



Etex Building Performance

Sustainability Scorecard 2021



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O.

Introduction

In this ScoreCard we outline progress with improving the environmental impact of our activities during 2021.

The scope includes our UK dry construction brands Siniat (drywall) and Promat (fire protection), although the primary focus is on plasterboard manufacturing in view of its relative environmental and social impacts.

The highlights and developments reported here complement the Sustainability section included within the Etex Group Annual Report 2021, "Meeting the Needs of the World". Within this report we have included a feature describing the context for our UK operations within Etex and the growing sustainability ambitions of Etex Group.

Wherever relevant and possible, we have illustrated results with historical trends; some of these are presented as index ratios for competition law compliance.

Following the 10-year review included within our 2020 report, we have reverted to a simple ScoreCard for reporting on 2021 as we build our roadmap for the 2020's. We have however included a feature on the construction of our new state-of-the-art manufacturing facility at Bristol. This will significantly enhance our sustainability performance with effect from its start up in 2023/24.

Feedback from stakeholders is always welcome as part of our continuous improvement planning.

Steve Hemmings

Head of Environment and Sustainability
Etex Building Performance Limited

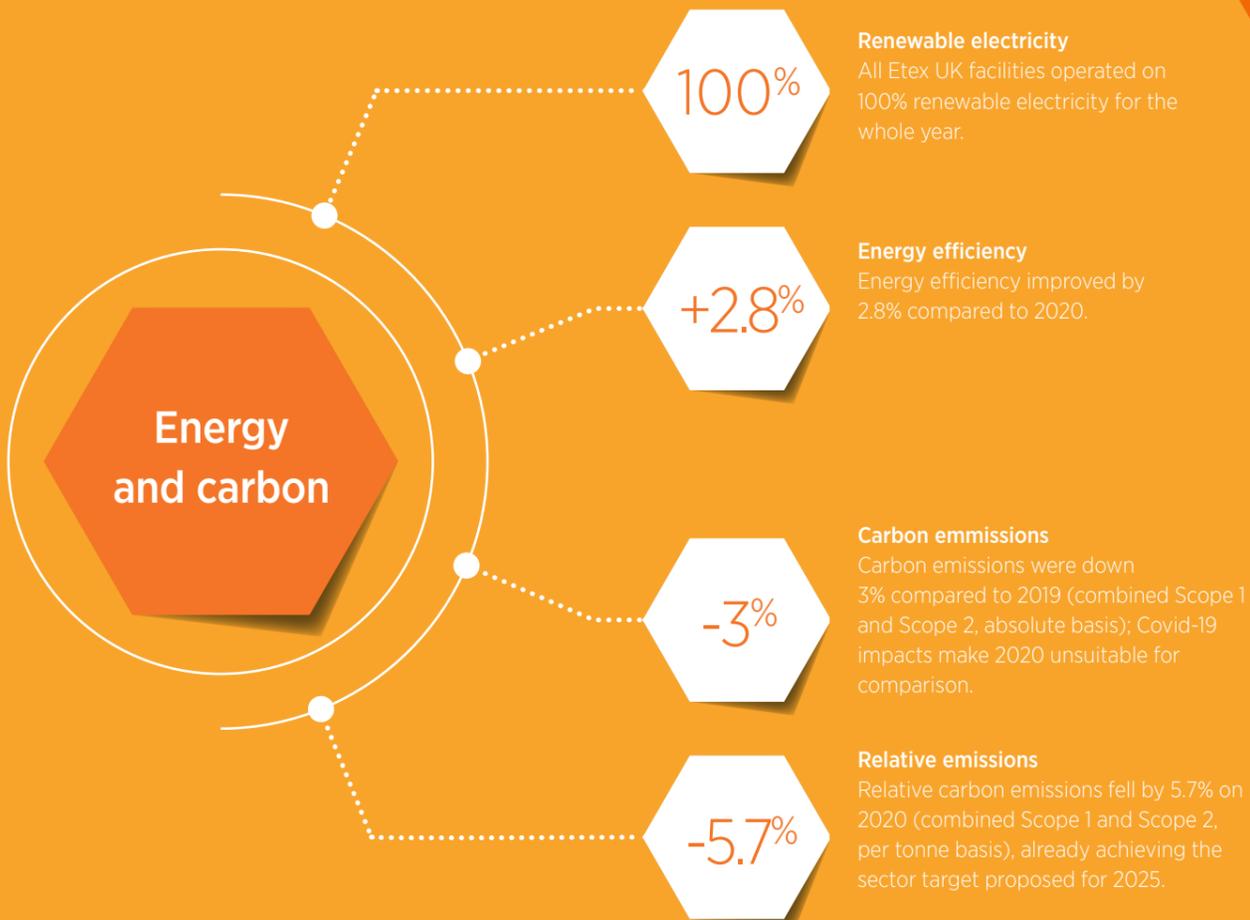


1.

2021 Highlights: Main results at a glance

Within the pages of this report we provide a commentary on our progress against the targets we set for our business in 2021.

Etex Building Performance is pleased to report progress in several priority areas:



Other impacts



Further reduction in drinking water consumption to 58% of process needs (lowest recorded result).



Inbound raw materials carbon emissions were reduced by 3.3% per tonne due to increased UK sourcing of gypsum and paper.



Planning permission granted for the UK's most modern plasterboard manufacturing line to further reduce the embodied impacts of products placed on the market for construction use.



Haulage fleet improvements led to a 20% improvement in fuel efficiency and an overall reduction of 12% in carbon emissions per tonne of product delivered.



Zero environmental complaints recorded by our plants and no planning permission objections to Bristol factory expansion.

2.

Introducing Etex Group

Etex Building Performance Limited is a member of the Etex Group, with corporate headquarters in Belgium.



Etex provides lightweight construction solutions with leading positions in gypsum plasterboard, fibre cement, insulation, passive fire protection and offsite building systems. The Group has 12,000 employees working across more than 110 factory, quarry and office locations in 42 countries.

Etex has defined its ambition to become a global player in lightweight, sustainable, cost-effective, quality-focussed building technologies and has taken several major actions in line with this ambition. Sustainability has recently been identified as the next large strategic transformation for Etex and is now integrated into a new strategic framework for the business.

By design, the building material industry depends on raw materials, energy and other ecosystem services. It has a significant environmental footprint, hence Etex has started a groupwide assessment of how best to reduce our footprint and use innovation for more eco-friendly operations and product solutions.

Etex is already taking responsibility to address global challenges, including climate change, resource scarcity, housing shortages, rapid urbanisation, and technological disruption. Etex signed in 2020 the United Nations Global Compact and prioritised 10 Sustainable Development Goals most relevant to our business.

These efforts have been recognised, with Etex achieving in 2021 a Silver Award from EcoVadis, ranking the company among the top 25% of companies for sustainability management as a supplier. In addition, the Group holds a first quartile position in the ESG Risk Rating Index of 135 construction sector companies, as evaluated by the financial investment community.

Etex has carried out a materiality assessment to determine which sustainability issues are most important and relevant to our wide range of stakeholders. The priority areas emerging from this analysis are: health, safety and well-being; decarbonisation; circularity of materials; diversity, equity and inclusion; and customer engagement.

Targets and objectives towards 2030 will be established in a roadmap for action in the business as part of the new strategic framework. The Group will share details of these in its second Sustainability Report to be published later in 2022.

This is part of the context in which Etex Building Performance operates in the UK construction market. We are working to align our efforts with colleagues worldwide to realise these Group ambitions. Later in this report we have included a feature on our investment in new UK manufacturing capacity as a concrete example of what this means in practice. By these means we will contribute to greater sustainability in the UK built environment and embody our purpose of inspiring people to build living spaces that are increasingly safe, sustainable, smart and beautiful.



Our Sustainable Development Goals (SDGs)



- 3 Good health and wellbeing
- 4 Quality education
- 5 Gender equality
- 6 Clean water and sanitation
- 7 Affordable and clean energy
- 8 Decent work and economic growth
- 9 Industry, innovation and infrastructure
- 11 Sustainable cities and communities
- 12 Responsible consumption and production
- 13 Climate action

Materiality matrix of Etex (2020)



- | | |
|--|---|
| <p>People</p> <ul style="list-style-type: none"> 1 Employee training and development 2 Employee engagement 3 Inclusion and diversity (employees) <p>Safety and wellbeing</p> <ul style="list-style-type: none"> 4 Employee work-life balance, health and wellbeing 5 Safety management <p>Community relations</p> <ul style="list-style-type: none"> 6 Community engagement 7 Responsible economic growth 8 Customer and stakeholder relations and satisfaction | <p>Environment</p> <ul style="list-style-type: none"> 9 Energy and emission management 10 Renewable energy sourcing 11 Impact of transport and logistics 12 Water management 13 Biodiversity and ecosystem management <p>Future-proofing construction</p> <ul style="list-style-type: none"> 14 Sustainable products, services and innovation 15 Waste management 16 Circular economy 17 Responsible materials sourcing 18 Business ethics 19 Fair operating practices in the value chain 20 Pricing integrity, transparency and anti-trust |
|--|---|

3.

Reduced carbon emissions

The declared direct and indirect emission figures have been independently verified. Overall emissions increased by 7.4% in 2021 year on year. This was largely the result of reduced activity in 2020 due to Covid-19 impact on the construction market.

The change with respect to 2019 was a reduction of 3.0%. This was achieved due to the improvement in carbon efficiency in the business exceeding the increase in production over the period.

Absolute emissions

2021 was the first time that all Etex UK facilities were powered by 100% renewable electricity for the full calendar year. This means that the verified market-based Scope 2 indirect emissions were zero. This result is used for relative emissions calculations and sector performance benchmarking.

Relative Emissions

Overall energy efficiency results for 2021 were improved on both 2019 and 2020 per unit output (+2.1% and +2.8% respectively) due to greater control in manufacturing and new heat recovery projects. Coupled with the new electricity supply contract, this resulted in another significant fall in emissions per tonne. This maintains the lead on gypsum sector performance established last year with an index value of 78.3 (based on 2010 emissions = 100).



GHG verification notes



Direct (scope 1) emissions from production plants are reported and verified according to the requirements of the EU Emissions Trading System.

Indirect (scope 2) emissions are reported according to WBCSD/WRI GHG Protocol and verified based on ISO14064:3.

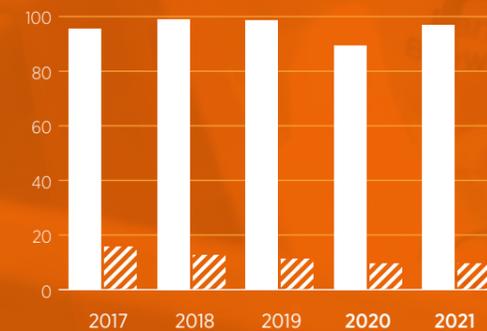
- Scope 2 emissions are associated with the use of purchased electricity.
- Emissions from depots, vehicle fleets, business travel and refrigerants are excluded.
- Emissions were verified under the GHG Protocol on both location and market basis.



Absolute Emissions (tonnes)

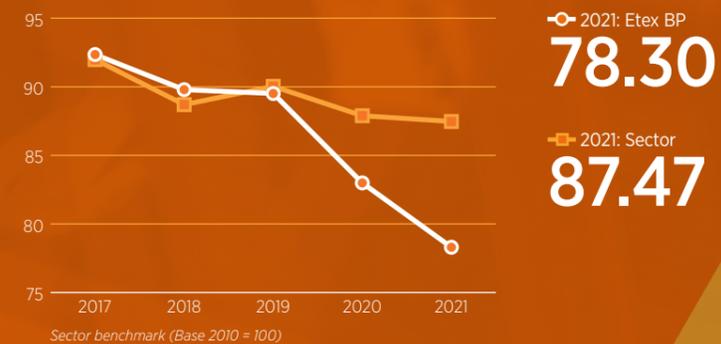
● 2021: Direct Emissions
96,873
(tonnes)

⊗ 2021: Indirect Emissions
9,609
(tonnes)



	2017	2018	2019	2020	2021
● Direct Emissions from production plants, tonnes CO ₂ e	95,474	99,067	98,518	89,516	96,873
⊗ Indirect Emissions from production plants and head office, tonnes CO ₂ e (location basis, DBEIS 1-year grid mix)	15,554	12,580	11,308	9,610	9,609

Emissions per tonne of plasterboard production (Etex Building Performance and UK gypsum products sector)



4.

Reduced waste production

Waste per unit of board production

This metric reflects the minimisation of production scrap before taking into account its recycling back into raw material within the factory. All production waste is routinely recycled, with none being landfilled since 2009.

A conservative target had been set in view of the ambitious programme for increased dosing of post-consumer gypsum. In the event, our production teams matched the best ever performance achieved in 2020.

5.

Diverting waste from landfill

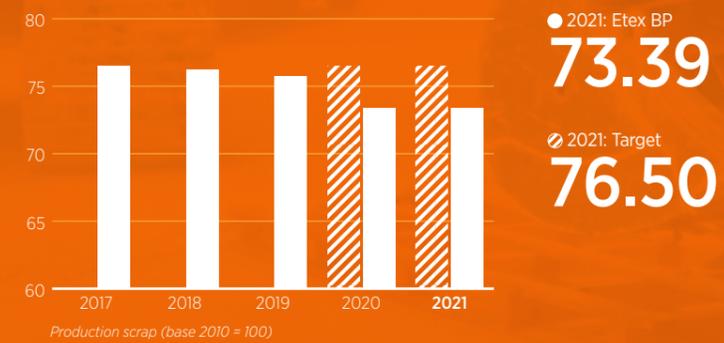
General waste disposed to landfill

Aside from gypsum materials, our focus on diverting other waste streams from landfill progressed towards our eventual ambition of zero. We set our plants the challenge of recycling 100% of non-gypsum wastes in 2021.

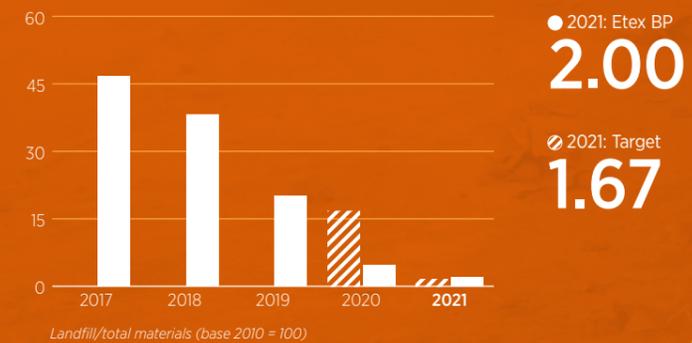
We achieved this at one of our plants and came close at the other, with an overall result of 99.2% (up from 98.6% in 2020). This set a new best practice record of landfilling only 0.0012% of total materials consumed. The next step in our journey will be to achieve zero waste in our manufacturing activities.



Waste per unit of board production



Proportion of materials landfilled



6.

Closed loop plasterboard recycling

Volume of post-consumer plasterboard waste recycled

A further significant increase in the quantity of post-consumer plasterboard waste recycled into new product was achieved in 2021. This record high brings the post-consumer recycled gypsum content to 24.4% as the average in Siniat plasterboard products leaving our UK factories.

This result confirms Siniat as leading in closed-loop plasterboard recycling by some margin with over 200,000 tonnes of waste board recycled into new UK products annually. The recycled content of Siniat boards therefore benchmarks very well against the 2021 UK sector average of 9.4%. We are confident of further progress towards a circular economy for gypsum products and delivering over 25% as standard in Siniat plasterboards from 2022 (ISO14021 definition, post-consumer gypsum and paper).

7.

Reduced water consumption

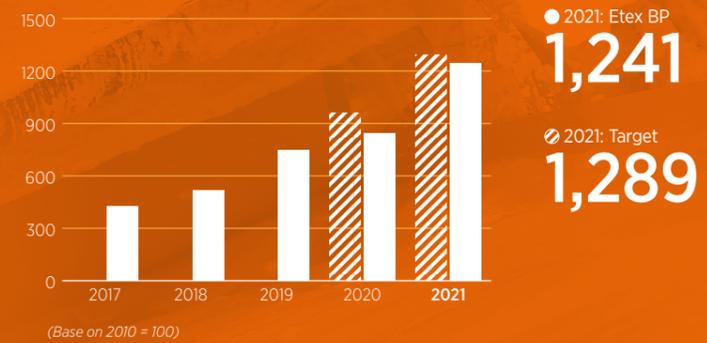
Consumption of potable (drinking) water used in production as % of total water consumed

Whilst plasterboard manufacturing is not a major user of water resources, we have minimised the quantities used over recent years through process improvement and repairing leaks. Having reached the process limit we are now turning attention to reducing the proportion of drinking water used in manufacturing.

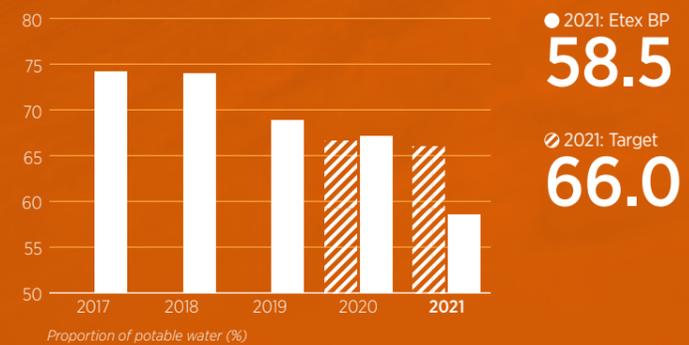
Over recent years the trend had been adverse due to the poor quality of water sourced from the boreholes at our Bristol plant. Following refurbishment of the boreholes in 2018, we have been able to progressively re-introduce this water source into our process supplies. In 2021 we achieved our best ever result for replacing drinking water use, but this is now close to the limit with current technologies.



Post-consumer plasterboard waste recycled



Proportion of potable water used in production (% of total water consumed)



8.

Outbound transport

The main contract for outbound deliveries passed to a new haulage partner at the start of 2019 with an amended geographical scope. This means that direct comparisons over the 5-year period are not fully possible on a like for like basis.

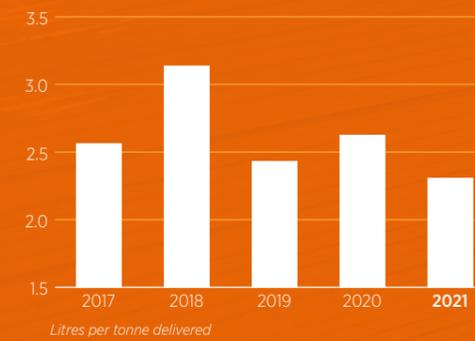
The haulier implemented a major renewal of the core fleet in 2020, upgrading all the vehicles to Euro VI standard. This step change in efficiency was supplemented by a driver skills programme linked to incentives and monitored via vehicle Telematics systems. The result was a large improvement in fuel efficiency (miles per gallon) of 20% being recorded in 2021.

For operational reasons, annual changes in average load size and delivery distance were slightly adverse. Even so, the overall result was a significant reduction of 12% in fuel consumption and carbon emissions per tonne delivered compared to 2020.

The next phase of improvement being rolled out during 2022 is replacement of the remaining vehicles in the contract, including shunt units and rigid vehicles. The upgrading of these to Euro VI standard is expected to result in further environmental gains.



Delivery fuel consumption



2.308
● 2021: Litre/tonne

Parameter	2021 Results
Average journey distance	117 miles
Delivery by articulated vehicle	98.5 % of all deliveries
Average load size	23.06 tonnes
Overall fuel efficiency	9.98 miles per gallon
Fuel consumption	2.31 litre/tonne delivered

9.

Inbound transport

The environmental impact of incoming materials deliveries is always dominated by the arrangements for sourcing gypsum, and this essential material accounted for 94% of all inbound material carbon emissions in 2021.

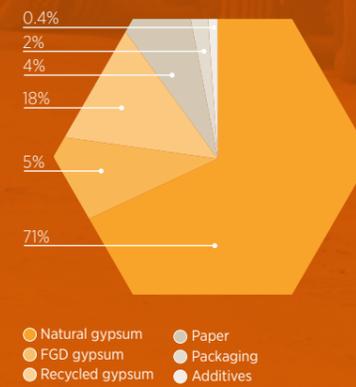
Absolute emissions increased by 7% relative to the previous year due to recovery from Covid impacts on production, amounting to 17,049 tCO₂e in 2021. Per unit inbound transport emissions were down very slightly (-3.3%) to 19.6 kg/tonne of delivered materials. This is due to the increasing use of UK-sourced post-consumer gypsum and reduced reliance on imported paper.

Marine shipping remains the dominant mode of transport at 70% on a tonnage basis. With the declining availability and use of FGD (by-product) gypsum, rail has now disappeared as an end-to-end mode of delivery transport. Rail is however still used for the final delivery leg of sea-freighted gypsum. Etex Building Performance continues to explore all options for reducing the environmental impact of transporting materials and the priority being given to using UK-sourced recycled gypsum as an integral part of this strategy.



Delivery fuel consumption

Transport emissions of inbound for inbound materials 2021



Transport modes for inbound materials 2021 (by tonnage)



Material	Weighted average delivery distance (km)	Transport mode
Natural Gypsum	2,536	Bulk shipping/rail
FGD Gypsum (UK sources)	290	Road
FGD Gypsum (ex UK)	1,052	Bulk shipping/rail
Recycled Gypsum	127	Road (HGV)
Paper (UK source)	318	
Paper (ex UK)	1,138	
Packaging	230	Road (articulated lorry)
Metal foil	960	
Insulation foam	366	

10.

Local communities

Communicating with local stakeholders

Our Environmental Management System defines a clear complaints procedure and our sustainability policy commits to engaging positively with the local communities neighbouring our plants. Our counting of complaints includes permit breaches reported to regulators. No such events were recorded in 2021 at either of our Bristol or Ferrybridge plants. Environment Agency and Local Authority officers regularly visit our sites with positive feedback being recorded.

Feedback from residents and communities is also received via local stakeholder groups, such as that at Ferrybridge within which the company participates. At Bristol, engagement with local stakeholders was increased to communicate on the factory expansion plans, culminating in the consultation integral to the planning application. Planning permission was granted in April 2021, with no objections being filed.

The new plant will generate at least 50 new direct jobs and a similar number in associated support industries such as transport. These new employment prospects have generated some excitement locally and we have started to build on this by visiting local schools and colleges to promote STEM (Science Technology Engineering & Mathematics) and careers in manufacturing.

All the while our engagement with charities continues at two levels. Corporately we linked with the Trussell Trust, donating £10,000 to be used across the communities local to our operations. The Trust determined the best use of the funding within each local context and Covid impacts on residents. This included warm clothing for school children as well as food parcels and their distribution. In addition, our operating units selected health-linked charities for their own fund-raising, including the Motor Neurone Disease Association and the Alzheimer's Society.

Number of complaints

Year	Bristol	Ferrybridge
2017	0	1
2018	1	1
2019	1	2
2020	0	1
2021	0	0



April 2020 to September 2020

1.2 million

Emergency food parcels where given to people in crisis by Trussell Trust Food Banks



CSR: The UK and Trussell Trust

We donated £2,000 to each 'Trussell Trust' Foodbank near an Etex site shown on the map. Our local contacts are part of the UK Charity and Community Team.

They have engaged with a local Trussell contact to find the best use of the donation and to build lasting relationships. And its not just about food...



Most schools within our district are having to keep their windows open and at break times children are being encouraged to go out to play regardless of the weather. A large number of families can not financially afford additional winter clothing. Trying to teach children who are sitting in wet clothing can be a challenge.

Jim Couper,
Trussell, Falkirk



11.

Employee training and development

Our strategy is designed to deliver an acceleration in employee learning development, covering competence and the skills and knowledge needed for improved performance.

In 2021 a partnership with a new provider gave access to a vast catalogue of training resources which we were able to deploy to match the most common development needs in the business. This is delivered via our Learning Management System and linked to employee development goals identified during the annual review process.

We have long held an ambition to introduce alongside our Engineering Apprenticeship scheme a similar programme for manufacturing operatives.

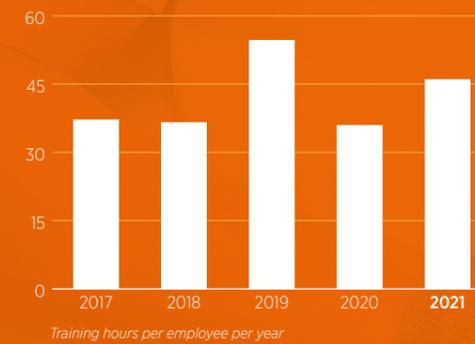
Another new partnership enabled Etex to launch in 2021 a pilot Manufacturing Apprentice Programme. This provides opportunities for exposure to functions across the business whilst working towards a Lean Manufacturing Operative Level 2 qualification. Now this is up and running, we intend to expand the programme in readiness for our planned factory expansion.

We continue to develop our training matrix to ensure all staff have the necessary skills and knowledge.

We completed a 3-year programme of mapping the EHS (Environment Health and Safety) competencies required for all employee roles in the business. This is delivered via our Learning Management System and now includes IEMA training on sustainability for all first line managers.



Annual training hours per employee on health, safety and environment



● 2021: Etex BP
46.06

12.

Investing for the future

Much of this report has been focused on reporting past performance to support transparent communication with our stakeholders. Even so, we are preparing our sustainability roadmap of actions leading towards 2030 and we provide here a glimpse of these, ahead of wider communication in due course.

Our investment in doubling the capacity of our Bristol production plant is central to our programme. Planning permission was granted in April 2021 and when it comes on stream there will be a further and significant reduction in the embodied environmental impact in our products. This in turn will translate into lower impact buildings constructed using Siniat products and systems.

At over £140 million, the investment is the largest ever made by Etex Group into a manufacturing facility and the factory will be state of the art, featuring several innovative and sustainable technologies. These will include:

- Highly energy-efficient gypsum and plasterboard processing to further reduce fuel consumption and carbon emissions;
- Gypsum process plant purpose-designed to achieve the highest possible levels of closed loop recycling for improved circularity;
- Electrification of our fork-lift fleet and provision for electric car charging;
- Heat pump implementation and BREEAM rating of buildings;
- Rain water-harvesting for process use and water conservation.

In addition to these operational improvements, there will also be significant avoided transport emissions through reducing plasterboard importation in favour of local manufacture. Construction of the new factory is well advanced and on schedule, with commissioning expected 2023/24.

At the same time, and in parallel with our UK development, Etex Group is increasing its ambitions in the area of sustainability. As an example, Etex has announced a decarbonisation programme towards 2030 with a target of 35% reduction relative to 2018, equivalent to 3.5% per year. Etex Building Performance in the UK is already performing above that level and our manufacturing investments will ensure benchmarking ahead of the curve for the foreseeable future.

Group ambitions will inform and support multiple aspects of our new roadmap. These will include a progressive move away from the use of plastic in packaging and the introduction of innovative products and systems for greater circularity and lower embodied impact. Environmental improvements will be matched with progress in social sustainability with defined actions on diversity, equity and inclusion and increasing engagement in our supply chains.



We will communicate more fully on our plans as soon as we are able. In the meantime, Etex recognises the importance of innovation and sustainability in securing a healthy planet and society for the business, its employees, communities and partners. Etex commits to taking action to address global challenges in construction, bringing lightweight solutions and remaining true to our purpose of **‘Inspiring Ways of Living’**.



etex
inspiring ways of living

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