

Sustainability Report 2019



Ibstock
Plc

THE NEXT STAGE IN OUR SUSTAINABILITY JOURNEY



At the heart of building

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Chief Executive's statement



2019 proved to be a year of strong progress for sustainability at Istock. We have made some significant steps towards our 2025 targets as well as identifying opportunities where the business can go further to accelerate change.

Sustainability is at the heart of everything we do in Istock. Not only is it one of our key strategic priorities, it underpins our vision and purpose. As a long term business we have a heritage of creating a positive social, economic and environmental impact in the communities in which we operate. But recent events and evidence show that all organisations need to accelerate approaches – in particular to the climate change emergency. We have a real ambition to do that in Istock. We fully support the UK governments target of net zero carbon emissions by 2050 and we will continue to work on a pathway to build on our existing targets.

This report is structured to show how we are developing our approach, governance and progress on our sustainability roadmap with all our stakeholders. We have made some great progress in the last year and we are committed to evolving and improving on our targets to be a reference for the construction sector.

So what have we achieved? We made significant progress in our new product development pipeline prompting us to double our target to 20% of sales turnover from new and sustainable products. Carbon per tonne of production reduced by 6.5% putting us well on our way to our 2025 target. Our modelling for Istock's pathway to Net Zero Carbon got underway and this will be an important step to push the business beyond our 2025 roadmap and commit to long term sustainable investments.

My highlights include some of the visible changes that we can see every day; our on-site charge points for electric vehicles, our solar farm at our head office in Leicestershire, our elimination of plastics from all samples packaging and the launch of our I-Studio in London, which provides a unique collaborative space for our customers and specifiers to explore our product range and design ideas. Our concrete division had great results in its new product development bringing lower carbon cement and lightweight alternatives into their range. Our award winning apprenticeship programme continues to go from strength to strength with an incredible 75% of apprentices still in the business three years after

completion of their training. Last but by no means least, our relationship with our charity partner Shelter surpassed expectations with colleagues from across the organisation bringing their energy and creativity to support Shelter to end homelessness.

Listening was a key part of our development in 2019. The increased awareness and level of urgency to act in a sustainable way was the consistent message we heard from all our stakeholders. The Listening Post, a place where employees can have their voice heard at the most senior level, has been a great mechanism for engagement. I was delighted to see climate change raised as a key discussion point that our colleagues feel strongly about and that we are acting on.

The COVID-19 pandemic has presented us all with challenges in the first half of 2020. To ensure the safety and health of our colleagues, their families and the wider community, we supported the national effort to reduce the spread of Coronavirus with a short term pause in production. Despite the market and business challenges we face, I have been enormously heartened by our ability to adapt at speed, change working norms and by the level of care taken by colleagues to look after each other during this period. It is these characteristics and values that make Istock a great business. So while we face some short term pressures, meaning some plans will have to be adapted, we will not relent in our commitment to sustainability.

Now, more than ever, there is a collective will to make positive changes for the health of our people and our planet. We will achieve our ambitions by continuing to listen and respond, to engage and collaborate with customers, colleagues, partners and suppliers so that we can tackle these challenges together to build a better future.

Joe Hudson
Chief Executive Officer

Building on sustainability

We are no ordinary manufacturing business. Through our principal products within our clay and concrete divisions, we are committed to providing new solutions to today’s social and environmental challenges for the new build housing and domestic repair, maintenance and improvement markets and infrastructure.

OUR VISION



Enabling the construction of homes and spaces that inspire people to work and live better.

OUR PURPOSE

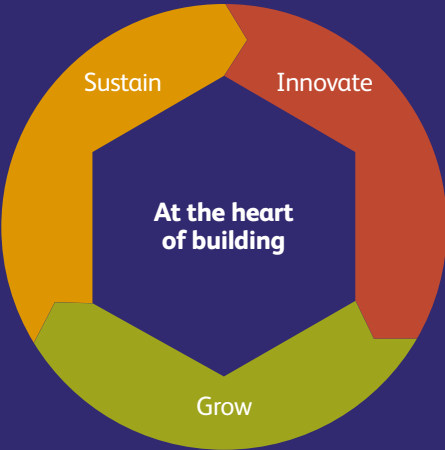


To build a better world by being at the heart of building.

THREE STRATEGIC PRIORITIES

Our strategy is to optimise our core business, to deliver sustainable performance and provide a strong platform for future growth and value creation.

Our three strategic priorities drive performance and create value for all our stakeholders.



SUSTAIN

Sustainable performance

We are continually developing our organisational structure and capabilities to ensure we drive world class sustainable performance in our operations, focusing in particular on manufacturing, health and safety and the sustainability of our business.

INNOVATE

Market led innovation

The construction industry continues to evolve, as our customers look to control construction costs and drive efficiency in the build process. To succeed, Istock must help its customers meet these objectives. Our product range is unrivalled in terms of breadth and depth but, as the market leader, we are committed to remaining at the forefront of innovation as the market evolves.

GROW

Selective growth

The Group has a strong record of growth delivery. Our core business provides a solid platform for future growth, with strong brands, customer relationships and established routes to market.

Istock is a leading manufacturer and supplier of clay and concrete building products primarily to customers in the UK residential construction sector.

Focused on products within the exterior building envelope, we have built leading market positions and strong relationships with our developer and builders’ merchant customers.

Istock is at the heart of building.



OUR BRANDS



WALLING

- Istock Brick** Facing bricks
- Istock Kevington** Special bricks
- Forticrete** Walling stone
- Forticrete** Special walling stone
- Anderton** Architectural masonry
- Forticrete** Cast stone
- Istock Kevington** Facade systems
- Anderton** Retaining walls
- Forticrete** Lintels, cills and arches



ROOFING

- Forticrete** Roof tiles
- Istock Kevington** Chimneys
- Istock Kevington** Soffits
- Forticrete** Roofing accessories



GARDEN AND LANDSCAPING

- Supreme** Fencing
- Supreme** Caps and copings
- Supreme** Bollards
- Forticrete** Balustrades
- Supreme** Path edging
- Supreme** Urban landscaping



FLOORING AND GROUNDWORK

- Supreme** Floor beams
- Supreme** Door steps
- Supreme** Gully surrounds
- Supreme** Screed rails
- Longley** Insulated flooring
- Longley** Hollowcore



RAIL AND INFRASTRUCTURE

- Anderton** Troughing
- Anderton** Cable theft protection
- Anderton** Boards, blocks and bases
- Anderton** Catchpits
- Supreme** Inspection chambers



BESPOKE SERVICES

- Forticrete** Engraving and cutting
- Supreme** Floor beam & block design, supply and fitting solutions
- Anderton** Bespoke concrete products
- Longley** Staircases
- Longley** Lift shafts

IMAGE: Redrow Homes, Winchcombe Barley (12), Hardrow Barley and Cotswold Village cottage walling stone

IBSTOCK: WORKING TO BE THE MOST SUSTAINABLE MANUFACTURER OF CLAY AND CONCRETE PRODUCTS IN THE UK

Our market-leading **clay division** offers a range of 400+ brick types as well as innovative building components and solutions, while our **concrete division** is a leading manufacturer of prestressed and aesthetic building products, primarily for residential construction alongside our bespoke offering for rail, infrastructure and green energy providers.

1

CONTINUING OUR HISTORY OF INVESTMENT

in high-efficiency manufacturing facilities (technologies, plant and processes) of over £100M in the last 10 years and commitment to a further £100M in the coming decade.

2

LEADING IN RESOURCE EFFICIENCY

with the most resource efficient brick manufacturing plant in Europe, at our Eclipse site in Leicester. Closed loop waste and water systems and maximised heat recovery at many of our clay and concrete sites. We also source green electricity from our providers and **generate our own power** from our first solar farm at our head office in Leicestershire.

3

SOURCING OVER 95% OF OUR RAW MATERIALS IN THE UK

from quarries on our sites or from trusted partners who are engaged to ensure we are utilising the most efficient raw material geography and innovation available. This reduces our carbon footprint and minimises our reliance on imports and international supply chains.

BUYING LOCAL SUPPORTS THE BRITISH ECONOMY



4

SIGNIFICANT NATIONAL COVERAGE MEANS OUR PRODUCTS CAN BE LOCALLY SOURCED


through our unrivalled network, allowing us to optimise haulage and minimise both vehicle emissions and our carbon footprint.

5

COMMITTED TO CONTINUOUS IMPROVEMENT

with significant investment in our people, training, competency and equipment to deliver first class quality product availability and service – all backed up by our quality, environmental and resourcing standards. See page 58.


DID YOU KNOW?



Over its lifetime* a typical smartphone has a carbon footprint greater than **70kg CO₂**

*4 years approx


...WHILE THE AVERAGE BRICK IS ONLY **0.6kg**



*150 years approx


DID YOU KNOW?

95% of our raw materials come from the UK...




...WHICH IS BETTER FOR OUR ECONOMY...

...and more sustainable.



DID YOU KNOW?

Our national network means Istock products **travel fewer miles to site**



MEANING LOWER VEHICLE EMISSIONS

IMAGE: Istock Marlborough Stock, Weston Red, Leicester Red Bricks and Istock Kevington Kevington Special Shapes, The Royals, Chorley, Lancashire

IMAGE: Forticrete Hardrow Bailey Rooftiles, Morris Homes, Stamford

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AT THE HEART OF BUILDING

SUSTAINABILITY REPORT

07

Sustainability roadmap 2025

Apprentices

Continuing to drive forward our best in class apprenticeship scheme

£

Fundraise for Shelter, our group charity partner, throughout 2020

ZERO

Waste to landfill by 2025

40%

Reduction in preventable plastic packaging by 2025

100%

Of sites to be reporting their community engagement by 2025

Diversity

Deliver on our ambition to develop a culture of fairness, inclusion and respect

15%

Minimum reduction in CO₂ per tonne of production by 2025

20%

Of sales turnover from new and sustainable products by 2025

100%

Suppliers to be compliant with Supplier Sustainability Code of Business Conduct and Procurement Policy (SSCBC) by 2025

50%

Reduction in Lost Time Incident Frequency Rate (LTIFR) by 2023

5%

Reduction in mains water use per tonne of production by 2025



Customers and suppliers



People



Environment



Communities

2015 baseline

How we manage sustainability at Istock

ROLES AND RESPONSIBILITIES

At Istock, our Chief Executive is the main sponsor for sustainability at both Istock plc Board and Executive Leadership Team (ELT) levels where sustainability is a regular agenda item.

The Istock Sustainability Board (ISB) is accountable for our sustainability roadmap targets (see pages 08-09) and progress of the sustainability programme. The ELT receives a sustainability update as a regular agenda item and makes decisions on target setting, strategy and investment based on recommendations from the ISB and Sustainability Team. At an operational level, sustainability KPIs are included in site performance data to help embed our targets through the business and build local ownership. Our Transformation Team brings specialist knowledge together across the business to push on big ideas to create long term sustainable value for the business. We encourage every individual to contribute to sharing ideas and pursuing best practice, supported by our Sustainability Team.

IBSTOCK SUSTAINABILITY BOARD

The Istock Sustainability Board was established in 2019 to drive the sustainability performance of the Group and report our progress against our sustainability roadmap and programme recommendations to the Executive Leadership Team.

The ISB is chaired by Claire Hawkings, Non Executive Director of Istock plc and comprises CEO, Divisional MDs and HR Director. Isabel McAllister, Responsible Business Director at Mace has joined as our first external member. Both Claire and Isabel bring invaluable knowledge and expertise from their experience and roles outside Istock. The ISB enables this senior team at Istock to spend time furthering our sustainability knowledge and reviewing the risks and opportunities for our business.

The ISB has committed to bring relevant stakeholders together during 2020 to review our approach to non-financial risks and in particular the Taskforce on Climate-related Financial Disclosures (TCFD).



Isabel McAllister
Responsible Business Director,
Mace External member, Istock
Sustainability Board

“ The construction products sector needs transformation; and Istock’s genuine commitment to be a part of this process is impressive. Its ambition to reduce carbon emissions and create sustainable spaces that are fit for the future fully aligns with Mace’s own responsible business goals including our 2020 net zero carbon commitment. I’m excited to be involved and I will both challenge Istock and support the business to achieve more. ”

Chair of the Sustainability Board statement



As the largest British manufacturer of clay and concrete building products, Istock recognises it has a responsibility to demonstrate sector leadership on sustainability.

Istock has a track record and a serious ambition to accelerate actions that positively contribute to society, the environment and climate change.

I am delighted, as a Non-Executive Director, to bring external challenge and play an active part in this process by Chairing the new Istock Sustainability Board. The ISB will support the development of strategies and programmes to address the social and environmental risks and opportunities we face and will monitor performance and progress.

The strength of the ISB is its ambition and willingness to look outside the sector for new ideas and inspiration as well as best practice. I am delighted that Isabel McAllister, Responsible Business Director at Mace, has joined the ISB to bring her expertise and insights from a different business perspective. There is also a commitment to collaborate and work with suppliers, customers and competitors to overcome shared challenges.

Plastic packaging reduction is one area I have already seen rapid action taken on a collaborative basis and I look forward to many more examples as our strategy matures.

Prior to the COVID-19 pandemic we were in a strong position to start moving at pace on sustainable solutions and resource efficiencies. Despite unprecedented times, the Board and the Executive Leadership Team remain committed to sustainability as a fundamental key driver for long term value creation and business success. Our roadmap sets the course of our journey which has already started and provides the deliberate ambitious route for Istock’s delivery of its sustainability programme.

Claire Hawkings
Non Executive Director, Istock plc
Chair, Istock Sustainability Board

BUSINESS ETHICS

As the laws governing business dealings become ever more complex, we need to ensure the judgements and decisions we make are taken with both the knowledge and application of the highest ethical principles.

Our Code of Business Conduct and Anti-bribery and Corruption policies ensure that we operate in an open, fair and honest manner. Our Modern Slavery Statement underpins our commitment to the Human Rights Act and was republished in 2019 summarising our Modern Slavery Policy, updating progress and looking at future plans. Together these commitments help ensure that Istock continues to maintain and enhance its excellent reputation as a Group that people can trust and want to do business with. These documents, along with our Sustainability Policy, can be viewed on our Istock plc website: www.istockplc.co.uk

COLLABORATION ON SUSTAINABILITY

We rely on our people to implement sustainable change across the business. Many of our colleagues are highly motivated by sustainability issues and are involved in sector and industry bodies that drive collaborative approaches and best practice to tackle social and environmental challenges, including:

- Andy Batterham**
Group Technical and Innovation Director, Chairs the BDA Brickwork & Standards working party and Building Alliance Technical group. Andy also sits on the Futures Group advising government on Future Standards and Building Regulations
- Michael McGowan**
Group Sustainability Manager, Chairs the British Ceramic Confederation Heavy Clay Energy and Emissions working group. Michael also sits on the Brick Development Association Sustainability working group.
- Paula Wardle**
Group Learning and Development Manager, Chairs the International Clay Technology Association's Education and Training Committee
- Joanne Williams**
Account Manager, is a member of the NHBC Diversity working group



Andy Batterham
Group Technical and Innovation Director

“The Futures Group works in the spirit of true collaboration, to address the key issues facing the industry, including new regulation, climate change and fire. I welcome the opportunity to share ideas and Istock's experiences in a forum where change for the better is the priority.”

STAKEHOLDERS

We continue to work with our key stakeholders: investors, customers, suppliers, employees, local authorities, communities, regulators and government on key sustainability issues important to them and to us.

Our focus this year has been on adding value through our product development and operational efficiency with our customers and suppliers. We have committed to bringing relevant stakeholders together during 2020 to review our approach to non-financial risks and in particular the Taskforce on Climate-related Financial Disclosures (TCFD). Exploring lower carbon concrete and reducing the use of plastic wrap for example.

THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The United Nations' 17 Sustainable Development Goals (SDGs) provide the world with a blueprint to achieve a better sustainable future.

At Istock we have conducted an internal review of the UN SDGs against our sustainability programme and have identified alignment with nine goals where we can show targets and/or progress being made. We have highlighted these nine SDGs through the report. We will be working with our stakeholders to further understand how we can align our work to support these goals with analysis of the SDG indicators and our rationale for supporting them. Although we are a British company, many of the issues we address in our sustainability roadmap are global and we will play our part to drive positive change.



“Istock Brick went above and beyond policy and regulations to embed a sustainability strategy.”
Judges of the 2019 Made in the UK Awards



Michael McGowan
Group Sustainability Manager

“Over the last year we have been called to the winners' podium time and time again. It's proof that our hard-working team is doing the right things and our people-led strategies are working. We hope that our approach inspires our peers in the fields of commerce, technology and manufacturing to go 'the extra mile' in terms of their own sustainability goals.”

INDUSTRY RECOGNITION

Having won commendations for its sustainability commitments and progress at 12 high-profile awards ceremonies in 2019, Istock is now widely recognised as leading the field in terms of sustainable manufacturing.



Our sustainability targets and priorities

Our sustainability priorities and ambitions will drive the performance of our operations to deliver positive impacts for our people, our planet and society.

Clear actions have been identified against each of our four sustainability pillars; together, these present a clear pathway towards greater sustainability.

TARGETS AND PRIORITIES



Customers and suppliers

Improve sustainability through partnership, collaboration and innovation.

OUR TARGETS



20% of sales turnover from new and sustainable products by 2025



100% of suppliers to meet SSCBC by 2025

OUR PROGRESS IN 2019



11.5% of sales turnover from new and sustainable products. **60%** uplift from 2018



54% of our procurement spend meets the Sustainable Supplier Code of Business Conduct

UN SDGs



Environment

Improve the environmental performance of our products and operations.

OUR TARGETS



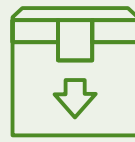
15% reduction in CO₂ per tonne of production



5% reduction in mains water use per tonne of production



Zero waste to landfill by 2025



40% reduction in preventable plastic packaging by 2025

OUR PROGRESS IN 2019



6.5% reduction in CO₂ per tonne of production from 2015 baseline



5% increase in mains water use per tonne of production from 2015 baseline



54% general waste is recycled. This is a **6.5%** improvement from 2015



Plastic packaging reduction trials underway in 2019

UN SDGs



People

Build a safe, healthy and happy workplace where our people can reach their full potential.

OUR TARGETS



50% reduction in LTIFR by 2023



Deliver on our ambition to develop a culture of fairness, inclusion and respect



Continuing to drive forward our best in class apprenticeship scheme

OUR PROGRESS IN 2019



10% reduction in LTIFR from our baseline year 2016



Best Companies engagement survey



75% of apprentices still working for Istock 3 years after course completion

UN SDGs



Communities

Make a positive contribution to the communities around us and support the most vulnerable in society.

OUR TARGETS



100% of sites to report on community engagement



Fundraise for Shelter, our group charity partner, in 2020

OUR PROGRESS IN 2019



Integrated community questions into our management reporting systems



£35k raised in 6 months for our charity partner Shelter

UN SDGs





Customers and suppliers

Our commitment: To improve sustainability through partnership, collaboration and innovation.

HIGHLIGHTS

- ▶ The strength of our 2019 performance and our innovation pipeline prompted us to double our target of sales turnover from new and sustainable products to 20%
- ▶ Over 20 projects submitted to our Innovation Growth Engine were approved for investment in 2019
- ▶ Successful lower carbon trials enabled us to reduce the embodied carbon of our concrete product range
- ▶ Launch of our new interactive Product Selector which helps customers to identify the best products for their project

TARGETS

20%
of sales turnover from
new and sustainable
products by **2025**



100%
of suppliers to meet
SSCBC by **2025**



PROGRESS IN 2019

11.5%
of sales turnover from
new and sustainable
products. **60% uplift**
from 2018

54%
of our procurement spend
meets the **Sustainable**
Supplier Code of
Business Conduct



Tim Wright
Managing Director, Concrete Products

“ There is a growing level of interest in the sustainability credentials of our products from house builders and specifiers. Our customer conversations now often start with questions about transport optimisation, levels of embodied carbon and recycled content – and we have a very positive story to tell. **It's an exciting time.** ”

UN Sustainable Development Goals 2020



SOLUTIONS FOR A CHANGING MARKET

In 2019 we exceeded our target of 10 % of sales turnover from new and sustainable products achieving 11.5 % across the Group. This progress also strengthened our NPD forecast and as a result we doubled our 2025 target to 20% of sales turnover from new and sustainable products.

At Ibstock we recognise that the demands of the market are constantly evolving and we are adapting our offering, by introducing new products and systems, to meet the changing needs of our customers.

In 2019 we doubled our investment in new product development, bringing in industry leading experts, to deliver new solutions for customers including:

- **Enhancing our range of innovative systems** and evolving our Mechslip and Nexus offers to meet growing demand and changing regulatory requirements
- **Exploring new concrete mix designs** that significantly enhance the sustainability credentials of our concrete products positioning Ibstock as leaders in this market
- **Launching our unique product selector tool**, utilising digital technology to make faster, more informed product choices, to support customers, architects and specifiers with their design needs

Mihailo Simeunovich
Group Head of Design and Technical Services

“ Our team work closely with our customers to bring their design aspirations and Ibstock products to life with our design tools and digital platforms. Be it design consulting, knowledge transfer through our CPD offer, or collaborating on our new product development, we are delivering added value to customer projects and relationships. ”



HOW WE WILL ACHIEVE OUR TARGET

Our investment will continue into 2020 and beyond, enabling us to drive both new product and process development, strengthening the sustainability credentials of our existing portfolio of products with a focus on:



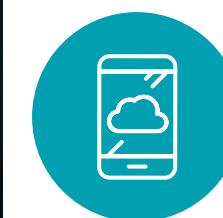
DEMATERIALISATION

By reducing the raw material content of our products we are preserving precious natural resources and reducing energy use in manufacturing. Replacing raw material with more sustainable alternatives, secondary aggregates or waste streams from industry, brings additional benefits including lighter weight products with equal structural performance and durability.



RESEARCH AND DEVELOPMENT

Working with customers, suppliers and expert partners to explore new ways to evolve our product range and extend our systems and solutions offering. We will drive new ideas through the Growth Engine and our value added value engineered projects to build on our strong pipeline of opportunities.



DIGITAL AND VALUE ADDED SERVICES

Continuing to enhance our customer interface, haulage and supply systems and design and technical services to bring new and sustainable solutions to our customers.



THE GROWTH ENGINE

Over 20 projects submitted to our innovation Growth Engine in 2019 were approved by the ELT for initial investment.

Every new product idea that goes into the Growth Engine is assessed with sustainability embedded into the decision making alongside market opportunity, investment and risk.

MARKET GROWTH FOR MORE SUSTAINABLE PRODUCTS

MECHSLIP

The MechSlip system allows architects and specifiers to use real brick slips within a versatile and efficient mechanically fixed cladding system.

The system is less than half the weight of traditional brickwork and is therefore lighter to transport and lift and easier to install. The system can be demounted and reused.

IMAGE: Ibstock Kevington MechSlip and Ibstock Himley Ebony Black bricks, Burton Borough School, Newport, Telford

SL8 AND PAN8

The advantage of SL8 and PAN8 roof tiles are that they are 20% larger than most competitor large format tiles.

This means there are less tiles for the roofer to lay, increasing the speed of installation and reducing labour costs. Our SL8 roof tiles contain approximately 10% less concrete per m² than Forticrete Gemini roof tiles.

NEXUS

Nexus, our brick face support system, offers the benefits of a prefabricated system, with easier handling for maximum vertical and horizontal adjustability, giving quick and simple alignment on site.

We are evolving this system to have new benefits for designers, specifiers and installers.

GEMINI

Our Gemini roof tile has remained a market leader but we are always looking to evolve our products.

In 2019 we added further sustainability benefits by introducing SustainaCem into the manufacturing process which further reduces the embodied carbon within the product. See supplier case study page.

TOP IMAGE: SL8 Red roof tiles, Bloor Homes, Warrington

MIDDLE IMAGE: Ibstock Kevington Nexus, Ibstock Ivanhoe Cream bricks, Bow River Village, London

BOTTOM IMAGE: Gemini Mixed Russet, Radleigh Homes, Derby

LOWER CARBON CONCRETE

We have been working hard to minimise the cement content in our products by increasing the use of performance additives in our concrete mix. The additives work on multiple levels and provide the benefits of reducing:

- **embodied CO₂**
- **water usage**
- **heat requirement** - in the curing process.

Working with our partners at Lafarge Cement we have introduced their SustainaCem product in our concrete roof tiles. SustainaCem is a pre-blended, sustainable binder which negates the need for additions and fillers. In switching from a traditional blend to SustainaCem we are providing products with equal strength and durability with a 15 % lower carbon cement.

Will Hicks
Operations Director,
Ibstock Concrete

“ We’re delighted with the results we get when using SustainaCem, in terms of durability, finish and environmental impact. By switching the cement used in our roof tiles, we are able to cater to customers that not only want a product that is great to look at and functional, but is forward-looking in terms of its carbon footprint. ”

IMAGE: Gemini Slate Grey, Radleigh Homes, Derby

SUSTAINABILITY SUPPLIER CODE OF BUSINESS CONDUCT

We are well on the way to achieving our 2025 target with 54 % of our procurement spend now compliant with the Supplier Sustainability Code of Business Conduct (SSCBC) in its first year.

Our Supplier Sustainability Code of Business Conduct and Sustainable Procurement Policy was launched in 2019. It puts business ethics and sustainability at the forefront of all our business dealings. Suppliers are asked to comply with all relevant laws relating to human rights, health, safety and the environment and anti-bribery and corruption. We ask for more than compliance in some cases including setting carbon targets and environmental training for employees. Suppliers must also adhere to good ethical practices as set out in the Ibstock plc Code of Business Conduct.

BY THE END OF 2021

Suppliers with whom we spend in excess of £50K per year will be asked to meet the requirements of our Supplier Code and Procurement Policy, we expect to achieve a 90 % compliance rate by the end of 2021.

BY 2025

All suppliers will be compliant with the Supplier Code and Procurement Policy by 2025. We will work with Suppliers who failed to respond initially to support them in satisfying our requirements. In addition, any suppliers with whom we spend over £50K per year will be required to provide assurance that their Tier 1 suppliers are also compliant.



SUSTAINABLE PARTNERSHIPS DAYS

To achieve the ambitions on our sustainability roadmap 2025, we must be open to new ideas – our suppliers are key partners in ideas generation and realisation.

To help bring our Sustainable Supplier Code to life for our partners we are launching a series of Sustainable Partnership Days. The opportunity to share and learn from our suppliers will catalyse new levels of sustainable innovation and collaboration in the business. We will be inviting existing and potential suppliers and partners to hear about – and understand – our biggest sustainability challenges. Our intention is that we can then find shared solutions to some of the challenges we face to help us tackle environmental and social issues together.





Environment

IMAGE: Ibstock's Solar Farm Park, Leicester

Our commitment: To improve the environmental performance of our products and operations.

HIGHLIGHTS

- ▶ Our first solar park installed at our head office in Leicestershire producing 20-30% of power to the site
- ▶ All of the plastic edge strips, used for pack integrity and safety, are now made from 100% recycled material
- ▶ Commitment for selecting one factory to become a net zero pilot site
- ▶ EV charging infrastructure has now been installed at 6 sites including our head office

TARGETS

- 15%** reduction in CO₂ per tonne of production
- 5%** reduction in mains water use per tonne of production
- Zero** waste to landfill by 2025
- 40%** reduction in preventable plastic packaging by 2025



PROGRESS IN 2019

- 6.5%** reduction in CO₂ per tonne of production from 2015 baseline
- 5%** increase in mains water use per tonne of production from 2015 baseline
- 54%** general waste is recycled. This is a 6.5% improvement from 2015
- Plastic packaging reduction trials** underway in 2019



Michael McGowan
Group Sustainability Manager

“To continue leading our sector and support our customers we all need to play our part. My job is to make sustainability everyone's job and we have a huge groundswell of interest and support at Ibstock for protecting the environment. This year the focus has been on embedding our environmental targets into the business so that everyone is able to measure their contribution and performance.”

UN Sustainable Development Goals 2020



OUR FOCUS ON CLIMATE CHANGE

A healthy environment is directly linked to healthy communities and economic prosperity.

The global climate crisis, declared now by most governments and scientists, is a huge challenge for business to face up to. In 2019 Ibstock included climate change on the corporate risk register recognising the threat of global temperature change as a principal business risk. The built environment, and construction products within that, contribute significantly to global carbon emissions. We feel that weight of responsibility and, for our part, we are working hard to reduce our impact.

Ibstock's focus through 2019 has been on building sustainability into decision making so that it is embedded across the business and becoming part of our culture. We have initiated environmental improvements across our factories and production processes. We are ensuring that sustainability is at the heart of our transformation and innovation work streams which means we are on track to reach our roadmap targets and move to a lower carbon future.

CARBON

Our progress in 2019 was strong, with a 6.5 % reduction in CO₂ per tonne of production moving towards our 15 % target for 2025.

The longevity and durability of bricks and concrete mean that over their lifetime the carbon intensity of our products is low in comparison to the alternatives. Nonetheless we do use significant energy in our manufacturing processes and we are working hard at reducing this.

We are committed to playing our part in the move to a lower carbon economy and helping the government to achieve its carbon targets by 2050. We have invested over £100M in high-efficiency manufacturing facilities (technologies, plant and processes) in the last 10 years and have a commitment to further investment in the coming decade.

Our focus continues to be on efficiencies and improvements to minimise our energy consumption during production. In addition we are looking to transform and innovate our processes and products through a range of exploratory projects including clean technologies, materials development and new ways of working. Greenhouse gas (GHG) emissions data, for Scope 1 and 2, is reported in the Ibstock Annual Report and Accounts: www.ibstockplc.co.uk



Tony Fullagar
Land Resources Manager,
Winner of Ibstock Sustainability Award 2019

“As a proud Ibstock colleague of over 40 years I was really keen to develop the solar project for the business. The thought of being able to generate renewable power for at least the next 25 years, for the benefit of the business and the planet, felt like a fitting legacy. There were bumps along the way - including some fabulous nesting skylarks which we delayed the project to protect - but we will take all the learning and apply it to our next solar investment. To cap it all, I was overwhelmed to receive the Ibstock Sustainability Award, not least as getting the solar park up and running was a huge team effort, but I really was delighted with this honour.”

HOW WE WILL ACHIEVE OUR TARGET



RENEWABLE ENERGY

Ibstock's first solar park was installed at our head office in Leicestershire. With four manufacturing facilities based here, the solar farm will provide between 20-30 % of the site's normal electricity demand from early 2020. We are excited about our potential to invest further in solar across our sites in the coming year, thereby greening our electricity supply and reducing reliance on the grid.



GREEN ELECTRICITY

In 2020 we will be purchasing 10 % green electricity through our energy supplier Total GP. This will rise to 30 % by the end of 2022 as part of our commitments under REGOs (Renewable Energy of Guaranteed Origin).



LED LIGHTING

Lighting represents circa 10 % of our total electrical power load. Two thirds of our brick factories have been upgraded to LED technology in 2019 and our upgrade continues into 2020.



GREENING OUR MOBILE PLANT

We are trialling, on several sites, electric fork lift trucks to eliminate diesel and gas oil at all sites. As technology advances this replacement will accelerate.



GREENER DRIVING

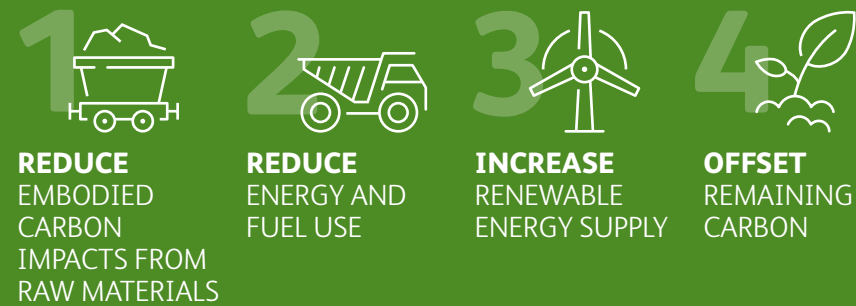
In 2019 we reached seven hybrid or electric cars in our fleet with a further 33 in the pipeline - this will represent almost 20 % of our car fleet. We are supporting the uptake of electric vehicles (EV) with the installation of EV charging infrastructure, which is already live at 6 sites including our head office.



NET ZERO

The UK government has made a commitment to achieve net zero emissions by 2050. In order to achieve this we all need to play our part. Businesses like ours will need to significantly accelerate the action we are already taking to achieve these targets.

As part of our drive for change we are developing our strategy for a pathway to net zero carbon by 2050. This will be based on the four key focus areas:



We are acutely aware that we are at an early stage of our journey to net zero so we are asking the right questions and working with our stakeholders.

We have committed to selecting one of our factories to become a **pilot net zero site**.

By developing a working model we can test and learn as we go. This investment will build our understanding of the scenarios and decisions we need to make as a business to inform our pathway to net zero.



The Eclipse Factory remains **the most resource efficient brick manufacturing facility in Europe**, this enables us to share environmental best practice within the Ibstock Group and across our sector.



COLLABORATION IN ACTION:

Working with Wincanton, our transport partner, we are developing projects to reduce our use of carbon.

- 1** By replacing the 10L plastic tubs of AdBlue fuel additive with large tanks of AdBlue at two of our busiest sites, we have eliminated 4,828 single use plastic containers from our waste stream - the equivalent of 2.2 tonnes of plastic.
- 2** Optimising vehicle load by working with Wincanton and a major housebuilding customer is helping to reduce vehicle journeys. This resulted in 156 tonnes of CO₂ saved in 2019.

WASTE

Only our general waste goes to landfill, this amounts to 6,500 tonnes which is made up of mixed waste from operations, offices and kitchens.

In 2019 we made progress against our zero waste to landfill target, by **recycling 54%** of our general waste. This is a 6.5 % improvement compared with 2018.

This equates to **0.001 tonnes** of waste to landfill per tonne of production.



Darren Tolley
Factory worker, Northwich

“ We value every ounce of our raw materials at Northwich. We are working on new concrete mix designs that use our own process waste, which would otherwise be used as low grade hardcore, and even waste from other industry sectors. Its great for us to be thinking differently and trying new ideas. ”

HOW WE WILL ACHIEVE OUR TARGET



CLOSED LOOP SOLUTIONS

Working with a zero to landfill waste provider, we are exploring how we can create a closed loop solution for customer plastic waste (film/strap/edge strip) and a zero to landfill solution at our manufacturing sites.



PALLET RECOVERY SCHEME

We have implemented a pallet recovery scheme resulting in diversion of over 20,000 wooden pallets from landfill during 2019. The scheme collected pallets from 426 different customer sites and put them back into our system to be re-used.



CARDBOARD PACKAGING

Our procurement and marketing teams are working on a joint review of all cardboard branded packaging. We can reduce waste by finding a consistent brand approach and a single packaging material specification.



REDUCING POLYSTYRENE

At our Ibstock Kevington specials site in the Midlands, we have reduced our use of polystyrene packaging, replacing it with a more sustainable card solution. We aim to roll this out more widely in 2020.



PAPER FREE OFFICES

We are piloting a 'paper free office' at one of our sites making savings from reductions in printers, ink and paper and avoiding waste.



PROCESS WASTE AND THE CIRCULAR ECONOMY

Almost 100 % of our production materials are re-used or recycled with every site committed to reducing process waste. However, we are looking beyond waste minimisation and finding new ways to participate in the circular economy.

Our Concrete Technical Team continue to implement and explore ways to reduce the amount of primary raw material we use. Using secondary aggregate from our own waste and other industry waste streams provides a circular approach by eliminating waste.

For example, Ibstock Concrete is using a secondary waste product from the steel industry which provides a double environmental win. This waste (granulated blast furnace slag) enables us to reduce the cement content of these products, thereby reducing embodied carbon and diverting the material from landfill.



PLASTIC PACKAGING

We are committed to a 40% reduction in preventable plastic packaging by 2025.

Over the last two decades plastic packaging has crept into everyday use for construction products. Recent campaigns, which shine a light on the harm that single use plastics inflict on our environment, have helped us take a fresh look at whether we actually need some of the plastic we use.

As the first step in our journey to reducing preventable plastic, we are working hard to **remove at least 200 tonnes of plastic shrink wrap** from across the Group by the end of 2021. This is the equivalent of 8.3 million soft drinks bottles.

We will continue this journey with our customers and suppliers, working in partnership to identify preventable plastic and ensure neither health and safety nor product quality is compromised.

As a business we comply with The Producer Responsibility Obligations (Packaging Waste) Regulations 2007 as amended. The UK government sets recycling targets for each packaging material and in the case of plastic this target increases each year. Istock continues to aspire to go beyond this and other regulatory requirements.

“ All of the plastic edge strips, used for pack integrity and safety, are now made from **100% recycled material** ”

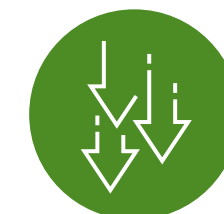
HOW WE WILL ACHIEVE OUR TARGET

Under the stewardship of our new **Plastic Taskforce**, we have a number of trials and initiatives under way that will help us reach our targets.



ELIMINATE

We have initiated a collaborative project with a major customer to remove plastic wrap packaging from our bricks on a number of sites. We will look to adopt the same approach with further major customers in 2020.



REDUCE

We are trialling shorter cap bags and downgauging the thickness of our plastic stretch hood wrap for bricks. If trials are successful we could achieve circa 38% reduction in plastic use at participating factories.



RECYCLE

Working with our suppliers, we will replace plastic packaging, that we cannot eliminate or reduce, with higher content recycled materials. For example, all edge strips and strapping on packs, which are required for pack integrity and safety, are now made from 100% recycled material.



Ben Denton
Procurement Manager

“ Our commitment aligns with the Ellen MacArthur Foundation, to **eliminate the plastics we don't need, so all the plastics we do need are designed to be safely reused, recycled or composted.** This is a trusted hierarchy of action which we are applying to all our packaging. ”

WATER

Our commitment is to achieve a 5 % reduction in mains water use per tonne of production by 2025. Our latest data, for 2019, shows a slight increase in our use of mains water - this rise is due to improved measurement of our water usage since 2015.

We must now redouble our efforts to achieve our reduction target. The business case is clear to make these changes. Reducing our reliance on mains water not only saves money but it also reduces energy.



Mitchell Greener
Energy and Environment Manager

“ Building the understanding at our sites that every drop of water counts, both financially and environmentally, is helping to shift behaviours. Our site based measurements and performance data backs this up so that teams can clearly see their baseline, their targets and their performance on a regular basis. ”

HOW WE WILL ACHIEVE OUR TARGET



SITE BASED TARGETS

Water reduction targets will be set at site level through 2020 with water efficiency measures a key focus for the year ahead.



NEW INVESTMENT

Where we are investing in new plant and processes, elimination of mains water will be designed into the build.



WATER RECYCLING

74 % of our water use comes from a recycled and recovered source with several of our factories now operating a closed loop system.

- Our Eclipse factory does not use mains water supply. All water comes from the quarry and rainwater. With a water treatment plant, Eclipse can collect and recycle 62 million litres of water, saving energy in treating and pumping water to the plant.
- Our Supreme Concrete plant is now reusing waste water within the manufacturing process - which has led to a reduction in mains water use of 50 %.

LOOKING TO THE FUTURE – BIRTLEY UNION BRICKWORKS LOCAL WILDLIFE SITE

As part of our ongoing commitment to environmentally sensitive estate management we are looking forward to a new scheme which will enhance the Birtley Union Brickworks Local Wildlife Site adjacent to our Birtley Brick factory near Gateshead.

Through new pond creation and a habitat management plan we will be enhancing the wetland area, providing potential beneficial impacts on the great crested newt population and improving local biodiversity. We take great care, working with local councils and wildlife partners, to ensure that the land we manage is restored or enhanced following material extraction.





People



Our commitment: Build a safe, healthy and happy workplace where our people can reach their full potential.

HIGHLIGHTS

- ▶ Best Companies engagement survey completed with 62% response rate
- ▶ Over 11,000 days of training delivered across a range of business functions
- ▶ 21st anniversary of our Istock Brick University (IBU) with 522 customers and employees trained
- ▶ 15 new apprentices joined our programme and 100% were offered full time positions on completion

TARGETS

50% reduction in **LTIFR** by **2023**

Deliver on our ambition to develop a culture of **fairness, inclusion and respect**

Continuing to drive forward our **best in class** apprenticeship scheme



PROGRESS IN 2019

10% reduction in **LTIFR** from our baseline year **2016**

Invested in **internal recruitment** to support candidate selection

75% of apprentices still working for **Istock** 3 years after course completion



Nicola Hale
Human Resources Director

“Engagement of our people is key to our success, this has never been more important than through COVID-19. I have seen incredible resilience and a creative and collaborative response to the challenges we have faced. This is testament to the fantastic people we have working together at Istock.”

UN Sustainable Development Goals 2020





COVID-19: LOOKING TO THE FUTURE

As we publish this report in the second half of 2020, it is important to recognise the significant impact that the Coronavirus pandemic has had on our business.

During this time the health and safety of our employees, our customers and our partners has been paramount. As an organisation, we have rallied and adapted at pace to the demands of lockdown, which included a pause in our production. As we re-started our operations in a safe and phased approach, we have implemented first class safety processes accompanied by social distancing measures and a 'Safe Start' half day programme for every employee to take part on their first day back to work. The wider impact on the business is still unfolding but we are proud that we acted to support the government lockdown, slow the spread of the virus and support the NHS. We will continue working just as hard to help the economic recovery and get Britain building again.

ZERO HARM

Our ambition is to achieve zero harm for all of our people. We continue to work hard and with determination to achieve this outcome.

We are making progress towards our 50% reduction target by 2023 with 10% reduction in Lost Time Incident Frequency Rate (LTIFR) against our 2016 baseline, however our frequency rate went up in 2019 and we are working hard to reverse this. Our Total Incident Frequency Rate (TIFR) in the same period continued its downward trend.

The deployment of our health and safety roadmap in 2019 has enabled us to drive a sustained and focused approach. Through a combination of **leadership, training and development and strong communication and feedback**, we will continue to make positive progress.

“ Nothing is more important than the health and safety of our people. There is not a single action that should compromise this and we are working hard to ensure this is at the core of our working practices and business culture. ”

Joe Hudson
Chief Executive Officer



WELLBEING IN ACTION

Our employee wellbeing programme - Working Towards Your Health and Wellbeing - was delivered throughout 2019.

The aim was to raise awareness about health and wellbeing and encourage our people to openly talk about issues they or their family and friends may be affected by.

Each month had a different theme, including: drug and alcohol awareness, women's and men's health, mental health and cancer awareness, and many were timed to tie in with international and national awareness campaigns. As part of this, we offered free flu jabs, wellbeing checks and healthcare advice to all employees. In April we launched our Perfect Posture Campaign and invited Pristine Condition to help improve manual handling, both at work and at home. The training was offered to both factory and office staff.



HOW WE WILL ACHIEVE OUR TARGET



LEADERSHIP

Health and safety is championed by our CEO Joe Hudson and is a top-level **item for discussions at Board meetings** with monthly reports and updates. This brings insight, inspiration and scrutiny into the business and enables us to respond to challenges, as well as review and monitor progress. To support this, all Executive Leadership Team meetings held at operational sites start with a **site tour which focuses on safety**. Findings are recorded, discussed, actioned and reviewed at the following meeting.



TRAINING AND DEVELOPMENT

Supporting our teams with training and development is an integral part of ensuring our employees are competent to fulfil their roles safely and to care for each other. In 2019, we delivered over 11,000 days of training across a range of business functions - each of which includes an element on health and safety. The Istock induction programme has been refreshed to cover key health and safety elements for visitors, contractors and new employees.



COMMUNICATION AND FEEDBACK

We place a strong emphasis on the need for **two-way communication** and encourage our staff to provide feedback on all aspects of health and safety to their line managers and supervisors. Our **'Safe Start' sessions** are held at the beginning of each year at every factory, site and office. 'Safe Start' enables all employees to contribute to a review of the previous year's performance and focus on what we can do to improve in the following 12 months with feedback and dialogue encouraged.



“ Our aim is that everyone goes home, safe, every day to their families. We can all make a difference in the health and safety of our colleagues, regardless of the function we work in; it's all about engaging with each other. ”

Asif Khalil
Head of Health and Safety



DID YOU
KNOW?

WE DELIVERED
11,149
TRAINING DAYS IN 2019.

Health and safety
was a component
on every course.





OUR PROGRESS

15 new apprentices joined the programme in 2019

42 apprentices in the current programme

20 apprentices completed the programme (2012 – 2019)

90% completion rate

100% apprentices offered full time positions on completion

75% apprentices still with the company 3 years after completion

APPRENTICESHIPS

With an aging population and high competition for technical talent in the manufacturing sector, our apprentices form the backbone of our succession planning for the skills we need to maintain and grow our business.

Our **award-winning engineering apprenticeship programme** continues to deliver best-in-class learning and development for the pool of talent who will help drive forward innovation and manufacturing excellence.

Such has been the success of our programme in our clay business, we are delighted to report that in 2019 it was rolled out to our concrete division and we **recruited our first three concrete engineering apprentices** to the programme.



Paula Wardle
Group Learning and Development Manager

“ For us, our apprenticeship programme is not just about training; it is about bringing a new generation into the Istock family at the start of their careers and helping them reach their full potential. ”



APPRENTICESHIPS IN ACTION

Meet: Zac Payne

Zac Payne is an electrical apprentice at Istock Brick, Chailey. He was named as winner of the Engineering Apprentice of the Year for the Southern region.

“ My apprenticeship has been hugely valuable in helping me extend my knowledge through practical and hands-on experience. This has allowed me to contribute to engineering projects across the factory. My mentor Paul Charlesworth has been a great help in helping me achieve my goals. I was delighted to win and it is a privilege to be recognised by the judges. ”





HOW WE WILL ACHIEVE OUR TARGET

Ibstock is committed to **continuing to drive forward our best in class apprenticeship scheme**. With 75 % retention of our apprentices 3 years after their course is complete, the programme is respected and valued from Ibstock plc Board to factory floor. As the programme continues to evolve we will focus our efforts on engagement and inclusion in 2020:



SHOWCASING

Showcasing the success of women in roles which traditionally may have only attracted male candidates helps break down stereotypes.



ATTRACTING

Attracting and retaining female apprentices by targeted advertising and reviewing our profiling of roles through our web site and communications.



DEVELOPING

Developing our schools outreach work to attract a strong and diverse pipeline of future applicants to the programme from the communities in which we operate.

UPSKILLING OUR SECTOR - IBSTOCK BRICK UNIVERSITY

2019 marks the 21st anniversary of our Ibstock Brick University (IBU). This is an intensive technical course created to ensure our staff meet our high standards of product expertise. Today, it is a much admired industry benchmark course for brick and brickwork knowledge.

Launched:
1998

Courses delivered:
46

Customer and employees trained:
552

“ The IBU course was a unique 3 day immersion into the world of clay bricks. At Taylor Maxwell we take great pride in equipping our people with the product knowledge they need, to provide a first class service to our customers and the course gave me expertise and insight into bricks that I wouldn't find anywhere else. Being invited onto the course felt like a rite of passage when I joined Taylor Maxwell and I wholeheartedly recommend it to my peers. ”

Andrew Shutt,
Regional Manager, Taylor Maxwell, participant on IBU course 2019.

WIDER RECOGNITION

In 2019 Ibstock Brick won the Training Journal Awards (Best Apprenticeship Programme Award). We were also finalists at the Personnel Today Awards (Apprenticeship Employer of the Year) and the Inspire Awards (Most Inspiring Apprenticeship Programme).



TJ
Awards

PERSONNEL TODAY
AWARDS 2019
Celebrating the best in HR

inspire
AWARDS

APPRENTICESHIPS IN ACTION

Meet: Ben Lumsden

Ben Lumsden is an electrical apprentice at Ibstock Brick, Throckley. He was named as winner of the National Apprenticeship Awards, National Advanced Apprentice of the Year for the North East region.

“ I have always had an interest in engineering from a young age. The scheme has been very beneficial in helping me develop my skills as I have gained a lot of hands-on experience. In the future I hope to continue my career with Ibstock Brick, making it as far up the career ladder as I can. ”



EMPLOYEE ENGAGEMENT



We relaunched our employee engagement survey at the close of 2019, using the Best Companies survey for the first time, so we can benchmark and track our progress. We are in the process of developing action plans at all levels to ensure that the feedback is communicated and actioned in the most meaningful and appropriate way.

HIGHLIGHTS

Highlights from the survey included many people feeling positive about **our work on sustainability**, especially in the Best Companies ‘Giving Back’ category reflecting **our support of Shelter and local causes**. Those surveyed also felt positive about **our approach to looking after people**, in terms of wellbeing, job variation, training and overall job satisfaction.

AREAS TO IMPROVE

Areas that our people highlighted for improvement included: greater listening and recognition; **consistency around pay and benefits**; and **development of our managers**. These were areas already ‘on the list’ for Nicola Hale our HR Director who introduced two new roles in 2019: Head of Talent and Head of Reward which will enable an organisational response to this feedback.

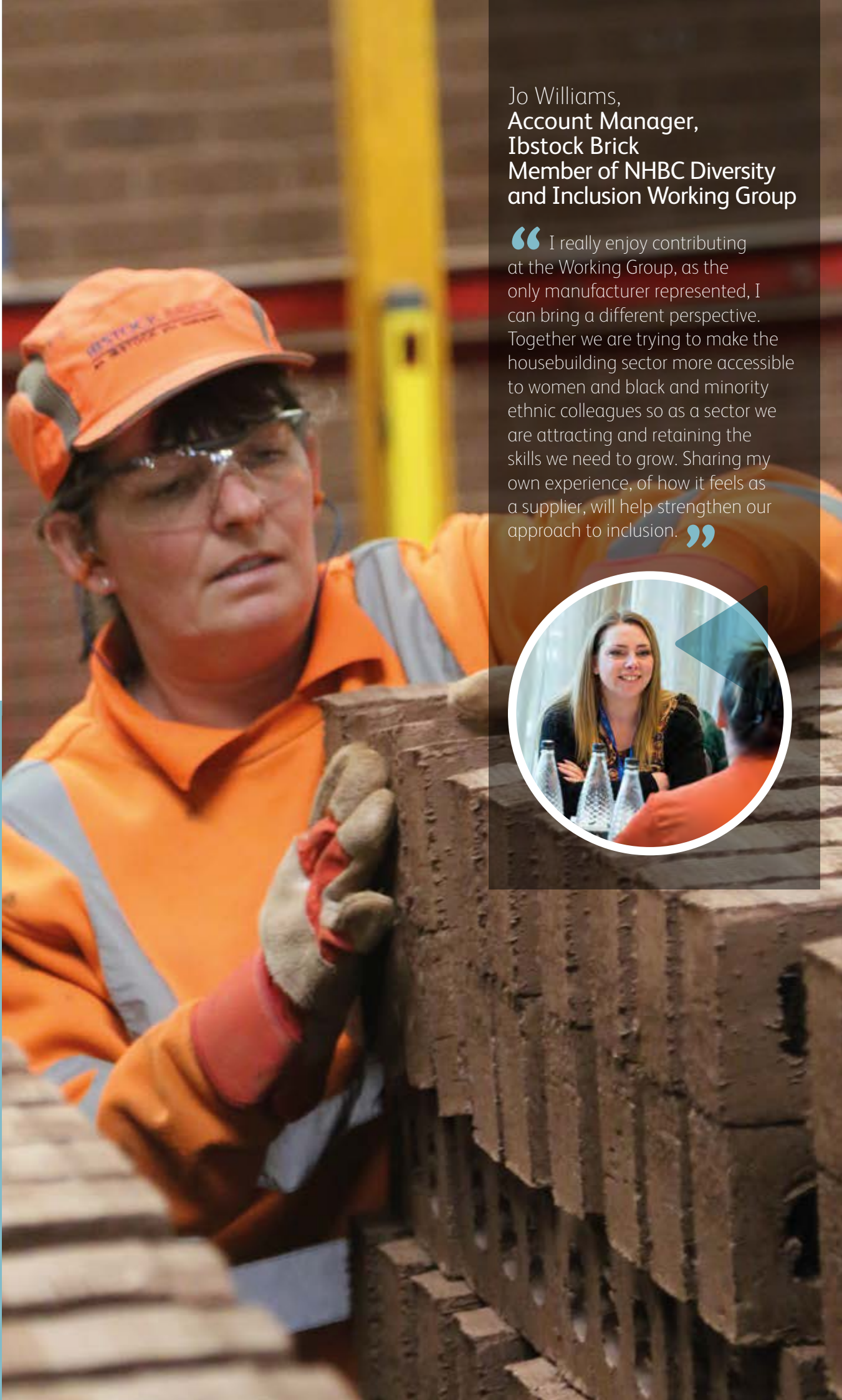
EMPLOYEE VOICE IN ACTION: LISTENING POST

We introduced and held our first **Listening Post**, a twice-yearly forum chaired by the CEO, and attended by a non-executive director from the Ibstock plc Board and nominated employees from across our business.

The Listening Post is a place where employees can have their voice heard at the most senior level and discuss ideas, issues and concerns raised by colleagues. The first of these was held in November 2019 and discussed a range of topics including: a general update on the business, timing and discussion of the results of the employee engagement survey, capital investment, growth opportunities and climate change.

“ We covered many different subjects in the Listening Post sessions and I have to say that I have never worked for a company where staff are allowed to voice their ideas and be listened to at Executive Board level. For Joe Hudson and the Board members to take time out and really listen to us is inspired. ”

Joe Marshall,
Production Shift Manager,
Eclipse Factory



Jo Williams,
Account Manager,
Ibstock Brick
Member of NHBC Diversity
and Inclusion Working Group

“ I really enjoy contributing at the Working Group, as the only manufacturer represented, I can bring a different perspective. Together we are trying to make the housebuilding sector more accessible to women and black and minority ethnic colleagues so as a sector we are attracting and retaining the skills we need to grow. Sharing my own experience, of how it feels as a supplier, will help strengthen our approach to inclusion. ”



INCLUSION AND DIVERSITY

We believe the diversity of our people strengthens our judgement, independence and decision making. We also know that attracting a more diverse workforce widens our pool of talent which is key for our succession planning and sustainable growth.

Our current employee population reflects the traditional nature of the industry across all diversity characteristics including age, race, gender, sexual orientation and disability. The mean gender pay gap at Ibstock Brick* is 9 % which is lower than the UK average of 17.3 %. We recognise the challenge we face with 85 % of roles being occupied by men, including a high percentage of males employed in factory based production roles. Office based roles have a more even split of male and female employees, including higher representation of women in customer support.

As a new HR leadership team we recognise we have work to do to deliver on our ambition to develop a culture of fairness, inclusion and respect. We are taking the time to step back and reflect on what it will take in our sector to create meaningful change. By undertaking a thorough review, listening and learning we will develop our forward looking strategy for an inclusive workforce that reflects the communities in which we operate.

Steps we have taken to build our culture of fairness, inclusion and respect include:



VALUING DIVERSITY

Working collaboratively with our colleagues to create a new set of company values Trust; Care; Teamwork; and Courage. At the heart of our Care value is treating each other fairly and respecting individuals from diverse backgrounds. We will continue to embed these values through 2020.



FLEXIBLE WORKING

Upgrading our maternity policy and support flexible working practices so we are a more family friendly employer.



RECRUITMENT PROCESSES

Bringing recruitment in-house to have greater insight and control over this process. This enables us to reduce unconscious bias and ensure we see a diverse range of candidates.



DIVERSE LEADERS

Strengthening our female representation at Executive Leadership level. We continue to explore how we can attract candidates from more diverse ethnic backgrounds and other under-represented groups at a senior level in the business.



AUTOMATION

Investing in automation to reduce manual work which enables us to attract more diverse candidates into production roles.



ATTRACTING DIVERSE TALENT

Reviewing our corporate imagery to reflect our commitment to diversity and worked with external partners to ensure we are reaching the right audiences and influencing with the right messages about the opportunities to flourish at Ibstock.

*We report Gender Pay Gap for Ibstock Brick as our largest employing entity.



Communities



Our commitment: Make a positive contribution to the communities around us and support the most vulnerable in society.

HIGHLIGHTS

- ▶ Proactive engagement with local communities in 2019 includes: 13 open days; 39 education visits; 42 projects receiving product donations
- ▶ Supporting the Science Summer School in East London to promote STEM subjects to 400 young people
- ▶ The commitment, energy and teamwork our employees applied to fundraise for our charity partner Shelter, aiming to end homelessness for good
- ▶ Recognising we can widen our social impact by supporting social entrepreneurs through our partnership with Commercial Foundation

TARGETS

100% Fundraise for Shelter, our Group Charity Partner

of sites to report on **community engagement**



PROGRESS IN 2019

Integrated community questions into our management reporting systems

£35K raised for our charity partner. £17.5K from employee fundraising matched by the business



Emily Landsborough
Group Sustainability Advisor

“ I am always overwhelmed by the passion I find in this organisation. People willing to do more for those that have less. It is one of the main reasons I joined Istock. We have people here who really care about each other and about their communities. And with that passion and care we can make a huge difference. ”

UN Sustainable Development Goals 2020





MAKING A POSITIVE CONTRIBUTION

Making a positive contribution to the communities where we operate is an integral part of the way we work. The importance of being a good neighbour cannot be undervalued, it underpins our license to operate and is hugely significant to how our employees feel about working for Ibstock.

We add social value through our presence as a local employer and the economic impact of our local supply chain, both of which help support the communities in which we operate. But we are also aware of how much more we can do with our skills and expertise. Our ongoing work with local projects, schools and colleges and our new partnership with Well North Enterprises on placemaking has enabled us to build our confidence as a local stakeholder and community partner.

We have incredibly passionate and compassionate people at Ibstock. The desire to support people who face a struggle, through causes and charities working for the most vulnerable in our society, is very strong. We are very proud that in our 2019 Best Companies engagement survey our people told us they were most proud of our ethos of 'Giving Back'. This ethos comes from within, as a company we support and help enable it, but it is our people that get out there and make the difference.

Be it Macmillan coffee mornings, Children In Need bake sales or physical challenges to support a charity close to a colleague's heart, our people have been so generous. Introducing our first charity partner in 2019 aimed to build on that existing ethos of supporting those that need help the most.

How we are delivering on our commitment:

- **PLACEMAKING**
- **INSPIRING FUTURE GENERATIONS**
- **SUPPORTING LOCAL PROJECTS**
- **FUNDRAISING FOR SHELTER**

SUPPORTING SOCIAL ENTERPRISE

Ibstock has been working with Commercial Foundation throughout 2019 having made a conscious decision to procure printed products through a community investment company (CIC) that has social value at its heart.

Commercial Foundation's digital print facility, We Do Print, provides our business cards through its social enterprise model, with profits supporting the foundation to help young people build confidence, develop skills and move into employment. Every £1 that Ibstock has spent with We Do Print equates to a £5.07 social return on investment, so we know the impact of that spend has wider reaching societal benefit.



Commercial
FOUNDATION

NEW THINKING FOR PLACEMAKING

At Ibstock our vision to enable the construction of homes and spaces that inspire people to live and work better is inextricably linked to the success of the communities where our products are used. This is not only about the look and feel of the buildings but about the ability of people living in those communities to lead healthy and successful lives.

To achieve our vision, we are developing relationships with like-minded organisations. For example, we have partnered with Well North Enterprises (WNE) a social business dedicated to driving transformative and sustainable change in local communities through placemaking.

WNE is chaired by Lord Andrew Mawson OBE, one of the UK's leading social entrepreneurs, who has played an instrumental role in the development of placemaking, including the transformation of East London.



Lord Andrew Mawson OBE
Social Entrepreneur

“ The ultimate goal here is to create environments that communities can be proud of. The only way we will do this is by building relationships, promoting aspiration and working with individuals and businesses that want to make a difference. As a company, Ibstock is continuously pushing the boundaries to develop solutions that take the construction industry forward so I'm delighted we are working in partnership. ”



TOP IMAGE: Forticrete Architectural Masonry, CR Vets, Carlisle

BOTTOM IMAGE: Ibstock Coleridge Yellow bricks, Our Lady and St Joseph Catholic Primary School, London E14

INSPIRING FUTURE GENERATIONS

As a business at the heart of building, we are passionate about the recruitment and development of young people. It is vital that we bring new talent into the building and construction sector. For this reason, we continue to spend time and provide learning resources to local groups, schools and colleges.

An extension of this is our commitment to inspiring young people to think seriously about the limitless and exciting opportunities in the UK's Science, Technology, Engineering and Maths (STEM) industries. Our aim is to develop the next generation of talented individuals that we at Istock, and our sector, need to push the boundaries in our industry for years to come.

INSPIRATION IN ACTION #1

This year, we co-sponsored Science Summer School 2019 in London, an innovative event aimed at inspiring 400 young people to become the next generation of Britain's scientists. Hosted by Professor Brian Cox OBE, an ambassador for Science, Technology, Engineering and Maths (STEM) the event promoted the fantastic and innovative opportunities for careers in STEM businesses. We are looking forward to working with the team to run a similar event in 2020 in Rotherham.



Dionne Paxton,
School Careers Adviser
Lathom High School, Skelmersdale

“There was a great mix of inspirational lectures and practical and exciting workshops for pupils to enjoy and give them a real taste of what opportunities are available in STEM. One of the key messages that came through was the career opportunities available, particularly in apprenticeships, and it gave our students plenty of food for thought.”

INSPIRATION IN ACTION #2

In July, eight pupils from Oscott Manor Secondary School for Children with Autism attended a tour of our Aldridge factory with Factory Manager, Andy Greasley and Technical Manager, Scott Bamford.

The pupils had been learning about construction at South and City College, Birmingham. The team gave them a full factory tour and demonstrated the brick making process from raw materials to packaging.

“It is good to get the students out into real life, so a working factory was fantastic. They have just returned to school and I have overheard them talking to their teachers about the trip in a very enthusiastic manner.”

Louise Everist, Teacher



INSPIRATION IN ACTION #3

Students at Crawley College were delighted with a donation of around 11,000 bricks to help them as they learn the tools of the trade.

The bricks, which were generously delivered by our logistics partner Wincanton for free, will be used by more than 150 students studying on a variety of brickwork.

“These bricks will keep us going for at least 12-18 months and will enable our students to achieve better results in their test pieces. Being able to work with different bricks, of differing age and material, means they will develop more rounded skills which they can take into the workplace.”

**Barry Hutton, Deputy Head of Learning for Construction
Crawley College**



SUPPORTING LOCAL PROJECTS

Ibstock encourages teams to engage their local community and get involved in local causes and projects. The common theme running through all of them is a passionate commitment to making a positive difference in our local communities. Here are a few examples from the many projects we worked on in 2019.



POPPY FIELDS MUSIC FESTIVAL

We were delighted to sponsor the **Poppy Fields Music Festival**, an Ibstock Ex-Forces Fund in association with the Ibstock village branch of The Royal British Legion.

DERIAN HOUSE CHILDREN'S HOSPICE

Ibstock Brick was delighted to present a cheque for £18,000 raised through an auction held at a Charity Golf Day, **to Derian House Children's Hospice**. They provide respite and end-of-life care to more than 300 children and young people across the North West.

ELLISTOWN COMMUNITY 'PICNIC IN THE PARK'

Our involvement in the **2019 Ellistown Community 'Picnic in the Park'** event proved to be very rewarding. Corporate giveaways were arranged along with financial contribution to the event. 700 people joined in and witnessed our newly liveried lorry to give an insight into HGV blind spots and safety.



FRIENDS OF ANDERTON AND MARBURY COMMUNITY GROUP

The Anderton Concrete team sponsored the **Friends of Anderton and Marbury community group** to celebrate its 20th Anniversary. The group of local residents who look after the Northwich Woodlands area, have recently created an all-access viewing platform for visitors to be able to enjoy and learn about local wildlife.



FUNDRAISING FOR SHELTER

Right across our business there is a tremendous pride in, and enthusiasm for, our partnership with Shelter. Shelter's aims and vision are closely matched to our own beliefs in the importance of a safe, affordable home for everyone and in putting an end to homelessness.

Throughout 2019 and 2020, we are working with the charity to raise awareness and vital funds to support people who are experiencing homelessness and bad housing.

We set ourselves a target to raise £50K for Shelter in our first year. By the end of 2019, our employees have raised £17.5K which Istock match funds so we are well on our way to our target with a total of £35K raised for Shelter. Thanks to the hard work and phenomenal energy of our 50 'charity champions' – volunteer representatives from across our operating sites – we have been able to bring our staff together to have fun whilst raising money. Feedback from all levels is that this has been extremely rewarding and has also helped foster a sense of shared purpose and team work.

SHELTER'S VISION

We strive every day to give people the help they need, and we campaign relentlessly to achieve our vision of a safe, secure, affordable home for everyone.

Shelter

MY SHELTER STORY

As one of our Charity Champions, Alan Emery, has been volunteering to help those who are homeless for 7 years. When it was requested that each team should have a charity champion, he was keen to get involved.

"It is often taken for granted that you have somewhere nice to sleep and a roof over your head. It's not the case for a lot of people. Through my volunteer work, I've seen first-hand the people who are affected by not having a permanent place to live. And it opens your eyes to people you would walk by in the street"

"Volunteering and fundraising is the least we can do. When Shelter was chosen as our Charity Partner, it was good to know that the company felt the same as I did about the issue."

Alan first encouraged colleagues to join him for the Yorkshire Three Peaks – a 24 mile hike up the peaks of Pen-y-ghent, Wharfedale and Ingleborough – in September. The team of four raised £1,600. Next was a Sleep-Out in October at our head office in Leicester, raising £2,500. "The aim was to give people a tiny glimpse of what it would feel like to have to live outside,"

With more activities planned, Alan says:

“ My aim has been to get as many people as possible involved in our fundraising events. I know how I feel once I have volunteered and what you get back from it. I want other people to experience this; to have a feeling of reward and understanding of how we can make a difference. ”



MORE FUNDRAISING

Static Bikeathon which Istock staff at our Leicester site 'cycled' 465 miles – the distance between our two most distant sites Mossend and Swanage

Sleep-Out for Shelter

Our Mossend sales office organised a **Halloween themed coffee morning**

The challenge to climb the **O2Arena**

Members of our Technical and Marketing teams joined forces to climb **Scafell Pike**

The Midlands factory team held a **family fun day**





Improving standards

There are a number of standards operated throughout our businesses which include environmental, energy, quality and responsible sourcing. These provide a consistent set of procedures which are regularly reviewed internally and updated to identify ways in which they can be made more effective.

Throughout 2019 there were 25 minor environmental incidents and complaints recorded as part of our ISO 14001 Environmental Management System and all were dealt with as part of the procedural requirements.

All of these standards are certified externally and during 2019 no major issues were identified and continued certification was documented on formal reports issued. We are also happy to report that there were no environmental fines or penalties in 2019.

Leading the industry

Ibstock Brick was the first in our industry in the UK to achieve the international Energy Management Standard ISO 50001 of which we are immensely proud.

Scan the QR codes below to learn more about our credentials.



Quality Management Standard: ISO 9001

ISO 9001 is the world's most widely recognised Quality Management System and helps businesses like ours to meet the expectations and needs of our customers. Most of our UK sites have ISO 9001 in place with all others having an established Quality Management System to which they operate.



Environmental Management: ISO 14001

All of our UK businesses have ISO 14001 in place, Ibstock Brick was the first to achieve certification at all sites to ISO 14001 in the year 2001.



Responsible Sourcing: BES 6001

All of Ibstock Brick and most concrete sites have the BES 6001 certification with Anderton working towards this. Ibstock Brick achieved an 'Excellent' rating in 2016. The highest possible level.



Energy Management Standard (EMS): ISO 50001

All of Ibstock Brick sites have the ISO 50001:2011 certification and we became the first UK brick manufacturer to implement this.

Our motivation for implementing ISO 50001 was to be more efficient with the energy we consume. This has enabled us to reduce energy consumption and as a consequence CO₂ emissions.

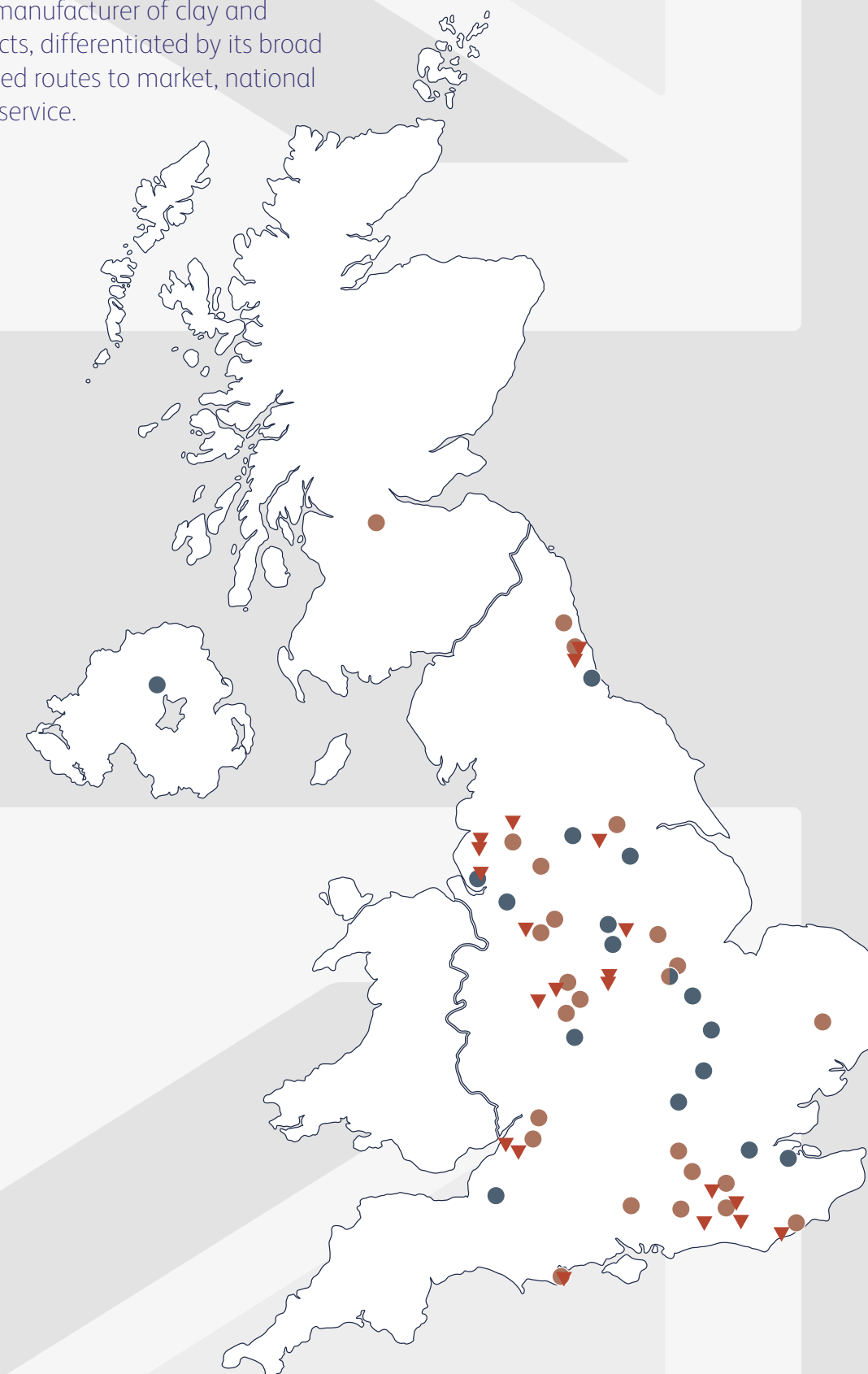
In addition our employees have benefited both at home and at work by becoming more aware of ways to improve energy usage.

Energy Saving Opportunity Scheme (ESOS)

All of Ibstock plc's UK operations are fully compliant with this scheme and have had relevant energy assessments carried out and will act on viable documented energy saving opportunities.

OUR NATIONAL FOOTPRINT HELPS US KEEP CLOSER TO OUR CUSTOMERS

The Group is a leading manufacturer of clay and concrete building products, differentiated by its broad product range, established routes to market, national footprint and customer service.



- Clay factories and offices
- Concrete factories and offices
- ▼ Quarries

Ibstock plc, Leicester Road, Ibstock, England LE67 6HS

T:01530 261999

E:enquiries@ibstock.co.uk

www.ibstockplc.co.uk



The information and data contained within this report has been verified by Lucideon CICS Ltd as reliable and providing a fair and balanced representation of the reported environmental activities in the reporting period. A full assurance statement has been provided to Ibstock plc. Third party verification. The key performance measures have been approved by Lucideon - www.ibstockplc.co.uk/assurance-statement.pdf

LUCIDEON
insight creating advantage

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