



Ibstock
At the heart of building



The Ibstock Sustainability Report 2021



A MESSAGE FROM OUR CEO

Hello and welcome to our 2021 sustainability report - as we look back on a year of delivery and progress.

I am proud to report that we delivered on our key objectives last year including reaching a number of our sustainability roadmap targets several years early. This gives us real reasons to believe that we can focus on moving much further and much faster in the decade ahead. As such, this will be the last report against our original Sustainability Roadmap set back in 2019, as we evolve our strategy to look beyond short-term horizons to 2030.

We invested time in progressing our environmental, social and governance (ESG) journey, a key part of this was developing our new ESG strategy to 2030 and committing to our pathway to become a net zero carbon business by 2040. We know this will be an ambitious time frame with challenges along the way – however, we also know we have tangible opportunities for our business, and the wider sector - to really embrace change and transform the built environment.

You can view our new 2030 ESG strategy here... taking our original roadmap commitments and incorporating them into a more simplified focused framework to enable us to work with all our stakeholders to tackle climate change and social inequalities.

This document looks back at 2021 acknowledging some of the challenges we faced, but also celebrating just some of the successes WE DID achieve, together in 2021.



Joe Hudson
Chief Executive Officer

VIEW OUR
2030 ESG
STRATEGY
HERE

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ACHIEVEMENTS: ENVIRONMENTAL

WE



DID

**REDUCE
CARBON* BY
17%**
AGAINST 2015 BASELINE

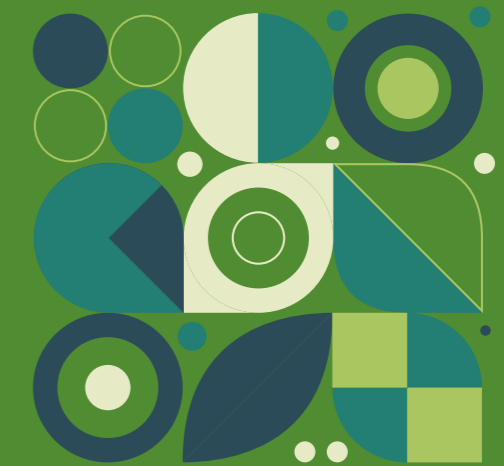
**REDUCE
MAINS
WATER* BY
8%**
AGAINST 2015 BASELINE

**REDUCE
200
TONNES
OF PLASTIC
PACKAGING**

*% per tonne of production

ACHIEVEMENTS: SOCIAL

WE



DID

DONATE
83,000
BRICKS
TO COLLEGES

ACHIEVE
61%
IN THE BEST
COMPANIES
ENGAGEMENT
SURVEY
(GOOD COMPANY TO WORK FOR)

ENGAGE
17
PASSIONATE
COLLEAGUES
TO LEAD OUR **DIVERSITY AND**
INCLUSION STEERING GROUP

ROADMAP TARGETS

ROADMAP MEASURE / PRIORITY		2021 DATA	2020 DATA	2025 TARGET
PRODUCT INNOVATION	% of sales turnover from new and sustainable products	13.0%	11.7%	20%
SUPPLY CHAIN	% of procurement spend meeting SSCBC	78%	77%	100%
CARBON	% reduction in CO ₂ per tonne of production (2015 baseline)	17%	6.5%	15%
WATER	% reduction in mains water use per tonne of production (2015 baseline)	8%	10% increase	5%
WASTE	% general waste to landfill	13%	64%	Zero waste to landfill
PLASTIC PACKAGING	% reduction in preventable plastic packaging (2019 baseline)	13%		
HEALTH AND SAFETY	% reduction in LTIFR (2016 baseline)	44%	41%	50% (by 2023)
APPRENTICES	Number of apprentices on programme	38	35	Continued commitment to early careers
DIVERSITY AND INCLUSION	Developing a culture of inclusivity and increasing our diversity	No data	No data	Develop a culture of fairness, inclusion and respect
COMMUNITY ENGAGEMENT	% sites reporting on community engagement	100%	100%	100%
CHARITY PARTNER	Fundraise for Shelter	£130k raised since inception of the partnership to end of 2021	£70k raised in year one of our partnership	£170k over 3 year partnership

TO VIEW OUR ESG DATA IN FULL, PLEASE [CLICK HERE](#)

ENVIRONMENT

CARBON

WE DID achieve a 17% reduction in carbon, against a 2015 baseline. This goes well beyond our original target of a 15% reduction by 2025.

We achieved this through:

- Estate consolidation;
- Energy purchasing;
- Capital investment in major improvement programmes; and
- Continued operational efficiency

We also announced more stretching targets at the end of 2021:

- Our new target is to achieve a 40% reduction in absolute carbon emissions (Scope 1 and 2) by 2030
- Committed to become a net zero carbon operation by 2040 covering Scope 1 and 2 carbon emissions.
- Our Scope 3 carbon emissions are less than 40% of business impact and our strategy to reduce indirect Scope 3 emissions will be developed in 2022.

WATER

Data improvements implemented through 2021 have shown that our mains water usage has decreased significantly, from our previous estimates, with an 8% reduction against the 2015 baseline.

We will continue to focus on improving data collection for our mains water usage - to provide the full picture in 2022.

WASTE

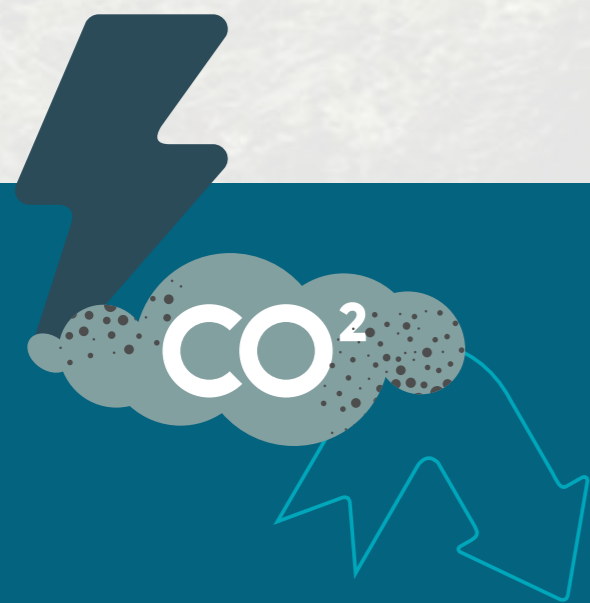
We have seen a significant improvement with only 13% of our general waste going to landfill in 2021. Our total general waste in 2021 was 3,500 tonnes.

This is an 80% improvement on the metric of tonnes of waste to landfill per tonne of production, against the 2015 baseline. The improvement is in part due to collaboration and engagement with our waste management companies to provide more meaningful and detailed reporting data. We are currently reviewing our waste management provider and the requirement to assist on our journey to achieving zero waste to landfill by 2025 has been specified in the tender process.

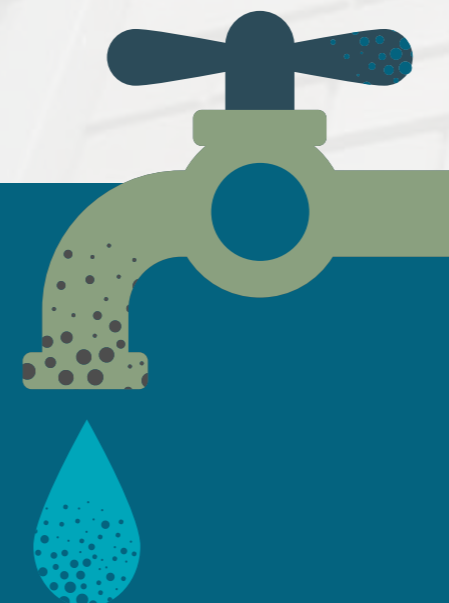
PLASTIC

We achieved our short-term target to remove 200 tonnes of preventable plastic packaging over 18 months.

The dual focus of reducing the thickness of plastic shrink wrap and moving to a cap bag for clay bricks has contributed significantly to this reduction. As a result we have achieved a 13% reduction against the 2019 baseline, putting us on track to achieve our 40% reduction target by 2025.



More information on our Net Zero commitment can be found in our [ESG Strategy 2030](#).



SPOTLIGHT ON: ENVIRONMENT

SPOTLIGHT ON: RENEWABLE ELECTRICITY

By procuring 100% of our electricity from renewable sources in 2021, we've reduced our carbon emissions by 20,000 tonnes, or the equivalent of a 6% reduction in the emissions per tonne of production.

The significance of this investment goes beyond our own direct impacts: by taking early action we are supporting the demand for renewable energy sources across the UK; and setting an example for others in our sector, our peers, customers and suppliers, to take similar action. Our colleagues were hugely supportive of this investment.



Our solar park in Leicestershire

SPOTLIGHT ON: CONSTRUCT ZERO CHAMPIONS

We are proud that we as an Istock Group, have been named as Construct Zero Champions by the Construction Leadership Council (CLC) in 2021.

This recognises our leading position in the sector, as well as the steps we are taking as a business to support the CLC Framework for moving our sector to a net zero future.



SPOTLIGHT ON: ATLAS

We began the development of our new Atlas factory in the West Midlands during 2021.

The £50m investment in the site to produce over 100m bricks annually will provide the market with the first clay brick products that are net zero carbon in their manufacture (Scope 1 and 2).

The Atlas factory will be a pathfinder project for Istock, incorporating leading technology and improving carbon efficiency of production by 50% compared to the previous factory on the site. The site will enable us to test and learn from new technologies and roll out successful processes across our estate.

Atlas will not only be a flagship for decarbonisation, it will also benefit the local economy and community with local jobs and local spend during construction.



Our new Atlas factory under construction

SPOTLIGHT ON: CARBON DISCLOSURE PROJECT

We undertook the Carbon Disclosure Project Climate Survey for the first time in 2021.

We achieved a C rating with opportunities for improvement in risk disclosure, Scope 3 emissions and targets. Our work this year on our longer term ESG strategy and our alignment with the Task Force for Climate Related Financial Disclosure (TCFD) will further our management of climate related risks and opportunities and support our 2022 CPD submission. Our TCFD disclosure can be viewed in our Annual Report 2021 [here](#).



COLLABORATION WITH OUR VALUE CHAIN

NEW PRODUCT DEVELOPMENT

New product development continued to grow with 13% of revenue coming from new and more sustainable products, showing good progress towards our 20% target.

Our announcement in 2021 of our new Istock Futures division will provide new focus on the diversification of our product portfolio with a focus on modern methods of construction and sustainability.



SUSTAINABILITY ENHANCEMENTS OF PRODUCTS IN OUR CORE BUSINESS

Increased customer interest in embodied carbon and recycled content has provided a focus for both divisions exploring how we ensure our virgin materials are optimised by increasing our use of renewable or waste stream materials in our core product offer.

Evolving our core products to reduce carbon and improve their sustainability credentials continued throughout the year, with a focus on creative design mix for our concrete products and dematerialisation for our clay products.



SOLVING SHARED CHALLENGES WITH CUSTOMERS AND SUPPLIERS

Working more closely with our customers and suppliers on challenges that we share is a growing opportunity. Understanding challenges in our value chain and co-creating solutions will lead to more rapid and effective change.

With 78% of our suppliers, by spend, meeting the Sustainable Supplier Code of Business Conduct we have a level of assurance that our major suppliers are integrating sustainability into their business.



UNDERSTANDING OUR SCOPE 3 CARBON EMISSIONS

In late 2021 we undertook a materiality analysis of our Scope 3 carbon emissions to enable us to identify which supply categories to focus on to reduce our impacts.

From the initial scoping assessment it is evident that purchased goods and services from third parties represents the priority area to focus on initially and understand the opportunities that exist within and beyond our value chain as we transition to net zero.



SPOTLIGHT ON: COLLABORATION WITH OUR VALUE CHAIN

SPOTLIGHT ON ECOHABITATS

Our EcoHabitats range expanded in 2021 to include our new selection of Bee Habitats - enabling biodiversity to be built in to homes and walls alongside our bat, swift and swallow bricks and our hedgehog gravel boards.

The range is important to support our customers in achieving their biodiversity net gain commitments

"It's reassuring to see a new style of bee habitat coming to the market from a manufacturer the size and stature of Istock. Bug Life is delighted to see these bricks being built into long term structures providing homes for solitary bees year after year."

Paul Hetherington

Director of Fundraising and Communications at Bug Life



BeeHabitat

SPOTLIGHT ON ANDERTON AND NETWORK RAIL

We are proud to have partnered with Network Rail and G Tech Ltd, on a specific need to produce a lower carbon platform copper.

The joint investment in equipment, people resources and trials has enabled us to develop the product together, sharing and learning as a team.

The new product mix provides an 80% carbon reduction, with the product now available in the wider marketplace. As well as reducing embodied carbon, using cement alternatives and increasing recycled content has the benefit of reducing weight, which reduces transport loads and improves manual handling.



SPOTLIGHT ON IBSTOCK FUTURES

Ibstock announced the launch of a new business unit, Istock Futures, in November 2021.

Ibstock Futures will target an immediate opportunity to increase the Group's presence in façade products and solutions for the fast-growing off-site and modular construction markets in both the new build and re-cladding markets.

As Istock Futures' launch project, we are investing £50 million in the construction of the UK's first automated brick slip systems factory in Nostell, West Yorkshire. Brick slips provide a durable, safe and energy efficient alternative to other cladding solutions. The new factory will manufacture a wide range of different brick slip types and associated systems, and will incorporate the latest manufacturing technology to deliver a very significant reduction in carbon compared to both imported and domestically cut slips.

In combination with high-quality offset projects, this will result in Nostell producing the UK's first net-zero carbon brick slip for Scope 1 and 2 emissions.

SPOTLIGHT ON SUPPLY CHAIN ENGAGEMENT DAY

Working directly with suppliers on carbon reduction initiatives began in 2021, with our first supplier engagement day.

Hosted at our I-STUDIO in London, six of our key suppliers, with significant material impact on our Scope 3 emissions, joined us to share their own decarbonisation journey and explore opportunities for collaboration.

Our procurement team have added sustainability as a standing item in all supplier quarterly review meetings - in an effort to build a mutual understanding of challenges faced and further opportunities for change.

"I found the event this year to be extremely interesting and it produced ideas and inspiration that I've been able to turn into momentum within our company towards faster change."

Gary Wilcox

Sales Director, PRINCE



The I-STUDIO in Clerkenwell, London

PEOPLE

HEALTH, SAFETY AND WELLBEING

Health, safety and wellbeing is at the heart of our business and we are making progress against our targets - with a 44% reduction in the LTIFR in 2021, relative to our 2016 baseline.

We have delivered a range of programmes from toolbox talks, on-line yoga and resilience training through stress awareness month, a menopause awareness campaign and our '6 Sessions of Summer' campaign to engage colleagues in weekly physical or mental wellbeing challenges.



DIVERSITY & INCLUSION (D&I)

We know our current employee population reflects the traditional nature of our industry, with lower levels of diversity across a number of characteristics.

We are making an active stand to change this. Darren Waters, COO, is providing executive sponsorship, chairing our newly established diversity and inclusion working group with 17 passionate and inspired colleagues developing the programme of work, together.

A number of other initiatives have taken place in the year, with particular of focus on our senior leaders experiencing training that explores unconscious bias awareness, challenges assumptions and builds understanding of difference. We look forward to sharing more progress in next years report.



COMMUNICATION AND EMPLOYEE ENGAGEMENT

This last year has seen a further shift in how we connect and communicate with our colleagues, evidenced by a significant improvement in our overall employee engagement survey rating since our last survey in 2019.

We have now officially received external accreditation from Best Companies as a 'Good' company to work for.



TALENT AND CAREER DEVELOPMENT

We continued to drive improvement in our talent pipeline with succession planning and development programmes in place for critical roles.

In response to skills shortages in the sector - we've widened our early career talent programme, with apprentice roles now in support functions. This gives us a total of 38 roles currently studying on an Early Careers programme across the Group.

We have also increased our focus on inspiring young people into construction and engineering careers. We continued to support with the Science Summer School programme and through local connections with colleges donated over 83,000 bricks and concrete products.



SPOTLIGHT ON: PEOPLE

SPOTLIGHT ON: PLEDGE AWARDS

Many of our sites reached significant safety milestones in 2021 with Chailley achieving over 6500 days without a lost time incident.

We are also incredibly proud that our progress around health and safety is being recognised externally, with us receiving 35 awards at the British Ceramic Confederation (BCC) annual Pledge Awards.



SPOTLIGHT ON: IBSTOCK INFORMED LIVE

Throughout the year, we have introduced a number of new communication and connection opportunities with our colleagues.

We delivered digital screens in factories and a mobile app for colleagues to access the MyIbstock intranet.

We also delivered our first ever Ibstock Informed LIVE broadcast event - reaching hundreds of colleagues. This was our largest single interactive event to date. Joe Hudson CEO and the executive team shared progress, challenges and plans, followed by an engaging Q&A panel with colleagues.

"It's important that we understand the business priorities and how we are getting on at Group level. Hearing from Joe today was really good. It made me feel proud as we ended the year and more connected to the rest of the business."

Sue Foster
Northern Regional Sales Manager



SPOTLIGHT ON: SCIENCE SUMMER SCHOOL

In our third year working with the Science Summer School, we connected with local schools, colleges and businesses in Skelmersdale and Rotherham –with both communities where we have local factories.

Over 1,000 young people were able to get out of school for the first time in months to experience a truly inspirational day with Science, Technology, Engineering and Maths careers as the focus. Raising aspirations and raising Ibstock's local profile as an employer brings value to society and our business.



SPOTLIGHT ON: SUPPLY CHAIN SUSTAINABILITY SCHOOL

Building the knowledge and capability of our colleagues to understand sustainability issues facing our industry is a crucial enabler as we transition to a net zero future.

In 2021, we ran a pilot with 12 colleagues from different functions across the business including sales, technical, commercial and operational roles, to trial the impact of the training available on the Supply Chain Sustainability School.

The pilot cohort undertook a minimum of three training modules with the School over a six week period and then assessed their impact on their own development, their role and Ibstock. The results were overwhelmingly positive and as a result, Ibstock has become a partner of the school - making training modules available for all of our people. In addition, as partners, we will engage in content creation with the school to build capacity in our sector and supply chain.



COMMUNITIES

PLACE MAKING

A key element of social value we bring as a business, is the impact we have in our local communities.

Beyond the communities where we have operations our biggest impact is through our product – the choice of materials, the building design and the interaction with those buildings.

As architects, specifiers, housebuilders and homeowners are increasingly looking to reduce the embodied carbon of buildings, our role in product placement and material choice is even more important. We are working in partnership with Barratt Developments plc and Well North Enterprises to explore how, when building homes that are sustainable and future proofed, we also maximise social value and engagement. Ensuring that the buildings and materials are connected in the community and offering a just transition to a net zero future.



TACKLING HOMELESSNESS

The inequalities in the housing sector have never been more apparent than during 2021, as the realities of the pandemic have seen a total of 222,360* households be tipped into homelessness – that's a number equivalent to a city the size of Liverpool.

This reinforced the importance of our support for our charity partner, Shelter.

We are proud to match all employee fundraising for Shelter, raising nearly £130,000 since the start of our partnership in 2019.

Walking challenges, virtual bikes rides, car washes, silent auctions and even a socially distanced summer fête have helped colleagues connect, through a difficult year, behind this important cause. The impact of our fundraising efforts, supports Shelter in campaigning work and practical support and advice that Shelter provides to those that are homeless, or at risk of homelessness.

*Department for Levelling Up, Housing and Communities' Statutory Homelessness Lives tables 2021



LOCAL CONNECTIONS

Supporting our colleagues to engage with their local community is an important part of our licence to operate, our desire to be a good neighbour and employer in all our locations.

Our support is locally identified and ranges from supporting local wildlife projects like the artificial reef for native crayfish at Trentham Gardens near our Chesterton site, to the Toad Road in a Nottinghamshire village next to Dorket Head factory. Supporting our employees local passions we are proud to see our Istock logo on the shirts of many local sports teams around the country including our long term relationship with Northwich Victoria Juniors FC and our new relationship with Audley Cricket Club Womens softball team both supported by their local factories.



SPOTLIGHT ON: COMMUNITIES

SPOTLIGHT ON: PROJECT 80

'Project 80' is a social housing project delivered by Midland Heart in Birmingham in collaboration with Birmingham University, the Building Alliance and suppliers including us here at Istock.

The project 80 site consists of 12 affordable homes, all built to the Future Homes Standard using facing bricks from Istock's Chesterton factory.

The aim of the project is to produce homes that meet the specification requirements set out in the Future Homes Standard – the ultimate aim being to reduce CO2 emissions between 75% - 80% for all new build housing.

Once the 12 homes are occupied the performance of each building type will be monitored for a period of 18 months, by a team of experts from Birmingham University who will measure:

- Resident experience
- Energy use and cost monitoring
- Overheating analysis and temperature monitoring
- Indoor air quality
- Thermal imaging

*"Very strongly linked to the changing and challenging world of Climate Change, **Project 80** is an ambitious demonstrator project that aims to link up the full supply chain for new build to identify the material and design adaptation required to meet targets set out within the Future Homes Standard 2025. The bit that sets it apart from other projects is the university link with BCU and the team of experts involved to measure performance vs resident use."*

Andy Batterham,
Group Technical & Innovation Director



Chesterton Factory, Manorial Mixture

SPOTLIGHT ON: FITA SUMMER FETE FOR SHELTER

The socially distanced summer fete that our Finance, IT and Admin teams ran in the summer of 2021, raised an incredible £4000 for Shelter and provided colleagues their first work social event since the Covid-19 pandemic.

"We decided to hold a traditional fete to blend some fun and relaxation with the opportunity to get the FITA teams physically back together - all in support of Shelter. We devised games and activities combined with a BBQ and refreshments. The weather was kind, we raised a heap of money, a good time was had by all and we are planning to do it all again in 2022."

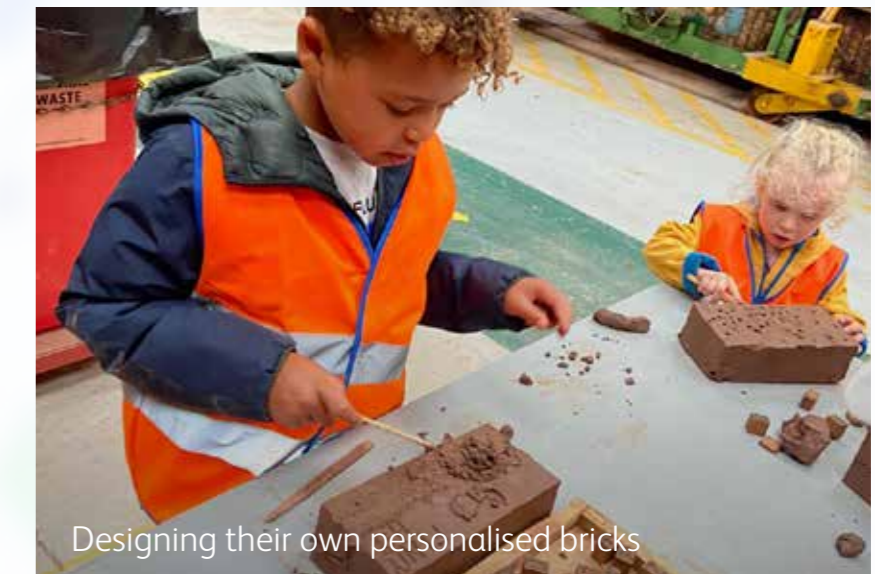
Dianna Callaghan
Assistant Finance Business Partner



SPOTLIGHT ON: CATTYBROOK FAMILY FUN DAY

Bringing our local communities onto our sites is such a rewarding experience for our colleagues, their families and our neighbours to build understanding of how we operate and the products we make.

In summer 2021, Cattybrook, our Istock brick factory in Bristol where some of our most creative projects are delivered, welcomed friends and family to site for a fun day encouraging the visitors to get involved designing their own personalised bricks.



Designing their own personalised bricks

GOVERNANCE

DOING BUSINESS RESPONSIBLY

Complying with law and regulation, 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 ensure that we operate in an open, fair and honest manner in all of our business dealings. These include:

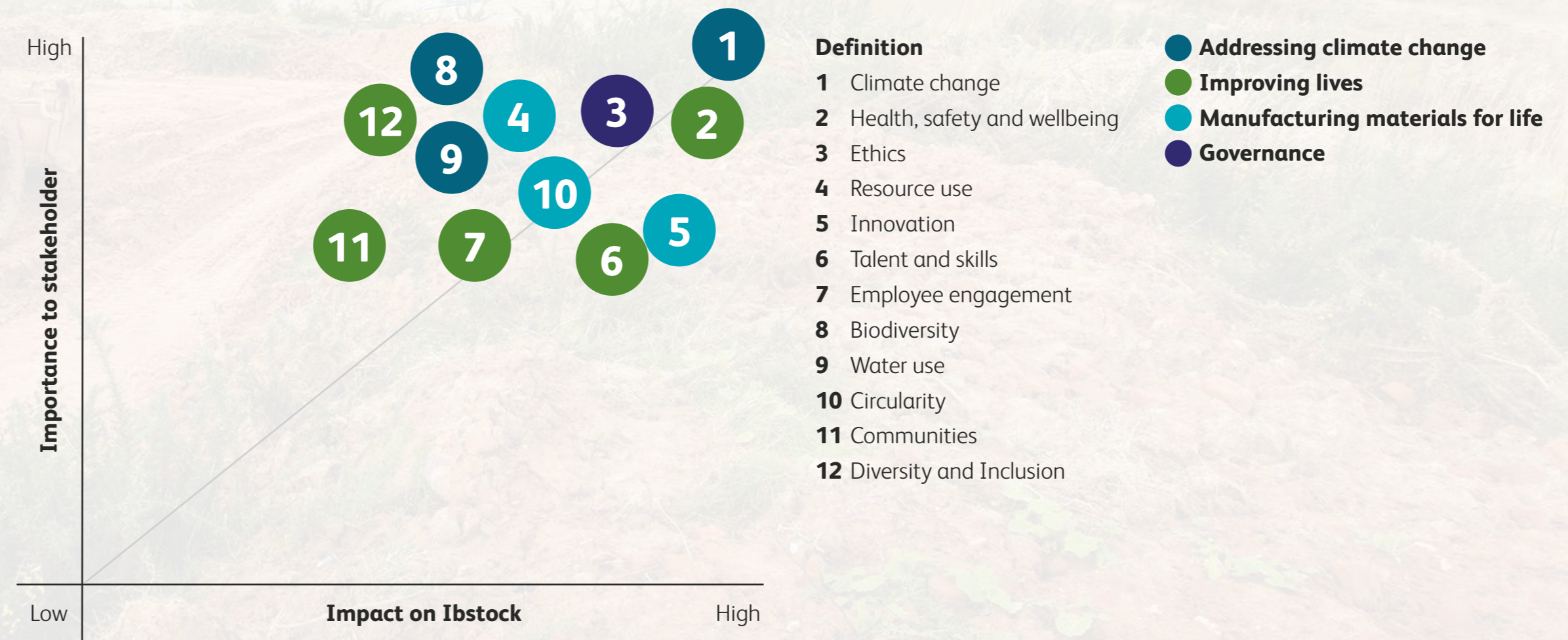
- Modern slavery
- Whistleblowing
- Anti-bribery
- Sustainable procurement
- Sustainability
- Diversity and inclusion
- Trade Association
- Health and safety
- Compliance training
- Human rights
- Tax



STAKEHOLDERS AND MATERIALITY

We continue to work with our key stakeholders: investors; colleagues; customers; suppliers; local and national government; regulators; and our communities. We report quarterly on stakeholder insight to the ELT and ESG Committee.

During 2021 we updated our materiality analysis identifying new priority areas including Biodiversity; Circularity and Resource Use. Our new ESG Strategy 2030 incorporates these and can be viewed [here](#).



GOVERNANCE

HOW WE MANAGE ESG AT IBSTOCK

ESG is overseen by the plc Board, the ESG Committee, established in 2021, and the Executive Leadership Team (ELT).

Claire Hawkings, one of our Non-Executive Directors, is the designated Director with overall accountability for ESG matters. Claire oversees the review and performance of our ESG work as Chair of the ESG Committee.

During 2021 we worked with ARUP on integrating climate risk and opportunity into the business through the Task Force for Climate related Financial Disclosure (TCFD).

OUR DISCLOSURE
CAN BE READ IN
FULL IN OUR **ANNUAL
REPORT AND
ACCOUNTS 2021**
HERE



Ibstock plc Board

ESG matters are considered as a regular agenda item



ESG Committee

Manages strategy and progress against the Group's wider ESG agenda



Executive Leadership Team

Reviews performance and manages the implementation and achievement as ESG strategy



Sustainability Working Group

Drives sustainability strategy and programmes, supports integration of sustainability across the Group and divisions



Operations

Site level targets on resource efficiency, engagement and community



Innovation and transformation

Sustainability criteria integral to all decision-making



Managers and individuals

Encouraged and supported to make sustainable changes, share ideas and best practice

SUSTAINABLE DEVELOPMENT GOALS

In 2021 we reviewed our alignment with the UN Sustainable Development Goals (SDGs) against our evolved ESG Strategy to 2030.

The rationale for this alignment is described in our Annual Report and Accounts 2021 (pg 35) and can be viewed [here](#).



STANDARDS

All Ibstock sites are accredited to ISO 14001 for our Environmental Management System and to BES 6001 for Responsible Sourcing. In addition to this, our more energy intensive clay factories are accredited to ISO 50001 for Energy Management.

All standards and accreditations including quality standard ISO 14001 can be viewed [here](#).

INDUSTRY BODIES

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:

- British Ceramic Confederation
- Brick Development Association
- British Precast Concrete Federation
- Mineral Products Association
- Home Builders Federation
- Institute of Materials, Minerals and Mining
- Supply Chain Sustainability School



Ibstock
At the heart of building

ibstockplc.co.uk/sustainability

