

Sustainability Performance Update 2017

In our last Environmental Report we documented that a key success was the introduction of a number of sustainability KPIs aligned to our industry body, the Brick Development Association. Whilst our performance continues to improve through energy efficiency investment, the costs we pay for energy in particular green taxes, fixed and pass through charges, continue to rise significantly above inflation year-on-year.

The KPI we have set for a 5% reduction by 2020 of CO₂ per tonne of bricks set remains on target based on baseline year and at the end of 2017 we are circa 2% below the baseline target. The 2017 numbers show a small increase compared to 2016.

The KPI for a 10% reduction in metered water consumption by 2016 based on the baseline year of 2011 was not achieved. In 2017 we achieved a 7% reduction from the baseline year. Throughout the period we have invested time and resources into improving how we measure and record water usage, these improvements have led to a greater accuracy of reported figures.

The KPI for a 10% increase in recycled content by 2020 based on baseline year remains firmly on target and at the end of 2017 we are circa 23%.

The KPI for a 60% reduction in quantity of waste per 1000 tonne of bricks set by 2020 based on baseline year remains on target and at the end of 2017 we are circa 43%. We believe that the target is achievable and in 2017 have completed part of a phased programme to head towards zero waste to landfill.

- Gas and production material tonnages are verified externally annually as part of the EU ETS (European Union Emissions Trading Scheme) or UK Opt Out Scheme.
- Electricity is checked annually as part of the requirements of CCA (Climate Change Agreement) which is recorded and managed by the BCC (British Ceramic Confederation).
- Water information is based on invoices.
- Waste is predominately estimated using information from waste companies and local knowledge.

Environmental General

During 2017 all Ibstock manufacturing sites continued to be compliant with ISO 14001, ISO 50001, ISO 9001 and BES 6001 where we maintained our "Excellent" status. All of these systems are assessed by independent third party inspections. The responsibility for our energy and environmental systems lies with the Director of Technical Services who reports to the Operations Director.

In 2017 we continued to maintain the supplier assessment scheme to assist us in maintaining high environmental and quality standards down the supply chain. The scheme is also being used to encourage those suppliers who do not currently hold relevant certification to implement formalised systems gaining accreditations where appropriate.

Over and above this we continue to monitor progress on the following:

| Area | 2017 Performance and Comments |
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| Recycling and use of non-mains water | ≥ 380,000 ltrs – this has increased by circa 9% in 2017 compared to 2016 due to a better understanding of water flows and usage and installation of improved metering systems |
| Recycling of oils | ≥ 48,000 ltrs – this can vary year-on-year depending on maintenance schedules |
| Recycling of wood | ≥ 258 te - this can vary year-on-year depending on production needs |
| Recycling of metals | ≥ 554 te - this can vary year-on-year depending on production needs |
| Complaints and incidents as part of ISO14001 | 10 complaints (5 - 2016) and 20 (17 - 2016) incidents were recorded against our factories. All were dealt with in accordance with our system requirements. |
| ISO 14001 internal audit performance | ≥ 3.46 - The company uses a risk based approach to auditing. Using a scoring system of 0 to 5 with 0 being an unacceptable performance and 5 being the highest possible performance. This equates to a 0.6% improvement compared to 2015. |
| Training | Total 5,778 days including 2,675 on apprentices, 428 days on leadership and 1,907 days H&S and environmental training. The total number was broadly in line with 2016 numbers. |
| Transport | Brick delivery average miles = 73.20 which is consistent with 2016. Company car driver training includes fuel efficiency and H&S. Car fleet limited to diesel < 130g CO ₂ / Litre. Car fleet now includes several plug in Hybrid models. Conference calls & remote auditing to reduce Company car miles. |
| Local community | 4 active community liaison committees, 2 open days, 43 educational visits to factories (schools / colleges / universities), 6 others, this is a combination of local football teams, donation of bricks, money and other clay products. Ibstock has a number of woodland management plans' and 6 Biodiversity/Geodiversity plans in place. |
| Apprenticeships | On our current programme we have 14 mechanical, 12 electrical, 4 dual skilled and 4 technical apprentices. We have 8 signed-off in full-time positions (4 electrical and 4 mechanical). |

The information attached is supplementary to the Building Sustainability report for Ibstock plc. The main purpose of this information is to satisfy the requirements of BES 6001 for Ibstock Brick Limited.