



# Atlas Sustainability FAQs April 2021

## Why are you investing in new capacity?

We have confirmed our intention to make a major investment in our Atlas and Aldridge brick factories in the West Midlands. This document is focussed on the Atlas factory and the sustainability credentials of the project.

### Leadership & Ambition

As the UK's largest brick maker, we are committed to supporting the Government's ambition to deliver new homes and infrastructure - at scale - that are fit for the future.

Ibstock intends to take the lead in increasing UK brick production to meet demand. With over 80% of houses in the UK built using brick, our products are the primary choice of building material. In 2015, the Federation of Master Builders (FMB) warned that an increasing shortage of bricks was hindering housebuilding rates in the country. We believe it is important that the recovery of the UK construction sector is not constrained by a similar shortage of bricks.

### ***Our investment in Atlas means it will be a cornerstone of the UK's construction sector / infrastructure led recovery.***

Once the proposed development is complete, the Atlas brick factory will be able to produce more than 100 million bricks per annum, more than doubling its previous capacity.

Significantly, the Atlas factory will be a pathfinder project to test operational efficiencies, which we believe will make it the world's first Net Zero, brick factory for scope 1 and 2 emissions.

A combination of reduced process emissions and greater thermal efficiency will cut the carbon intensity of bricks produced at the site by 50% compared to the existing factory. The remaining emissions will be offset using high quality emission reduction projects.

Once completed, Atlas will be an exemplar of British Manufacturing and global environmental best practice in the construction products sector.

### Jobs & Opportunity

This redevelopment will secure the future of the brick factory and provide local employment opportunities for the long term. Once completed, the factory will support 50 highly skilled jobs.

## **What do you mean by ‘pathfinder project’?**

Ibstock has been on a journey to reduce the carbon emissions from its production facilities for more than a decade, with investment projects in new production capacity at our Throckley, Chesteron, Eclipse and Lodge Lane plants all reducing the carbon intensity of the process.

Atlas is the next step in this ongoing programme and we are describing our investment as a ‘pathfinder project’.

This means we will use Atlas to test operational efficiencies that will reduce process carbon emissions significantly and enhance our understanding of the scope of the task and the decisions we need to make as we identify opportunities for the gradual introduction of emissions reduction technology across the remainder of our estate on our pathway to Net Zero.

## **Why have you decided to ‘go Net Zero’?**

The Net Zero journey is one we share with our customers and the UK Government’s Net Zero ambition. We have seen a transformational shift in attitudes from all of our key stakeholders. There is a ‘sea-change’ in how our customers, and, in turn, their customers, view environmental issues. As the UK’s leading brick manufacturer we recognise that we have to adapt and respond – and this is reflected in our Sustainability Roadmap to 2025.

Construction and buildings account for around 40% of global climate emissions and the construction products sector has a responsibility to play its part in helping the world meet its emission reduction targets. At Ibstock, we’ve been leading the way for some time within our sector, with our investments in new production capacity at our Throckley, Chesteron, Eclipse and Lodge Lane plants all reducing the carbon intensity of the manufacturing process, and as the recipients of multiple sustainability awards.

However, we can do more, and we can go further. Our plan to invest in Atlas is at the heart of this.

## **What will the investment in Atlas mean for the regional economy & local jobs?**

Our investment in Atlas will bring significant benefits to the local economy in terms of employment, local suppliers, opportunities and skills.

This redevelopment will secure the future of the brick factory and provide local employment opportunities for the long term. Once completed, the factory will support 50 highly skilled jobs.

## **Does this project have planning permission?**

We are in the planning approval phase at the moment and have been working very closely with the Local Authority and Planning Department for many months. We have set out the positive local, regional, and national impacts that Atlas will make and are optimistic that we will receive approval.

## **Will the Net Zero plan mean increased costs?**

Reducing process emissions and increasing thermal efficiency will reduce the production costs of the new plant as well as improving its environmental performance.

## **What do you mean by ‘Net Zero’?**

“Net Zero” refers to reaching net-zero carbon emissions by a selected date. To be clear, it differs from zero carbon, which requires no carbon to be emitted as the key criteria.

Net Zero refers to balancing the amount of emitted greenhouse gases with equivalent emissions reductions from offsets or sequestration. This objective should primarily be achieved through a rapid reduction in carbon emissions, but where zero carbon cannot be achieved, offsetting through carbon credits or sequestration or carbon capture and storage.

## How will you reach your Net Zero ambitions?

The Atlas factory will be Net Zero for Scopes 1 & 2 emissions<sup>1</sup>; Scope 3<sup>1</sup> will be addressed at a later date as part of the Group's longer-term sustainability strategy.<sup>1</sup>

To achieve our ambitions, we are utilising a standard methodology that aligns with the UK Government's Industrial Decarbonisation Strategy.

We calculate that our Net Zero aims for Atlas will primarily be achieved through a rapid reduction in carbon emissions from the production process through significantly improved thermal efficiency, on-site renewable electricity generation and renewable energy procurement. The combination of these improvements will reduce the carbon intensity of each brick produced at Atlas by 50%. For production from Atlas to reach Net Zero, the remaining emitted greenhouse gases will be offset through carbon credits, sequestration or carbon capture and storage. Over time, we will reduce the offset proportion further by the adoption of additional emissions reduction measures.

Once we have completed the first stage in this journey (Scope 1 & 2<sup>1</sup>), Atlas will be one of the most operationally efficient brick factories in the world and an exemplar for the industry in terms of environmental performance.

## When will you address Scope 3 supplier emissions?

Net Zero is a journey. So, although we will not address Scope 3<sup>1</sup> emissions at the outset we have commenced a process to assess the materiality of emissions from our suppliers as a first step towards this target. This will ensure we have a full understanding of the emissions picture as part of our longer term Net Zero strategy, and will include:

- Mapping out supply chain processes and establishing carbon footprint
- Understanding of the hotspots and the risks
- Identifying the leaders and laggards in terms of their sustainability performance
- Identifying opportunities for emissions reduction
- Developing an implementation plan across the supply chain

## What do mean by offsetting?

A carbon offset is a way to compensate for your emissions by funding an equivalent carbon dioxide saving elsewhere. Ibstock's business activities produce carbon emissions, including, for example, those from manufacturing, transport and heating. Carbon offsetting is typically used to balance out these emissions by helping to pay for emission savings in other parts of the world through emissions reduction projects.

In identifying and assessing appropriate carbon reduction projects Ibstock is determined that only those which meet a high quality threshold will be considered. Key considerations in this process are:

- The pros and cons of each project
- Whether the project is demonstrably an ethical one
- Whether the carbon reduction certificates are genuine and managed appropriately through a recognised and registered business
- Offsets will always be verified by an accredited third party according to a recognised standard or protocol

## When will your other factories be Net Zero?

As discussed above, Ibstock has already made significant investments at a number of its other factories to improve their environmental performance. By developing a working model at Atlas we can test and learn as we go. This investment will build our understanding of the scope of the task and the decisions we need to make as we identify opportunities for the gradual introduction of emissions reduction technology across the remainder of our estate on our pathway to Net Zero.

## Will the construction phase be Net Zero carbon?

The design and construction phase will not be Net Zero. However, we will only employ suppliers and contractors who have sound sustainability credentials. The construction phase will be in line with legislative requirements:

- As a minimum we will ensure all contractors are signed up to our Supplier Sustainability Code of Business Conduct
- We will also discuss sustainability credentials as part of contract negotiations and approval

Green construction techniques will play a key role in achieving the least amount of associated carbon:

- Use Building Information Management (BIM) systems
- Prefabrication where possible
- Reduced construction waste

## What other sustainability considerations will you implement?

The site will be an exemplar for sustainable British manufacturing. So we will also focus on other areas such as:

- Closed loop water system to include a rainwater harvesting system
- A number of biodiversity features
- Quarry restoration throughout the life of the site, footpaths, wildlife, water features
- EV charging points accessible for employees
- Plastic free canteen
- Bike storage

### ***Additional notes:***

<sup>1</sup> Carbon emissions are divided into three categories:

- **Scope 1 emissions:** direct Green House Gas (GHG) emissions from operations that are owned or controlled by Ibstock. This includes the emissions from processing and firing of all clays and raw materials, Gas, LPG, Gas oil, Kerosene, Coal based materials and company cars/vans.
- **Scope 2 emissions:** indirect emissions from electricity Ibstock buys from the grid for use at our facilities (factories and offices).
- **Scope 3 (other indirect):** emissions which result from Ibstock PLC activities such as supply chain, travel, water and waste.