

A Platform for Sustainability

Sustainability Report 2024

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We are
Ibstock

This report provides a summary of Ibstock’s Environmental, Social and Governance (ESG) performance for the year ended 31 December 2024. 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 (UNSDGs). In this report, we focus our efforts on those where we have the greatest impact.



► **WE ARE IBSTOCK**
Read more about our company on our website using this QR code or by visiting www.ibstock.co.uk

Message from our CEO



Joe Hudson
Chief Executive Officer

Our ESG 2030 Strategy focuses on how Ibstock is addressing climate change, manufacturing materials for life and improving lives.

In 2024 we continued to drive action against the most material issues in these three priority areas.

As we are an energy intensive manufacturer, we have a duty to focus on addressing climate change and achieving our net zero ambition by reducing our carbon emissions. This requires both incremental and transformational change and investment across our manufacturing estate. We worked hard in 2024 creating our carbon transition model to feed into the ongoing development of our carbon transition plan.

We appreciate our ambitions cannot be realised in isolation and we engaged further with our customers and suppliers on sustainability issues exploring collaboration and partnership to deliver more sustainable products and diversify into new solutions to meet market need. We worked with Government departments to highlight the industrial transformation we are undertaking and how vital their support is for the successful transition of our sector to achieve net zero. We also collaborated with our peers on the ceramics sector carbon roadmap and significant trials for firing clay brick with 100 % green hydrogen with Ceramics UK.

We built on our ambitions in improving lives this year, feeding in our diversity data for ethnicity and setting targets at both senior and entry (apprentice) level to support our shift to a more inclusive and diverse workplace, attracting and developing the skills we need for the business to succeed. Ibstock has always had a strong, caring culture and we emphasised this further in 2024 with a new approach to safety and, extending our health and wellbeing support for all colleagues. Although 2024 presented another challenging market for the construction sector, our commitment to the ambitions of our strategy remain and I am pleased to share insights into our progress through this sustainability report.

Our ESG 2030 Strategy

Ibstock’s ESG 2030 Strategy provides the framework for actions across three pillars.

Each pillar provides a set of ambitions and KPIs against the nine priority material issues for Ibstock and our stakeholders. Underpinned by 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 2019 baseline

Net zero
for Scope 1 and 2 carbon emissions 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% is from materials and construction¹.

As operational efficiency moves into the mainstream, certainly for new buildings, the focus on carbon reduction shifts to the embodied carbon of the building and its construction.

As a construction products manufacturer, we have a vital role to play in responding to the climate emergency and addressing its impacts through the decarbonisation of our processes and products.

Our customers are defining their own carbon transition with a focus on key Scope 3 carbon emissions including those from clay and concrete products. As a major supplier partner to many in the housebuilding and infrastructure sector, we have a responsibility to articulate our ambition and demonstrate our progress to help our customers achieve their net zero targets.

Our investment in our manufacturing estate, our product evolution and the transparency of our product carbon data demonstrates our commitment to the transformation required in construction to achieve a net zero world.

Our ambitious ESG 2030 Strategy demonstrates leadership in our sector through our approach to integrating sustainability into the business. As the ESG landscape continues to evolve, we will continuously review our priorities to ensure our resources and investments have the greatest positive impact.



Addressing Climate Change

► Read more page 08



Improving Lives

► Read more page 20



Manufacturing Materials for Life

► Read more page 30



Sustainable Development Goals

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 (UNSDGs) 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 by focusing on the targets that sit behind the goals we are able to prioritise where we can have the greatest positive impact.

We have alignment with eight UN SDGs and the targets which sit behind the goals. Our two priority UNSDGs are: 12. Responsible Consumption and Production, which aligns with Manufacturing Materials for Life pillar; and 13. Climate Action, which is strategically aligned to Addressing Climate Change.



Good Health and Wellbeing: The 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



Priority SDG: Responsible Consumption and Production: Aligning to circularity principles and dematerialisation will help us develop a more sustainable and lower carbon product range



Priority SDG: Climate Action: Decarbonisation of our manufacturing processes by 2040 supports the urgent need to address climate change



Use of Land: All sites operate with due care and consideration for biodiversity this will increase as Ibstock moves towards becoming a net positive biodiversity business

Stakeholders and materiality

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. We have commissioned a review of our materiality in 2025 to continue to align our priorities, resources and investments to the most pertinent issues for our stakeholders and our business.

Employees

Alongside our focus on providing a safe and healthy working environment, we support our colleagues’ mental health and strive to develop an inclusive culture. We invest in ongoing training, development and career progression.

Communities

Our products are made locally by local people and are used to build local communities. Our activities can have a lasting impact on the communities in which we operate and we engage directly with local schools and charitable causes. We are an important employer in the areas where we are located. We are a UK taxpayer with a commitment to pay all appropriate taxes on a timely basis.

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. We engage to build understanding of our sector and the importance of industrial transformation and decarbonisation.

Customers

Our five main customer groups are builders’ merchants, house builders, specialist brick distributors, contractors and installers. Collaborative and long-term mutually beneficial relationships with our customers are the foundation of our success. We engage with customers on our carbon reduction plans and environmental product data to support informed decision making.

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. We collaborate to identify new materials and products to improve the sustainability of our products and processes.

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. We complete the Carbon Disclosure Project for Climate (B) and Water (C) to help inform investors of our ESG credentials and targets.

¹ <https://worldgbc.org/advancing-net-zero/embodiedcarbon/>

Progress against our 2030 ambitions

<div> Addressing Climate Change ► Read more page 08</div>	<div> Improving Lives ► Read more page 20</div>	<div> Manufacturing Materials for Life ► Read more page 30</div>
<div>Carbon reduction (Scope 1 and 2) % absolute carbon reduction tonnes CO₂ (relative to 2019 baseline)</div> <div>49%</div> <div>2023: 37%</div> <div>Targets: 40 % by 2030 Net zero operations by 2040</div>	<div>Health and safety Year on year reduction in Total Injury Frequency Rate (TIFR)</div> <div>13%</div> <div>2023: 5%</div> <div>Target: 10% reduction in 2025 Previous target for LTIFR achieved in 2023</div>	<div>Product innovation % sales turnover from new and sustainable products and solutions</div> <div>22%</div> <div>2023: 11%</div> <div>Target: 20 % by 2030</div>
<div>Water % reduction in mains water (relative to our 2019 baseline) <i>This is a change in reported metric to show % mains water reduction</i></div> <div>33%</div> <div>2023: 28 %</div> <div>Target: New target to be established in 2025</div>	<div>Earn and Learn positions % of colleagues in Earn and Learn positions</div> <div>7.4%</div> <div>2023: 6.9 %</div> <div>Target: 10 % by 2030</div>	<div>Waste % of general waste to landfill</div> <div>4.6%</div> <div>2023: 5 %</div> <div>Target: Zero by 2025</div>
<div>Biodiversity Biodiversity Net Gain (baseline being established)</div> <div>N/A</div> <div>2022: N/A</div> <div>Target: Net Gain by 2030</div>	<div>Women in senior leadership % of women in senior leadership</div> <div>34%</div> <div>2023: 35 %</div> <div>Target: 40 % by 2027</div>	<div>Plastic packaging % reduction in preventable plastic packaging (relative to our 2019 baseline)</div> <div>64%*</div> <div>2023: 25 %</div> <div>Target: 40 % by 2025</div> <div><small>* We have excluded packaging that is not preventable from the metric. This means comparisons to the baseline are not representative of true plastic reduction. How we measure plastic in future will be revised in 2025</small></div>

Highlights for 2024



Addressing Climate Change	Improving Lives	Manufacturing Materials for Life
<div> B rating retained in the Carbon Disclosure Project (CDP) for Climate</div>	<div> Gold member accreditation for our commitment to Earn and Learn</div>	<div> 1st UK volume slips factory under construction at Nostell</div>
<div> Atlas first deliveries of our lowest carbon bricks from Atlas</div>	<div> Partnership with BPIC supporting diversity</div>	<div> Recycled production waste incorporated into floor beams at Sittingbourne</div>
<div> 12 concrete factories achieved ISO 50001 for Energy Management</div>	<div> 311,000 bricks donated to schools and colleges to promote skills in the sector</div>	<div> EPDs for key products verified and shared with customers</div>



Addressing Climate Change

Carbon reduction, water management and improved biodiversity are all key to our strategy to address climate change.

UNSDGs



Highlights

 **B rating**
retained in the Carbon Disclosure Project (CDP) for Climate

 **Atlas**
first deliveries of our lowest carbon bricks from Atlas

 **12**
concrete factories achieved ISO 50001 for Energy Management

Performance and priorities

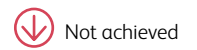
Key to progress:



On track




Off track



Not achieved

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

Material issues	Milestone date	ESG 2030 Strategy milestone	Progress	Commentary
Carbon Reduction	2022	Scope 3 carbon reduction strategy developed		Improving data granularity and working with suppliers on targets and progress ▶ See page 14
	2023	Atlas brick factory opens		Brick production commenced at Atlas in 2024 ▶ See page 16
	2024	100 % of mobile plant to be hybrid and/or electric		16 % achieved – cost, power infrastructure and technology limitations have slowed progress. Roll out continues ▶ See page 14
	2024	On-site renewable energy generation review published		Continued focus on expanding our on-site renewable energy opportunities ▶ See page 14
	2030	Reduce absolute carbon (Scope 1 and 2) by 40% relative to our 2019 baseline		49 % reduction is partially linked to lower production year in 2024 which will increase again with market recovery ▶ See page 10
Biodiversity Net Gain	2026	Biodiversity action plans across all sites		Measurement of biodiversity baseline underway to feed into action plan development ▶ See page 19
	2030	Achieve Biodiversity Net Gain across our estate		Biodiversity management system designed and being rolled out across the estate ▶ See page 19
Water Efficiency	2023	Water footprint and reduction strategy implemented		Availability and accuracy of data has stalled progress – new target development in 2025 ▶ See page 18
	2030	25% reduction in mains water (m³ per tonne of product) relative to our 2019 baseline		+19 % availability and accuracy of data has changed over time making the baseline obsolete – this target will be reviewed in 2025 ▶ See page 18

Performance in 2024

2024 presented a second year of challenging market conditions for the construction sector, with production levels remaining persistently low across core segments. Again this year, the impact of lower production levels is reflected in our 49 % Scope 1 and 2 absolute carbon reduction. The carbon intensity metric is also impacted by lower production output, which is detrimental to efficiency, but we will see the positive impact of our carbon initiatives and investments hitting these figures as the markets recover.

Our carbon data modelling and our carbon reduction planning evolved significantly through the year with a clear roadmap of projects to transform our processes and start to decouple production from absolute carbon impact.

Achievements in 2024 include:

- the first of our lowest carbon bricks from our Atlas factory;
- energy action plans, targets and energy champions appointed at every site;
- sharing our update on renewable energy with our stakeholders; and
- continued focus on financial data quality and controls.

We continued our progress rolling out the Ibstock Biodiversity Management System and made further improvements on our operational environmental data reporting.

2025 priorities



- Complete our Carbon Transition Plan
- Promote green hydrogen for the ceramics sector with key stakeholders
- Work with suppliers on carbon reduction alignment
- Complete our biodiversity baseline assessment
- Revisit our baseline and target for water to develop a new KPI in 2025



Carbon performance

2024 was a low production year, which is partially reflected in a significant 49 % reduction in our absolute Scope 1 and 2 carbon emissions against our 2019 baseline. Although this appears ahead of target, the lower production volumes distort the tracking of true progress which it is important to reflect. The Group carbon intensity metric for 2024 was 0.148 tonnes of carbon per tonne of production. This is an improvement on 2023, demonstrating the impact of our carbon reduction investments, but remains above the desired level. During 2024, operational efficiency and dematerialisation projects supported incremental improvements in carbon reduction, with process improvement investments across a number of factories. These improvements had an impact in 2024 and will be fully realised when the market recovers and factories are able to return to optimum capacity. Our focus remains on the mid- to long-term transformational projects, including alternatives to natural gas and process emissions reduction.



Parkhouse Brick Factory

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	2024	Percentage share	Percentage change from 2019 baseline
Combustion – gas	222,359	145,331	196,622	198,580	153,336	123,546	64.5%	44%
Combustion – other fuel	17,978	7,223	5,736	4,508	7,210	6,393	3.3%	64%
Process emissions	108,886	70,676	97,340	100,084	76,485	60,638	31.7%	44%
Electricity (market-based figure)	28,429	16,429	–	–	787	942	0.5%	97%
Total Scope 1 and 2 emissions (tCO ₂ e) 100%	377,629	239,658	299,698	303,173	237,819	191,518	N/A	49%
Output (tonnes of production)	2,376,838	1,502,388	2,135,050	2,087,129	1,579,088	1,329,323	N/A	N/A
Intensity (tCO ₂ e) per tonne of production	0.159	0.160	0.141	0.145	0.151	0.148	N/A	N/A

Group GHG emissions (tonnes CO₂e) by Scope¹

Emissions Scope	2019	2020	2021	2022	2023	2024	Percentage share	Percentage change from 2019 baseline
Scope 1	349,200	223,229	299,698	303,173	237,032	190,577	64%	45%
Scope 2 total	28,429	16,429	–	–	787	942	0%	97%
Location based ²	28,429	16,429	19,912	17,514	14,799	12,881	N/A	55%
Market based ³	28,429	16,429	–	–	787	942	N/A	97%
Scope 3	–	–	–	157,950	107,915	107,010	36%	N/A
Total carbon emissions (tCO ₂ e)	–	–	–	461,123	345,734	298,529	100%	N/A

¹ All emissions calculations follow Greenhouse Gas (GHG) Protocol.

² Location based reporting is a requirement of SECR and uses an average carbon emissions factor for electricity consumption regardless of the procured source of power.

³ Market based reporting enables electricity purchased from renewable sources via green/net zero tariff to report a zero carbon emissions factor.

Scope 1

Scope 1 emissions make up the largest portion of our carbon emissions at 64 %. 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 plant, heating, quarry pumps, engineering and company cars. Approximately 95 % of our Scope 1 emissions fall under the UK Emissions Trading Scheme (UK ETS) governed by the Environment Agency (England). Lucideon provides third party verification of Ibstock's UK ETS emissions and is accredited by the UK Accreditation Service (UKAS).

Scope 2

With the exception of our Weeford site following the acquisition of Coltman, 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). Our solar array at our headquarters in Leicestershire and roof mounted solar at Atlas provide a proportion of the electrical power to those factories.

In compliance with the UK Government Streamlined Energy and Carbon Reporting (SECR) regulations, we report on the energy efficiency initiatives carried out during the financial year. Our SECR disclosure can be found in our 2024 Annual Report and Accounts.

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, currently comprise power supplied to our Weeford site following the acquisition of Coltman (which has not yet moved over to our renewable provider) as well as an amount of electricity generated from landfill gas which is supplied as a proportion of the electricity consumption at our Dorket Head site. All the rest of Ibstock's purchased grid electricity is categorised as zero carbon under the market-based method.

Location-based reporting – To comply with SECR regulations, we also recognise and report that we emitted CO₂ from 62,379 MWh of electricity according to the location-based method.

Scope 3

Scope 3 emissions are the result of activities outside Ibstock's ownership and control that we indirectly create through our value chain. Scope 3 account for 36% 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 2024, we moved the calculation of our Scope 3 emissions in-house to provide more direct control, access and insight into the data. A combination of emissions factors data was used including CEDA and DEFRA sources. As well utilising spend data, we also used non-spend data for the other material Scope 3 categories for Ibstock including waste and transport. We are not currently reporting against all Scope 3 categories due to either the low materiality of the category or challenges with obtaining this data.

Group Scope 3 emissions categories reported

GHG Protocol Scope 3 emissions category	Figures	Included or excluded
Category 1 – Purchased goods and services	64,906.06	Included (spend-based method)
Category 2 – Capital goods	2,613.53	Included (spend-based method)
Category 3 – Fuel- and energy-related activities	24,667.12	Included (spend-based method)
Category 4 – Upstream transportation and distribution	11,739.24	Included (spend-based method)
Category 5 – Waste generated in operations	122.69	Included (average data method)
Category 6 – Business travel	1,258.87	Included (hybrid approach)
Category 7 – Employee commuting	366.06	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	0.00	Included (average data method)
Category 10 – Processing of sold products	–	Excluded: Ibstock's products are not processed further before use by end customers.
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 12 – End-of-life treatment of sold products	1,336.22	Included (average data method)
Category 13 – Downstream leased assets	–	Excluded: Ibstock does not lease any assets to third parties.
Category 14 – Franchises	–	Excluded: Ibstock does not have any business franchises.
Category 15 – Investments	–	Excluded: Ibstock does not hold any significant investments in other companies or assets beyond those included in this inventory.



Planning our Carbon Transition

We are continuing to deliver carbon reduction against our 2030 target.

We are developing our Carbon Transition Plan in line with the recommendations published by the Transition Plan Taskforce (TPT). We are reviewing the guiding principles in the creation of our plan, which will set out our journey towards being a net zero business and expect to publish our detailed Carbon Transition Plan in 2026.

1. Action to date

- 100% electricity purchasing backed by Renewable Energy Guarantees of Origin (REGO) since 2021
- Energy Management System (ISO 50001) certification across the clay and concrete manufacturing estate with energy efficiency targets and site action plans
- Over £285m investment in the last 7 years to reduce carbon:
 - New Atlas brick factory that is anticipated to be c.50% lower carbon per unit than the previous factory
 - New brick slips factory in Nostell
 - Improvements to the kiln at Aldridge, Parkhouse and Ellistown
- Investment in trials for firing bricks with syngas and hydrogen as alternatives to natural gas
- Product adaptation to dematerialise with larger voids in bricks, lighter utility troughs and redesigned fence posts reducing embodied carbon through reduced gas consumption, lower process emissions and lighter product transportation.
- Engagement with key supply chain partners in high carbon areas such as cement, electric mobile plant (16% of fleet EV) and raw material replacements
- Life cycle analysis incorporated into product design to drive lower embodied carbon products

2. Next steps (to 2030)

- Investment to achieve our carbon reduction is embedded in our financial forecast
- Continued focus on operational and energy efficiency improvements by delivering site energy action plans
- Phasing out of diesel across the manufacturing estate (including mobile plant where possible)
- Securing funding with HM Government for on-site Hydrogen utilisation
- Investment in material science for product development
- Increased recycled content in products
- R&D into new, low carbon products and systems
- Enhancing our Scope 3 emissions data by shifting from a spend-based approach to a more accurate activity-based approach through increased supply chain engagement
- Broadening the scope of our supply chain engagement beyond high impact materials and preferentially partnering with companies decarbonising their operations

3. Future steps and scale up:

- Continued improvements to energy and operational efficiency with full sub-metering and automation

- Increased usage of on site renewables and/or direct purchase
- Roll out of hydrogen across the clay brick estate (on site and pipeline)
- Continued product innovation to utilise lower carbon methods and materials to reduce embodied carbon linked to our KPI for new and more sustainable products
- Carbon capture research for unavoidable emissions

4. Challenges, uncertainties and dependencies

- Industrial hydrogen supply and associated pipeline is not guaranteed.
- Future of regulation on embodied carbon of buildings is uncertain.
- Limited availability of electric machinery on the larger scale, in particular for quarry vehicles.
- Technology Readiness Levels (TRL) for lower carbon manufacturing are not yet proven at scale including for green fuels and carbon capture.
- Many of our suppliers do not yet have carbon reduction targets. We need to work with them and encourage action and commitments to drive down emissions or seek alternative providers.
- Carbon data availability and accuracy within the supply chain is poor as companies themselves make progress. We will need to work closely with suppliers to ensure a just transition.

2030 target

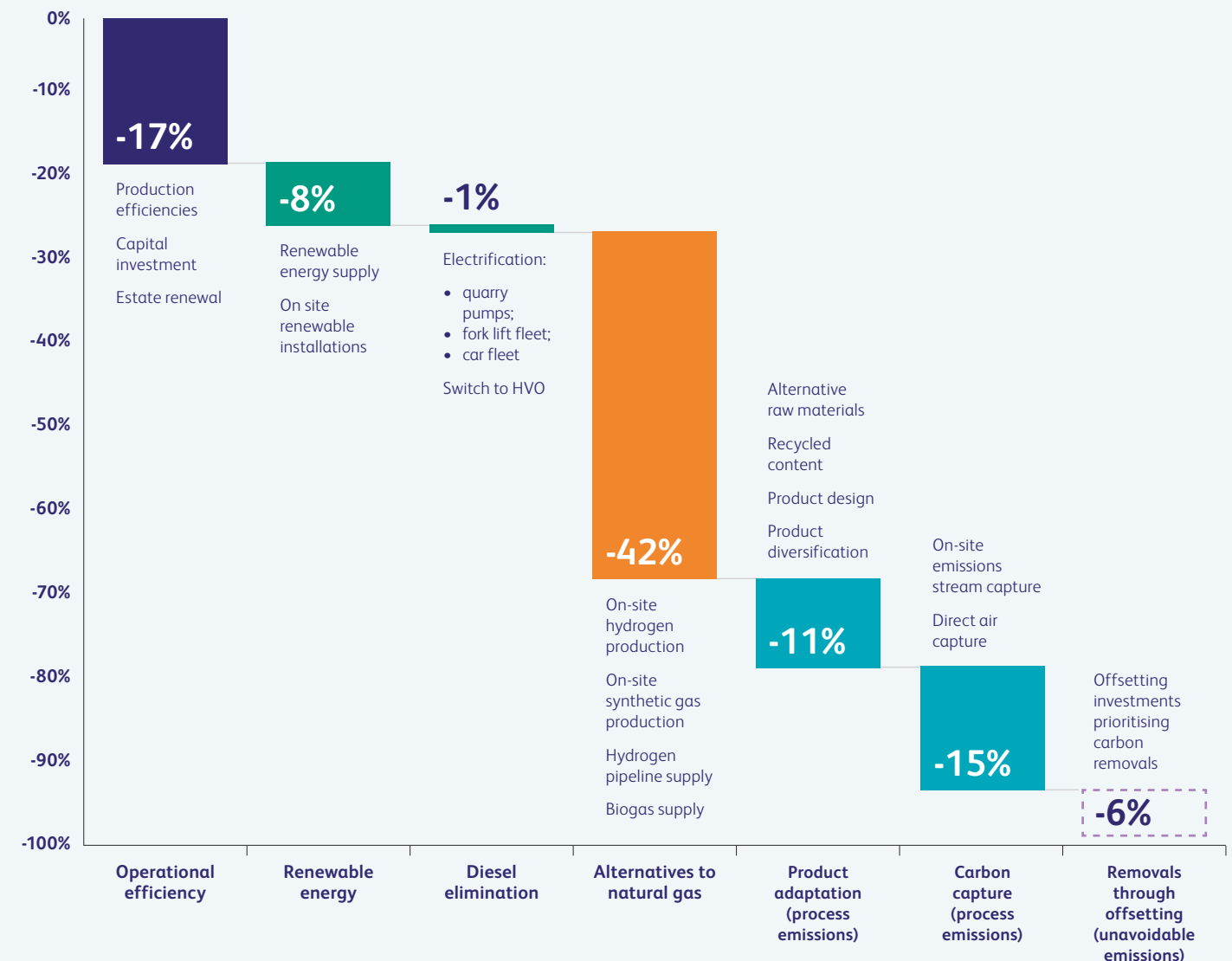
40% reduction
Scope 1 and 2

2040 target

Net Zero operations
Scope 1 and 2

2050 target

Net Zero
Scope 1, 2 and 3



Engagement with industry

We are working closely with the manufacturing sector through Ceramics UK supporting the development of the Ceramics Net Zero Road Map in 2024. We are active participants of the Future Homes Hub, at technical and CEO level, helping us to work with industry to understand and shape the future for new homes. We spoke at national and regional hydrogen industry events raising the profile of the demand for green hydrogen and welcomed ministers, MPs and civil servants to our sites to raise the profile of the opportunities and challenges for UK manufacturing achieving net zero.

Alignment with financial planning

In developing our in-depth transition plan, we will show how we will embed our ambitions for climate action within our business model. The plan will highlight how this may affect the homes and developments we build, together with resourcing, operational and capital expenditure, as well as material interdependencies on the environment, workforce and value chain.

Governance

Ultimate responsibility for climate action lies with the Executive Committee supported by monthly Net Zero Working Group meetings. This feeds into quarterly Sustainability Committee meetings to review and discuss progress. Carbon reduction is a key action area for the operations and technical teams as well as R&D and NPD teams. Delivery of the strategy is supported by a sustainability team. See page 40 for governance diagram.

Offsetting

Whilst emissions reductions are our priority, there will be a requirement to neutralise residual emissions across scope 1 and 3 as we approach our net zero targets. We have, at a small scale, begun to explore procurement of certified high quality carbon offsets to achieve carbon neutral certification for a single range of our new Atlas products – the Pathfinder Range. This experience will feed into a longer-term strategy for offsetting residual emissions in the future. See page 16.



Transition in action

Right: Parkhouse kiln upgrade

Operational efficiency

The operational efficiency of our manufacturing is our priority for carbon reduction in the immediate term.

In 2024, our concrete sites implemented ISO 50001 for Energy Management which means that all our clay and concrete factories (with the exception of Weeford) are now using the system to continuously monitor and reduce energy consumption to improve their operational energy efficiency.

Our Energy Manager works with the site technical managers across the Group to help the teams identify and quantify operational energy efficiency to initiate changes to optimise our processes. Our sites have access to half-hourly electricity data, energy action plans and targets, and an energy champion. In 2024, focus continued on air compressors, motors, drives and kiln efficiency.

Examples of projects in 2024 include

- Ashdown quarry team installed an automated pumping system with remote monitoring to manage its quarry lagoon water levels. By switching from diesel to electric, this not only reduces carbon emissions by an estimated 10 tonnes per annum but also improves water level management in the lagoons and eliminates safety risks

- Parkhouse brick factory shortened its drying cycle, optimising the process with a small carbon saving 1.5 tonnes per month
- New sub-metering installed at three brick sites for more granular data collection to support efficiency improvements

Our strategic investment in operational efficiency tackles the larger-scale projects, and we have invested over £285 million in the last 7 years on improving factory performance and building new efficient facilities, resulting in lower carbon intensity products.



Left: Renewable energy update published

Renewable energy

We continue, to review opportunities for further on-site renewable energy generation in 2024, to build on our 5MWh Leicester solar park and our new 400kWh solar array installed at Atlas. We published a review of our approach to renewable energy with our Energy Manager, sharing insights with our stakeholders to support others within and beyond our sector to promote renewable energy production.

By the end of 2024, we had moved 16 % of our mobile plant fleet to electric and 32 of our sites have electric vehicle charging points. The conversion of our mobile fleet away from diesel continues to make 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. In particular, the infrastructure costs for increased electric capacity can be prohibitive at some sites.

HVO continues to be a consideration for quarry pumps and mobile fleet, and having worked with our supplier partners in 2024, we are confident we can source HVO responsibly and will move a pilot site over from diesel to HVO at a point that is economically viable.



Parkhouse factory kiln upgrade

Ibstock's Parkhouse brick factory in Staffordshire specialises in a focused range of bricks, featuring various hues and textures, including a unique black speckle effect favoured by the housebuilder market. Built in 1985, the factory had its first significant upgrade in 2023 with £6.5 million invested in process efficiency improvements, including upgrading the kiln structure, thermal processing equipment, and installing an additional dryer and associated handling equipment. The improvements have resulted in both production and energy efficiencies being achieved, and since coming back online into full production in 2024, the factory has been able to demonstrate gas savings of 19% and power savings of 17% against the pre investment base case.

Alternative fuels

With gas making up the largest proportion of our Scope 1 emissions at 65 %, we are working closely with partners and government to examine the operational and commercial potential of alternative fuels including:

- Hydrogen
- Synthetic gas
- Biogas

We collaborated with sector and industry partners to submit an application to the Government's second Hydrogen Allocation Round (HAR2) in 2024. This funding would provide the financial incentive for on-site green hydrogen production at our Atlas factory in Walsall, West Midlands. The funding guarantees the hydrogen price at the same level as the natural gas price for 15 years, in order to support industries reliant on natural gas until the national hydrogen network is established. We have also been working with the national gas network providers to build their understanding of the offtake demand for hydrogen in the future so that the development of the hydrogen pipeline network is able to meet future industrial demands.

With the successful pilot of clay fired bricks using synthetic gas, this remains a viable option to replace natural gas and we continue to pursue the commercial propositions for implementation.

Carbon capture and carbon offsetting

Our priority is always to reduce our emissions first before we consider alternatives. However, we recognise that carbon capture and carbon offsetting will form a part of our future strategy for addressing unavoidable or the hardest to eliminate carbon.

We continue to monitor the vast array of carbon capture options that are emerging in the market, many of which have relatively low technology readiness levels (TRL). We are in discussions with a number of providers of more mature technologies and have been working with other energy intensive industries to learn and share knowledge.

In exploring carbon offsetting, through emissions reduction projects, we have established a set of principles, where practicable, to:

- Prioritise emissions reduction projects that align with the principles established by the Integrity Council for the Voluntary Carbon Market (ICVCM) Core Carbon Principles (CCPs)
- Prioritise UK projects
- Prioritise projects that align with our purpose/values.
- Prioritise removals over avoidance as our strategy matures
- Report all offset purchases publicly

We are developing our approach with these projects and building our understanding of the carbon market as we start to future-proof our need in the longer term for offsetting residual emissions. As our strategy matures, we will move our towards carbon removals and, as such, have purchased a small quantity of nature-based removals through tree planting in the 'Trossachs Highland Afforestation' project in Scotland.



Foresight Net Zero Live 2024

Scope 3 carbon reduction strategy

While Scope 1 and 2 are our main focus we continued to deliver our strategy for Scope 3 carbon reduction in 2024. We worked with suppliers and our product development teams to explore how we most effectively target reductions to achieve net zero before 2050.

Delivery against the focus areas of the strategy included:

Data

Increasing the granularity, ownership and understanding of our Scope 3 carbon data by bringing the calculations in-house and evolving the maturity of our Scope 3 accounting beyond a spend-based approach with more accurate data where possible

Engagement

Focusing on five priority suppliers with significant Scope 3 footprint in our supply chain, understanding carbon targets and maturity in carbon transition planning. This highlighted both strengths and weaknesses where we can work together to build alignment

Product Partnerships

Continuing our product development partnerships with leading suppliers and customers on low carbon materials and alternative material waste streams, with a particular focus on cement reduction and replacements

Collaboration

Advocating with sector partners for a lower carbon built environment in the supply chain, including representation on the task groups of the Future Homes Hub, the UK Green Building Council and the Supply Chain Sustainability School

Commitments

In 2025, we will be working with supplier partners towards shared commitments on carbon targets and preferential material supply

Atlas Pathfinder range of CarbonNeutral[®] bricks

Atlas is our £64 million investment replacing the old factory with a new one, estimated to be 50% more efficient, using new technology and product design to produce the lowest carbon bricks in our range.

Because we are able to demonstrate a significant carbon reduction, we have worked with carbon market specialists Climate Impact Partners to select the Pathfinder range of bricks from Atlas to be our first certified CarbonNeutral[®] products.



Above: Atlas Pathfinder range in Brocton Weathered Buff

Left: Richard Parker, Mayor of West Midlands, at Atlas

Projects supported

A record of the emissions reduction projects supported by Istock are shown below

Project	UK retrofit credits – Pilot	UK retrofit credits	Katingan Peatland Conservation REDD+ Indonesia	Improved insulations and stoves, Mongolia	UK Trossachs Highland Afforestation
Provider	HACT	HACT	Climate Impact Partners	Climate Impact Partners	Climate Impact Partners
Verifier	Verified Carbon Standard	Verified Carbon Standard	Verified Carbon Standard	Gold Standard VER	Woodland Carbon Code
Credit type	Avoidance/Reduction	Avoidance/Reduction	Avoidance/Reduction	Avoidance/Reduction	Avoidance/Reduction
Category			Nature Based Solution	Health and livelihoods	Nature Based Solution
Host country	UK	UK	Indonesia	Mongolia	UK
Registry ID			VCS1477	GS2434 & CDM/GS11616	
Vintage			2016	2019	
Date of purchase	28/06/2023	01/10/2024	04/06/2024	04/06/2024	04/06/2024
Credits purchased	360	375	1315	1310	100
Retirement date	01/10/2024	Unretired	14/10/2024	22/10/2024	Unretired
Applied to pathfinder	Yes	Yes	Yes	Yes	No

Emissions reduction projects



Social housing: Retrofit Project UK



Improved insulation and stoves, Mongolia



Katingan Peatland: Conservation Indonesia

Process to achieve carbon neutrality, aligned to the CarbonNeutral Protocol, is outlined below:



1

Define

To achieve Climate Impact Partners' CarbonNeutral[®] product certification (1 June 2024 to 31 May 2025), Istock plc had the full product Life Cycle Assessment of the Pathfinder Range emissions sources, independently verified for the first year of production.

2

Measure

We have estimated the emissions associated with our Pathfinder range (3,043 tonnes CO₂e) as well as our Group Scope 1, 2 and 3 emissions to support our CarbonNeutral[®] product claim. This will be updated to actual figures following the first year of production.

3

Target

We set a Group target for emissions reductions of 40% (Scope 1 and 2) by 2030 and you can see our progress in this report. As these reductions take time, we are offsetting the Scope 1, 2 and 3 emissions associated with the Atlas Pathfinder range.

4

Reduce

Investing in the new Atlas factory will reduce the operational emissions compared to the old factory by an estimated 50%. This will be confirmed after the first year of production of the Pathfinder range. New technology, heat recovery, product design and on-site renewables, all contribute to the reduction.

5

Offset

To meet our CarbonNeutral[®] product goal, are offsetting our remaining Scope 1, 2 and 3 emissions based on our estimated GHG footprint of the Pathfinder range. Our offsetting programme delivers finance to projects which are reducing emissions now, supporting the transition to a low-carbon global economy. All the projects are independently verified and we have retired a large portion of our carbon instruments.

► See table provided on page 16

6

Improve

We will not stop once the new factory is built. To retain our CarbonNeutral[®] product status we will continually improve and are already looking at options for alternative fuels and elimination of diesel on site.



Water

The water used in our manufacturing process comes from a combination of mains water, borehole extraction, quarry water and our growing number of on-site rainwater harvesting systems.

Our ESG 2030 Strategy target to reduce m³ of mains water per tonne of production by 25 % against our 2019 baseline shows 19% increase in 2024.

The methodology for measuring mains water has improved since the baseline figure was set, with metered water across 63 % of all sites. This means comparisons with the baseline are not representative of the actions taken. As an interim we highlight the % reduction in m³ of mains water used against our 2019 baseline, which is a 33 % reduction in 2024.

Our site mains water consumption is metered across most manufacturing sites, but site use is heavily impacted by water content in raw materials (sourced from our quarries or our suppliers). A review of the measurement and value of this target to business performance will be undertaken in 2025 to provide a more impactful approach to managing our water consumption responsibly.

Through 2024, 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 ISO 140001 Environmental Management System, which is operating at all our manufacturing sites, ensures that we minimise any negative impacts on nature, for example from our water systems, and demonstrate continuous improvement. Water consumption is highlighted in our operational reports and our factories prioritise:

- reducing water use in the first instance
- recycling process water where possible
- prioritising non-mains sources



Taskforce for Nature-related Financial Disclosure (TNFD)

As our primary business model relies on the extraction of natural resources, we know that we need to play our part in contributing to a nature-positive future and will be applying the TNFD framework to our business model in the next two years.

Leicester Quarry water

Biodiversity

As a neighbour and custodian of land, Ibstock has for many years been managing land responsibly as part of our operations.

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 the 2030 biodiversity commitment, the Ibstock Biodiversity Management System (IBMS) objectively scores the biodiversity

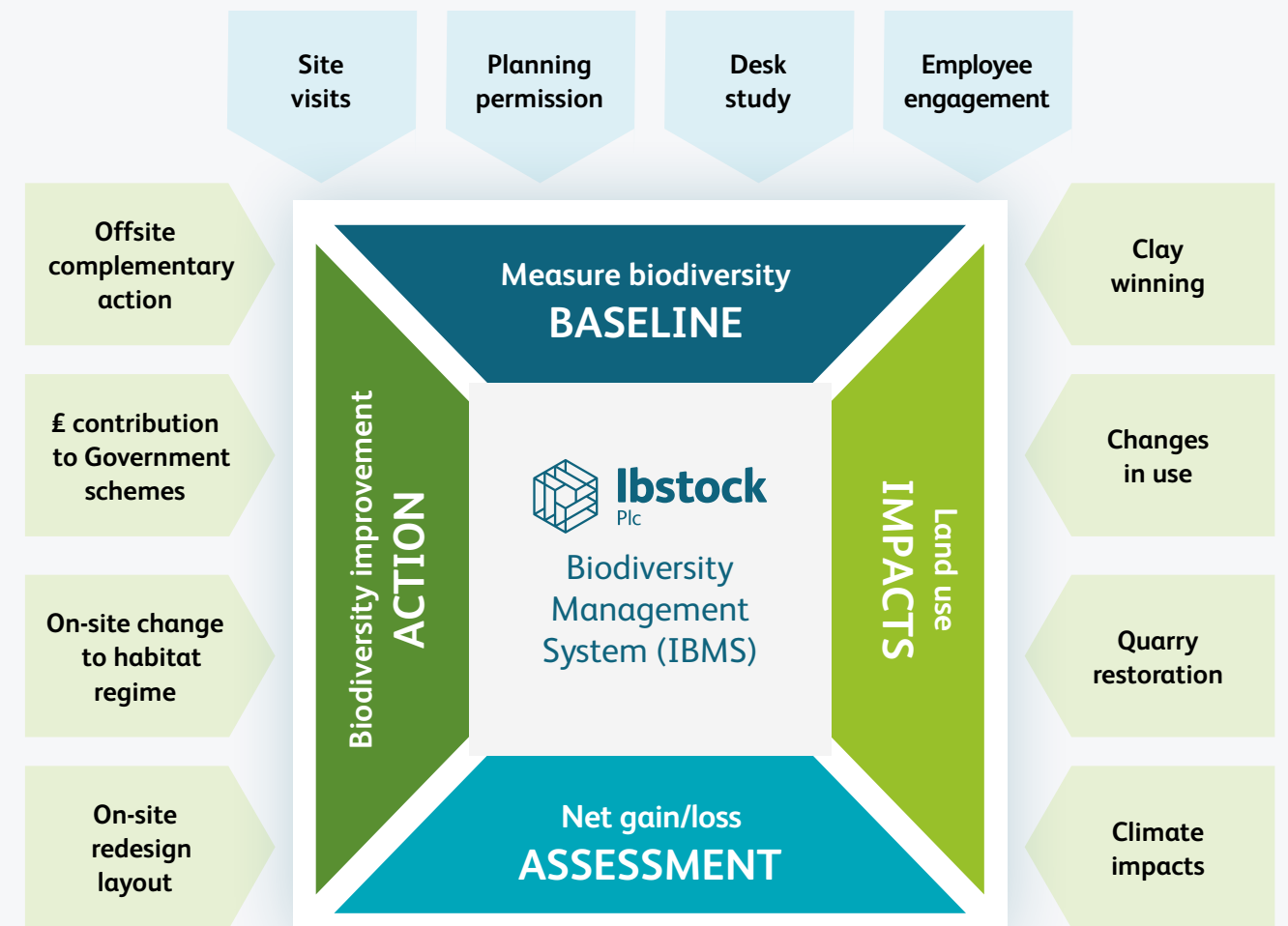
value of any given site, enabling tracking of long-term trends, recording the presence of protected and notable species, and identifying enhancement opportunities. Following a 2023 pilot on the Leicester site, the IBMS baselining was rolled out across almost 50 % of our manufacturing sites in 2024, with full Company completion planned in 2025.

The IBMS will provide an understanding of our direct, indirect and cumulative biodiversity impacts. As we look to evolve the IBMS, it can start to inform a more holistic view of our nature dependencies, incorporating quantitative metrics aligned with the TNFD's LEAP approach and helping to set appropriate targets in the future.



Ibstock Eco-Habitats: Bat Box

The Ibstock Biodiversity Management System (IBMS)





Improving Lives

Ibstock's commitment to fostering an inclusive, supportive and empowering workplace culture extends far beyond its factories and functions – it includes driving positive societal impact and community engagement.

UNSDGs



Highlights



Gold

member accreditation for our commitment to Earn and Learn



Partnership

with BPIC supporting diversity



311,000

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

Performance and priorities

Key to progress:



On track



Off track



Not achieved

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

Material issues	Milestone date	ESG 2030 Strategy milestone	Progress	Commentary
Health, safety and wellbeing	2022	Launch mental health programme	⬆	Continued focus on mental health with 72 qualified mental health allies across the business in 2024 ▶ See page 25
	2023	Launch wellbeing strategy	⬆	DigiCare + rolled out to all staff to support health and wellbeing ▶ See page 25
	2023	50% reduction in LTIFR	⬆	LTIFR target achieved. TIFR target set for 10% reduction in 2025 ▶ See page 24
Inspiring Futures	2022	Establish social value framework	⬆	Social value reporting to be undertaken for the first time in 2025 ▶ See page 26
	2023	Every site connected to a local school or college	➡	All clay sites provide product donations to schools and many have wider connections ▶ See page 29
	2026	200 Ibstock colleagues as active STEM Ambassadors	⬆	36 STEM Ambassadors in 2024. Strong focus on STEM planned in 2025 ▶ See page 29
	2030	10% of colleagues in Earn and Learn positions	⬆	7.4% achieved and awarded Gold member status by the 5% Club ▶ See page 28
Employee Experience	2023	'Building Belonging' campaign launches	⬆	Continued focus on inclusion and diversity through our affinity groups ▶ See page 26
	2023	Ethnicity data pay gap reporting	⬆	New targets have been set for ethnicity to drive action in the business ▶ See page 26
	2030	40% of senior leaders to be female	⬆	34% achieved. Continued focus on attracting and retaining/promoting women in Ibstock ▶ See page 26

Performance in 2024

Having achieved our 2023 target of a 50% reduction in Lost Time Incident Frequency Rate (LTIFR) we have introduced Total Injury Frequency Rate as a KPI in 2024. Our active commitment to health and safety in 2024 matured once again to focus on making a safety improvement every day. This step change in the commitment of every person taking an active role in safety continues to be embedded throughout the business.

Our support for colleagues' wellbeing expanded with the introduction of DigiCare+, which was downloaded by more than 700 colleagues. This is in addition to our now embedded Employee Assistance Programme and mental health allies.

34% of our senior leaders are female at year end and we continue to champion inclusion and diversity, setting a new target in the year for greater ethnicity in both our senior leadership cohort (aligned to the Parker Review) and our apprentice intake. The Ibstock apprenticeship programme continues to be a driving force behind skills succession planning, with 54 apprentices on active programmes in 2024.

This commitment was reinforced when we were awarded Gold member accreditation as part of The 5% Club's Employer Audit Scheme, highlighting Ibstock's commitment to supporting employees through Earn and Learn initiatives helping to develop and retain crucial skills and talent in our sector.

2025 priorities



- Launch Safe and Reliable Production System to a model factory
- Progress strategic partnership with BPIC to support new ethnicity targets
- Deliver and understand the impacts of bi-annual employee engagement survey
- Measure our social value baseline

Health, safety and wellbeing

Safety

Safety is our number one priority. We have made good progress over the last five years implementing our Health and Safety Roadmap and achieving our target to reduce Lost Time Incident Frequency Rate (LTIFR) by 50% by 2023 relative to a 2016 baseline.

In 2024, we refocused the safety KPI to measure and reduce Total Injury Frequency Rate (TIFR). TIFR is a more holistic measure for safety culture, capturing lost time, restricted work and medical treatment cases, which supports risk identification and reduction. LTIFR remains an important subset of this data. In 2024, we reduced TIFR by 13% compared to 2023 and have set a further 10% year on year reduction target for 2025. A longer-term safety target will be developed this year.

To support TIFR reduction we introduced the 'Leadership In Action' approach to keep safety at the forefront of everyone's mind.

Each meeting at every level of our organisation now starts with a safety moment, and making a safety improvement every day is also an active step across all sites and functions, to actively identify, remove and prevent risks on a daily basis. This strategic shift has had an immediate impact, with a 13% reduction in our TIFR in 2024, compared to the previous year.

Pledge Safety Awards

Ceramics UK holds an annual health and safety Pledge Conference across the ceramics industry. The event focuses on continuous improvement in health and safety in the sector and the awards recognise progress and celebrate best practice.

In 2024, Ibstock took home 42 Pledge Awards, with both Group initiatives and individuals being recognised, including:

- **Emerging Talent Award Winner** for Jamie Scott, Health and Safety Co-ordinator at Throckley
- **Special Recognition Award** for the 'Comprehensive review and implementation of site confined space & rescue requirements' at Atlas
- **Individual Recognition Award** for Tom Arrowsmith for his work on the 'Pack rebuild area improvement project' at Eclipse



Jamie Scott with his Emerging Talent Award

Leadership in Action



Safety Moment



Safety Improvement – everyday



Safety Conversations



Dynamic Risk Assessment



Significant Incident Reviews

Hand protection initiative

At Ibstock, we always begin the year with our Safe Start meetings involving every colleague across the business. The sessions place safety ahead of any other agenda as we return for the new year and allow colleagues to return to their work environment in a safety conscious way.

The focus in 2024 was on addressing the significant issue of hand injuries, which accounted for over 40% of reported injury incidents across the Group. During the Safe Start session, all operational colleagues were consulted on proposed new hand protection equipment, improved working practices and isolation procedures to really raise awareness of risk and drive a safer workplace.

Through colleague consultation and collaboration with supplier Guardsman, we developed a customised 'Spider-Man' glove featuring cut resistance and backhand protection. The project demonstrated strong management commitment, extensive worker consultation and effective communication strategies. The results were significant, with a 75% reduction in hand injuries in the first quarter of 2024 compared to the same period in 2022. The initiative was recognised as best practice with a Highly Commended from the Mineral Products Association's Health and Safety Awards.



2024 Safe Start meeting at Nostell

Health and wellbeing

Health and wellbeing are an increasingly important part of our culture. Leaders throughout the business continue to shine a light on the importance of physical and mental wellbeing through our employee communications, team meetings and engagement channels.

We extended our support to colleagues in 2024 with the introduction of DigiCare+ from Aviva – an app that provides all colleagues with free annual health check, GP services, nutritional advice and much more. Following the initial launch more than 700 colleagues had downloaded the app in the first six months.

The introduction of the app not only expands the range of support available it also acknowledges that not all our colleagues are comfortable seeking support in person and may have a preference for on-line service.

We also raised the profile of the work that the Lighthouse Charity offers for those in the construction sector struggling with physical or mental health as well as financial issues. Use of our Employee Assistance Programme in 2024 was at 2.5%, a decrease from 7% use rate in 2023 which may reflect the broader services now available to colleagues.

700+

colleagues downloaded DigiCare+ in the first six months

Our mental health allies training continued this year, with 72 colleagues qualified to provide support. This programme received recognition from the Ceramics UK Pledge Awards with the judges commenting: "This initiative shows the ongoing commitment of Ibstock Plc to supporting individual's mental health across the whole company, with a concerted effort made to support employees at all sites."



Employee experience

Ensuring that colleagues belong, thrive and grow at Ibstock is core to our employee experience.

There remains a stubbornly low representation of women and people identifying as ethnically diverse in the construction and manufacturing sectors. Although Ibstock's gender balance is improving, our population is 83% male and 17% female, and just 5% of colleagues identify as ethnically diverse. This data, the findings of our ethnicity pay gap analysis and with the guidance from the Parker Review, the Board approved a new target to increase the senior leader population to 20% of senior leaders identifying as ethnically diverse by 2030, from 7% in 2024. In addition, we added a target for our apprentice intake going forward to comprise one-third female and one-third ethnically diverse colleagues. Targeting diversity at entry level and at senior level helps to build diversity into our pipeline of talent and succession, reinforcing a more inclusive workplace culture.

We continue to advocate for inclusivity across our workplace and our sector. Our affinity groups continued to share insights, celebrate difference and inclusivity, and raise the profile of concerns or challenges faced by minority groups.

Ibstock continues to support the Construction Inclusion Coalition and, in 2024, formed a strategic partnership with Black Professionals In Construction (BPIC). The partnership with BPIC not only offers the opportunity for Ibstock to develop our knowledge and understanding of inclusivity and raise the profile of the business within black communities, but also offers BPIC the opportunity to expand into geographies outside London.



Removing barriers to work

Through 2024, we have been acting on the insights from our apprentice recruitment which showed that ethnically diverse candidates were applying for our programme, but a low proportion were getting through to interview stage.

We made a commitment in early 2024 to target one-third of the apprentice intake to be female and one-third from an ethnic minority. Raising awareness of this target in our recruiting teams, providing unconscious bias training and ensuring diverse interview panels helped remove barriers to joining Ibstock. We achieved our target with our 2024 apprenticeship intake¹ and are committed to continuing this as a key measure of success going forward.

Given our exceptionally high retention levels of apprentices, this is an important strategy to meaningfully increasing the diversity of the workforce for the future.

¹Our 2024 intake did achieve this target but subsequent choices of the apprentices meant the intake at the end of 2024 was 29% female and 11% ethnically diverse.



2024 apprentice cohort

We remain on track to achieve our 40% of senior leaders to be female target by 2027.

34%

of leaders at Ibstock were female, at the end of 2024

Employee engagement

Ensuring we are proactively communicating with our employees and providing the best opportunity to hear our colleagues' voices is a crucial part of our employee engagement at Ibstock.

We introduced our series of Sustainability Shorts in 2024, bringing together expertise from across the business to raise awareness and share good practice around key sustainability topics including, carbon, waste, working with schools and climate resilience.

Our colleagues are encouraged and supported to engage with their local community and raise funds for local charities and causes. The business offers a matched funding scheme which effectively doubles the fundraising power of teams and individuals across Ibstock.



Ibstock's Shelter Wall with Richard Parker, Mayor of the West Midlands



Shelter kiln wall

Our Atlas factory unveiled a very special section of the kiln wall featuring hundreds of engraved bricks, purchased by Ibstock colleagues, customers and suppliers, which helped raise over £23,000 for Shelter UK to help the fight against the housing emergency in the UK.

"Atlas pathfinder factory will play a significant part in our journey to net zero but the development has focused not only on our environmental commitments but also on the positive social impact we can have as a business. Our fundraising efforts are just one example of this social impact and I am really proud that the engraved bricks are now permanently embedded in the new kiln wall, serving as a lasting reminder of the importance of safe, secure, and affordable housing for all."

Jack London
Factory Manager

Our employee engagement forums



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 openly discussing issues with the Executive and Board members

Inspiring futures

The skills shortage in the construction and manufacturing sectors means that talent retention and attraction are vital for the success of the business.



Our apprenticeship programme retention rate remains high.

100%

of those completing their course are offered a permanent role in the business

67%

remain with the business three years after course completion



Gold Earn and Learn badge

We are investing in local schools engagement and high quality apprenticeships, and ensuring everyone can develop at Ibstock. Our work with schools and colleges with a particular focus on Science Technology Engineering and Maths (STEM) subjects means we are also supporting our customers and inspiring young people to consider a future in the construction sector.

Developing our people

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

In 2024, we were awarded with a Gold members accreditation as part of The 5% Club's Employer Audit Scheme. This achievement highlights Ibstock's commitment to supporting employees through Earn and Learn initiatives and apprenticeships. As part of the audit, our efforts, future ambitions and commitment to social mobility were called out alongside diversity and inclusion further strengthening our commitment to the ongoing development of employees.

The Ibstock apprenticeship programme continues to be a driving force behind skills succession planning, with 54 apprentices on active programmes as of year end 2024.

Our retention rate remains high, with 100% of those completing their course being offered a permanent role in the business and 67% remaining with the business three years after course completion.

Our focus remains on the core business areas of engineering, manufacturing and technical apprenticeships, but we also offer apprenticeships in digital support, customer service, marketing and procurement.

We also recognise the role of leadership in attracting and retaining a skilled and motivated workforce for today and tomorrow. For this reason, we have invested in a leadership development programme for the business, 'Sparks', which has seen more than 100 future leaders supported with both on-the-job learning, mentoring and workshops.



North Star Science School with Professor Brian Cox

Building our future workforce

Attracting young people to the construction and manufacturing sector to ensure we have the skills we need for the future starts with engagement with schools. Raising awareness of the opportunities the sector offers and challenging often outdated perceptions of the industry is hugely important for our future success.

Our commitment is to provide 200 STEM Ambassadors over a five-year period, with 36 Ambassadors active in 2024. STEM Ambassadors use their experience in industry to inspire young people to take science, technology, engineering and maths subjects at school and consider a future career in the sector. We support this engagement with donations of our products to schools and colleges across the UK for training and skills development. In 2024 we again donated over 300,000 bricks to colleges, schools and community groups across the country.

We celebrated our fifth year of support for the North Star Science School in Rotherham, South Sheffield, where a team of colleagues were joined by Professor Brian Cox to share his vision to make the UK the best place to do science and engineering. He let the 500+ pupils and their teachers know: "You don't have to be a genius – science is for everyone. All you need to be is interested, and if you're interested, then you can do it." Our team of STEM Ambassadors (including apprentices and engineers) shared our workshop with pupils throughout the day to teach them about clay brick making.

Insight House at Barratt's Affinity development

Ibstock partnered with Barratt Homes and 360 Degree Society, in a three-year project to develop the Insight House at Barratt's Affinity development in Waverley, South Yorkshire, which opened in summer 2024.

The Insight House is a sustainable concept home which offers an immersive educational experience to schools, colleges and the community. It has been designed to showcase how homes can be built to reduce energy usage and support greener living. The four-bedroom home has fun and interactive wall displays explaining the construction process and the principles and practices that Barratt Homes follows to minimise the impact of development and provide homeowners with more energy efficient homes. Ibstock's bricks have been used as the face of the Insight House demonstrating their long life span, thermal properties and resilience.

Working with our partners, local schools were engaged through the process and a class from Waverley Primary School was the first group to enjoy the Insight House experience at its launch.



Insight House launch event



Manufacturing Materials for Life

Our customers are building sustainability into their decision-making around product choice. Innovation, circularity and dematerialisation are crucial for ensuring our products meet customer needs and are fit for the future.

UNSDGs



Highlights



1st

UK volume slips factory under construction



Recycled

production waste incorporated into floor beams at Sittingbourne



EPDs

for key products verified and shared with customers

Performance and priorities

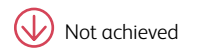
Key to progress:



On track











Off track



Not achieved

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

Material issues	Milestone date	ESG 2030 Strategy milestone	Progress	Commentary
Product innovation	2022	Istock Futures launches		Futures continues to develop diversified product solutions for our customers ▶ See page 34
	2024	Brick slips factory opens at Nostell		Brick slips factory at Nostell to start commissioning in 2025 ▶ See page 37
	2030	20% sales turnover from new products and solutions that deliver customer value and improved sustainability		22 % achieved, with lower carbon mix designs rolled out across multiple concrete product ranges ▶ See page 34
Circular economy	2024	Research into alternative and secondary materials published		Research into replacing high carbon materials in clay bricks led to commercial trials for lower carbon alternatives ▶ See page 38
	2024	Product data transparency project update		Environmental Product Declarations (EPDs) third party verified and published for key products ▶ See page 35
	2025	Zero waste to landfill achieved		4.6 % general waste to landfill in 2024 ▶ See page 39
Dematerialisation	2022	Impacts of clay dematerialisation project published		Continued focus on implementing materials reduction including increased voids and product redesign ▶ See page 38
	2025	40% reduction in preventable plastic packaging		64 % achieved due to a data anomaly. In reality our progress slowed. A new approach will be defined in 2025 ▶ See page 37

Performance in 2024

Our product development in concrete came to fruition with the roll out of lower carbon cement replacements across several product ranges. This saw our new and sustainable product KPI increase to 22 % in 2024. We launched our environmental product declarations (EPDs) for key products to our customers and continue to utilise the lifecycle analysis (LCA) tool internally to inform our product development.

Our progress slowed on our plastic reduction target as finding optimal solutions between pack safety, product quality and packaging reduction was challenging. We continue to focus on waste segregation to divert waste away from landfill through our operational sites and waste partners.

2025 priorities



- Nostell brick slips factory starts commissioning
- Quantify the impact of our product development in concrete on our Scope 3 carbon reduction
- Revisit our baseline and target for plastic packaging to develop a new KPI
- Complete Group Building Safety Act competency framework and share it with our customers and partners



Innovation

Sustainability now sits alongside the key technical and procurement considerations of strength, durability, aesthetics and cost for the specification of construction products.

Ibstock products are resilient, durable, safe, beautiful and last several lifetimes, making them an excellent choice for building sustainable communities. But we can still make improvements: by building on the inherent attributes of our clay and concrete products, we are committed to manufacturing even more sustainable products and solutions to meet our customers' needs.

Our performance in 2024 accelerated from 11 % to 22 % of sales volume from new and more sustainable products, exceeding our 20 % target. This KPI includes not just new product development (NPD), but also product evolution to develop our existing product range with greater sustainability performance.

The step change in the metric in 2024 follows our investment in successful trials, over several years, in concrete material mix design. Having proven the technology and performance meet the regulatory standards and our customers' requirements, we were able to roll out lower carbon cement replacements across several factories with significant product groups; for example, at our Northwich factory, a £250,000 investment in a new silo in 2023 supported the material shift to GGBS producing lower carbon rail products for the market in 2024.

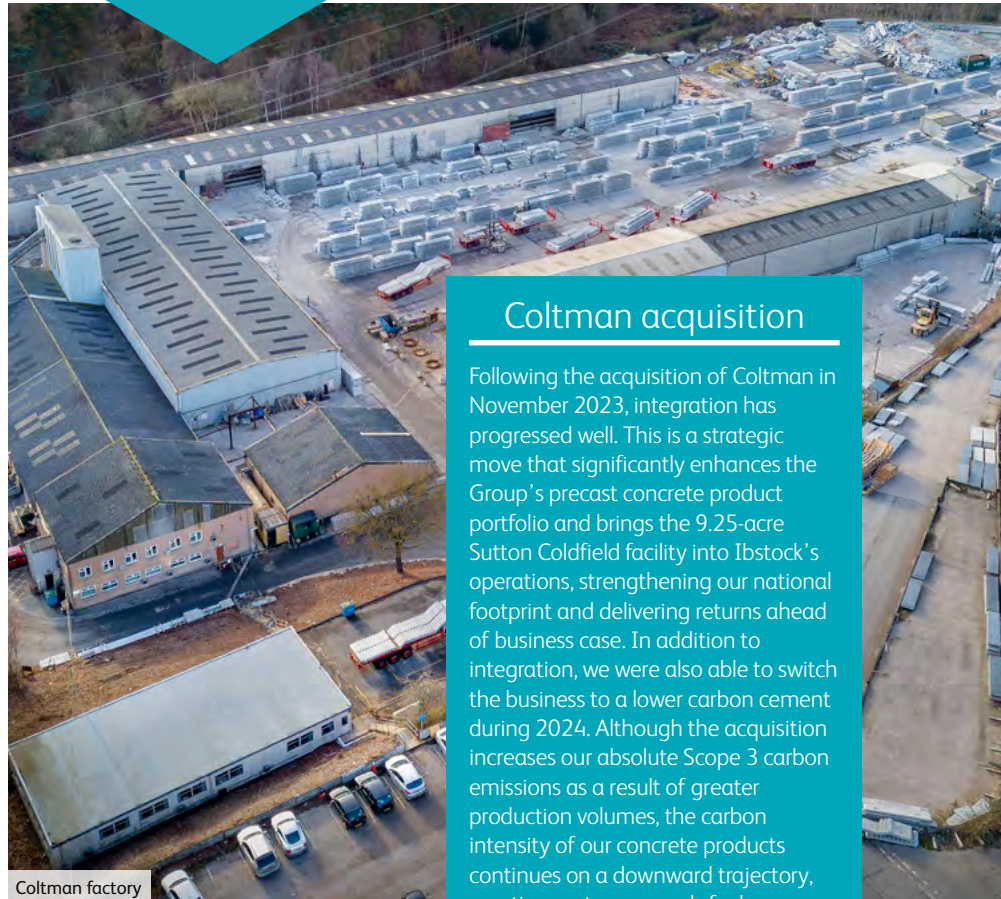
In 2025, the volume ramp-up of our new Atlas products and commissioning of Nostell brick slips manufacturing will put us on track to further exceed our 20 % target ahead of 2030. In addition, we are in discussions with potential partners on the commercialisation of our owned clay reserves for the manufacture of calcined clay and we expect these to progress during the course of 2025. Calcined clay presents an opportunity for the construction sector to lower carbon in cement and concrete products as an alternative to existing higher carbon materials.

22%

of sales volume from new and more sustainable products, up from 11 %



Above:
Northwich Silo



Coltman factory

Coltman acquisition

Following the acquisition of Coltman in November 2023, integration has progressed well. This is a strategic move that significantly enhances the Group's precast concrete product portfolio and brings the 9.25-acre Sutton Coldfield facility into Ibstock's operations, strengthening our national footprint and delivering returns ahead of business case. In addition to integration, we were also able to switch the business to a lower carbon cement during 2024. Although the acquisition increases our absolute Scope 3 carbon emissions as a result of greater production volumes, the carbon intensity of our concrete products continues on a downward trajectory, meeting customer needs for lower embodied carbon products.

Building safety

The new Building Safety Act (BSA), developed following the Grenfell tragedy in 2017, is designed to keep people safe within buildings by driving accountability and responsibility through the client, the principal designer and the principal contractor. Ibstock, as part of the supply chain, must ensure compliance with the BSA by focusing on three key legislative requirements:

- Competence – ensuring and evidencing competence at all stages of the planning, design and building process
- Gateways – adherence to the new gateway process
- Golden thread – to build a golden thread of information for all High Rise Buildings (HRB) that is transparent and accessible through the build and lifetime of the building

In 2024, Ibstock began the roll out of our work to comply with the new requirements including:

- developing a Group BSA competency framework that focuses on our People, Products, Process and Partners
- surveying and testing the product knowledge of our people across our various product category ranges to inform our competency baseline
- launching our BSA education and awareness CPD with workshops for colleagues across the Group
- reviewing third party product certification prioritising products related to HRBs
- reviewing internal processes and product specification data, with the latter being supported by the investment in a PIM system
- on-boarding of the Code for Construction of Product Information (CCPI)

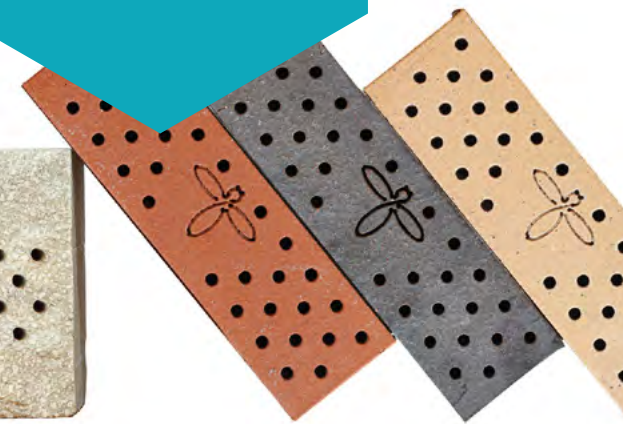
During 2025, we will finalise our Group BSA competency framework and form a cross-functional competency framework steering group to oversee integration of the framework across the business.

4m

Stepoc retaining wall systems can provide a reinforced single skin up to 4m high



EcoHabitat range



Sustainable solutions

We are also supporting nature and climate resilience with our EcoHabitat range and our flood resilient products.

Our Stepoc retaining wall is a system of concrete shuttering blocks that are highly engineered and dimensionally coordinated, so they are simple to install and provide a reinforced single skin up to 4m high. With more extreme rainfall, and thus an exacerbated risk of flooding, becoming an

increasingly common part of the British climate, investing in adequate flooding defence is a growing concern for property owners in vulnerable areas. The product is being used in both infrastructure and domestic markets for flood resilience and protection.



Product Data Update report

Environmental product data

Through the year, we have been able to influence our new product development and our research and development by modelling the lifecycle analysis (LCA) of current and future products. Using the OneClick LCA tool, the data feeds into an Environmental Product Declaration (EPD), providing robust data on the embodied carbon of each product. Ibstock has published EPD data, verified by a third party, for a number of leading products. This data enables our customers and the business to make more accurate and informed decisions on material choice.

Dematerialisation

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 greater ease of handling.

This evolution can range from a minor tweak to a total redesign – wherever material is taken out, energy, carbon and water can be reduced in the manufacture and transportation of the product. The impacts of these changes can now be modelled using our LCA tool, ensuring that there are no unintended consequences in the value chain, and presented to

customers so they can demonstrate a reduction in product carbon through their own Scope 3 emissions reporting and the embodied carbon of their buildings. Minerals are non-renewable resources vital for the construction sector and preserving these resources where possible is an important factor in the long-term sustainability of the business.

Successful thinner brick trials at Chesterton

In 2024 we successfully trialled production at scale of a thinner brick which, at 6.5 centimetres, is a third narrower than the traditional facing brick. The manufacture of this lighter, slimmer product means that less clay is extracted, fired and transported, reducing the embodied carbon per square meter of an external wall by up to one-third.

The impact of this new design, used extensively in European housebuilding, is a lower carbon façade and reduced wall thickness, offering the opportunity for either additional insulation material or extra living space. The shift to a thinner brick would require changes in the design and construction of homes, and we are in discussions with customers as to the impacts and potential of this in the UK market.



UK's first automated brick slips manufacturing centre

We have made significant progress at the redeveloped Nostell factory in West Yorkshire, with phase one of the project now complete. Using some of the first of its kind technology here in the UK to drive pace and scale in brick slips, we are increasing our presence in the fast-growing markets for brick slips, façades and walling system solutions. Phase two continues on track and focuses on more advanced technology to manufacture our lower carbon brick slips at scale in the UK. The factory will begin commissioning in 2025, with circa 50 million brick slips expected per annum when operating at full capacity.



Nostell Factory

Plastic packaging

Plastic packaging is the best choice in many cases for ensuring products arrive safely to their point of use.

Where plastic is surplus to these requirements, we should be seeking to eliminate, reduce or replace plastic with an alternative, more sustainable material. This will help reduce waste at our customers' sites and limit the environmental damage from plastics that are hard to recycle.

Our target to reduce preventable plastic packaging (kg per tonne of product) by 40% by 2025 relative to our 2019 baseline has driven action over the last five years to reduce the plastic we use by:

- Eliminating shrink wrap from four sites
- Reducing the thickness of plastic shrink wrap across the majority of products
- Reconfiguring packs to reduce the need for void boards
- Increasing the recycled content of shrink wrap to 30% across the majority of sites

Finding the optimal solution between pack safety, product quality and packaging reduction has been more challenging with some products than anticipated, which has slowed our progress on this target.

Our 2024 performance in terms of kg plastic per tonne of production states that we have achieved a 64% reduction relative to our 2019 baseline. However, the methodology for measuring plastic packaging reduction has improved since the baseline figure was set. Over time, we have excluded packaging that is not preventable from the metric. This means comparisons to the baseline are not representative of our true plastic reduction initiatives. How we measure plastic reduction going forward will be revised and a new KPI will be implemented in 2025 with consideration to:

1. Optimising our plastic packaging
2. Increasing the recycled content of our plastic packaging



Product packaging

30%

recycled content in shrink wrap across the majority of sites



Circularity

Unlike linear economic models, in which resources are typically disposed of at the end of initial functional use, a circular economy optimises the use of resources whilst minimising waste throughout its whole lifecycle.



The principles of a circular economy for the built environment include:

Reducing consumption of materials and resources

Optimising the lifespan for a material and product in use

Designing for disassembly, reuse and the elimination of all waste

Ibstock products are long lasting, durable and inherently reusable or recyclable at the end of their life, meaning they already align to the principles of circularity. Our research and development teams are focused on reducing virgin materials and the fossil fuel-derived materials in our products and prioritising secondary and recycled content, while our operational teams are focused on reducing waste in our processes.

150 yrs

expected service life of a clay brick
(Brick Development Association)

Materials replacement project

Over the last three years, Ibstock has been working with Sheffield Hallam University's Materials and Engineering Research Institute in a Knowledge Transfer Partnership (KTP) funded by Innovate UK. This research explored the potential for waste materials from other industries as replacements for high-carbon processes used when manufacturing some multi-coloured bricks.

The research trialled over 30 different alternative compositions – including used coffee grounds, ash from biofuels and steel production waste. Laboratory-based firing trials, along with in-depth materials analysis of the fired products, were used to select materials for further study.

The findings of this project have moved into commercial trials, with an alternative waste stream showing strong potential to reduce carbon emissions from the existing process and divert waste from landfill.



Above: Materials replacement project report



Introducing recycled content at Sittingbourne

Ibstock's Sittingbourne site manufactures precast concrete floor beams. The team has introduced an on-site crusher to break down waste material and recycle it into the product mix. By replacing 12% of the virgin materials with the crushed, recycled material, the embodied carbon of the product range is reduced. Tests are ongoing to explore increasing the % recycled content in the product without compromising the technical properties and performance.

Reducing waste to landfill

Over the last three years, we have sent consistently low quantities of waste to landfill, with only 42.2 tonnes of general waste being landfilled from the entire Ibstock estate in 2024, which is just 4.6% of our general waste. Our target is to achieve zero general waste to landfill in 2025.

The measurement of this becomes challenging when we reach low quantities. We segregate our material as far as possible on site, and mixed waste is taken to a transfer station where non-recyclable materials are incinerated to produce energy. Our waste providers use an industry average figure from transfer stations which indicates that a small proportion of the total waste they handle goes to landfill due to cross-contamination of waste streams. Over 30 tonnes of our quoted waste to landfill for 2024 is based on this industry average.

We will continue to focus on site segregation of waste to improve our recycling rates and divert materials away from landfill and, where possible, incineration, supporting circularity principles.



4.6%
of general waste is sent to landfill this is just 42 tonnes across the Group

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.

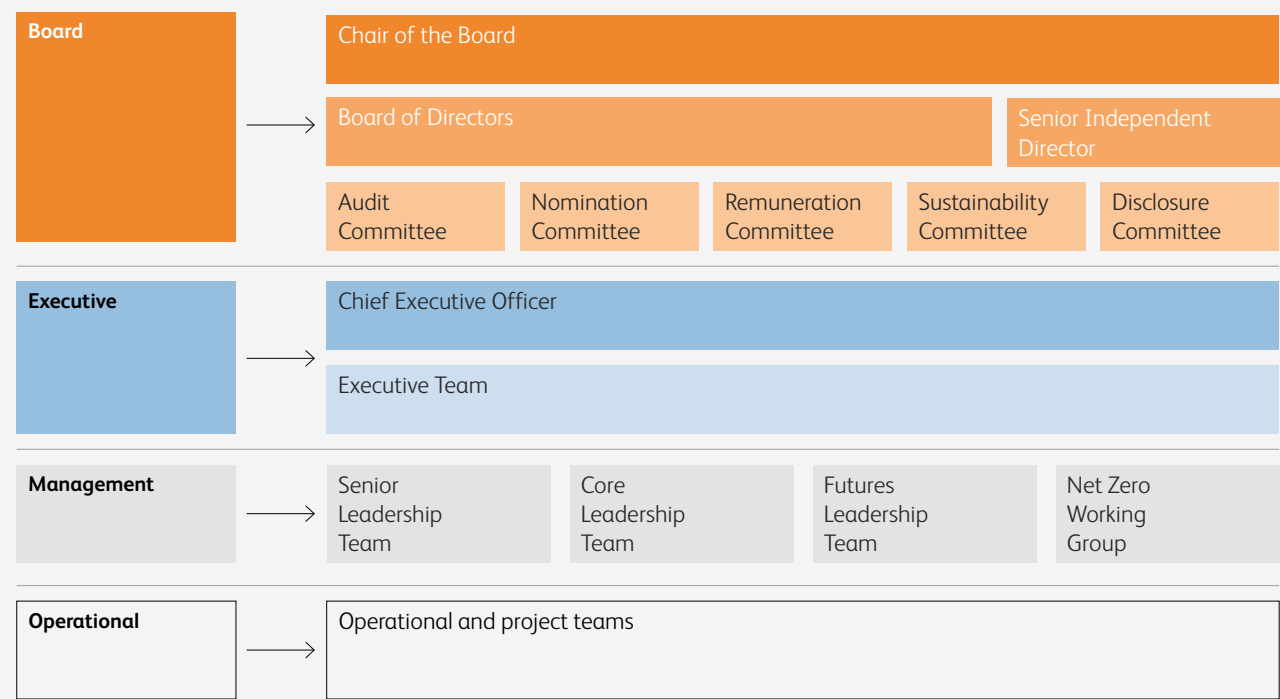
How we lead and manage ESG

ESG is overseen by the Plc Board, the Sustainability 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 Sustainability 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 2024, the ESG Committee of the Plc Board took the decision to change the name of the Committee to the Sustainability Committee. This was reflected in the Ibstock business by feedback from the 2024 Sparks development programme cohort sharing

that ESG was not a well understood term. This language shift from ESG to Sustainability will be reflected in our 2025 reporting. Also in 2024, Joanne Hodge, People Director and member of the Executive Team took the broader portfolio of Director of Culture, Sustainability and Social Impact (taking over the ESG responsibility from Becky Parker who left the business in 2024). Joanne 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, and now all clay and concrete factories are accredited to ISO 50001 for Energy Management (achieved for concrete sites for the first time in 2024).

ISO 9001
Quality Management

ISO 14001
Environmental Management

ISO 50001
Energy Management

BES 6001
Responsible Sourcing

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. In 2024, we brought together our Health, Safety, Environment and Quality (SHEQ) policies into a SHEQ Integrated Management Systems Policy to support sites and stakeholders to understand the expectations that we set for our business.

Requirement	Policies
Environmental matters	<ul style="list-style-type: none">• ESG 2030 Strategy reports• Sustainable Procurement Policy
Employees	<ul style="list-style-type: none">• SHEQ Integrated Management Systems Policy• 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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