams, offering employees opportunities to enhance their skills, knowledge, and experiences. Throughout the year, a diverse range of training courses are available, covering topics such as management, health and safety, customer service, team building, negotiation skills, and mental health awareness. We believe our programmes engage our employees and inspire them to continuously improve performance by utilising their own skills and capabilities to the maximum extent, with the assistance of our training partners.

## Developing the Young Workforce

The Group is consistently making investments in the development of the young workforce. Over the past twenty years, more than 150 apprentices have successfully finished their programmes with the Group. The available Scottish Vocational Qualifications cover various areas such as management, business, administration, driving, warehousing, and engineering.



## In-house Driver CPC Training

For the past decade, the Group has conducted driver CPC training internally. The dedicated training team develops JAUPT approved courses that are tailored to meet operational needs, legal requirements, and ensure the safety of Group employees and other road users. These courses are specifically designed to address the challenges drivers encounter in their daily tasks. By utilising highly respected and experienced internal trainers, the staff can feel at ease during the training sessions. Additionally, with a maximum of 12 participants per course, there is a manageable level of engagement within the small teams.

## Personal Development Programme

Each employee has a personal development plan with their manager, where they review past goals, set new objectives, and identify training and development needs to support progression.

# Employee Engagement

## Benefits and rewards

We provide our staff with a benefits and rewards platform, powered by Reward Gateway. This platform grants access to exclusive discounts at 750+ retailers, a blog where we share company news and events, and a wellbeing centre that caters to physical, mental, and financial wellbeing.

## Intranet

Our employee intranet site is designed to foster collaboration, support daily tasks, and encourage employees to use their voice. The platform offers a wide range of features, including connecting colleagues from across the group, providing access to forms and documents, and a space to share suggestions and feedback.

## Site Initiatives

Each Group site undertakes its own engagement initiatives to bring employees together.

## Examples of these include:

- 🔗 Organising charity fundraisers for special causes and donating to local foodbanks.
- 🔗 Encouraging our teams to work with our customers in supporting the local community.
- 🔗 Competitions and activities around various seasonal themes to boost morale.



# Diversity and Inclusion

## Gender Pay Gap Reporting

Russell Group actively engages in the yearly reporting of the gender pay gap, a practice that facilitates our understanding of the current state of our Group in terms of diversity and inclusion, as well as indicating the necessary areas of improvement.

## Training

We have developed diversity and inclusion training programmes for our employees throughout the organisation to assist colleagues in acknowledging the significance of conduct, language, and actions when addressing a diverse workforce. Additionally, these training programmes allow employees to share their perspectives and engage in an open dialogue about their experiences and areas regarding diversity and inclusion they believe could be improved.

## Current Initiatives

Some of the other projects we are currently undertaking to boost diversity and inclusion include:

- ✎ Distributing our updated Equal Opportunities Policy and issuing current terms and conditions, policies and work patterns that facilitate a good work life balance.
- ✎ Implementing a formal talent acquisition strategy which entails collaborating with our training partners to effectively reach a broader talent pool, whilst also implementing diverse recruitment techniques, including the utilisation of social media platforms.
- ✎ Circulating a monthly employee feedback form where employees are encouraged to express their viewpoints and offer suggestions to enhance operations and/or promote employee wellbeing. This initiative not only grants employees a platform to exert direct influence, but also enables them to shape the future of the business and the working environment.



# Health and Wellbeing

## Extra Mile Wellbeing Centre

The Extra Mile wellbeing centre on our platform offers support for mental, financial, and physical wellbeing. It includes stress management strategies, meditation videos, financial tools, and healthy recipes. Accessible on our mobile app, it provides valuable resources for colleagues seeking help with their mental health and overall wellness, such as budget planning, sleep quality enhancement, and staying active

## Employee Assistance Programme

Russell Group offer an employee assistance programme to all our employees. This is a 24/7 confidential helpline which can help with the following:

Stress and anxiety, counselling, family issues, bereavement, financial wellbeing, childcare support, relationship advice, legal information, medical information, tenancy & housing concerns, alcohol & drug issues, and consumer issues.

## Mental Health First Aiders

The Group have a team of mental health first aiders stationed across our various sites who are trained to identify and support colleagues who may be encountering mental health challenges. They are committed to providing support and appropriately guiding individuals towards seeking the necessary help.



# Health and Safety

Our aim is to encourage a positive health and safety culture. To ensure this is achieved, occupational health and safety is actively promoted across the organisation, through the demonstration of leadership and provision of adequate information, training, instruction, and supervision.

Russell Group employees are openly encouraged to report all accidents, incidents, hazards and near misses, without fear of reprisal to ensure the root causes of accidents/incidents are identified thus enabling measures to be put in place to reduce the risk of recurrence.

Emphasis is placed on effective management of risk ensuring a systematic approach to Risk Assessment and implementation of control measures to reduce risk as far as is reasonably practicable. **In order to deliver these responsibilities Russell Group commits to:**

- ✓ Maintain a safe and healthy place of work with safe access and egress.
- ✓ Provide a safe working environment with adequate welfare facilities.
- ✓ Ensure that risk assessments are being carried out and reviewed on a regular basis with employees participating in the process.
- ✓ Provide sufficient information, instruction, training, and supervision, so employees and contractors are aware of the hazards, control measures and residual risks of their tasks.
- ✓ Consult with employees on matters relating to occupational health and safety.
- ✓ Ensure access to competent health and safety advice.  
Provide plant and equipment that are suitable and sufficient and safe systems of work for safe operation.
- ✓ Ensure arrangements for the safe use, handling, storage and transport of articles and substances.
- ✓ Ensure compliance with all relevant health and safety legislation, regulations, codes of practice and other requirements associated with UK and overseas operations.
- ✓ Arrange for the effective planning, organisation, control, monitoring, and review of preventative and protective measures.
- ✓ Commit to measuring health and safety performance with focus on continual improvement.

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# Business Ethics

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- 🦉 Sedex
- 🦉 Working with Suppliers
- 🦉 Scotland Against Modern Slavery



## Business Ethics

# Sedex

Russell Group subscribes to SEDEX (The Supplier Ethical Data Exchange), a nonprofit membership organisation dedicated to driving improvements in responsible and ethical business practices in global supply chains.

Through our subscription, we ensure that our performance and standards align with various ethical guidelines related to our business profile and employment. These guidelines include the Working Environment, Health & Safety, Business Ethics, and the Environment.

For further information, please visit [www.sedexglobal.com](http://www.sedexglobal.com).





# Working with Suppliers

Russell Group ensures that our suppliers adhere to our stringent criteria in terms of business ethics, fair work practices, health and safety, and environmental sustainability. We require our suppliers to comply with all relevant laws, regulations, and statutory obligations, as well as align with the values and culture of our organisation.

We unequivocally state that no agreement will be made with any supplier or partner involved in bribery, kickbacks, or the offering of gifts, favours, or services to secure a competitive advantage with the Group or any external party. Russell Group strictly enforces its own internal Bribery Policy.



Business Ethics

# Scotland Against Modern Slavery

Russell Group is a corporate partner in the Scotland Against Modern Slavery Movement. We are dedicated to playing our part in eliminating human trafficking and modern slavery. Our Corporate Partner group is actively involved in the Scottish Government's Human Trafficking and Exploitation Strategy Team. Within our group, each member has an appointed ambassador who takes a leading role in their respective organisations. These ambassadors are responsible for implementing the Team's strategy, exemplifying best practices, and raising awareness of modern slavery among stakeholders and businesses throughout Scotland. We are fully committed to sharing good practices and intelligence within the corporate sector, as well as assisting victims in Scotland by helping them find sustainable employment and supporting their journey towards living a free and thriving life.

