

Etex Ireland Limited Stakeholder Report

on Environmental Performance 2021
for Cedral Fibre Cement Products

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Etex Ireland formerly known as Tegral Building Products has been at the forefront of sustainability within our industry for a very long time – and this report confirms our on-going commitment in reducing the environmental and social impacts of our operations. In recent years, Etex Ireland secured significant investments from the parent Etex Group to construct a new state of the art building and to install a new manufacturing line incorporating significant environmental improvements. This has allowed Etex Ireland to enhance our environmental performance by improving our energy efficiency and the conditions of our working environment for our employees.

Our manufacturing plant has in place certified Quality, Health and Safety and Environmental management systems, to the internationally recognised ISO 9001, ISO 14001 and ISO 45001 standards.

One of the most recent and important additions to our business, has been the adoption of the BES 6001 Framework Standard for the Responsible Sourcing of Construction Products. This is recognised across the industry as a means of demonstrating the highest levels of sustainability and responsibility.

Introduced by the Building Research Establishment (BRE), BES 6001 is a holistic framework, bringing together many of the current management systems.

In addition, it provides further areas of assessment, including traceability of our supply chain and our interaction with local communities. Our on-going commitment to this standard, delivers many benefits for both our business and our customers. Annual audits provide third-party assessment and verification of our efforts to manage our environmental and social impacts.

They also provide our products with a rating which enables architects and specifiers to achieve higher environmental levels on building designs, built to the Code for Sustainable Homes, or BREEAM. Etex Ireland have achieved the “Excellent” rating in the BES 6001 standard.



Committed to building
a more sustainable,
safe and beautiful **world**



Carbon emissions

Etex Ireland is committed to maintaining a sustainable environment and minimising the carbon impact of its operations. Raw materials, manufacturing energy (fuel and power) and transport are the most significant contributors to the company's carbon impact.

As part of the worldwide Etex Group, Etex Ireland has been reporting on its environmental and health and safety performance to the Etex Group EHS department for many years. Reporting on environmental issues within the Etex Group is an intrinsic requirement for each manufacturing plant and a team has been centrally set up to focus on environmental improvements and sustainability. The team is known as "The Green Team".

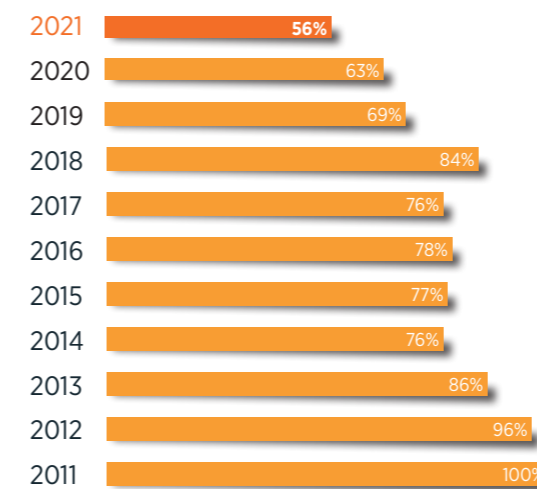
In order to achieve its objectives in the area of energy consumption, Etex Ireland has invested and continues to invest in the latest high efficiency lighting and control technology and operates a software system to enable clear and visible feedback of energy use via remote readings from fuel and power meters.

Developments are also in hand to reduce the use of raw materials containing high levels of embodied carbon, and targets are in place for the reduction of carbon emissions from the use of manufacturing energy.

Through the successful implementation of energy reduction programs and increases in efficiency and productivity, the company achieved a very significant 44% reduction of CO₂ emissions per unit of production since 2011. In addition, the overall energy intensity, i.e., the amount of energy required for each unit of output, was reduced by a similar margin.

Furthermore, it is important to note that by choosing to use the greenest electricity supply company on the island of Ireland, the electricity consumed by Etex Ireland in 2020 is certified as 100% renewable energy.

% CO₂ Emissions

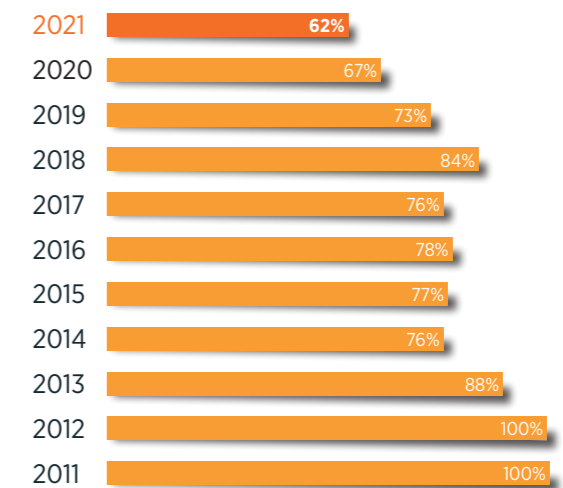


CO₂ emissions per unit of output using 2011 as baseline

In order to have access to the latest energy efficiency programs, Etex Ireland participates as a full member in the Large Industry Energy Network (LIEN) which is facilitated by the Sustainable Energy Authority of Ireland (SEAI). The Large Industry Energy Network is a voluntary grouping of companies that work together to develop and maintain robust energy management with many of Ireland's largest energy users as members.

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Total energy intensity



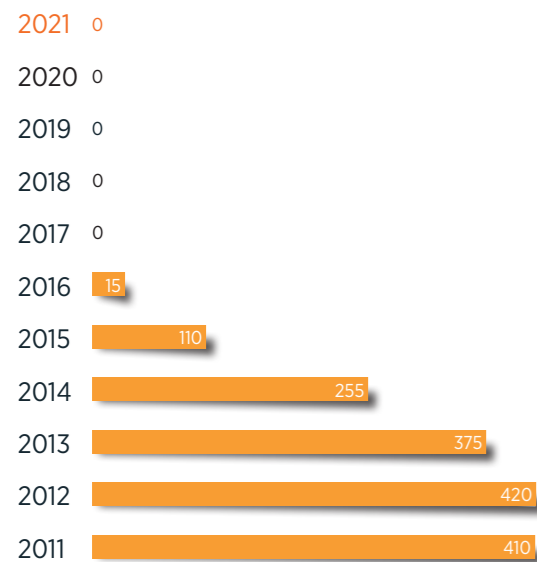
Energy Intensity using 2011 as baseline

Waste management

Etex Ireland has a committed objective to divert all its fibre cement waste production material from landfill disposal to recycling. Since 2017, Etex Ireland achieved its goal of 0% fibre cement production waste to landfill.

We also have achieved increased recycling of material internally. Much of the production waste generated, which would have, in the past, gone to landfill is reprocessed and fed back into the production process by using a combination of waste mixers/weekend tanks/clarifier and sludge recovery tanks. By focusing on our internal waste recycling, we greatly improved the performance of our waste management system.

Waste to landfill (tonnes)



0% of fibre cement waste goes to landfill

We also recognise that the ideal solution is not to produce waste at all, and we implement rigorous controls to ensure that the plant generates minimal amounts of waste during the production of our products. In future years, we expect with new investment in plant and equipment that we will start to see major improvements in this respect.

Our employees also have a part to play in this process, and we have provided information and guidance to them to ensure their awareness and commitment.

Etex Ireland continuously promotes behavioural change in its staff and supply chain. An environmental guide is issued to all employees encouraging activities to promote sustainability and environmental best practice both at work and at home. We hold regular meetings with our employees where environmental issues are discussed.

With respect to the supply chain, we have engaged with our primary raw material supplier, Irish Cement Limited, on a partnership project to incorporate Etex Ireland by-product into their manufacturing process. In 2021, we reprocessed a significant quantity of by-product from the Etex Ireland manufacturing process into the manufacture of cement. This is an important environmental development and demonstrates the company's commitment to initiatives in sustainability. It is our intention to continue to expand this joint venture with our principal supplier in the coming years.

Furthermore, we are working with our raw material suppliers on the recycling of additional Etex Ireland material into their products. Arising from this, we have introduced new methods of recycling in our manufacturing plant and further segregation of production wastes to facilitate recycling.

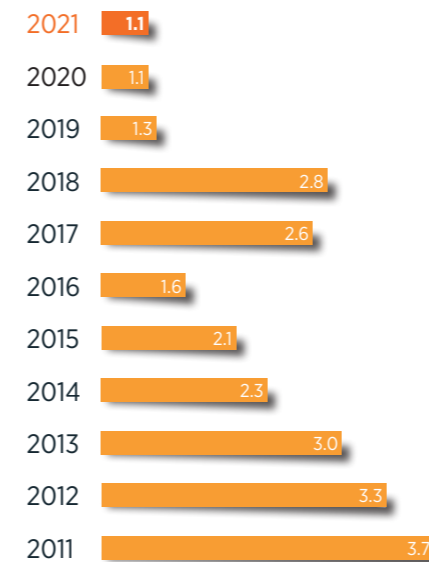
Water abstraction

Water is a fundamentally important, natural, and often scarce resource that needs to be conserved and consequently, we set objectives and targets to reduce water consumption year on year.

Our environmental management systems have evolved considerably developing innovative ways of recycling wastewater which can be re-introduced into the production process. Currently we are implementing a new process which is achieving increased recycling of wastewater.

Our water treatment system treats and converts wastewater from the production process into a form that is safe to be re-introduced into the local river. This water is discharged after treatment in accordance with the conditions laid down in our Trade Effluent Discharge license issued by the local authority.

Water abstraction m³ per tonne of product



Currently we are implementing a new process which is achieving increased recycling of wastewater.

The effluent is strictly monitored both internally by the Etex Ireland laboratory and externally by the local authority.

By focusing on optimising recycling of the water used in the production process, Etex Ireland has reduced the water abstracted from the river by 70% since 2011.

Transport impacts

As a key supplier to the construction industry we recognise the potential social and environmental impacts of transport associated with receiving raw materials and the delivery of finished products to our customers. One of our key transport objectives is to ensure the optimisation of transport through a number of initiatives including full utilisation of trailers where possible and the combining of loads not only between the two parts of the Etex Ireland business but also including our UK based sister company Siniat.

Discussions with our key transport hauliers have defined a wider range of social and environmental objectives to be achieved, in addition to economic and service targets. In recent years, to minimise any potential for noise or traffic issues at the site entrance, we have given our hauliers fobs for access to the interior of our site outside of normal business hours.


In terms of the Etex Ireland performance with respect to transport impacts, we have achieved 67% for 2021 of our loads direct to customers for our export market. Our target for 2022 is to increase this proportion of product delivered directly to customers as opposed to depots. We have achieved an average load weight 8.1 tonnes for domestic deliveries down on our target of 11 tonnes, however the average load weight of 25.1 tonnes for export shipments for 2021 is an improvement on the previous year.

Overall, the 2021 performance against objectives for reducing transport impacts was positive despite Covid restrictions. Environmental performance of the company cars is an important consideration for Etex Ireland. We are continuing our policy for company cars used by the sales representatives to be restricted to 1.7 L highly fuel-efficient engines with removal of the 2 L engine option. Also, we have added our first hybrid car to our fleet, and we are exploring EV options but at this time current battery technology

has not yet provided the required range.

Incoming Raw Materials

The types of transport used and distances travelled to deliver key constituent raw materials are monitored and regularly reviewed. Truck type and engine rating are recorded annually for the principal raw materials. Distances travelled are always considered when sourcing major raw materials for Etex Ireland.



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Employment and skills

The on-going training and development of our employees and in particular the understanding and delivery of our environmental objectives are amongst our highest priorities. This commitment is clearly documented in the company's policies where each employee at a minimum should receive appropriate training to ensure adherence and commitment to the following standards and management systems: ISO 9001, ISO 14001, ISO 45001 and BES 6001. New employees are given training on the environmental aspects of their job function as part of the induction process, including information on the company's environmental and responsible sourcing policies, targets and objectives along with any initiatives directly related to their work. To achieve continuous improvement, both new and existing employees are issued with Operating Procedures for their individual roles/positions. These procedures incorporate all the environmental related processes required to complete their role to the highest standards set down by the Company. Existing factory employees receive toolbox talks to ensure compliance and understanding of the environmental and health and safety aspects specific to their job. Furthermore, we have issued a booklet entitled "Environmental Guide" to all employees which establishes the Company's high expectations in this area and sets out best practice.

Company staff / managers are subject to annual performance appraisals where goals and objectives are established for the coming year following a review of the previous year's performance. The annual performance appraisals are conducted online through the performance management, 'Etex Talent', cutting down on paper-based processes to help reduce the impact on our environment. These appraisals allow for clear objectives and targets to be understood by both line manager and the reporting staff member. The online appraisals through 'Etex Talent' also encourage a mid-year review of the defined objectives and targets for staff members. Also, there is now a requirement, as part of their appraisal, to complete a short online training

module based around Etex's Code of Conduct. The 'Etex Way - Code of Conduct' training module is mandatory and available on our learning platform Talent2Grow. It outlines a basic understanding of Safety, Ethics, Compliance & Integrity.

For 2021, 100% of staff/managers had annual performance appraisals and this represented 32.9% of the total workforce. The importance of Environmental Health and Safety (EHS) Management has led the company to achieve its target - 100% of employees were covered by EHS management systems.



Safety is Key

Local communities

Our manufacturing site at Athy, Co. Kildare is a long standing and important business within the local community. At Etex Ireland, we are always conscious of the impact our business and its related activities can have on the local community. We have strict procedures in place to mitigate any negative impacts that may occur, and deal with any complaints or concerns that arise from the local community.

In addition to this, the business has provided an enquiry form on our website, allowing local stakeholders to raise questions, make us aware of any issues, or request our involvement in community matters.

Etex Ireland have always nurtured a strong relationship with the local schools. In recent years, we organised several visits from the Leaving Certificate students from the local secondary school, Ardscoil na Trionoide. Several separate groups of students visited the factory and were given a presentation on our management systems and the manufacturing process and a supervised factory tour. These visits have been deemed a resounding success. We will resume these visits after the Covid 19 crisis has passed.

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We have always engaged comprehensively with our local community. This involvement is demonstrated in many ways, including selecting employees from the locality. In 2021, 59.9% of our employees are from the local area.

Etex Ireland also provided sponsorship and facilities to our local football and rugby teams and made numerous charitable donations to support community activities.

Past initiatives have included the setting up of a Training Academy. This Academy was designed to train roofers and tradesmen from the local area and elsewhere in the correct use of Etex Ireland products. These tradesmen were given a factory tour followed by practical demonstration of the installation of our products. After training for a full day, they were then certified to install Etex Ireland products and listed on the Etex Ireland website as approved. This was a unique initiative in Ireland and demonstrates our commitment to the local and broader community in which we do business. This type of community engagement initiative is under active consideration for implementation for the future.



In summary

Adoption of the BES 6001 certification for Responsible Sourcing, continues to demonstrate our commitment to the responsible sourcing and management of our raw materials supply chain. This positively raises our profile within the industry, providing third-party verification of our efforts to manage our environmental and social impact.

As an industry leader within our sector, we have demonstrated continued commitment to put innovation at the core of our business. We are continuing to develop affordable, innovative, and sustainable products, that benefit both our customers and the wider environment.

Through the implementation of specific policies, measures, and targets – and by proactively engaging with our stakeholders – we aim to build on our achievements and improve our sustainability performance across all sectors of our business operations.

In view of the importance of sustainability in our overall business strategy, we aim to continue to communicate our progress in continuous improvement via this annual environmental report which is published on our website

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