

A Platform for Sustainability

Sustainability Report 2023



We are Ibstock

This report provides a summary of Ibstock’s Environmental, Social and Governance (ESG) performance for the year ended 31 December 2023. Our ambition to be a net zero business by 2040 continues to be a strategic imperative for the business. Our work contributes to a number of United Nations Sustainable Development Goals (SDGs). In this report we focus our efforts on those where we have the greatest impact.

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◀ **WE ARE IBSTOCK**
 Read more about our Company on our website by visiting www.ibstock.co.uk



Ibstock continues to lead our industry with our approach to ESG. Our progress against our ESG 2030 Strategy ensures that we focus on the aspects that Ibstock can make a fundamental impact on. In our ESG 2030 Strategy, we remain committed to address climate change, manufacture materials for life and improve lives.

As we are a high energy intensive manufacturer, we have a duty to focus on addressing climate change and achieving a net zero world through reducing the carbon we use within the manufacturing process and delivering innovative, sustainable solutions to our customers at speed and scale.

This is not a journey we can take alone and we need and value the support of our customers to develop new solutions, the Government to support industrial transformation, our suppliers to implement lower carbon opportunities, and, of course, our employees to help make these ambitions a reality.

2023 presented a challenging market for the construction sector but our commitment to the transformational change required for our carbon transition did not falter. Whilst we cannot negate the impact of our production levels on our 37% Scope 1 and 2 absolute carbon reduction, our successful implementation of carbon reduction initiatives throughout the year ensures that we will use less carbon when the markets recover.

We will continue to make investments in new product solutions and alternative fuels with a focus to achieve all our carbon reduction targets.

To improve the flow of innovative new products across our business, this year we created a single dedicated innovation function to serve all the Group’s markets and focus on our manufacturing materials for life targets.

Ibstock has always had a strong, caring culture which fully resonates with our improving lives ambitions. There is immense pride taken from how we look after each other and the communities we work in which is inspiring to see.

We will continue to drive progress against this strategy and are proud of what we have achieved to date.

Joe Hudson

Carbon reduction metric

37%

Decrease in absolute carbon (Scope 1 and 2) relative to 2019 baseline.

- 2022: 20%
- 2021: Baseline reset in 2022
- 2020: Baseline reset in 2022

Our ESG 2030 Strategy

Ibstock's ESG 2030 Strategy provides the framework for actions across the three pillars of Addressing Climate Change, Improving Lives and Manufacturing Materials For Life. Each pillar provides a set of ambitions and KPIs against the nine priority material issues for Ibstock and our stakeholders.

Underpinning these actions is the commitment to do business responsibly through strong corporate governance.

Key targets

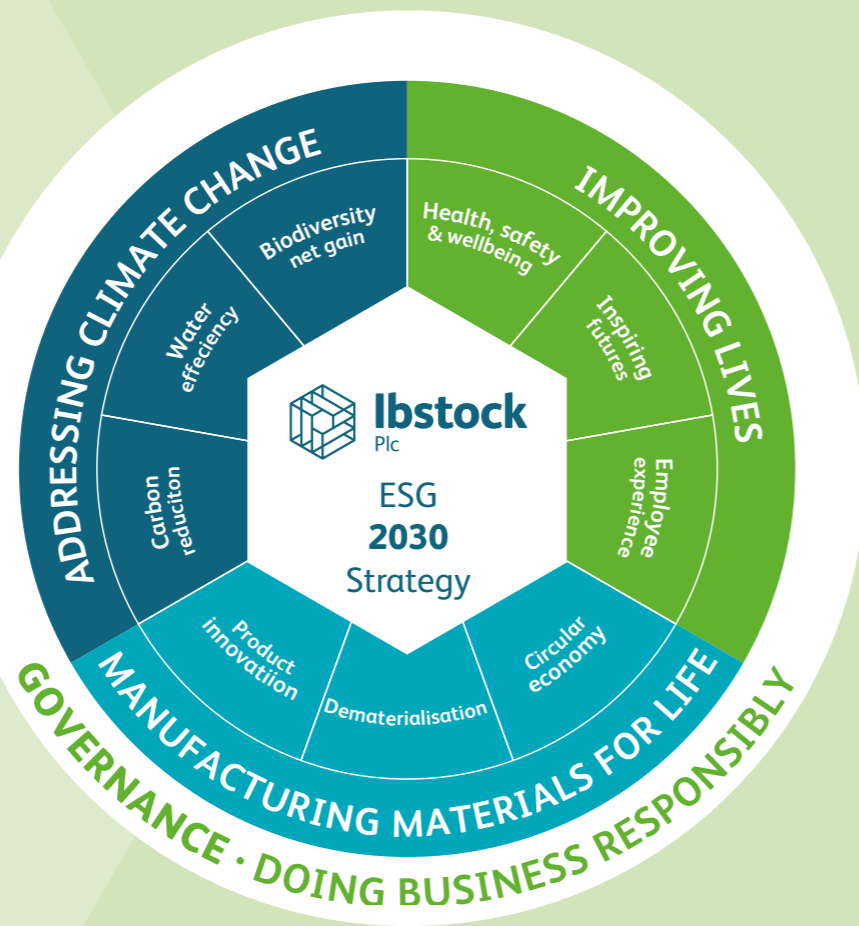
Our ESG 2030 Strategy sets out a number of ambitions and supporting milestones. Our headline targets are:

40% reduction in Scope 1 and 2 carbon emissions by 2030 relative to a 2019 baseline

Net zero for Scope 1 and 2 carbon emission by 2040

20% of sales turnover from new and sustainable products by 2030

40% of women in senior leadership positions by 2027



Our responsibility

Buildings are currently responsible for 39% of global energy-related carbon emissions: 28% of this is from the energy needed to heat, cool and power operations, and the remaining 11% from materials and construction¹. Towards the middle of this century, as the world's population approaches 10 billion, the global building stock is expected to double in size². Therefore, the built environment sector has a vital role to play in responding to the climate emergency and addressing its impacts.

As a construction products manufacturer our responsibility is to provide our customers with the products and solutions they need to achieve their net zero carbon journeys and in doing so deliver our own transition to net zero.

We have been reporting on environmental performance, improving efficiency and implementing responsible land stewardship for many years. In recent

years we have developed this to lead the sector in setting ambitious sustainability goals and targets. As the ESG landscape continues to evolve we have a responsibility to continuously review our priorities to ensure our resources and investments have the greatest positive impact

¹ <https://worldgbc.org/advancing-net-zero/embodied-carbon/>
² <https://worldgbc.org/advancing-net-zero/embodied-carbon/>

How we use Sustainable Development Goals to drive growth

Whilst we are a UK-based company, many of the issues that drive sustainability in our business are global. The United Nations' 17 Sustainable Development Goals (SDGs) provide the world with a blueprint to achieve a better sustainable future. Our stakeholders that are operating globally value insights into how business can contribute to these global goals.

Many of the goals are not areas where Ibstock can make a significant contribution, but focusing on the targets that sit behind the goals we are able to focus efforts where we can make the most difference and have the greatest positive impact.

In 2023 Ibstock reviewed the alignment of the ESG 2030 Strategy with the SDGs to provide greater focus for actions in performing as a responsible business.

As a result we have adopted eight UN SDGs. We have also selected the most appropriate targets which sit behind the goal.

The two priority goals that Ibstock can contribute most significantly to are:

SDG 12 Ensure sustainable consumption and production patterns aligns to the Manufacturing Materials for Life pillar

Strategic framework mapping: *Manufacturing materials for life*

- Product innovation
- Dematerialisation
- Circular economy



SDG 13 Take urgent action to combat climate change and its impacts aligns to the Addressing Climate Change pillar

Strategic framework mapping: *Addressing climate change*

- Carbon reduction
- Water efficiency
- Biodiversity net gain



As an energy intensive manufacturer supplying the built environment sector, Ibstock has a critical role driving the shift to

a low carbon built environment that is designed and manufactured for the long-term success of communities. To achieve this, Ibstock's products, processes and services will evolve incorporating whole lifecycle design, preserving raw materials and adopting circularity principles thereby promoting responsible production and consumption.

Ibstock's people are central to making a meaningful contribution to supporting these two global goals and delivering the business strategy. The Improving Lives pillar in the ESG 2030 Strategy is vital to tackle the skills shortage across the construction and manufacturing sectors. Investing in people, culture and communities, with health, safety and wellbeing as the central priority, the business is ensuring the workforce belong, thrive and grow.

Re-mapping our alignment to the SDGs provided the opportunity to explore further data disclosure and target setting to support our ESG 2030 ambitions. This will be reviewed in 2024.

We also note that the below SDGs, whilst not our priority goals, continue to be relevant to Ibstock.



Good Health and Wellbeing: Wellbeing of our employees is paramount in enabling them to perform, develop and thrive at work and at home



Quality Education: Education, training and development of our people is essential for our success as is our support for future generations entering our sector



Gender Equality: Proactively supporting women into the construction sector helps tackle the skills shortage and brings diversity of thought and opportunity to the sector



Affordable and Clean Energy: Self generation of renewable energy reduces our carbon impacts and reliance on the national grid



Industry, Innovation and Infrastructure: Innovation in building products and solutions will support the transition to a low carbon economy and transform the industry



Use of Land: All sites operate with due care and consideration for biodiversity. Moving to a net positive position will see Ibstock introduce more proactive biodiversity programmes

Our stakeholders

Ibstock considers each key stakeholder group's interests, priorities and views when making decisions, noting there may be times when stakeholders' interests and priorities potentially conflict. This helps us make decisions in a responsible way for long-term environmental and social benefit.



Environment
We aim to minimise our impact on the environment in everything that we do, so that our business continues to be sustainable at all levels in the longer term.

Employees
Alongside our focus on providing a safe and healthy working environment, we invest in ongoing training, development and career progression. We also encourage employee share ownership through our Sharesave scheme and our Fire Up share grant, to ensure that value flows through to our employee stakeholders.

Communities
Our activities can have a lasting impact on the communities in which we operate. We are an important employer in the many areas where we are located. We interact directly with the communities in which we operate, contributing to them through our work with local schools and charities. We are a UK taxpayer with a commitment to pay all appropriate taxes on a timely basis. We strive to leave a positive legacy.

Government and regulators
We engage with Government and regulatory bodies to support the development and application of all laws and regulations within the construction sector.

Customers
Our five main customer groups are builders' merchants, house builders, specialist brick distributors, contractors and installers. Customers play a crucial role in shaping our growth and driving our innovation. Collaborative and long-term mutually beneficial relationships with our customers are the foundation of our success. We have an unrivalled choice of products within our clay bricks offering and are a full-range supplier within our concrete businesses. This provides customers with the greatest possible range of products.

Suppliers and partners
We forge long-term relationships with our key suppliers, and conduct business in a fair, open and transparent way. Our policies and procedures are all aimed at ensuring we work safely, equitably and in the best interests of both parties, as well as the Group's other stakeholders.

Investors
We have a sustainable and progressive dividend policy. This policy is supported by businesses with structurally high margins and strong cash generation and a strategy that provides a strong platform for future growth and value creation.

Pension fund members and Trustees
We have entered into insurance contracts to underwrite our pension commitments and reduce risk to the Group.



“Our investment in Environmental Product Declarations will not only provide the information our customers need, but also give Ibstock a greater granularity of data so we can develop products with even lower carbon.”

Mihailo Simeunovic
Head of Industry Affairs

Organisations that we support:



Progress against our 2030 ambitions

Addressing Climate Change ▶ Read more page 08

Carbon reduction (Scope 1 and 2)
% absolute carbon reduction tonnes
CO₂ (relative to 2019 baseline)

37%

2022: 20%

Targets: 40% by 2030
Net zero by 2040

Water
% reduction in mains water
use per tonne of production
(relative to 2019 baseline)

+8%

2022: 31%

Target: 25% by 2030

Biodiversity
Biodiversity Net Gain

N/A

2022: N/A

Target: Net Gain by 2030

Improving Lives ▶ Read more page 20

Health and safety
% reduction in Lost Time Injury
Frequency Rate (LTIFR)
(relative to 2016 baseline)

60%

2022: 61%

Target: 50% achieved in 2023

Earn and Learn positions
% of colleagues in Earn
and Learn positions

6.9%

2022: 7.5%

Target: 10% by 2030

Women in senior
leadership
% of women in senior leadership

35%

2022: 27%

Target: 40% by 2027

Manufacturing Materials for Life ▶ Read more page 30

Product innovation
% sales turnover from
new and sustainable products
and solutions

11%

2022: 13%

Target: 20% by 2030

Waste
% of general waste to landfill

5%

2022: 10%

Target: Zero by 2025

Plastic packaging
% reduction in preventable plastic
packaging per tonne of production
(relative to 2019 baseline)

25%

2022: 16%

Target: 40% by 2025



What we've been up to

- 1 £12 million investment works completed at our Aldridge factory, reducing site carbon emissions by an estimated 19%
- 2 Rainwater harvesting at our Bootle Factory, to reduce site mains water consumption by 204m³
- 3 Re-engineered SL8 and Gemini tiles provided our lowest embodied carbon roof tiles offering to the market
- 4 Evaluation of operational and commercial feasibility following successful pilot to fire bricks using synthetic gas derived from waste
- 5 Investment in programme of Environmental Product Declaration (EPD) roll out to increase carbon data transparency for our customers
- 6 Co-founding the Construction Inclusion Coalition to drive improvements in diversity
- 7 Climate adaptation measures for hot weather working, to support safe site practices
- 8 Recognition for our Apprenticeship programme with Manufacturing Management Trainee Isabella Walsh winning Make UK Apprentice of the Year for the Midlands region

The awards we have received

Siemens Mobility
Award –
Sustainability
Supplier



Make UK
Apprentice of
the Year



East Midlands
Green
Manufacturer



Ceramics UK
Leader



Ceramics UK
Health and
Safety Pledge
Awards



Neil Cross, National Sales Manager, accepting the Siemens Mobility Award



Addressing Climate Change

The connection between climate change, nature loss, and resource scarcity as the foundation for a healthy planet is very clear. As the largest brick manufacturer in the UK, we have an opportunity as well as a responsibility to address these issues throughout our value chain to help reshape our future to one that is fairer and more sustainable.

By taking climate action, alongside our stakeholders, we will be transforming our own manufacturing processes to mitigate the impacts of climate change, reducing our risks and identifying the opportunities to succeed as a business in a net zero economy. Carbon reduction, water efficiency and improved biodiversity are our key focus areas to address climate change.



Achievements in 2023

 **37%**

absolute carbon reduction (Scope 1 and 2) relative to 2019 baseline

 **Gold**

status with Supply Chain Sustainability School

 **32**

sites with electric vehicle charge points

 **19%**

improvements in carbon emissions following completion of Aldridge factory investment

 **B**

achieved in the CDP

 **3,200**

bluebell bulbs planted by colleagues



Performance and priorities

The most material issues for Istock and our stakeholders in addressing climate change are:

Material issues	KPI	Performance		Narrative
		2022	2023	
Carbon reduction	40% reduction in absolute carbon (scope 1 and 2) relative to 2019 baseline	20%	37%	Carbon reduction improvements alongside lower production due to market conditions
Water efficiency	25% reduction in mains water use per tonne of production relative to 2019 baseline	31%	+8 increase	Data accuracy improvements year on year and one factory unable to use quarry water in 2023 (this has been resolved)
Biodiversity net gain	Net Gain Achieving Biodiversity Net Gain across our estate by 2030	N/A	N/A	Developed Biodiversity Management System to enable baselining and tracking progress. Increase in action plans will follow baselining

Performance in 2023

2023 presented a challenging market for the construction sector and production levels dropped significantly. Whilst we cannot negate the impact of production levels on our 37% Scope 1 and 2 absolute carbon reduction, the successful implementation of carbon reduction initiatives ensures that we will use less carbon when the markets recover. Our commitment to the transformational change required for our carbon transition continued with long-term research, stakeholder engagement, trials and

commercial analysis undertaken on alternative fuels including hydrogen, synthetic gas and on-site renewable electricity. Our Carbon Transition Plan sets out our high level commitment to our 40% reduction target by 2030. Efficiency investments at our Anstone concrete factory and Aldridge clay factory brought production and carbon benefits to the business.

During 2023, we focused on the robustness and control of our environmental data. This investment in the quality of our data has meant a shift in the reporting of water and waste data for 2023.

The implementation of rainwater harvesting at our Bootle site, colleague and community tree planting and the development of our Biodiversity Management System were all key achievements during the year.



Key milestones in 2023

The 2030 ESG Strategy set a number of milestones to drive performance in support of our ESG KPIs. Progress against our Addressing Climate Change milestones includes:



Atlas factory

Atlas went into commissioning at the end of 2023



Environmental data discovery project completed

A Group-wide project to understand the sources and requirements of our environmental data to support how we monitor and report our continual improvement in performance



Water footprint and reduction strategy

Data collection for full water footprint became part of the broader Group environmental data discovery project which continues into 2024



Biodiversity Management System developed

Our Biodiversity Management tool has been designed, developed and tested to support baselining and future enhancement of the biodiversity value of our estate



Our focus in 2024



- Ramp up production in our Atlas factory in line with market conditions
- Develop a water reduction plan at every site
- Continue to explore on-and off-site renewable energy generation and sharing our findings
- Establish a 5-year decarbonisation plan at every Clay site
- Roll out of the Biodiversity Management System
- Development of a sustainability data hub as a single source of information for the business



Carbon reduction

During 2023, a number of operational efficiency and dematerialisation projects coupled with the slower market conditions contributed to the significant reduction in absolute carbon emissions resulting in a 37% reduction in absolute Scope 1 and 2 carbon relative to a 2019 baseline.

The carbon intensity metric for 2023 was 0.151 tonnes of carbon per tonne of production, an increase since 2022 due to the estate running at a lower efficiency as the market slowed. We expect continued incremental improvements in carbon reduction during 2024 and for energy and carbon operational efficiencies to benefit factories when the market recovers and they return to full capacity. Our focus remains on the longer-term transformational projects including alternatives to natural gas and process emissions reduction.



Anstone automation project

Carbon and energy performance

Group Scope 1 and 2 greenhouse gas (GHG) emissions (tonnes CO₂e) by source and reporting period

Source	2019	2020	2021	2022	2023	Percentage share	Percentage change from 2019 baseline
Combustion – gas	222,359	145,331	196,622	198,580	153,336	64.5%	(31)%
Combustion – other fuel	17,978	7,223	5,736	4,508	7,210	3.0%	(60)%
Process emissions	108,886	70,676	97,340	100,084	76,485	32.2%	(30)%
Electricity (market-based figure)	28,429	16,429	–	–	787	0.3%	(97)%
Total Scope 1 and 2 emissions (tCO ₂ e) 100%	377,629	239,658	299,698	303,173	237,819		(37)%
Output (tonnes of production)	2,376,838	1,502,388	2,135,050	2,087,129	1,579,088		
Intensity (tCO ₂ e) per tonne of production	0.159	0.160	0.141	0.145	0.151		

Group GHG emissions (tonnes CO₂e) by scope

Emissions scope	2019	2020	2021	2022	2023	Percentage share	Percentage change from 2019 baseline
Scope 1	349,200	223,229	299,698	303,173	237,032	69%	(32)%
Scope 2 total	28,429	16,429	–	–	787	0%	(97)%
Location based ¹	28,429	16,429	19,912	17,514	14,799		(48)%
Market based ²	28,429	16,429	–	–	787		(97)%
Scope 3	–	–	–	157,950 ³	107,915	31%	N/A
Total carbon emissions (tCO ₂ e)	–	–	–	461,123	345,734	100%	N/A

1 This is a reporting requirement of SECR and uses an average carbon emissions factor for electricity consumption regardless of the procured source of power.
 2. Market Based reporting enables electricity purchased from renewable sources via green/net zero tariff to report a zero carbon emissions factor.
 3 Restated 2022 Scope 3 emissions from 103,000 to 157,950 (CO₂e) due to improved data

Scope 1

Scope 1 emissions make up the largest portion of our carbon emissions at 69%.

Ibstock's Scope 1 emissions come from our use of fuels, predominantly natural gas to fire or cure our products, and from the process emissions from clay during the firing process. A small proportion comes from on-site fuels for mobile fleet, heating, quarry pumps, engineering and company cars.

96% of our Scope 1 emissions fall into the UK Emissions Trading Scheme (UK ETS) governed by the Environment Agency (England). Lucideon provide third party verification of Ibstock's UK ETS emissions accredited by the UK Accreditation Service (UKAS).

Scope 2

Ibstock sources 100% of our purchased grid electricity from a green tariff based on hydro, wind and solar power evidenced through Renewable Energy Guarantees of Origin ("REGO") certification. Our solar park at our headquarters in Leicestershire provides a proportion of the power to our factories on that site.

Market-based reporting – Our total carbon emissions from electricity consumption reportable under the SECR market-based method, and in line with the Greenhouse Gas Protocol, is zero.

Location-based reporting – To comply with SECR regulations we also recognise and report that we used 71,623 MWh of electricity using the location-based method.

Group Scope 3 emissions categories reported

GHG Protocol Scope 3 emissions category	Included or excluded	GHG Protocol Scope 3 emissions category	Included or excluded
Category 1 – Purchased goods and services	Included (spend-based method)	Category 10 – Processing of sold products	Excluded: Ibstock's products are not processed further before use by end customers.
Category 2 – Capital goods	Included (spend-based method)	Category 11 – Use of sold products	Excluded: Ibstock's products do not lead to significant direct GHG emissions during their use by end customers. Further, attributing building energy usage to Ibstock's products presents a significant data challenge and would likely be immaterial.
Category 3 – Fuel- and energy-related activities	Included (average data method)	Category 12 – End-of-life treatment of sold products	Included (average data method)
Category 4 – Upstream transportation and distribution	Included (spend-based method)	Category 13 – Downstream leased assets	Excluded: Ibstock does not lease any assets to third parties.
Category 5 – Waste generated in operations	Included (average data method)	Category 14 – Franchises	Excluded: Ibstock does not have any business franchises.
Category 6 – Business travel	Included (hybrid approach)	Category 15 – Investments	Excluded: Ibstock does not hold any significant investments in other companies or assets beyond those included in this inventory.
Category 7 – Employee commuting	Included (average data method; modelled)		
Category 8 – Upstream leased assets	Excluded: Operation of Ibstock's leased fleet and buildings are included in Scope 1 and 2		
Category 9 – Downstream transport and distribution	Included (average data method)		

Scope 3

Scope 3 emissions are the result of activities outside Ibstock's ownership and control that we indirectly affect in our value chain.

Scope 3 contributes 31% of our overall carbon emissions. This is consistent with other energy intensive manufacturers. This has increased year on year from 2022 due to improvements in our data analysis for Scope 3 categories.

In 2023, we began working with Emitwise carbon accounting experts to trial their platform for calculating Scope 3 emissions. This enabled a more granular estimate of our 2022 carbon figure (which increased to 157,950 tCO₂e). As well as expanding our spend data review we also used non-spend data for the other material Scope 3 categories for Ibstock.

We are not currently reporting against all Scope 3 categories due to either the low materiality of the category or challenges of obtaining this data.

Energy

Energy efficiency initiatives

In compliance with UK Government SECR regulations we report on the energy efficiency initiatives carried out during the financial year. Our SECR disclosure can be found in our 2023 Annual Report and Accounts on page [55].

As member of Ceramics UK, we participate in a Climate Change Agreement ("CCA") with the Environment Agency. The scope of the CCA covers all of our brick manufacturing sites and their electricity use, with Swanage's gas usage also included. We exceeded the CCA target for Target Period 5 with a performance of 7.8%. As such, as part of Target Period 6 of the CCA we have agreed to achieve a 10% improvement in relative energy performance against a 2018 baseline by the end of 2024.

To support achieving this target 14 of our 15 Clay manufacturing sites have ISO 50001 for energy management. The system provides a framework for continuous improvement across the Clay estate. In 2024 we are extending our scope to include Atlas and our 13 concrete facilities. Our Energy Manager works across the Group to identify and quantify operational efficiency and initiate changes to optimise our processes. In 2023 the site energy action plans were reviewed with a focus on operational control of our significant energy users including air compressors, motors, drives and kiln efficiency.

In 2024 we will prioritise metering, monitoring and targeting.

Carbon Transition Plan

We have developed our Carbon Transition Plan to set out our steps to achieve a 40% reduction in our Scope 1 and 2 carbon by 2030 against a 2019 baseline, whilst also aligning to our Company's mid-term financial targets.

Ibstock remains committed to and motivated by our carbon targets, as we seek to evolve our business and seize the opportunities that this plan offers. As an energy intensive manufacturer, we know that achieving our carbon targets is complex and we are still developing some of the solutions required.

As part of our plans to reduce our absolute Scope 1 and 2 carbon emissions by 2030, we will:

- cut emissions across our factories through careful investment in technology that supports and improves the efficiencies of our driers, kilns and curing
- continue to source renewable electricity across the Group
- increase the use of recycled content within our products
- reduce the size and weight of our products including manufacturing 'thin bricks' and brick slips
- focus our investment in new product development on producing lower carbon offerings
- create strategic partnerships with suppliers to support the development of alternative fuels such as hydrogen and/or synthetic gas as a low carbon replacement for natural gas
- work with our customers to be a vital and strategic partner supporting their own carbon transition plans

We recognise that our carbon reduction journey may not always be linear and that investments may take some time and effort to fully embed within our manufacturing processes. We are also mindful of our customers' requirements and their appetite to change. That said, Ibstock is committed to continue to invest in creating a more sustainable company for our future.

Risk

We recognise that there are some key risks to our Carbon Transition Plan, including the failure of technology or Ibstock's ability to implement key projects, the careful alignment and prioritisation of financial and environmental targets, and the appetite of our customers to adopt new lower carbon products.

Governance

We have a clear and well organised governance framework to develop and implement the changes necessary within Ibstock.

Metrics

To measure and monitor progress we will continue to externally report on absolute carbon and carbon intensity measures.

More detail on this is shown on page 16.



40%

We have developed our Carbon Transition Plan to set out our steps to achieve a 40% reduction in our Scope 1 and 2 carbon by 2030



Operating the kiln at Eclipse

Data transition

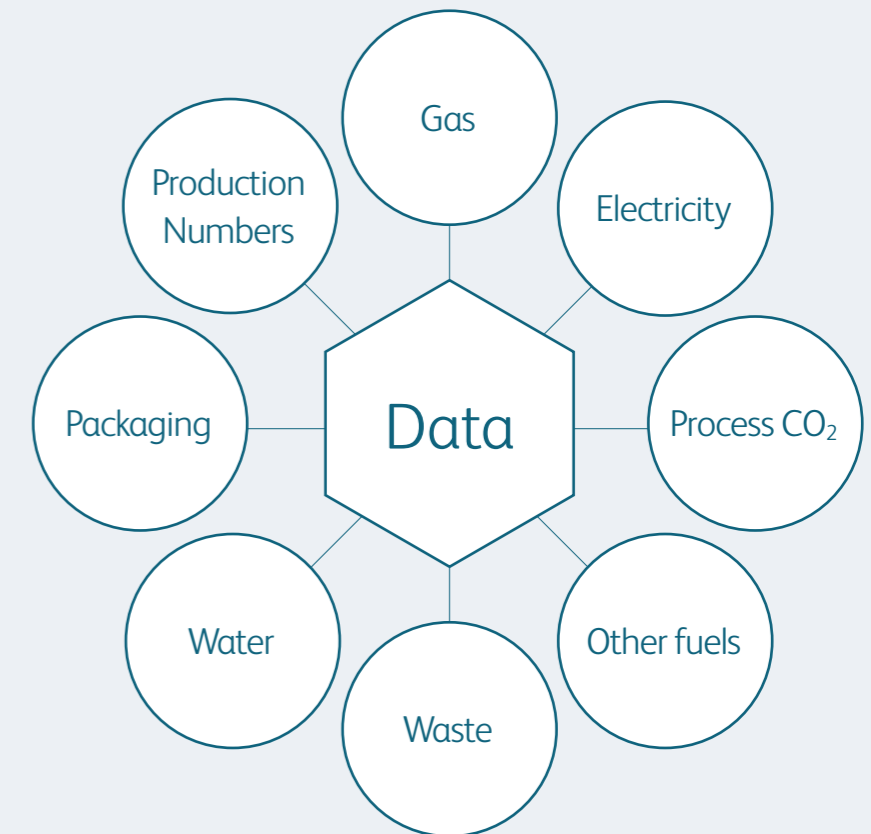
The accuracy and transparency of our ESG data is vital for our licence to operate, our decision-making, and to meet our stakeholders' requirements. In 2023, we invested in a data discovery project to provide increased confidence and traceability in our environmental data.

This involved all operational sites and internal stakeholders mapping data from source to end user.

We have seen improvements in reporting, in particular of waste and water data over the year as well as new procedures to reduce manual data handling.

During 2024, we will be developing a sustainability data hub as a single source of information for the business.

Data discovery project – data in scope



Transition in action

Operational efficiency

Operational efficiency of our manufacturing remains a key priority for short-term carbon reduction. Focusing our site energy action plans on the operational control of our significant energy using equipment, such as air compressors, lighting, motors and drives and kiln efficiency, ensures we are making improvements that can be managed at site level.

Our strategic investment in operational efficiency tackles the larger scale investments, and we have invested over £150 million in the past decade on improving factory performance and building new efficient facilities.

We commenced our Laybrook heat efficiency project in 2023, with support from the Government's Industrial Energy Transformation Fund, with an expected improvement of 17% carbon reduction on site. We also completed significant enhancement projects at our Aldridge and Parkhouse factories, which will continue to provide carbon efficiency across the estate.



Aldridge aerial view

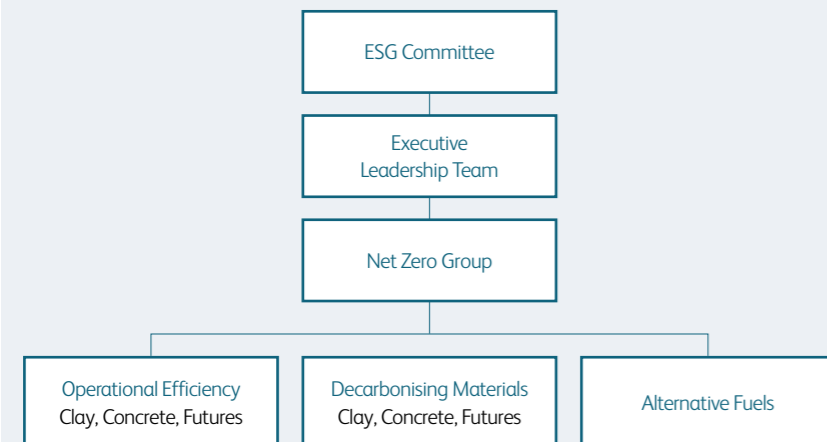
Aldridge gas efficiency improvements

Our operation at Aldridge brick factory has a long heritage of brick making, still producing a range of highly sought after products in keeping with the local vernacular, including the Anglian Red Rustic, for our merchant market. The factory last underwent a major upgrade in the 1960s meaning much of the technology was outdated and there was significant scope for improving efficiencies and reliability. The decision to replace tired assets was approved in 2022 with the business case demonstrating production efficiency improvements with associated energy and carbon savings. An investment of circa £12 million has enabled significant kiln repairs, full replacement of the dryers, which are now fully automated, with robotic product handling and packing. The work was completed in 2023 and the factory began commissioning at the end of the year. As the factory ramps up toward full production in Q1 2024, the early indicators are positive and in line with expected business case benefits. Post investment the factory expects a gas consumption reduction of 25% which equates to a 19% carbon reduction compared with the old factory.

Carbon transition in action

Integrating our carbon reduction plans into the business was supported by a refresh of our governance structure:

Governance for the delivery of ESG 2030 carbon reduction targets



Atlas factory commissioned

Commissioning of our new Atlas factory in the West Midlands commenced on schedule during the final quarter of 2023. Atlas is our £60 million investment replacing an old factory with a new estimated 50% more efficient factory that will produce the lowest carbon bricks in our range as well as the UK's first certified carbon neutral brick. Atlas will increase annual network capacity by over 100 million bricks.



Roof mounted solar installed at Atlas

Alternative fuels

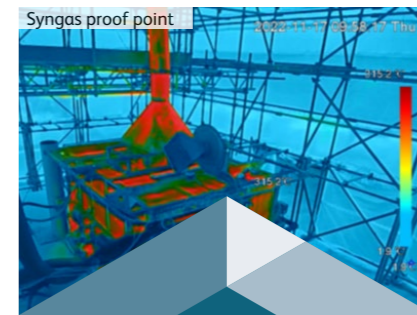
In 2023 our focus increased on strategic partnerships with suppliers and partners to support the development of alternative fuels as a low carbon replacement for natural gas. This is one of the key transformational steps in achieving our 40% reduction in Scope 1 and 2 by 2030.

Hydrogen and synthetic gas both present opportunities and challenges at different sites and with differing timescales. We are working closely with partners to examine the operational and commercial potential of these alternatives including:

- the Repowering the Black Country Zero Carbon Hubs
- Gas Distribution Network companies, for example Cadent and the East Coast Hydrogen pipeline
- Ceramics UK 'Demonstrating Hydrogen for the Ceramics Sector'
- Ceramics UK and the Health and Safety Executive ("HSE") on safety risks associated with hydrogen

We continued to review opportunities for further on-site renewable energy generation in 2023 to build on our 5MWh Leicester solar park and our new 400kWh solar array installed at Atlas. 32 of our sites have electric vehicle charging points.

At the end of 2023 we had moved 11% of our mobile plant fleet to electric. This continues to be slower progress than we had predicted, with the larger plant vehicles in our fleet being more challenging to replace from a technology, supply and economic perspective. To move away from diesel and other fossil fuels used on site for pumps and mobile plant we will be developing an internal HVO policy in 2024.



Syngas proof point

Syngas – evaluating an alternative to natural gas

Research and development into synthetic gas production, as an alternative to natural gas, continued in 2023. We fired and tested further product successfully using 100% synthetic gas. This waste to energy project has potential in terms of decarbonisation and net impact. The advanced thermal conversion technology for syngas is pyrolysis, which is a clean and efficient process for this feedstock. The carbon saving from creating and utilising fuel gas from waste material in this way should provide a net reduction when compared with the current natural gas position. This presents a medium-term solution as technologies develop and we move towards our net zero targets. We are now evaluating the feasibility of such an operation being installed in one of our factories.

Scope 3 carbon reduction

We are committed to reducing our Scope 3 carbon emissions to net zero before 2050. **In 2023 the business continued to deliver against the Scope 3 carbon reduction strategy by:**

increasing the granularity of our Scope 3 carbon reporting using the Emitwise carbon accounting platform

delivering our third supplier engagement day focusing on new low carbon solutions with over 50 key supply chain contacts

working in partnership with leading suppliers and customers on low carbon materials and innovation with particular focus on cement reduction in our concrete product range

advocating for a lower carbon built environment in the supply chain through our partnerships with the Supply Chain Sustainability School, Future Homes Hub and UK Green Building Council

Water efficiency

Through 2023 we saw a continuation of more frequent and severe flood events, sustained droughts and increased impacts on water quality in the UK.

Considerate use of water in our manufacturing processes for both clay and concrete products helps to alleviate the challenges of water scarcity and reduce the carbon associated with mains water consumption, as well as reducing our costs. Our ISO140001 Environmental Management System, which is operating at all our manufacturing sites, ensures that our we minimise any negative impacts on nature and our water systems and demonstrate continuous improvement.

In 2023, we reviewed how we measure and report total water use. In previous years this has included water discharged from our quarries (via discharge consent with the Environment Agency). This is not linked to our water consumption and so for 2023 discharged water data has been excluded. As a result, our total water use is reported at a significantly lower figure and year on year comparisons are not relevant. Non-mains operational water use is from quarry water, rainwater harvesting and some groundwater abstraction. Process water recycling is in place at the majority of our factories.

For mains water consumption we report an 8% increase in 2023 in m³ of mains water per tonne of production relative to the 2019 baseline. Improved accuracy of our mains water reporting is a partial contributor to the increased mains water consumption alongside one Clay site being unable to use its quarry water, which significantly increased its reliance on mains water in 2023.



New rainwater tank at Bootle

Rainwater harvesting at Bootle

A new rainwater harvesting system was installed at Istock's Concrete factory in Bootle providing 204m³ mains water for the site from April to December 2023. Rainwater is collected from the factory roof into the harvested tank then transferred into the process, taking priority over the mains feed. The newly installed system directly reduces mains water consumption and is an example of our sites implementing their water reduction plans.

Our measurement of water usage continues to improve with the installation of AMRs providing regular data for sites. This enables the factories to understand their water consumption and implement prioritised action to:

- reduce water use in the first instance
- recycle process water where possible
- prioritise non-mains sources

Biodiversity

Istock has for many years been managing land responsibly, as a principle of our operations, as a neighbour and custodian of land.

West Hoathly quarry restoration



Restoration at West Hoathly site

Our West Hoathly site ceased production in 2020 and the factory site is being developed for 108 homes by Ashill Regen. Istock has been working alongside Ashill to create a Suitable Alternative Natural Greenspace (SANG) as part of the development.

Istock took this opportunity to extend a wetland to the north of the site created in a previous phase of restoration. During a recent ecological study this area was found to be inhabited by great crested newts, grass snakes and other species. Working with Natural England we completed a 3-month newt relocation programme to ensure the safety of the colony. The safe zone was further developed with 'stepping stone ponds' and 'hibernacula' to ensure the success of the colony. Once the SANG development is complete it will provide a significantly larger habitat for newts and other species to access the whole site.

Biodiversity is a key priority in our estate management plans and all quarrying operations are covered by planning consents which include conditions for site restoration.

To support the business achieving our 2030 biodiversity commitment a Biodiversity Management System was developed in 2023 to objectively score the biodiversity value of any given site, enabling tracking of long-term trends, recording the presence of protected and notable species and identifying enhancement opportunities. The Management System has been piloted across land at Istock's Leicester site and will be rolled out in 2024 with full company completion expected in 2025.

Employee engagement in nature

Engaging our colleagues to support nature has been a highlight of 2023 and is important to raise awareness and understanding of the value of nature to our business and society.

Our Spring Watch campaign provided invaluable insights into local species and the photography competition was highly competitive.

Eco-habitat range

The Government's new Biodiversity Net Gain (BNG) regulations came into force in February 2024. This requires our developer customers to deliver a BNG of 10%. This means a development will result in more or better quality natural habitat than there was before development. To support

Irfan and his family tree planting at Leicester



Tree planting at Leicester

In 2023, we undertook significant planting activity, engaging Istock colleagues, as part of our estate enhancement activity. In total over 3,200 bluebells and 350 trees were planted including our commemorative King Charles III Coronation tree plantation of oak and maple at Istock's headquarters in Leicestershire, set into the woodland planted in 2016 when over 17,000 trees were set.

this Istock has a well-established range of eco-habitat products designed, in conjunction with wildlife experts, to build biodiversity into homes, gardens and community spaces for the long term. Our eco-habitat range, including hedgehog gravel boards, bat and swift boxes and bricks to house bees, saw a strong increase in sales in 2023.



Improving Lives

As part of our ESG 2030 Strategy, we commit to build our social value by investing in our people, our culture and our communities – ensuring our colleagues belong, thrive and grow and that we make a positive impact in the communities in which we operate.

The macro challenges of an ageing population and skills shortage in the construction sector mean that the ability to attract and retain the skills we need supports the health of our business and the sector in the short and long term. Falling interest from young people in entering the construction sector, stubborn lack of diversity in the sector and steep competition from other sectors for the

skills the industry requires mean that working hard on our culture, engagement and inclusion is a differentiator for Istock.

Istock's people are key to the successful delivery of the business strategy and our ESG 2030 commitments. Engaging with our colleagues and our communities is crucial to ensuring the business can support their needs and thrive.



Colleagues volunteer at a local school

Achievements in 2023

 **30**

Mental Health Allies trained to support colleagues and raise awareness

 **300k**

bricks donated to schools and colleges to promote skills in the sector



4th year

supporting the North Star Science School in Rotherham, involving 500 students from over 48 schools in inspirational science, technology, engineering and maths ("STEM") activities

 **7%**

of all colleagues in Earn and Learn positions

 **51**

apprentices across a range of business disciplines

Performance and priorities



Colleagues volunteer at a local beach clean

The most material issues for Istock in relation to our people and communities are:

Material issues	KPI	Performance		Narrative
		2022	2023	
Health, safety and wellbeing Ensuring our employees can be at their best more of the time through our health, safety and wellbeing strategies	50% reduction in LTIFR by 2023 relative to 2016 baseline	61%	60%	Exceeded target for second year running
Employee experience Creating a culture where our people can be themselves and feel a sense of belonging through a proactive approach to diversity and inclusion	40% increase in female senior leadership representation by 2027	27%	35%	Increase of 8 % compared with 2022
Inspiring futures Providing development and growth for all and attracting new talent to Istock and the wider construction sector	10% of colleagues in Earn and Learn positions by 2030	7%	7%	Remain above industry target of 5 % and on track to achieve 10 % by 2030

Performance in 2023

Our health and safety performance remained strong in 2023, exceeding our target for the second year running, with improvements in reporting positive and negative safety observations and close out. Special recognition from the Ceramics UK Pledge Awards recognised individual and group efforts towards a safer culture. Mental wellbeing remained

a high priority this year with significant manager and mental health ally training deployed in partnership with the Lighthouse Charity. Despite the challenging market and restructuring we continue to invest in learning and development with 7 % of our employees undertaking formal, paid for learning as part of their development and our succession planning

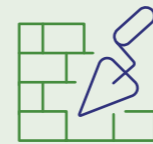
– this keeps us ahead of the sector target of 5 %. Our employees continued to get out and about last year in their local communities, focusing on engagements with schools to inspire young people to join Istock and the construction products sector. This, coupled with the significant product donations we have made to colleges across the UK, helped to boost skills development in construction.

Key milestones in 2023

The 2030 ESG Strategy set a number of milestones to drive performance in support of our ESG KPIs. We made progress against all our Improving Lives milestones:



Building Belonging inclusion and diversity campaign launches (achieved in 2022)



Every site connected to a local school or college every Clay site made product donations to local schools or colleges in 2023



Wellbeing strategy launched as a series of awareness raising programmes and training throughout 2022 and 2023



Ethnicity data pay gap reporting data collection complete with 75 % response rate

Our focus in 2024



- Ethnicity data pay gap reporting
- Embed our Health and Safety Roadmap
- Continue to develop relationships with local schools and colleges

Health, safety and wellbeing

Safety

Safety is our number one priority. Industrial manufacturing has inherent risks and we continued to exceed our target, to reduce Lost Time Incident Frequency Rates (LTIFR) by 50% relative to our 2016 baseline, achieving 60% reduction in 2023. We are relentless in our commitment for everyone involved with our business to return home safely from work.

Safety is increasingly integrated into the business, establishing a safety culture that encourages speaking up, challenging ourselves and each other every day and measuring both positive and negative safety observations and closeouts through the Evox online and mobile app reporting system.

We delivered our 2023 Safe Start sessions to commence the year and a Safety Stand Down in July 2023, providing an invaluable opportunity for everyone across the business to take a step back and really focus on opportunities for improving our safety practices.

During 2024, we will develop and embed a new health and safety roadmap.

Pledge Safety Awards

Ceramics UK, formerly the British Ceramic Confederation (BCC), holds an annual health and safety Pledge Conference across the ceramics industry. The event focuses on the theme of health and safety followed by an awards ceremony recognising the health and safety improvements within the industry.



Production at Birtley

In 2023, the Ibstock Group scooped two of the top BCC safety awards:

- **The Award for Excellence** for outstanding contribution to health and safety across the industry
- **The Emerging Talent Award** for Edward Slingsby, SHE Co-ordinator at Eclipse

These awards acknowledge the work we continue doing to drive the industry forward, in particular:

- our annual Safe Start sessions which this year focused on a hand safety campaign
- collaboration with the HSE on research into respirable crystalline silica
- workshop machinery standards
- hot weather workwear

Climate adaptation for safety

In response to prolonged periods of high temperatures in the summer months leading to potential heat stress hazards, the SHE team explored a number of options to mitigate these impacts. Trials in four factories failed to find suitable cooling workwear from existing ranges so we worked with our partners Guardsman and Leo Workwear to develop bespoke hot weather trousers tailored to our requirements. This range was launched in 2023 with the Ibstock Working in Hot Weather Best Practice Guidance and Seasonal High Temperature Risk Assessment as part of our factory Risk reviews for adaptation to the increasing impacts of climate change. This project received a special recognition award at the BCC Pledge Awards 2023.

Health and wellbeing

Ibstock has increased the priority placed on health and wellbeing over the last few years with leadership from Chris McLeish, CFO, sponsoring Ibstock's work on mental wellbeing.

The Employee Assistance Programme saw increasing usage, up to 7% from 5% in 2022. Support for wellbeing was amplified by becoming a sponsor of the Lighthouse Charity, an organisation providing financial and emotional support to the construction community and their families.



Following the launch of our mental health programme in 2022 we continued to implement the roll out of Compassionate Conversations training for all senior leaders and people managers across the business. The business invested in Mental Health Allies training for 30 colleagues, delivered with Mental Health First Aid in conjunction with the Lighthouse Charity.



Ashdown factory team

“Becoming a Mental Health Ally has opened my eyes and developed my understanding of the challenges people face that do not necessarily appear in a day at work. It is an important role because we are a support network people can trust and speak with when they need to.”

Owen Crossan
Quality Technician and Mental Health Ally

Employee experience

Ensuring that colleagues belong, thrive and grow at Ibstock is core to our employee experience. The development of Ibstock’s culture is underpinned by our values of Trust, Teamwork, Care and Courage. From the Executive Leadership Team to the factory floor these values are celebrated, ensuring they become part of our leadership and our behaviour.

Diversity and inclusion

Ibstock’s gender balance across its total population is 83% male and 17% female with traditional bias existing in production, which remains predominantly male, and sales and support functions, which have a higher proportion of females. We have been working hard to ensure there are female role models in senior positions in the business and at the end of 2023 female senior leadership representation stood at 35%. This is an improvement from 27% in 2022. This puts us on track to meet our ambition of 40% female representation at senior leadership level by 2027.

We improved our collection of diversity data in 2023 with a participation rate of 75%. This data will be processed in 2024 to provide greater insight into our gender and race figures, providing a baseline against which to measure future actions and progress. Our affinity groups continued, organising a range of awareness raising and celebratory campaigns including Pride Month, International Women’s Day and Black History Month.



Activity will continue in 2024 but focus will be given to a number of areas, including removing barriers to entry into Ibstock for diverse apprenticeship candidates. 2023 data showed we have a high interest from diverse applicants for our apprenticeship programme but a low proportion of black and minority ethnic candidates getting through to interview stage. To tackle this we will be focusing on unconscious bias training for hiring managers, ensuring diverse interview panels for apprentices and working to present more diverse shortlists to hiring managers.

Promoting equity and inclusion across the construction sector

Ibstock is one of ten founding members of the Construction Inclusion Coalition (CIC) launched in 2023. Responding to polling, which showed nearly half of British people (46%) said they would be more likely to actively seek out employment opportunities in the construction industry if it demonstrated a stronger commitment to diversity and inclusion, Ibstock and the founding partners committed to the Built On Better Pledge to tackle equity, diversity and inclusion in the construction sector.

“When I started my role as CEO for the Ibstock Group nearly six years ago, I set out an ambition for it to become a reference business for people and culture in the construction industry. I am proud of the progress we have made in evolving our culture here at Ibstock – particularly the focus we have placed on diversity and inclusion. However, we recognise that there is so much more to do, and we must continually improve our approach.”

Joe Hudson
CEO on the launch of the CIC



Employee engagement

The business measures employee engagement through the externally accredited Best Companies survey. In 2023, 76% participation and improvements across all areas resulted in the business achieving a ‘Good to Work For’ with official ‘Ones to Watch’ status. Scores improved from 61% in 2021 to 65% in 2023.

Improved internal communication has been the foundation of developing Ibstock’s employee experience. The framework of communications in place connects everyone across the Group. This is underpinned by our MyIbstock intranet site, available on desktop and mobile app. This enables knowledge sharing, business updates and facilitates feedback.

Colleagues across the business are supported to ‘give back’ locally by fundraising for charities and local causes they are passionate about. The business implements a matched funding scheme that supports individuals and teams in colleague led events such as a charity football tournament for the Lighthouse Charity, MacMillan Coffee Mornings and teams taking on the Three Peaks Challenge.



The Week weekly vlog from an Executive Leadership Team member



Ibstock Informed monthly ‘all colleague’ forum with an open Q&A session.



Tier meetings

Four levels at every factory site, from daily to quarterly, to cascade information and gather feedback



Listening Post colleague representatives discussing open issues with the Executive and Board members



Above Ibstock hosted a women in leadership skills development day in partnership with Vistry Group

Inspiring futures

Both the housebuilding sector and the manufacturing sector are facing a skills shortage.

For Ibstock the impact is twofold: firstly the need to retain and attract talent for the successful running and development of our manufacturing, in particular in engineering and technical skills; and secondly the need to support our customers' installation of our products, in particular skilled workforce such as bricklayers. Ibstock has a role to play in inspiring our own people and our future workforce to develop in or join the sector.

Developing our people

Ibstock is committed to providing development and growth for all colleagues as a crucial element of our succession planning.

As members of The 5% Club, an employer-led initiative dedicated to addressing skills shortages, we remained above the good practice target level with 7% of employees in Earn and Learn roles in 2023. Our goal is to achieve 10% by 2030 and we will continue to invest in the development of our people in 2024.

The Ibstock apprenticeship programme continues to be a driving force behind skills succession planning with 51 apprentices on active programmes in 2023. 100% of those completing their course are offered a permanent role in the business and an incredibly high 76% remaining with the business three years after course completion. The role of apprenticeships in the business has expanded from engineering, manufacturing and technical apprentices to include now our first digital support apprentice and our first customer service apprentice.



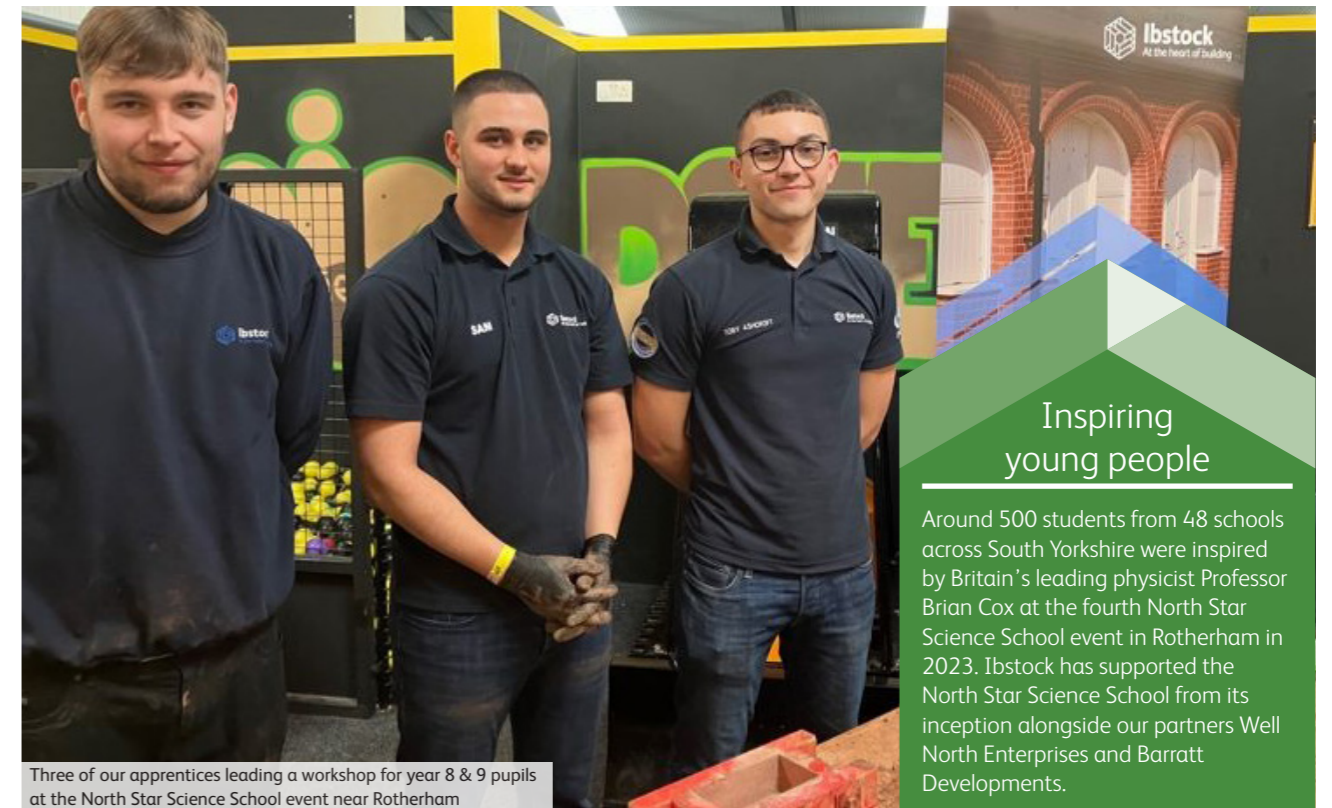
Apprentice Endeavour Award

Isabella Walsh, Manufacturing Management Trainee at Ibstock Northwich factory, was awarded the Apprentice Endeavour Award by Make UK at the Midlands region awards. Izzy is one of Ibstock's Concrete Manufacturing Management Trainee apprentices making a range of precast concrete products for the infrastructure and housing market. Izzy received the Endeavour Award for bringing her passion for supporting others with autism and ADHD to find their place in the workplace and feel supported to thrive in a career in manufacturing. Izzy has taken every opportunity presented to her, speaking to over 400 young people at careers events and sharing her experience of the challenges facing those with autism and ADHD with Ibstock colleagues, including members of the Board, through the Ibstock Listening Post. Izzy became one of Ibstock's Mental Health Allies in 2023 and is an inspiration to the local team.

Above Isabella Walsh – Make UK Midlands winner of the Apprentice Endeavour Award

76%

of apprentices remain with the business three years after course completion



Three of our apprentices leading a workshop for year 8 & 9 pupils at the North Star Science School event near Rotherham

Inspiring young people

Around 500 students from 48 schools across South Yorkshire were inspired by Britain's leading physicist Professor Brian Cox at the fourth North Star Science School event in Rotherham in 2023. Ibstock has supported the North Star Science School from its inception alongside our partners Well North Enterprises and Barratt Developments.

A five-strong team of colleagues, including three of our apprentices, worked with year 12 and 13 students from Wales High School to promote engineering to young people from schools from across South Sheffield through interactive workshops making traditional clay bricks.

The outreach to pupils from more disadvantaged communities, where aspirations and opportunities can be lower, is hugely important to provide inspiration for young people to take STEM subjects and to meet apprentices at the beginning of their careers in construction manufacturing.

Attracting future talent

We have a responsibility to help the wider sector overcome outdated perceptions of jobs in construction. Demonstrating the advancements in products manufacturing and the variety of roles in construction is key to this. Ibstock employees have continued to build relationships with their local schools and colleges to help inspire future generations into the business and the wider construction sector. Careers talks, family days, interactive workshops, site visits and product demonstrations all helped to promote Ibstock jobs and wider construction roles in 2023.

Activity will continue in 2024 but focus will be given to a number of areas including removing barriers to entry into Ibstock for diverse apprenticeship candidates.

30

active STEM ambassadors in 2023

Engineering and technical skills are important to the sector. As automation increases and skills required to manage sites and factories become increasingly technical, the skills we need to attract evolve. To meet this need, the pipeline of future engineers and scientists needs to grow and young people need inspiration at the earliest ages to consider STEM careers. Ibstock has committed to developing 200 STEM ambassadors over 5 years to promote STEM subjects to young people. In 2023 our 30 STEM ambassadors undertook a number of activities to inspire and raise awareness.



Left MK College Fair – Luke, Ziaur and Connor from Leighton Buzzard



Manufacturing Materials for Life

The inherent sustainability attributes of Istock's clay and concrete products are essential in supplying our customers with the right materials and solutions for a low carbon built environment.

Istock product attributes are:

- **resilience** – a long product lifecycle, durable, weather proof and fire resistant
- **efficiency** – versatile, produced at scale with a high thermal performance
- **circularity** – reusable and recyclable at end of life

Building further on these attributes, we are committed to manufacturing materials for life both by evolving our products and bringing new products to market with lower embodied carbon, preserving raw materials and providing product data transparency to promote informed and responsible consumption.



Istock hedgehog gravel board

Achievements in 2023



£250k

investment at Northwich enables lower carbon product development



20%

carbon reduction across all products in the Istock roof tile range



Co-sponsored

publication on 'Packaging Optimisation in the Housebuilding Sector' with the Supply Chain Sustainability School



1st

Environmental Product Declarations (EPDs) for Istock clay and concrete products verified



Winner

of Sustainability Supplier award at Siemens Mobility Awards for our innovative signal base design



Performance and priorities

The most material issues for Ibstock and our customers in relation to our products and how we manufacture materials for life are:

Material issues	KPI	Performance		Narrative
		2022	2023	
Product innovation Achieve 20% sales turnover from new products and solutions that deliver customer value and improved sustainability	20% of sales turnover from new and sustainable products by 2030	13%	11%	Eclipse products left the new product development (“NPD”) cycle in 2023 Atlas products will be introduced in 2024
Dematerialisation Reduce raw materials consumption with a focus on plastics, secondary aggregate and cementitious replacements	40% reduction in preventable plastic packaging by 2025 relative to 2019 baseline	16%	25%	Bag removal from three factories in 2023 alongside data improvements
Circularity Embed circular economy principles into the business, prioritising zero waste and driving demand for secondary materials markets	Zero waste to landfill by 2025 measuring % general waste to landfill	10%	5%	Continuing improvement in waste recycling and data processing

Performance in 2023

To improve the flow of innovative new products to move from 11% to 20% of sales revenue, this year we created a single dedicated innovation function to serve all the Group’s markets and focus on our manufacturing materials for life targets.

Transferring the technical knowledge we have developed in the infrastructure

team to roofing and fencing products enabled the Concrete Division to deliver a range of lower carbon products in the housing market in 2023.

Reduction in waste to landfill and single use plastics continued through the year with a drive towards increasing the recycled content of any shrink wrap plastic that is required for product safety, quality and

handling and all plastic void boards in the Clay business moving up to 30% recycled content. Collaboration with our developer and merchant customers on the report ‘Packaging Optimisation in the Housebuilding Sector’ provided great insights and best practice to share across our value chain.



Key milestones in 2023

The 2030 ESG Strategy set a number of milestones to drive performance in support of our ESG KPIs. Progress against our Manufacturing Materials for Life milestones includes:



Integrating lifecycle analysis into our New Product Development (NPD) decision-making



Creation of a single dedicated innovation function to serve all the Group’s markets



G-Tech acquisition supports almost four-fold revenue increase in low carbon rail platform copers



30% recycled content (as a minimum) in all void boards for brick packs



Our focus in 2024



- Investment in a brick slips factory at Nostell to manufacture at scale for the UK lightweight, off-site cladding systems market
- Findings from research into alternative and secondary materials published
- Data transparency project – publication of EPDs rolled out throughout 2024
- Continue research and development into increasing recycled materials in our products

Product innovation

New Product Development has dropped slightly in 2023 with 11% of revenue coming from new and sustainable products compared with 13% in 2022. Commissioning of the Atlas factory in late 2023 and rapid research and development in the Concrete Division provide a strong pipeline to achieve our 20% target by 2025. A number of new products were successfully offered to the market with stronger sustainability credentials including roof tile ranges, fence posts, and utility troughs and lids.

We are investing for growth in our new product offers. Our 2023 acquisitions of G-Tech copers assets and the Coltman concrete flooring business have strengthened our position in the low carbon precast concrete market. Ibstock's revenue for low carbon copers increased almost fourfold from 2022 to 2023 with £1 million sales forecast for 2024.

We made a £250,000 investment in our Northwich factory in 2023, enabling the introduction of a third silo providing the capacity for lower carbon alternative cements to be blended into our design mix at scale for production of our rail and infrastructure products.

The investment in the third silo, the civils to fit the plant on site and the associated research and development testing mean we can fulfil our goal of reducing material carbon by up to 70% in the products at this site. The standard CEM 1, which is the primary cement used in precast production, will be mixed in the new 60-tonne silo. This means the original silos will use alternative low eco2 materials such as Ground Granulated Blast furnace Slag ("GGBS"), Pulverised Fuel Ash ("PFA") and limestone fillers. We can also adjust recipes in the design mix to get the lowest embodied carbon and highest performance mix to meet our customers' needs.



SL8 Roof tiles

“SL8 is a great product to work with. Its larger size tile means you don't have to transport as many to site and, with fewer tiles needed to cover the surface area of a roof, it helps save time and money.”

Russel Whitney
Roof Plus

Lowering the embodied carbon of our roof tile range

During 2023 we re-engineered our SL8 and Gemini tiles to provide our lowest embodied carbon roof tiles offering to the market. This was achieved with the introduction of a low carbon cement and product modification reducing the amount of raw materials in the product.

This design and material mix achieved 19% reduction in carbon compared with the previous tiles with the additional benefits of a stronger, more durable product.

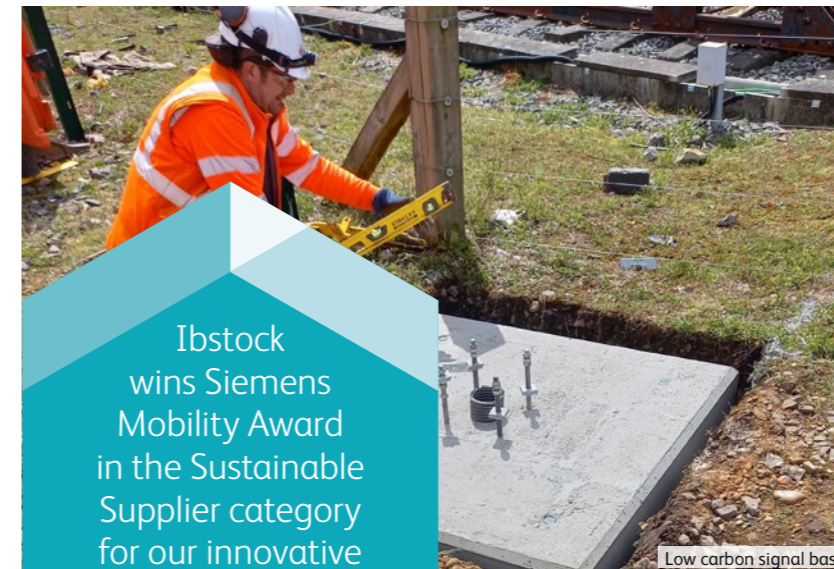
SL8 and Gemini tiles are part of the wider roofing range at Ibstock, all of which are now utilising lower carbon cement at our Leighton Buzzard factory. This contributes to Ibstock's (and our customers') Scope 3 carbon reduction by working with key partners in the cement supply sector.

Product data

In response to customer needs, in 2023 Ibstock invested in resource and software to develop Environmental Product Declarations (EPDs) providing the embodied carbon of products based on a full lifecycle analysis.

In addition to our existing Telling Glass Reinforced Concrete ("GRC") EPD, Ibstock now has verified data across a range of concrete and clay products that will be published in early 2024. Further EPDs will be released throughout the year.

The EPDs will help ibstock to understand our product ranges in much more detail and help prioritise our carbon saving projects. They will also allow us to demonstrate to customers how we can support their net zero journey and allow them to make more accurate and informed decisions on material choice and processes.



Low carbon signal base

Ibstock wins Siemens Mobility Award in the Sustainable Supplier category for our innovative signal base design

Ibstock's signal bases are constructed off site enabling consistency of product, savings on resource and materials and reducing the time required by trackside installation teams. Utilising the low carbon mix technology originally used in the development of the G-Tech platform copers the signal base range provides:

- Reduced lead times
- Significant reduction in embodied carbon levels up to 75%
- Reduction in material waste and resource costs.

“Congratulations to the Ibstock Group, for helping Siemens Mobility towards our own ambitious CO₂ reduction targets. You certainly deserved the award for sustainability through your own unique innovation techniques, developing a more sustainable carbon signal base that achieves up to a 75% reduction in embodied carbon. We are looking forward to an even more sustainable future together.”

Dimitrios Ntemplas
CPO at Siemens Mobility Limited

Dematerialisation

Reduction in material use presents a key opportunity for our customers as they seek to reduce the embodied carbon of their developments (homes and infrastructure). Ibstock is focusing on reducing pressure on virgin resources, including our own reserves, and decarbonising materials we do use by evolving product design, reducing plastic packaging and replacing cementitious materials with alternatives.

We are evolving many of our products from more traditional methods, shapes and sizes towards lower-mass products with the associated benefits of lower carbon intensity, less material, less transport and ease of handling. A key focus for the business across our Clay Division and Ibstock Futures team is the evolution of the brick – how we transform the brick and its application from traditional, to lighter weight, to thinner form, to a brick slip. We are working with our customers on the evolution of the brick and the applicability of different brick formats in the market.

The construction of our Nostell brick slips manufacturing facility began in earnest in 2023. This investment will provide a step change in capacity for brick slips, a key pillar in our growing portfolio of building envelope technologies within Ibstock Futures, targeting high-growth market niches.

Work continues across the Clay estate to identify material reduction by increasing the void space in the brick, which brings associated carbon emission reduction (lower process emissions and lower gas consumption for firing). Dorket Head factory in Nottinghamshire produces a range of extruded bricks for the housing developer market using local (on-site) clay reserves. In 2023, as part of our dematerialisation strategy, the site team undertook extensive trials to increase the void space in the brick from 23% to 30%. The trials were successful and will be implemented across the range in 2024



Strongcast Professional Range concrete fence posts

New fencing range better for customers and the environment

In 2023 we launched a new Strongcast Professional Range concrete fence post, engineered to offer customers a superior and more sustainable fencing solution.

The redesign of our fence posts to reduce virgin material alongside new concrete mix design has resulted in the new fence posts and gravel board Professional Range achieving up to 35% reduction in embodied carbon compared with the Strongcast Original Range. The lightweight construction of the new range comes from the reduced section size coupled with an adapted design steel reinforcement cage, which means they retain the strength and longevity to withstand wind and weather and provide easier manual handling for installers.

with an estimated reduction (based on 2022 volumes) of 2,200tCO₂e per annum. Additional benefits are a 7% reduction in fired brick weight which reduces transport loads and benefits manual handling during installation.

Ongoing investment in Ibstock Concrete's new product development programme, alongside the upgrading of our manufacturing capabilities including concrete mixing technology, has enabled us to rethink some of our traditional product ranges, in some cases evolving the material mix and in other cases completely redesigning the product.

Plastic reduction

In the year under review, we achieved 25% reduction in preventable plastic packaging per tonne of production relative to a 2019 baseline as part of our drive to achieve our target of 40% reduction by 2025. Our goal is to find the balance between health and safety, product quality, product movement and disassembly with packaging reduction. In 2023, working with our suppliers, all our void boards were upgraded to contain minimum 30% recycled content. For 2024 all plastic wrap that has not already been converted will be moved to 30% recycled content.

In 2023 we worked with a number of customers and the Supply Chain Sustainability School co-sponsoring a collaborative project to build understanding of the challenges and opportunities in the construction supply chain producing an in-depth report: 'Packaging Optimisation in the Housebuilding Sector'. The research showed there are varying perceptions and expectations across a range of stakeholders in the value chain and we continue to work with our customers to find alternatives to plastic shrink wrap in 2024.



Anstone Buff at Gateford Quarter

100%

of shrink wrap plastic has been removed from our walling stone products range

Circularity

Ibstock products are inherently reusable or recyclable at the end of their life, meaning they can already contribute to the circular economy.

Operationally we are focused on those areas in our direct control – general and process waste reduction. Our research and development is focused on reduction of raw materials in our products and prioritising secondary and recycled content. With our customers we are exploring façade systems that offer lighter weight, lower carbon solutions.

The business is on track to achieve the zero waste to landfill target by 2025. In 2023, only 5% of our general waste went to landfill. This is a result of increased recycling through our waste management providers and improvement in data processing.

5%

general waste to landfill in 2023

Retrofitting to reduce waste and improve operational efficiency

Every year in the UK, 50,000 buildings are demolished, and of the 200,000 tonnes of waste that are produced each year as a nation, nearly two-thirds is construction waste, according to Architects' Journal's RetroFirst campaign.

Ibstock Futures provides low carbon, external façade systems as a solution to architects and specifiers in mid- to high-rise retrofit that provides:

- improved thermal performance
- ease of construction
- a range of external finishes including brick slips

Power Park

During 2023, Ibstock Futures consolidated its operations into a single location in the West Midlands.

The Power Park facility in Wolverhampton provides a scalable platform for the growth of Ibstock Futures in the years ahead, as we develop the site to become a state-of-the-art innovation hub for Facades and Modern Methods of Construction (MMC).



Power Park aerial



10 Brindley Place

The exceptional £40 million back-to-the-frame retrofit transformation of 10 Brindleyplace – Birmingham's largest office refurbishment scheme - achieved the EPC A rating exceeding Government requirements for 2030 with a 65% annual operational energy saving. The design drew on thermal insulation, air tightness, glazing ratios and glass specifications to reduce heating and cooling demands, thereby saving energy, operational costs and carbon. The specification of Ibstock Future's Mechslip provided a completely new energy efficient external façade, clad in a Leicester Grey Stock brick slip, which is a major contributor to the elevated EPC A rating.

Mechslip used to refurbish a building at Brindleyplace, Birmingham

Doing Business Responsibly

Ibstock remains more committed than ever to driving long-term sustainable performance for the benefit of all our stakeholders.

This includes the application of high standards of corporate governance and making sure that these principles are embedded into our culture. Ibstock applies the principles and complies with the provisions of the UK Corporate Governance Code 2018 (the Code) to ensure we continue to do business responsibly.

How we lead and manage ESG

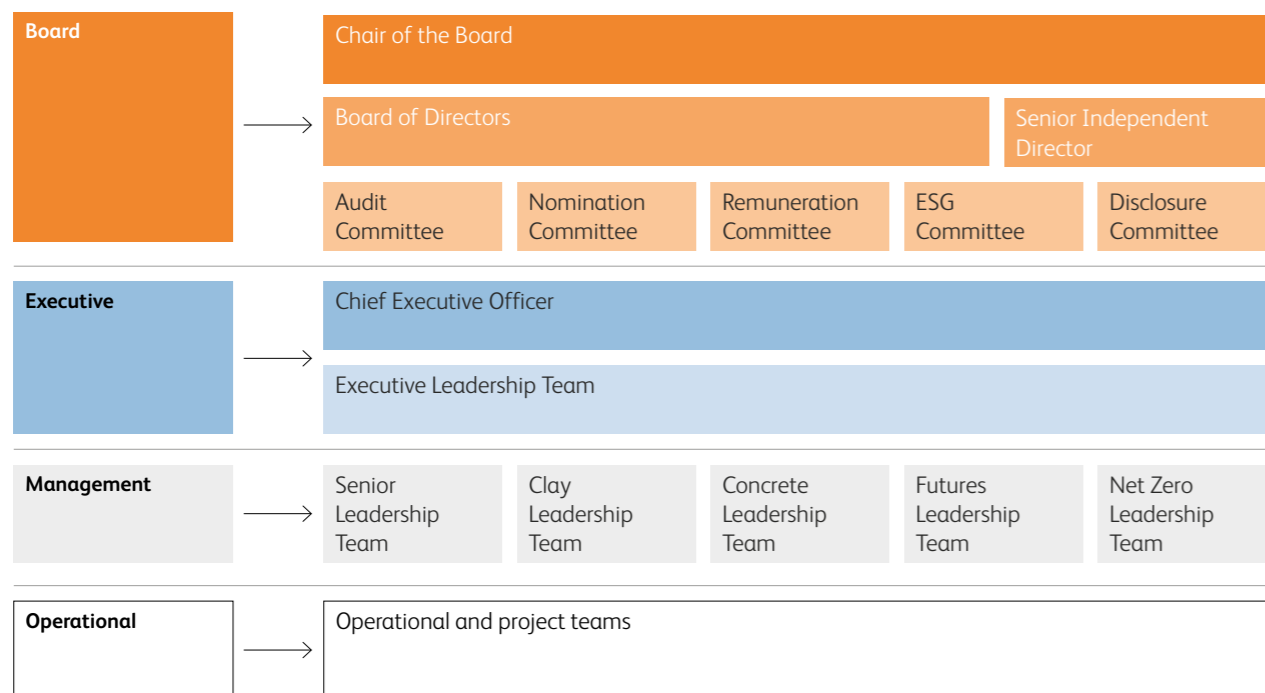
ESG is overseen by the Plc Board, the ESG Committee and the Executive Leadership Team. Claire Hawkings, one of our Non-Executive Directors, is the designated Director with overall accountability for ESG matters. As Chair of the ESG Committee, Claire oversees the review and performance of our ESG work.

UK Risk Assurance Services LLP (RSM) continued to support Ibstock with quarterly ESG horizon scanning and support on the fast-changing regulatory and reporting environment. In 2023, RSM delivered training to the ESG Committee on nature loss and reporting, and reviewed our Task Force for Climate-Related Financial Disclosure (TCFD) report in our 2023 Annual Report and Accounts.

In addition, Ibstock's technical team delivered training to the ESG Committee on data transparency and Environmental Product Declarations (EPD).

In January 2023, Becky Parker joined Ibstock as Group Company Secretary and ESG Director, reflecting the importance of ESG representation at the most senior levels of the business. Becky chairs the Net Zero Working Group and leads the ESG team at Ibstock.

Governance framework



Continuous improvement standards

Continuous improvement is essential to how we manage ESG at Ibstock, providing the systems and processes to truly integrate responsible business practices. All Ibstock sites are accredited for Quality Management, Environmental Management and Responsible Sourcing. In addition, our clay factories are accredited to ISO 50001 for Energy Management. In 2024 our concrete estate will be introducing ISO 50001.



ISO 9001
Quality Management



ISO 14001
Environmental Management



ISO 50001
Energy Management



BES 6001
Responsible Sourcing of Construction Product

Policies that guide our business behaviour

Complying with law and regulation and ensuring our judgements and decisions are taken with both the knowledge and application of the highest ethical principles are core to doing business responsibly.

To ensure unethical and illegal practices do not pose a risk to our business we operate appropriate policies and processes to

eliminate or reduce these risks as far as possible. These underpin our Code of Business Conduct which, together with our Supplier Sustainability Code of Business Conduct, sets out the behaviours expected of our staff and the third parties we do business with. In addition, a suite of policies, strategies and processes ensures that we operate in an open, fair and honest manner in all of our business dealings.

Requirement	Policies
Environmental matters	<ul style="list-style-type: none"> ESG 2030 Strategy reports Sustainable Procurement Policy
Employees	<ul style="list-style-type: none"> Health and Safety Policy Statement Diversity and Inclusion Policy Anti-bullying and Harassment Policy Code of Business Conduct Whistleblowing Policy
Human rights	<ul style="list-style-type: none"> Modern Slavery Statement Data Protection Policy
Anti-bribery and corruption	<ul style="list-style-type: none"> Anti-bribery and Corruption Policy Competition Law Compliance Policy Supplier Sustainability Code of Business Conduct

Associations and memberships

Representation and collaboration at industry level is crucial to move our sector forward. Ibstock is engaged and active with a number of key industry partners including:

- Ceramics UK (formerly British Ceramics Confederation)
- Brick Development Association
- British Precast Concrete Federation
- Mineral Products Association
- Construction Products Association
- Home Builders Federation
- Institute of Materials, Minerals and Mining
- Railway Industry Association



Assurance Statement

The information and data contained in this report has been verified by Lucideon CICS Ltd as a reliable representation of the activities and performance in the reporting period. A full assurance statement has been provided to Istock Plc and is available at www.istock.co.uk/sustainability/sustainability-reports

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