

ESG Report

Environmental

Sustainability is at the heart of our business model. The majority of our products are sustainable and are designed to combat climate change in the built environment. We have a sustainability framework and roadmap that covers our supply chain, businesses, energy, and our conduct. Our sustainability approach allows us to map the areas of our business and the activities we undertake. We have also developed key metrics to help us monitor our ESG journey.

Environmental Highlights

Scope 1 and 2 reductions
this year

23.36%

Reduction since the baseline year
2016/2017: 55.90%

Intensity ratio (scopes 1 and 2)
per £m of revenue this year

28.96%

Reduction since the baseline year in
2016/2017: 52.46%

Renewable energy

100%

electricity from renewable sources

Environmental

Our products help to build a better future, and help our customers have solutions to adapt their environment to help reduce the impact of climate change. Alumasc has made a commitment to reduce the impact of our own activities and operations. In 2020, we targeted a 10% reduction in our GHG emission intensity by 2022. The actual reduction over this period was 32%. We are targeting a further reduction in our GHG emissions intensity of 10% by 2025.

By 2030

Our GHG target reduction to be >10.00 for the intensity ratio tCO₂e per £1m of revenue.

Our Greenhouse Gas (GHG) emission management

Last year all our electricity sources were switched from renewable-only sources. We continue to work with Carbon Footprint Limited to monitor and report on our GHG emissions and to review opportunities to reduce our emissions. This year we have worked with them to produce a plan for our carbon reduction journey. Each of our businesses have been encouraged to reduce their emissions and to come up with innovative ways to protect our environment. Our stories of achievements made in the year can be found on page 29.

Our subsidiaries are encouraged to improve their energy efficiency and progress is monitored at monthly Board meetings.

Significant emissions come from our own vehicle fleet and from our manufacturing operations (Scopes 1 and 2). We are working to reduce our vehicle emissions, through our travel policy and the adoption of videoconferencing. We encourage the increased use of electric vehicles and aim to have 100% electric forklift trucks as part of our programme. Electric vehicle charging points have been installed at our St Helen's site. Operational and manufacturing efficiency is promoted by capital expenditure investments in new technology, this in turn reduces energy consumption and emissions. We are looking to introduce the recommendations received from our Energy Saving Opportunity Scheme. During the year Carbon Footprint Ltd completed audits at a number of sites and their recommendations are being followed up and implemented to improve energy efficiency.

All sites except one site have adopted ISO14001:2015 and have been audited as part of the process to confirm that they have accredited Environmental Management Systems and the final site is expected to be accredited before the end of 2023.

External ISO consultants provide assurance on our environmental systems, and these are maintained and reviewed by our colleagues. All observations following an ISO audit are communicated with the management teams.

Carbon Footprint was appointed to independently assess our Greenhouse Gas emissions in accordance with the UK Government's 'Environmental reporting guidelines: Including streamlined Energy and Carbon Reporting Requirements.'

The assessment has used the 2022 emission conversion factors published by Department for Environment, Food and Rural Affairs (Defra) and the Department for Business, Energy & Industrial Strategy (BEIS). The assessment follows the GHG Protocol methodology by reporting both the location-based and market-based emissions from electricity usage and electricity transmission and distribution.

The table on page 29 summarises the GHG emissions for the reporting year: 1 July 2021 to 30 June 2022. Alumasc has been assessing emissions since 2017 using Carbon Footprint's Sustrax II. The emissions assessed reflect the move to 100% renewable energy tariff.

Environmental continued



ESG targets – Roadmap to 2050

	Roadmap measure	2021 data	2022 data	2030 target	2050 target
Sustainable products	Turnover derived from environmental solutions	77%	77%	>80%	>80%
	Product recycled content	27%	27%	>40%	>50%
	Product recyclability	74%	>75%	>80%	>90%
GHG emissions	GHG emission intensity ration tCO ₂ e per £1m of revenue	23.21	17.78	>10.00	Net zero
Waste reduction	Waste to landfill	–	99%	100%	100%
Plastic packaging	Reduction of preventable plastic packaging	–	50%	100%	100%
Health & Safety	Lost days due to accidents	83	89 ¹	0	0
Diversity & Inclusion	Gender diversity ²	3:1 ³	3:1 ³	2:1	1:1

1 51 days lost related to one accident.

2 Male: Female.

3 Rounded figures.

Our sustainable products

Colour Coated Galvanised Steel Rain Collector

Galvanised Steel Gutting

As a society we have become ever more eco-conscious, we are making decisions based on the long-term rather than the short-term. Galvanised steel gutting can be infinitely recycled and is always likely to be recycled. Not only is it a simple process to recycle, but as scrap metal, steel will always have a value, because of this, in the UK, 87% of constructional steel is recycled, 10% is reused and only 3% goes to landfill.

Collecting rainwater made easy

With climate change appearing to be a reality that we are all having to face and although any change here in the UK is not as dramatic as being witnessed in many countries across the globe, we do seem to be experiencing warmer temperatures and more erratic weather patterns. Because of this, increasingly, the collecting and conserving of rainwater is becoming a priority for many property owners.

So, Rainclear Systems chose to stock a rain-collector made from galvanised steel.

Anthony Hitchman, Managing Director of Rainclear Systems explained:

"There are many respected studies on climate change that indicate that here in the UK we're most probably due for warmer wetter winters, an increase in heavy summer downpours along with intermittent periods of the prolonged drought and water shortage. At Rainclear, we have always stocked products that help people cope with our unpredictable weather.

When it's wet our metal guttering helps ensure efficient rainwater drainage and now, we want to help people conserve as much of that water as possible rather than allow it to disappear down the drains. To help collect and save this water, we've chosen to stock efficient, stylish and sustainable rainwater diverter products. These products are a great way of harnessing rainfall when it's plentiful and using it when it's not. When water is scarce, it's ideal to be able to access free, collected rainwater to use to keep our gardens thriving and wash our cars for example."



Accessed 2021 – www.futurelearn.com/courses/sustainable-construction-development

Environmental continued

Re-use of packaging: Rainclear

Rainclear, part of Water Management Solutions, uses packaging made from 100% recycled paper for shipping.

This reuse saves:

- approximately 15 trees per year
- 60% reduction of water and energy consumption
- 50% reduction of CO₂

when compared to using virgin fibre paper.



Galvanised steel guttering

Our sustainable products include Galvanised steel guttering that does not crack or warp as is the case with plastic guttering. The galvanising process (the application of a protective zinc coating) means that galvanised steel guttering is rust-resistant for up to 15 years, and longer if maintained.

Galvanised steel guttering provides a durable and elegant finishing touch to a home renovation or self-build project, with its sustainable design and a low carbon footprint that respects the environment. Galvanised steel guttering can be infinitely recycled. Not only is it a simple process to recycle, but as scrap metal, steel will always have a value.

Accessed 2022 – Steel recycling – Galvanizers Association – <https://www.industrytransition.org/insights/g7-green-steel-production/>.



Green Economy Mark

- Alumasc has been recognised by the London Stock Exchange as a contributor to the global green economy
- The Mark is awarded to companies and funds that derive more than 50% of revenues from environmental solutions
- The Alumasc Group plc provided high-quality, low carbon, sustainable building products, systems and solutions which help manage the scarce resources of energy and water in the built environment and improve the quality of life for the owner/occupier

The classification, first introduced in 2019, was created to highlight companies and investment funds listed on all segments of the London Stock Exchange's main market and AIM that are driving the global green economy.

Greenhouse Gas Report (GHG) emission management

Alumasc appointed Carbon Footprint Ltd, a leading carbon and energy management company, to independently assess its Greenhouse Gas (GHG) emissions in accordance with the UK Government's 'Environmental reporting guidelines: including Streamlined Energy and Carbon Reporting requirements'.

The assessment has used the 2022 emission conversion factors published by Department for Environment, Food and Rural Affairs (Defra) and the Department for Business, Energy & Industrial Strategy (BEIS). The assessment follows the GHG Protocol methodology by reporting both the location-based and market-based emissions from electricity usage and electricity transmission and distribution.

The table below summarises the GHG emissions for reporting year: **1 July 2021 to 30 June 2022**. As a business we have been assessing our carbon emissions using the Carbon Footprint Sustrax II since 2017. This year we have assessed both our location-based and market-based emissions to account for the change to a 100% renewable energy tariff used across the Group.

Activity	Baseline Year 2016/17	Previous Year 2020/21	Current year 2021/22
Total energy consumed (kWh) ¹	n/a	11,231,556	8,276,380
Location based Scope 1	1,900.99	1,426.64	1,363.62
Location based Scope 2	1,749.33	673.99	246.31
Location based Scope 3	465.07	237.05	168.03
Scope 1 & 2 Location-based Gross Emissions (tCO₂e)	3,650.32	2,100.63	1,609.93
Total Location-based Gross Emissions (tCO₂e)	4,115.39	2,337.68	1,777.96
Total Market-based Gross Emissions (tCO₂e)	–	1,804.06	1,518.93
Carbon offsets (tCO ₂ e)	0.00	0.00	24.00
Total Net Location-based Emissions (tCO₂e)	4,115.00	2,337.68	1,777.96
Intensity ratio: tCO₂e (gross Scope 1 & 2) per employee²	7.14	4.68	3.51
Intensity ratio: tCO₂e (gross Scope 1 & 2) per £M revenue²	34.84	23.21	16.56

¹ kWh figure includes Alumasc's energy usage from building energy and fuels (Scope 1 & 2, excluding refrigerants) & grey fleet (Scope 3) only, as per the SECR guidelines.

² Location-based GHG emissions.

Definitions

Location-based approach – reflects the emissions from electricity coming from the national grid energy supply.

Market-based approach – reflects the emissions from the electricity sources or products (energy tariffs), that the consumer has specifically chosen.

Energy efficiency actions

Alumasc agreed an audit schedule for 2021/2022 with Carbon Footprint and they have visited a number of sites. This supports Alumasc's drive to reduce emissions.

Energy and carbon saving measures have been implemented during the 2021/22 assessment period, including:

- Adoption of new energy efficient technology
- Start of migration of the vehicle fleet to electric vehicles
- Continued reduction in travel by use of videoconferencing



Environmental continued



ESG achievements at Building Envelope

During the year Building Envelope achieved the following targets:

- 100% of marketing promotional materials for Roofing are now paper-free. Business cards are also now digital, to accompany all e-brochures.



North Tees and Hartlepool

NHS Foundation Trust Undergoes Sustainable Refurbishment

We overhauled the existing roof delivering 3,500m² of flat roofing refurbishments for the hospital.

The product used was Alumasc Self-Adhesive Olivine and Caltech Alpha systems.

The roof has CO₂ neutralising benefits along with the sensitively managed flame-free installation using low odour liquid.

Performance

The Olivine felt system is comprised of a CO₂ neutralising, reinforced SBS polymer modified bituminous waterproofing membrane, underlays, insulation boards, and air and vapour control layers.

Our Self-Adhesive Olivine system not only requires a flame-free installation but is surfaced with a natural olivine granule, a magnesium iron silicate. The olivine granules initiate a chemical reaction with CO₂ from rainwater which converts to silicon dioxide (sand) and magnesium carbonate, two elements harmless to the environment.

1m² of olivine has the capacity to capture approximately 1.75kg of CO₂.

How this aligns with our Sustainable Development Goals



Renewable Electricity

We have procured 100% renewable electricity across the Group in 2022, consequently reducing our carbon emissions by 246 tonnes.

[See D 29 for more](#)

How this aligns with our Sustainable Development Goals



CO₂nstruct Zero Business Champion

On 4 April 2022 Housebuilding Products (Timloc Building Products) signed up to become a CO₂nstruct Zero Business Champion. CO₂nstruct Zero was launched last year to unify industry efforts to cut carbon.

[See D 17 for more](#)

How this aligns with our Sustainable Development Goals



Reduction of waste to landfill

Most of our sites have already achieved 100% of waste going to landfill.

[See D 26 for more](#)

How this aligns with our Sustainable Development Goals



Environmental continued

Electric Vehicle (EV) charging points

Our St Helens site has installed EV charging points to encourage greater use of electric motor vehicles either selected from our fleet provider or personally purchased by staff.

See [D 26 to 31](#) for more on environmental highlights

How this aligns with our Sustainable Development Goals



Cycle to work scheme

We operate the cycle to work scheme at all our sites. Two have new cycle shelters, Burton Latimer and Halstead. This is a great programme that helps with fitness and removes vehicle emissions.

How this aligns with our Sustainable Development Goals



I like to cycle to work as the business provides the benefit of the Cycle 2 Work Scheme. I live locally and benefit from this."

Shaun
Burton Latimer



Staff health, safety & wellbeing

The protection of staff health, safety, & wellbeing are at the core of everything we do. We have set targets for a reduction in lost days due to injury. (see page 39).

We have an app that has the provision of services to help with mental wellbeing, it offers up to ten counselling sessions for any member of staff or their family and an online GP 24/7 for all staff.

[See D 38 to 39 for more](#)

How this aligns with our Sustainable Development Goals



Diversity & Inclusion (D&I)

Our current gender balance is representative of the wider industry demographics and will take some time to address. However the Board recognises the benefits that a diverse and inclusive workplace brings and our businesses are taking steps to improve it.

[See D 38 for more](#)

How this aligns with our Sustainable Development Goals



Talent, training and development

Alumasc's Board reviewed its Group-wide talent pipeline and the programme of courses available to develop our people. This forms part of Alumasc's career development and succession planning for key roles. We are hiring apprentices to help with long-term career development in the business.

[See D 39, 42 to 43 for more](#)

How this aligns with our Sustainable Development Goals



Social

Fundraising

Ball of Funk

Alumasc Roofing, and Frank Besant along with friends, organised a Charity Ball – 'Ball of Funk' evening featuring DJs, live music, bubbles, and glamour. All of the £1,625 of profits have been donated to **Sam's Diamonds Cancer Support**.



I wanted to donate the clear profits to a cause like Sam's Diamonds that really means something to so many people. With the way the world has been for the last nearly two years it was great to let loose, smile and party together again."

Frank Besant



Half-Marathon Hero

We are inspired by our Area Technical Manager Donna Lynne Owen from Alumasc Roofing, who recently ran the Swansea half marathon. Everyone has a cause close to their heart and Donna supported Cancer Research UK and Maggie's Centres who provide vital support for anyone affected by cancer.



Importance of social / culture

The Board sets the culture and the tone from the top. The right culture is embedded into our business and adopted by our employees. It is also reflected in our processes and operations and in all our dealings with our stakeholders. Our purpose is to be the leading provider of sustainable building products and systems. This green ethos is both motivational and necessary to combat climate change.

It is important for us to engage with our local communities, and we do this with our charitable activities that deliver a range of benefits, enabling us to support local groups that provide benefits to the community, and to build local relationships. Further information can be found on pages 35 to 36.



Halstead in bloom

As part of supporting our local communities our Wade business sponsored Halstead in Bloom. We are supporting our local community by enhancing the environment with shrubs and flowers.





Kirsty, Heather and Chris from #Team Timloc took part in the Hull4Heroes skydive on Sunday 29 May 2022. The Team jumped 15,000 ft to raise £1,000 bringing it to a donation of £2,500 overall.



Charity Skydive

In May 2022, three members of team Timloc completed a 15,000ft charity skydive in aid of Timloc’s charity partner Hull4Heroes. The trio collectively raised an amazing £1,000 for the charity organisation that provides veterans and their families with support, including, mental wellbeing, mentoring, employment, and housing, to help make the transition back into civilian life as smooth as possible.



Colchester Pride story

This June we celebrated Pride Month and to help our surrounding communities, we chose to hold a number of events for charities local to our AWMS offices who specifically support the LGBTQ+ community. We are proud to have fundraised for Youth Works Northamptonshire and Colchester Pride.

At AWMS Halstead funds were raised for Colchester Pride (<https://www.colchesterpride.org/>). The two sites raised more than £250 for these good causes.



Social continued

Other Stories

Hull 4 Ukraine

Hull 4 Heroes recently set up the Hull 4 Ukraine appeal to coordinate relief aid for refugees currently fleeing the conflict in Ukraine. The Timloc team contributed donations including blankets, clothing, toiletries and food for the cause along with a pallet of over 200 boxes for packaging the donations.

Loft Doors

Timloc donated loft doors to be used in rehabilitation bungalows as part of the Matt Hampson Foundation, a charity founded by its namesake to provide treatment and support to young people seriously injured through sport.

Archi Velo

Craig Begg was raising money for charity throughout August by entering the Archi Velo 170km. Instead of cycling the 170km he has upped the ante to 1000km! Craig said, "I'm supporting this charity as I have met some great clients and friends during most of my working life and enjoyed being involved in design elements of some of the UK's most prominent construction projects."

All net proceeds have gone to the Architects Benevolent Society.

Sparkling Twenties Ball

Alumasc Roofing sponsored Sam's Diamonds Sparkling Twenties Charity Ball in November 2021. The award which we sponsored was the 'Partner Award' and the ball raised just over £3,500.



Prickles and Paws

The Hedgehog Highway by Timloc plays a big part for charities. From every sale of the Hedgehog Highway a donation is made to hedgehog organisations to help continue their extensive work in rescuing, rehabilitating and rehoming sick or injured hedgehogs. Timloc Building Products has donated over £1,750 to various hedgehog charities across the UK so far.





Women in Construction

Alumasc supported Women in Construction week (#WomenConstruction Week and #BreaktheBias) on social media, posting on LinkedIn and Twitter. The programme is to encourage a stronger more diverse workforce in the sector. Housebuilding Products encouraged people to be tagged offering a hamper as a prize. We used quotes, profiles, and insights to encourage support for the campaign. Karen McInerney our Non-executive Director also posted in support of female talent at Alumasc. Some of the following profiles are from this campaign.



Working within the construction industry is great fun."

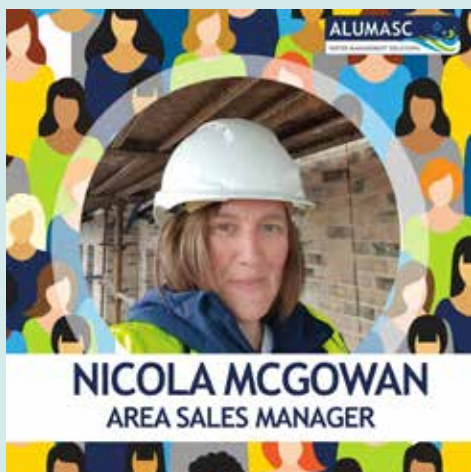
Gemma Lewis
Area Technical Manager

"I first started at Keyline doing an admin role. From there with the support of the branch manager my development in building and construction grew. I enjoy the variety of people I meet and support every day. I love driving by a project – be it a school, a heritage site or even just a house – knowing I have had a hand in it coming to life and completion. I have had the opportunity to work on some great buildings. I am the only female in the Northern Alumasc Team but my colleagues are brilliant and we are an Alumasc family – all there for each other."

Nicola McGowan
Area Sales Manager, Scotland

"I have worked at Alumasc for two years, initially starting as an agency working with a busy paint shop department. I started packing and progressed through product knowledge. Within the team I have recently progressed further to run the powder centre and also assist in the wet spray line. I have been a Fire Marshal for the business for a year and have recently put my name forward to complete the First Aid and Spill Kit training. I am very happy and enjoy my current role and look forward to future opportunities within the business."

Marta Barczak
Production Operative – Paint Shop, Burton Latimer



Governance

Our Governance framework is built by our internal policies and regulations, and our key policies include: diversity and equal opportunities; IT Security; Health & Safety; Anti-bribery, Gifts & Hospitality; and Tax. Our governance framework reflects our listed status (see pages 55 to 58), and we follow the QCA Code (see page 54). We ensure our training programmes are delivered either face-to-face by professionals and internal staff or online, and are regularly updated to ensure staff are aware of our policies and requirements.

Code of conduct

Our Governance is built on the expected ethical standards and behaviours of our employees as outlined in our Code of Conduct. We expect employees to have a high degree of integrity and to be honest, responsible, and trustworthy in what they say and do. Upon joining all employees are provided with the Employee Handbook that incorporates our Code of Conduct. We remind staff of this requirement through training and briefings.



Site visit at Wade. The June Board Meeting was held at Wade in Halstead, and there was an opportunity for the Board members to have a site tour and to meet staff.

Diversity and Inclusion

Alumasc is an equal opportunities employer. Recruitment, training and development are based on the aptitude and abilities of employees regardless of religion, ethnicity, gender and sexual orientation. Employees with disabilities are given equality of opportunity with respect to entering and continuing employment with Alumasc. We have examples in the year where adaptations of the workplace or working environment have facilitated opportunities for disabled staff. The Group aims to provide training opportunities that are identical, as far as possible, for disabled and non-disabled employees. Should employees become disabled after joining the Company, every effort is made to ensure that their employment continues, and appropriate training is given. A formal Equality and Diversity Policy has been approved by the Board and applies to all our businesses.

We are committed to promoting diversity, inclusion, and equal opportunities from recruitment, employment and career progression to learning and development. We are proud to support staff having training and undertaking studies for qualifications to progress their careers.

Alumasc recognises the benefit of having the widest range of experience, knowledge, and skills. Management undertakes reviews of staff performance and recognise their achievements. Career progression is extremely important to us for succession planning. Promotions are usually announced at the end of the financial year.

Anti-modern Slavery and Human Trafficking

Alumasc has an Anti-modern Slavery and Human Trafficking Policy (see – www.alumasc.co.uk/wp-content/uploads/2021/05/Anti-Modern-Slavery-and-Human-Trafficking-Policy.pdf) and an annual statement for the Group on Anti-modern Slavery is published on the UK government site and on our website www.alumasc.co.uk in line with Home Office guidance, along with our previous disclosures. Our Statement for this year will be published in compliance with government requirements before the deadline. Last year the Anti-modern Slavery and Human Trafficking Policy was enhanced by the addition of the International Labour Organization's signs of forced labour and our training also reflects this. Employees can report anything observed to their line manager if it does not look right or to contact on the Speak Up hotline.

Alumasc expects its suppliers and those in the supply chain, where possible, to confirm that they have the same or very similar policies in place for Anti-modern slavery.

Anti-Bribery and Corruption

Alumasc has a zero-tolerance approach towards bribery and corruption. Our Groups Anti-Bribery Policy gives straightforward and clear advice on the ethical standards and the compliance required. We have long-term relationships with our suppliers that are built on trust and reliability. During the year Alumasc refreshed its Gifts & Hospitality Policy and this was reviewed and approved by the Board. A report this year was made on our Anti-bribery programme to the Audit Committee, please see page 63 for further information.

Confidential Helpline

We have a Speak Up helpline that is available to all staff, where matters can be reported in confidence in accordance with our policy. Even if the report after investigation does not reveal any matter, our culture is that there will be no negativity as a result. We have also set up a confidential email: speakup@alumasc.co.uk, that can be used by staff and suppliers. Training is provided to staff to employees via face-to-face training or via online modules. We have advertised the helpline to our staff, and we will investigate any matter raised.

Tax and other laws and regulations

Alumasc's aim is to create long-term sustainable value, and this means complying with our Code of Conduct and all applicable laws. In line with our Group's Tax Policy, we pay tax in full and in a timely manner when it is due. Our dealings with the tax authorities are open and transparent, we undertake commercial transaction in a tax efficient manner, and we take advantage of allowances and reliefs when they are available. We have a zero-tolerance policy towards tax evasion and its facilitation. The Group Finance Director is responsible for the policy's implementation, and this is supported by advice and training from our external tax advisers.

Headcount by gender

	Male	Female	Total
Non-executive Directors	2	1	3
Executive Directors	4	0	4
Senior managers	37	9	46
Employees	292	114	406
Total	335	124	459

We are committed to protect the Health & Safety of our people, to improve the quality of the working environment and make a positive contribution to our local communities.

Health & Safety

Alumasc has a clear primary focus to ensure the Health & Safety of our employees, and this is always the first item at our plc Board and subsidiary meetings. Our CEO is responsible for Health & Safety. All significant incidents are discussed weekly and are reviewed. This ensures that Health & Safety policy implementation and near miss reporting is discussed. We have a target of zero harm and as part of our targets we report on lost days and the learning from any incident. We recognise the importance of understanding and continually strive to improve our Health & safety culture. Health & Safety training programmes are delivered to our staff to build on our compliance with Industry best practice and to ensure that focus is on continuous improvement.

The culture is to ensure that all employees understand the importance and take shared ownership to enhance our Health & Safety performance. Engaged and informed employees help us improve our Health & Safety and environmental performance.

We use targeted role related training, e-learning to promote employee awareness of their responsibilities, hazards associated with operations and safe ways of working. We operate a formal method of reporting of recording near misses, hazards, and lost days. Near miss reporting is encouraged across the business at all levels. Near miss reporting has remained at a high level. Reporting assists with continual improvements and provides information to management on how to improve processes and to ensure safe ways of working. The number of incidents where there were days lost during the year was 89, in 2021 this was 83 days. The cumulative PRI score was 5.03 compared to 4.94 in 2021/22.

Our main Health & Safety KPI, the performance rate index (a relative measure capturing the total amount of lost time and other safety incidents, relating the result to the overall number of hours worked). This is used to measure improvements in our Health & Safety performance.

Our sites and operations have Health & Safety Committees. We are audited by specialist external Health & Safety consultants and the results of these audits are provided to the plc Board. Any resulting action plans are also discussed at management meetings.

There has been an overall trend of Health & Safety improvements, due to the focus on our zero-harm target and to continuous improvement by employees and management. The risks encountered arise due to working with machinery, materials handling, operating forklift trucks, and car and lorry use. The business carries out robust Health & Safety risk assessments and oversight ensures that recommendations are implemented.

ESG Report continued

Task Force on Climate-related Financial Disclosures (TCFD)

We recognise that as a responsible business we need to understand the environmental, social and governance (ESG) issues that are relevant to our business. Each of these requirements are balanced and managed effectively to allow us to create long-term value for our stakeholders.

Acute physical risks

- Flooding/draining and water attenuation
- Extreme storms/rainwater systems

Chronic physical risks

- Rainfall patterns
- Heat stress/temperature extremes
- Infrastructure failures

Transitional risks

- Policy & Legal
- Technology
- New products
- Cost of raw materials
- Create new innovative low carbon products to add to our products portfolio

TCFD

Our overall approach to sustainability is driven by our purpose to become the leading supplier of sustainable building products, systems, and solutions in our chosen markets. We are building on our sustainability strategy by our implementation of the recommendations of TCFD and through our core business strategy and purpose. We have a clear role to provide sustainable products to further assist the reduction of carbon in the built environment. We anticipate that our disclosures will develop over time and our journey has already achieved carbon reduction. The following table provides an overview of our TCFD steps taken during the year and our next steps:

Strategy	Risk Management/opportunities
<p>Our business strategy is designed to provide sustainable and environmentally friendly solutions for our customers. We use innovation to identify market opportunities to identify new solutions that help companies comply with regulations.</p> <p>Internally, we aim to manufacture and supply goods in an efficient manner through the use of new technologies and machinery, reducing the energy used to make products. Our strategy covering short, medium, and longer-term objectives is outlined on pages 2 to 36 of this report.</p> <p>As part of our strategy each division was asked to consider how new product development could address market opportunities resulting from Climate Change.</p>	<p>This year we have added climate change as a risk on the Group risk register and climate change risks were also considered and reported using a questionnaire. All divisions were asked to consider the impact of Climate Change on their divisions and to incorporate this into our risk management process.</p> <p>A full description of the risk process is on page 50. There are also key market opportunities for our business through innovative Climate Change combating products, such as Olivine roofing (see page 30), air sealant housebuilding products, fully recyclable and durable metal systems, and through sustainable rainwater products (see page 27).</p>
Governance of sustainability	Metrics and targets
<p>The Governance is as follows:</p> <p>Board of Directors: The Board can challenge the Executive Directors and leadership on the approach and performance considering sustainability/Climate Change risks. The Board is involved in approving metrics and targets and sustainability is discussed at every Board meeting. Key Board activities during the year are disclosed on pages 55 to 58. The Board has set the culture for sustainability and cross divisional teams are managing the implementation. The Board has sustainability knowledge from Industry and access to ESG advisers and had a presentation during the year.</p> <p>Our Executive directors and senior management are critical to our development of new and innovative products for our customers that will help have a low or zero carbon in the built environment. Internally we seek to ensure they have efficient manufacturing processes.</p> <p>Executive Committee: The Group's Managing Directors have been critical to the process as they share the responsibility on our sustainable business approach.</p> <p>Remuneration Committee: During the year, the Remuneration Committee considered ESG targets, and how these could be linked to climate change related targets (see pages 64 and 65).</p>	<p>We report on our business unit targets on a monthly basis and internally on a six monthly basis. Data is provided from our business units to our external partners, Valpak assists us with our collection of data and reporting for packaging and waste and Carbon Footprint, assist with the collation of our emissions under Scope 1, 2 and 3 (disclosed on page 29). Our intention is to report upon our key metrics in 2023. Key metrics used are:</p> <ul style="list-style-type: none"> • Zero waste to landfill • Energy efficiency • Our electricity supply is procured from renewable sources (see page 25) • We keep our property portfolio under review and seek to have energy saving and Climate Change resilience in place through our business continuity planning. Audits of our buildings for energy saving opportunities have been carried out in 2021/22 (see page 29) • Some divisions have developed KPIs for using recycled and recyclable materials for packaging

As part of our TCFD programme this year we considered the risks below and asked two business units to provide a response on their approach. As part of our risk programme, we will include more risk scenarios for each division to consider in 2022/23.

The risks identified are being managed by each business division with central oversight by the subsidiary Boards, who report consolidated risk registers to the main Board of Directors.

Please see our Principal Risks and Uncertainties section for more information on how we manage risks (pages 46 to 50).

Supply chain

We have engaged with suppliers and in particular the supply chain, for example at packaging to have more environmentally friendly packaging, where possible. Inbound cardboard can be re-used as outbound void packaging. For plastic products manufactured by Housebuilding Products 75% of our products are made from recycled plastics and Rainclear seeks to sell products (where available) that use recycled metals to reduce the embodied carbon significantly. When products are not manufactured by us, Rainclear asks the supplier for data to confirm the recycled material content.

Our operations

We are already acting on climate related risks and have achieved the following by:

- Improving the use of recycled materials across our businesses
- 100% renewable energy
- Zero waste to landfill
- Looking to re-use packaging where possible at Rainclear
- Energy saving audits of our buildings
- Net Zero planned by 2050

We are looking to reduce our carbon emissions through using new technology and through manufacturing and we have a science-based target to cut our carbon-based emissions by a further 10% by 2025 and by 2050 we aim to be a net zero carbon emission business – see our journey to Net Zero on page 26.

Decarbonise our buildings: We have had an energy saving audit of our buildings in 2021/22 and at our Wade site in Halstead, we generate c.35% of energy via our PV cells on the factory roof. Further at Wade by using new technology and moving the slot drain manufacturing there was a

further saving of 35% of electricity usages by moving to use one building rather than three and by using new laser technology.

Starting a low-carbon fleet: We are committed to transitioning our fleet over time to electric vehicles. EV options are now available for cars and there has been strong support from employees.

Supply chain: We have looked at sourcing in the UK and EU for parts and are making on-shoring or near shoring decisions where environmental and cost benefits coexist for example, at our Wade business we are considering some near shoring options.

Helping customers to cut carbon: We have used teams and zoom to interact with customers reducing carbon and we have low or zero carbon products for the built environment.

Other environmental aspects: Recycling and use of recycled materials has been a strong driver for our businesses. We keep under review our plastics use and are in the process of making our packaging recyclable, where possible. See page 17 for information about Housebuilding Products a CO₂nstruct Zero Business Champion.