

# Sustainability Report 2018



**Ibstock**  
Plc



At the heart of building

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## Chief Executive's Statement

**We are at the next stage in our sustainability journey.** Our 2018 Sustainability Report marks the start of an important and exciting step forward.



CEO STATEMENT

At the heart of this year's report is the introduction of our Sustainability Roadmap 2025 which sets out our sustainability priorities. Crucially, it communicates clear targets and ambitions for our business – each of which falls under one of our core objective areas: Customers and Suppliers, People, Environment and Communities.

Delivering sustainable performance across the Group is a key priority for us. Whilst our current product portfolio offers impressive longevity and durability characteristics when compared with alternative building materials, we believe we can take things even further. As such, our Sustainability Roadmap 2025 will drive much of our effort and innovation over the next five years.

Our sustainability ambitions will be achieved by putting people and performance at the heart of our Company. Together with targeted investment in operational excellence and our focus on market led innovation we will achieve our goals.

Leadership will be vital if we are to remain focused and on target at all times. For this reason, the work will be led by our Group Continuous Improvement and Sustainability Director and Group Sustainability Manager. Both are new roles which will support our operational excellence and sustainability goals. However, we expect our sustainability ambitions to be developed at all levels of the organisation.

Sustainability will not be achieved in isolation. Our roadmap to 2025 will succeed by working collaboratively with our customers, suppliers, sector partners and competitors. In the coming years we will work together to innovate for greater sustainability throughout our value chain. Our hope is that this will have a positive impact on those working and living in the communities built with Istock products.

Sharing our progress to date is also important. Our 2018 Sustainability Report provides an opportunity to share our successes with you. Over the last 12 months, we have been recognised and rewarded for the fantastic, positive work we are doing to make our business and our products more sustainable. A number of high-profile award wins and commendations have shone a light on the success of our methodologies; our commitments to our people and the communities in which we operate. Ours is a business that is now acknowledged for its people-focused approach.

Perhaps this is a good point to share feedback from the judges of the prestigious EDIE Sustainability Leaders Awards. They said our award win was **'recognition that all our people are essential change-makers when it comes to delivering sustained improvements... and the great results seen over the past year are testament to that.'** What could be better praise than that?

As a result of our hard work and commitments, we find ourselves looking towards a promising future where our impact on the environment and communities is not minimised; it is positive.

Of course, our journey will require each and every one of us to work 'as one' and to share in our vision.

I have no doubt that together, we can make a positive difference.

**Joe Hudson**  
Chief Executive Officer

**At the heart of building:**  
enabling the construction of  
homes and spaces that  
inspire people to  
work and live better.



**WHO WE ARE:**

**Ibstock plc is a leading manufacturer of clay bricks and concrete products in the UK.**



**OUR VISION:**

**Enabling the construction of homes and spaces that inspire people to work and live better.**



**OUR MISSION:**

- Create a reference point for transformation in building and construction
- Anticipate the needs of the market and exceed customer expectations
- Put people and performance at the heart of our Company
- Develop our people and capabilities



**OUR STRATEGY:**

**We will achieve our mission by delivering against our three strategic pillars:**

- 01.** Driving sustainable performance: we will continually develop new organisational capabilities to drive world-class performance across our operations. We will focus on Health and Safety, operational excellence and continuous improvement and sustainability
- 02.** Market led innovation: we will build upon our unrivalled product range, delivering further innovation to support the changing needs of our customers and the built environment. We have developed commercial excellence initiatives and will optimise our supply chain to maximise value
- 03.** Selective growth: having simplified our Group structure and de-leveraged our balance sheet, we are well positioned to invest in further organic growth projects and selective M&A opportunities

# Our family of brands

Our product range is unrivalled in terms of breadth and depth, but as the market leader, we need to be at the forefront of innovation to support the changing needs of the built environment and to maximise value.



**Ibstock Brick is the biggest manufacturer of clay bricks sold in the UK.**

With 19 manufacturing plants, Ibstock Brick has the largest production capacity in the UK. It operates a network of 23 active quarries which are generally located close to its manufacturing plants.



**Ibstock Kevington is the UK's biggest manufacturer of brick special shapes and components.**

The range includes prefabricated arches, chimneys and all cladding systems designed to make brick quick and efficient to use.



**Supreme is a leading manufacturer of concrete fencing products, concrete lintels and general concrete building products, with five manufacturing plants across the UK.**

They provide high quality and durable solutions for building and landscaping projects.



**Forticrete is a leading manufacturer of concrete substitutes for natural stone walling, dressings and concrete roof tiles, with seven manufacturing plants in the UK.**



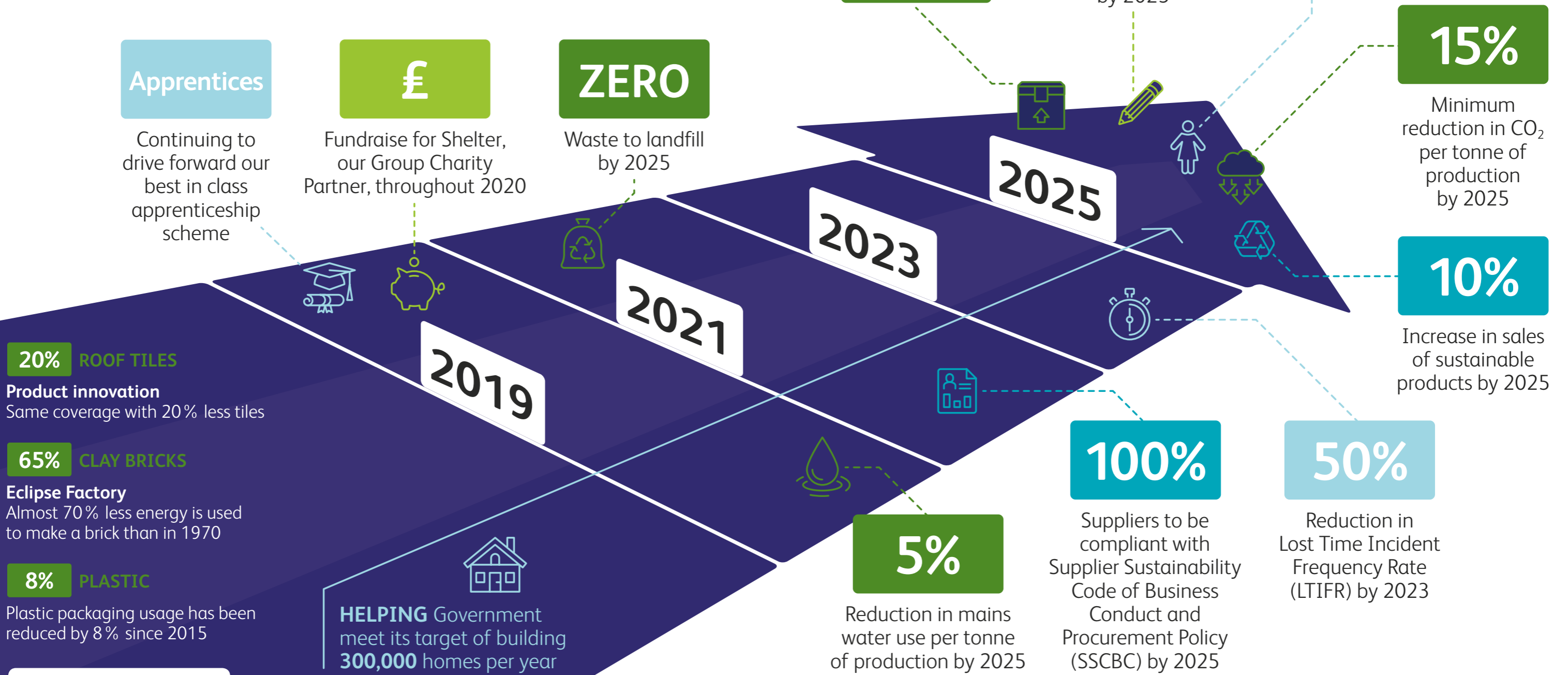
**Anderton Concrete, with two manufacturing plants, is the UK market leader in supplying blindside cable housing systems for railways and infrastructure products as well as a major supplier of retaining walls and structural components to the wider building industry.**

# Sustainability Roadmap 2025

Our Sustainability Roadmap is core to our business operations and values. We have identified ten targets under our four priority areas:



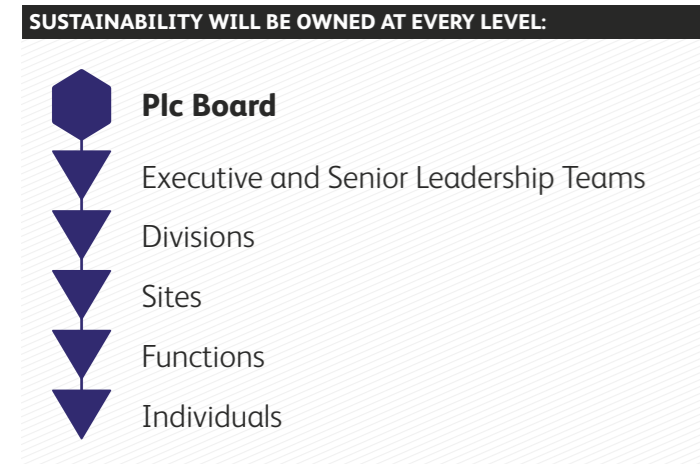
We all have a part to play in reaching our targets.



# Governance and management of sustainability at Ibstock

**Implementing our Sustainability Roadmap requires us all to work together.** This needs ownership from the very top of the organisation as well as every employee feeling able to contribute. Joe Hudson, CEO, is the main sponsor for the Sustainability Roadmap at plc Board and Executive Leadership level. Sustainability will be a regular item on the plc Board agenda.

Our work in sustainability is underpinned by our Code of Business Conduct and Modern Slavery Statement. Applying the principles within our Code of Business Conduct ensures that all our business is conducted to the highest standards of integrity and business ethics.



Every level within the business will be expected to integrate our sustainability ambitions into their work. Much of this is already happening and during 2019 we will build on the consistency and measurement of the actions we take. With the new appointment of Mark Brind and Michael McGowan as Group Continuous Improvement and Sustainability Director and Sustainability Manager respectively we now have the knowledge and support in place to increase the pace of this integration.

In 2019 we will launch our new Sustainability Policy, establish a Sustainability Board and an internal Sustainability Working Group. These systems will bring insight, inspiration and scrutiny into the business and enable us to respond to external challenges, as well as reviewing and monitoring progress against the Sustainability Roadmap to 2025.



“Our Sustainability Roadmap to 2025 presents a clear pathway towards greater sustainability across our business. With clear targets it will be easy to communicate our ambitions and encourage the involvement and engagement of all of our stakeholders”

**Mark Brind**  
Group Continuous Improvement and Sustainability Director



We value the views, concerns and ambitions of our stakeholders. The success of our Sustainability Roadmap to 2025 is based on listening, understanding and then working with our key stakeholders to bring about positive change. This is crucial to not only mitigate any risks to the business but also to develop opportunities to meet our business vision.

## Our key stakeholders, with an interest and influence on sustainability, include:

- Shareholders
- Customers
- Suppliers
- Employees
- Local Authorities and regulators
- Communities
- Government

Our Sustainability Stakeholder Tracker will be introduced in 2019 as an internal tool to support and monitor how we engage with our key stakeholders on the issues of greatest importance to them and our business. By strengthening our engagement with stakeholders we will evolve our partnerships and identify new opportunities for improving our social and environmental impacts.

### STAKEHOLDER ENGAGEMENT:

Michael McGowan, Group Sustainability Manager, Chairs the British Ceramic Confederation Heavy Clay Energy and Emissions Working Group and is a member of the Brick Development Associations Sustainability Working Group. His work with competitors, customers and policy makers drives environmental improvements in our sector.

# Our sustainability priorities

Our sustainability priorities and ambitions will drive the performance of our operations to deliver positive impacts for our people, our planet and society.

## OUR PRIORITY AREAS

## OUR AMBITIONS



### CUSTOMERS AND SUPPLIERS

Improve sustainability through partnership, collaboration and innovation.

- Establish a culture of sustainable innovation
- Build value through collaboration
- Deliver customer excellence



### ENVIRONMENT

Improve the environmental performance of our products and operations.

- Protect and improve the natural environment
- Improve resource efficiency
- Optimise production efficiency
- Facilitate continuous improvement



### PEOPLE

Build a safe, healthy and happy workplace where our people can reach their full potential.

- Implement zero harm philosophy
- Promote workplace health and wellbeing
- Retaining and nurturing talent
- Promote social inclusion and diversity



### COMMUNITIES

Make a positive contribution to the communities around us; and support the most vulnerable in society.

- Build long-term local relationships
- Inspire future generations
- Connect communities and develop place-making



# Our targets by 2025

Clear actions have been identified against each of our four sustainability pillars; together, these present a clear pathway towards greater sustainability.



**10%** of sales turnover from sustainable products



**100%** of suppliers to meet SSCBC



**5%** reduction in mains water use per tonne of production



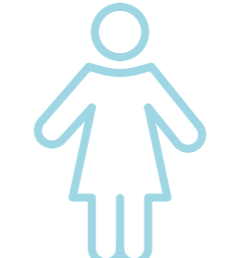
**15%** reduction in CO<sub>2</sub> per tonne of production



**Zero** waste to landfill by 2025



**50%** reduction in LTIFR by 2023



Continuing to develop and drive our diversity agenda



Continuing to drive forward our best in class apprenticeship scheme



**100%** of sites to report on community engagement



Fundraise for Shelter, our Group Charity Partner, in 2020



# CUSTOMERS AND SUPPLIERS

**Striving to improve sustainability through partnership, collaboration and innovation.** The sustainability credentials of our clay and concrete products over their lifetime are impressive. They can last over 150 years, they add strength and durability to structures and can ultimately be recycled at the end of their use. By establishing a culture of partnership and collaboration with our customers and suppliers, and by investing in innovation, we can build even greater sustainability into our product portfolio.

## Sustainable innovation

**Innovation is at the heart of our business. We have worked hard to create an environment in which change is embraced and new ways of doing things are welcomed. In doing so, we have been able to develop new, more sustainable products and resource-efficient approaches to problem solving.**

This way of working is something we will continue to develop and nurture. It is vital to our future success that we encourage an innovation culture which delivers positive change and unlocks value.

Innovation is also embedded within our commitment to continuous improvement. We are doing all we can to make sure this view is shared right across the Group and at all levels of our workforce as well as by our suppliers.

In taking this approach, we will be perfectly placed to reach our target of generating 10% of sales turnover from sustainable products by 2025.

### WHAT IS A SUSTAINABLE PRODUCT?

We define a sustainable product as one that combines a long product life with strong environmental and ethical credentials. This means we are actively implementing new ways to manufacture our products using less virgin material; less water; and less carbon. Every part of our supply chain will be required to sign-up to the same way of thinking.



“The construction sector needs to become more productive, competitive and sustainable. We are responding to this challenge by encouraging a culture in which innovation becomes ordinary”

**Andy Batterham**  
Group Technical and Innovation Director

DID YOU KNOW..?

**BRICKS TYPICALLY LAST FOR 150 YEARS** WITH LITTLE OR NO MAINTENANCE



BY END OF 2021, **500 OF OUR SUPPLIERS** WILL HAVE BEEN ISSUED WITH OUR SUPPLIER SUSTAINABILITY CODE OF CONDUCT WITH A **90% MINIMUM RESPONSE AND COMPLIANCE RATE**

## Innovation that transforms construction

The construction sector is a major contributor to the UK economy – approx. 9% – and employs around 10% of the UK workforce. Its output – the built environment – enables the services that drive around 43% of the economy. However, the way we produce buildings has not changed significantly in over 40 years.

The Government is looking to businesses such as ours for new ways of doing things. It wants to enable the construction sector to deliver buildings faster and at a lower 'whole-life' cost. There is also a strong desire for buildings that perform better. The ambition of policy makers is for buildings that are truly sustainable and 'net zero' in terms of carbon.

At Ibstock, we believe the construction sector is ripe for disruption. As such, we will play an active part in Government programmes such as the Transforming Construction challenge – which is a key driver for change. By encouraging a culture of continuous innovation in our own business, we will lead the way towards a more dynamic construction sector.

We are already looking at how greater use of digital, manufacturing and integrated energy technology can be embedded within our product and service portfolio. Ultimately, by embracing new ways of delivering buildings and infrastructure we will re-shape our offering for a more sustainable future.

**Our 2025 target:**  
**10%** of sales turnover from sustainable products



## Value through collaboration

Building value through collaboration is a way of thinking within Ibstock. Working in partnership with our customers and suppliers we are able to co-create solutions and catalyse leading-edge innovation.

This approach can be applied to the development of products and solutions as well as the implementation of efficiencies within our production and maintenance processes.

Successful partnering benefits both us and our partners and ultimately adds value to our customers. A perfect example of a successful collaboration is the launch of Ibstock Brick's MechSlip brick slip cladding system. Working alongside Ash and Lacy, a Midlands based specialist in metal fabrication and cladding, this product is an exemplar of continuous product innovation across the Group.

## Award-winning collaboration



“MechSlip was specifically designed with ease of installation and assembly in mind, thus minimising time on site and labour costs, providing time and cost saving advantages over traditional brickwork. Because it is straightforward to deploy, construction companies can expect to reduce their reliance on skilled tradespeople”

**Jonathan Evans**  
CEO at Ash and Lacy





## Improving the sustainability of existing products

We realise that it is vital that we make continuous improvements to the environmental credentials of everything we produce. Minimising energy consumption during production – for example through use of green technologies, reduced reliance on fossil fuels, and increasing the use of recycled or recovered water whenever possible is key.

Investments made at many of our Ibstock Brick factories have contributed towards sustainable innovation. It is therefore important to recognise the contribution our new Eclipse factory makes to our sustainability targets. Eclipse is the most efficient brickworks of its kind in which every area has been fine-tuned to ensure optimum sustainability. It offers the best of British manufacturing excellence. Here, new, efficient manufacturing processes and award-winning approaches to design, sustainability and low carbon technology – including solar PV, LED lighting and energy efficient plant and equipment – have enabled us to operate more efficiently. This in turn reduces our impact on the natural world and helps to minimise our environmental footprint.

We will continue to innovate across all our sites through a range of measures including the adoption of state-of-the-art robotics, clean technologies and performance improvements.

### NEW SUSTAINABLE PRODUCT DEVELOPMENT

We are committed to offering our customers greater choice. In both the commercial and residential sectors, we have seen architects and developers thinking more carefully about the materials they use. The appetite for sustainable products that are proven to offer low levels of embodied carbon and high levels of recycled content will increase as the demand for 'net zero carbon' buildings grows.

Our Forticrete SL8 roof tile is an example of world-leading sustainable product innovation. SL8 offers superior coverage – just 8 tiles per square metre compared with 10 per square metre found with many alternative products. This represents a 20% reduction in the number of tiles needed to cover the roof of an average family home.

## Customer experience

**Exceeding expectations in terms of customer satisfaction is an absolute priority for us. We are fully committed to continuous investment in technology, training and infrastructure that bolsters our customer experience. This is backed up with KPIs and commitments right across the Group.**



**Our 2025 target:**  
**100%** of suppliers to meet Supplier Sustainability Code of Business Conduct (SSCBC)

## Changing perceptions

**Changing perceptions and widening the understanding of the sustainability credentials of clay and concrete products is important. We must show leadership in helping customers to view our products through the prism of longevity and durability.**

With this in mind, we have spent a great deal of time and effort educating the market on the way in which our products and solutions contribute to the circular economy.

For example, Forticrete widely publicised its support for the publication DEFRA's From Waste to Resource Productivity report. This document analyses the ways in which waste can be treated as valuable resource and recognises the recycling and energy recovery that the UK cement industry provides through the process of 'co-processing'. We communicated the findings of the report to help customers and specifiers understand the value of considering the 'whole life' of concrete products.

## Sustainable supply chain

**Together with our suppliers and partners we will strive to achieve shared targets that will deliver efficiencies throughout our supply chain.**

Launching in 2019, our Supplier Sustainability Code of Business Conduct and Sustainable Procurement Policy takes our existing procurement policies a step further. This new initiative ensures the judgements and decisions we make are backed up by knowledge and application of the highest ethical principles. Led by our Procurement Team, the new Code applies to all purchases of goods and services. It establishes how we conduct business with our suppliers and the expectations we have of on them with regard to the way they conduct their own business.

Our Supplier Sustainability Code of Business Conduct and Sustainable Procurement Policy also requires suppliers to complete a detailed questionnaire covering: Human Rights; Sustainability; Anti-Bribery and Corruption; and Health and Safety.

- By the end of 2021, any suppliers with whom we spend in excess of £50K per year will need to be compliant with our Supplier Sustainability Code of Business Conduct and Sustainable Procurement Policy
- By 2025, any suppliers with whom we spend over £50K per year will be required to provide assurance that their Tier 1 suppliers are compliant with our Supplier Sustainability Code of Conduct and Sustainable Procurement Policy



**WE ARE WORKING TOGETHER WITH OUR PARTNERS TOTAL POLYFILM, BASED IN GREATER MANCHESTER, ON REDUCING THE THICKNESS OF FILM AND INTRODUCING RECYCLED MATERIALS.**

DID YOU KNOW..?



# ENVIRONMENT

**Improving the environmental performance of our products and operations is of paramount importance to us as a business.** Only by protecting and improving the natural environment, improving our resource efficiency, optimising the production efficiency of our facilities and facilitating Continuous Improvement will we meet our target of a minimum 15% reduction in CO<sub>2</sub>.

## Carbon

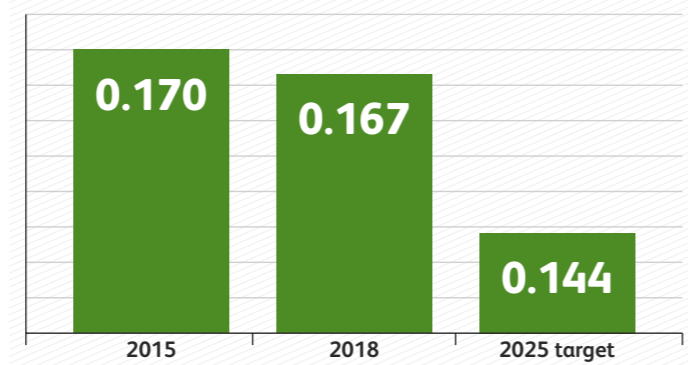
**We have committed to a 15% reduction in CO<sub>2</sub> per tonne of production by 2025. As such, we are playing an active role in helping the UK government to achieve its ambitious carbon targets for 2050.**

We believe we have responsibility to take a leadership role in the drive towards greater energy efficiency. Indeed, it has been integral to our company philosophy for many years. Perhaps most saliently, our Group has been a continual early adopter of environmental, energy and quality standards which provide a consistent set of measurement and reporting procedures.

### PEOPLE FIRST

And at the heart of our carbon reduction strategy is our People First approach. This means we put individuals at the very centre of problem-solving. This people-focused philosophy sets us apart from our peers. We truly believe that by engaging and involving people across all functions of our business we are able to work as a single team; drawing on both vast experience and fresh ideas for sustainable best practice from new and existing employees.

INTENSITY RATIO TONNES OF CO<sub>2</sub>e PER TONNE OF PRODUCTION



**Our intensity ratio of tonnes of CO<sub>2</sub> per tonne of production at the end of 2018 has reduced by circa 2% based on the 2015 benchmark year.**

2018 saw the commissioning of our new Eclipse factory and also a new kiln at our Cannock factory. As expected, energy use was higher for a period of months whilst the new processes were fully commissioned and signed over by the contractors. Moving forward, we expect our investments to have a positive impact on energy reduction.



**Our 2025 target:**  
**15%**  
minimum reduction in CO<sub>2</sub> per tonne of production



**INVESTING FOR PERFORMANCE**

Right across our business, we are committed to more sustainable methods of manufacturing. Our programme of investment in modern, energy efficient plant and equipment, clean energy sources and smart technologies means we can operate more efficiently. This is essential foundation for our future; we can use these efficiencies to achieve competitive advantage, without it costing the earth.

For example, our Eclipse Factory remains the most efficient brickworks of its kind and the new kiln at our Lodge Lane factory is 50% more fuel efficient than its predecessor.

Meanwhile, full and partial upgrades to LED technology at 10 of our factories will deliver up to 65% savings by comparison with traditional lighting technologies. We have a rolling programme in place to upgrade all of our sites to LED technologies by the end of 2020.

**GREEN INNOVATION**

As part of the Government's 2018 UK Green Week initiative, we pledged to install solar panels at our Leicester HQ in 2019. On bright, sunny days, this will generate enough electricity to satisfy around one third of the site's electricity requirements.

Even more exciting, however, is that any excess power we generate will be exported back to National Grid. By greening our energy supply, we are bolstering our energy resilience and contributing to a reduction in generation from fossil-fuelled power stations.

Helping our staff to reduce their own reliance on fossil fuels is also important to us. In 2018, we started the process of installing electric vehicle (EV) charging infrastructure for use at four of our sites. These charge points will be free to use for our staff and visitors.

**Optimising our transport**

**We are working with our distribution partner Wincanton to optimise our transportation strategy. If we can get more bricks on each load, it means fewer lorries and lower emissions.**



“ Our People First behavioural change programme has delivered very positive results across the business. It is important to remember that every single employee can affect the energy that we consume, no matter how small or significant a user they are ”

**Michael McGowan**  
Group Sustainability Manager

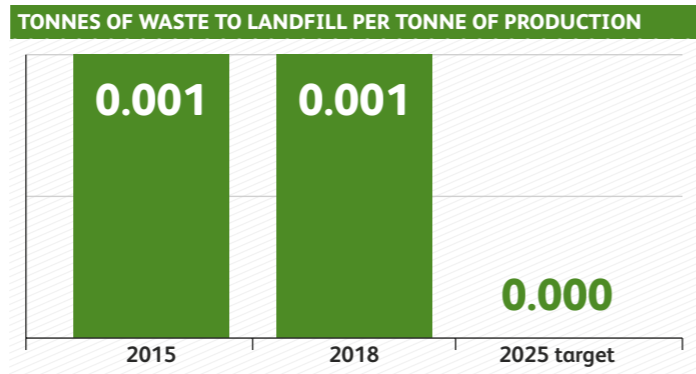
**Waste**

**Our target is to achieve zero waste to landfill by 2025. This might seem ambitious; however, we are a very low producer of waste to landfill. To date, we have achieved an almost 50/50 split between waste that is sent to landfill and that which is recycled.**

We also have piloted a zero waste to landfill approach at one site and will progress this as part of the commitments we are making within our Sustainability Roadmap 2025.

Ibstock Brick is on track to achieve the Carbon Trust Zero Waste to Landfill Standard. This will be achieved by partnering with our waste providers and continued engagement with our people.

Meanwhile, 100% of Forticrete's process waste is recycled; either by ourselves and re-used in the manufacturing process or it is externally processed and recycled into secondary aggregates or hardcore. None of Forticrete's process waste is sent to landfill.



DID YOU KNOW..?

OUR PLASTIC PACKAGING HAS BEEN **REDUCED BY 8%** SINCE 2015

OUR WOODLANDS WILL REMOVE IN EXCESS OF **1500 TONNES OF CO<sub>2</sub>** PER ANNUM FROM THE ATMOSPHERE

#### BUILDING A CIRCULAR ECONOMY

Key to our waste strategy is our belief that we need to actively participate in the circular economy. This means we are actively searching for new ways to minimise our environmental impacts and our use of natural materials. This is achieved through recycling and reuse and by achieving a smaller environmental footprint.

Even small changes in our production processes can make a difference. For example, within our North East production process, we are now using 149 tonnes of glass powder from a recycled source. At our Southern factories, we are using 94 tonnes of granite fines from a recycled source. We have also been able to use over 10,000 tonnes of Rockwool from the tomato growing industry.

We also know that we can increase the amount of recycled content in our concrete products. This can be done without compromising on the products' strength and quality. We will commence a programme to address this in 2019. This is an example of the circular economy in action.

## Plastics

**Plastic waste reduction is at the top of the global agenda. Although our own reliance on single-use plastics is low, we are committed to doing more.**

Good progress has already been made – we have achieved an 8% reduction in tonnes of plastic used since 2015 and our current packaging contains 45% recycled materials.

A dedicated taskforce involving representatives from our environmental, procurement and operations teams has been established to identify even more sustainable alternatives. Their work – which will be a key area of focus for us in 2019 – will bring together ideas and innovation from other parts of our supply chain including customers, suppliers and partners which will enable us to change plastic attitude and set meaningful targets.

**Our 2025 target:**  
**5% reduction**  
in mains  
water use  
per tonne of  
production



## Water

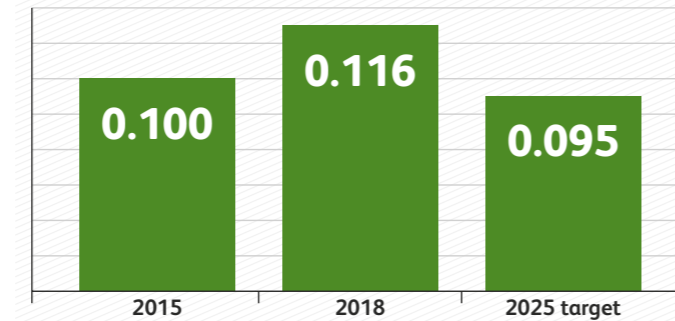
**Water is a precious resource. Hence, we are committing to a 5% reduction in mains water use per tonne of production by 2025.**

Eliminating waste and exploring different ways to reuse water is a priority across all our sites. The latest data, for 2018, reveals that our use of recycled and non-mains water now totals more than 435 million litres per year – which has more than doubled since our 2015 benchmark year. This is due to a combination of more robust methodologies, a greater understanding of how we use water and by building awareness and engagement of water efficiency amongst our employees.

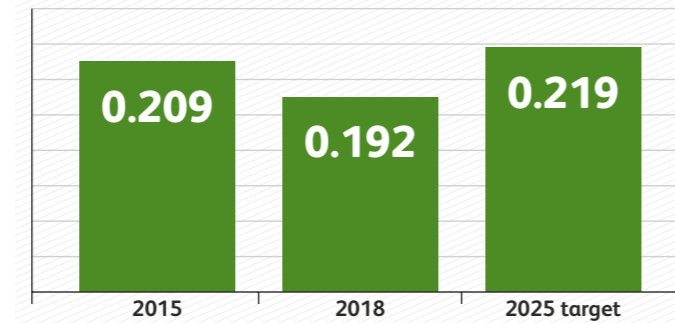
During 2018 around 38% of the water used in production came from the mains; and we are delighted to report that 62% came from non-mains sources such as recycled water, boreholes and quarries.

Working with our water suppliers, we constantly evaluate and trial new ways to maximise minimise waste and maximise our resource efficiency. Successful initiatives include smart metering (AMR) and leak detection and repair.

#### MAINS WATER M<sup>3</sup> PER TONNE OF PRODUCTION



#### NON-MAINS WATER M<sup>3</sup> PER TONNE OF PRODUCTION



Our intensity ratio of M<sup>3</sup> mains water per tonne of production at the end of 2018 has increased slightly based on the 2015 benchmark year.

In 2018 we commissioned our new Eclipse factory and also a new kiln at our Cannock factory. As anticipated, mains water usage was higher for a period of months whilst the new processes were fully commissioned and signed over by the contractors. Going forward, we expect our investment in new technology to have a positive impact on mains water use.



THE ECLIPSE PROJECT FORMS PART OF THE NATIONAL FOREST. IBSTOCK HAS PLANTED **15,000 TREES ON THIS SITE.**



Our 2025 target: **Zero** waste to landfill



## Wider recognition

2018 has been a year in which our efforts to reduce environmental impacts have been acknowledged by the wider world. Notably, **Ibstock Brick** was rewarded for its strategic approach to sustainability at the **Business Green Leaders Awards 2018**, with the company being **Highly Commended in the category of Manufacturer of the Year**.

Our new Eclipse factory was Highly Commended by the Electrical Contractors Association (ECA) at its Annual Awards for its integrated and intelligent lighting solution, which will deliver carbon savings of 170,000kg.

In early 2019, Ibstock Brick was announced as the winner of the Energy Efficiency category at the prestigious **EDIE Sustainability Leaders awards 2019**. Group Sustainability Manager Michael McGowan was Highly Commended as Energy Manager of the Year at the same ceremony.



## High praise

We received high praise from the judges of the 2019 Edie Awards. They said our energy efficiency award win was recognition that all of our people are essential change-makers when it comes to delivering sustained improvements in energy efficiency; and the great results we have seen over the past year are testament to that.

## Biodiversity in action: Ellistown Quarry

**The concurrent restoration of our Ellistown quarry is a perfect example of our approach to environmentally-sensitive estate management.**

A significant part of the quarry had reached the end of its 'useful life' and our original plan was to restore it all as a contoured hole in the ground.

However, working alongside and in partnership with Mick George Limited we decided to backfill the worked out void with inert waste. Our target was to bring the land back quickly with a scheme more in keeping with the local landscape.

A key objective of the project is to enhance the biodiversity of the site; this includes allocations for woodland in the National Forest, open grassland glades and a network of footpaths. The Ellistown scheme also includes the creation of several pools suitable for Great Crested Newts. We even relocated the newts to a safe space outside of the quarry area during the early – and most disruptive – stages of the project. After the success of this project we are now looking at other opportunities for similar schemes.

“ I live on Leicester Road and think it’s fantastic what Ibstock Brick has done to the surrounding area erecting fences and planting trees. We walk our dog around the boundaries of the Ibstock Brick land and you’ve really tidied the area ”

Email received from an Ibstock resident



# PEOPLE

**It is essential to the success of our business to build a safe, healthy and happy workplace where our people can reach their full potential.** This success will be built on the implementation of a zero harm philosophy, by promoting workplace health and wellbeing, social inclusion and diversity and by nurturing the talent within our business.

## Zero harm

High performance businesses start with a strong safety culture. Our ambition is to achieve zero harm for all of our people. The work we are undertaking in this area is delivering positive and much welcomed outcomes. We continue to reduce the number of lost time accidents incurred each year and we are pleased to report a reduction in the current year with 2.85 LTIFRs reported in the year ended 31 December 2018. This represents a fall of 11% LTIFRs year on year.

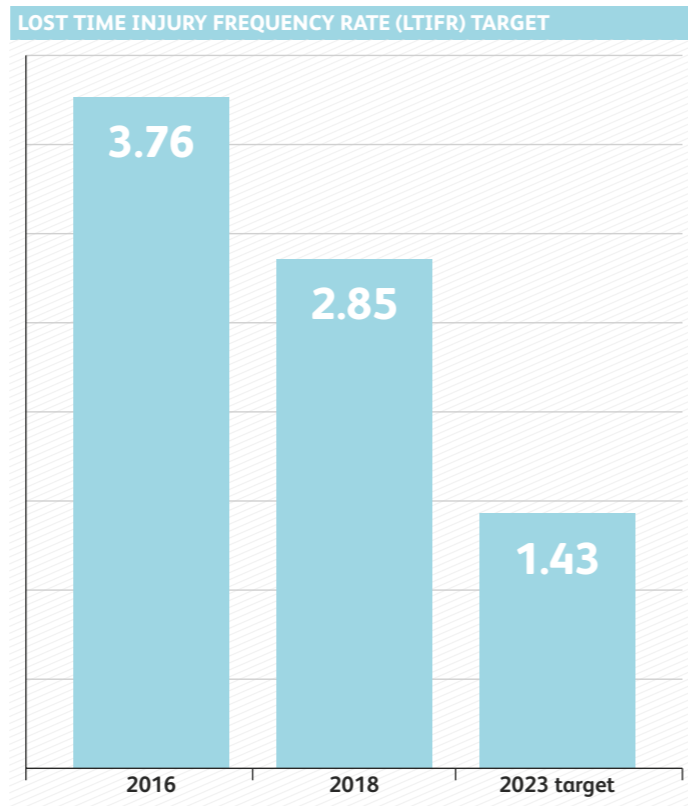
But we must do more. We must never accept any injury, however minor, nor compromise on the Health and Safety of our people at any time.

As such, during 2018, we implemented a new Health and Safety Policy Statement. This important document provides a framework for improving the Health and Safety culture and associated performance of our business for the benefit of all. By providing the appropriate management resources, training, published guidance and thorough safety management systems – our ambition will be achieved.

Our Health and Safety Policy Statement works in tandem with our Health and Safety Roadmap which covers five key focus areas: Health and Welfare; Systems and Procedures; Workplace Environment and Equipment; Risk Management; and Competence and Training.

Together, these documents focus on how we will achieve our target of 50% LTIFR reduction in Ibstock plc in the next 5 years.

2018 also saw the review and standardization of our induction process. Our new employee and contractor induction programme covers both the employer's and employee's responsibilities for Health and Safety based around Ibstock's 12 fundamentals. These are based around Ibstock's daily activities including risk assessment, mobile plant and pedestrian safety, and allow us to focus on Health and Safety in the work place with a 'safety begins with me' culture.



## A pledge to Health and Safety

We were recognised at the British Ceramic Confederation's Health and Safety Pledge Awards. This is an industry-wide commitment to engage in a process of continuous improvement in Health and Safety. Our Group Marketing Communications Manager John Lovatt received an Individual Recognition Award for his own work in this field.



“The Barnwell team has a real positive attitude when it comes to safety. They know the importance of good standards such as housekeeping, and of having good behaviours which are key to ensuring our safety standards remain high”

Mick Smith  
Factory Manager at Barnwell

Our 2023 target:  
**50%** reduction in LTIFR



DID YOU KNOW..?

WE HAVE DELIVERED **3,266** DAYS OF HEALTH AND SAFETY AND ENVIRONMENTAL TRAINING IN 2018

## Encouraging feedback

At a grass roots level, we continue to place an emphasis on a need for two-way communication; we actively encourage our staff to provide feedback about all aspects of Health and Safety to their line managers and supervisors.

Of particular note this year is our Barnwell Concrete Products factory which celebrated 10 years since its last reported a lost time incident. Mick Smith, Barnwell's Factory Manager, who has worked at the site for over 30 years puts the factory's success down to excellent communication and reporting underpinned by a positive team culture and attitude.

## Health and wellbeing

We want to inspire our employees and those around us to live long and productive lives. In the second half of 2018 our Health and Safety and HR Teams worked together closely to formulate an employee wellbeing programme which will be delivered throughout 2019. This aims to raise awareness about health and wellbeing and encourages our people to openly talk about issues they or their families and friends may be affected by, generating a stronger health, safety and wellbeing culture right across the Group.

Rolling into 2019, all of our operating companies will collaborate on the campaign – Working Towards Your Health and Wellbeing. Each month has a different theme, including drug and alcohol awareness, women's and men's health, mental health and cancer awareness. Most of these initiatives tie into national and international events.

Alongside a range of activities across the Group's sites, every Istock employee has been given a free water bottle to promote the recommended daily fluid intake.

## Technology-led wellbeing

Technology upgrades to our factories – often implemented with a view to reducing energy – can occasionally have wider-reaching outcomes for our people, too.

For example, an upgrade at Concrete Products Sittingbourne factory to modern, efficient LED technology has resulted in a greatly-enhanced quality of light for factory staff; thus boosting wellbeing at work and contributing to a safer working environment.



PEOPLE



“It's absolutely essential that we take an active responsibility towards our employees' health and wellbeing and play a positive role in not only encouraging physical wellness, but social and emotional wellbeing as well”

Nicola Hale  
Group HR Director

## Inclusion and diversity

We believe the diversity of our people strengthens our judgement, independence and decision making. We recognise that we operate within what has traditionally been a male dominated industry and that some of these deeply embedded societal stereotypes will take focused and sustained effort to change.

We will continue to review our diversity and inclusion focus to develop a more inclusive culture. This will enable colleagues with a diverse range of skills, experiences, backgrounds and opinions to flourish, without barriers.

### GENDER EQUALITY

We have a number of initiatives focused on supporting women at Istock both at the start of their career as well as at more senior levels in the organisation. Our Women in Business Network continues to be very active involving inspirational speakers from within and outside the company – it is a much valued forum for business; networking; and mentoring.

We have also worked closely with our engineering apprenticeship partners, Make UK, to attract a more diverse range of applicants for our apprenticeship programme. We are pleased to report that this focused approach has enabled us to recruit our first three female engineering apprentices, who joined us in 2018.

### FLEXIBILITY AND INCLUSION

The evolution of our Flexible Working Policy is helping us to create working environments that are adaptable to employees' personal circumstances. We are committed in 2019 to reviewing our existing maternity and paternity leave policies to ensure they are appropriate for our current workforce and help to support parents in the workplace. This continued evolution of our people policies will help to create a culture where everyone feels able to thrive and develop at Istock.



Continuing to develop and drive our diversity agenda



## Communication

Communication is key to any business. As such, during 2018 we have gone to great lengths to improve the way we communicate with our people. New internal channels include the introduction of "This week" emails to all staff from our CEO, Joe Hudson. These Monday morning communications provide an update on the activities of the CEO and offer a commentary on wider corporate events – the intention is that all of our employees understand the Group's business and have an awareness of the Plc Board's activities.

Our new quarterly employee newsletters have also proved to be popular. Sent to every employee; they are a critical communications channel. The 'newsy' content is coupled with an accessible tone of voice to ensure widespread readership and engagement. Employees tell us they are pleased to see updates on business successes sit alongside their own news of charity contributions; personal development accomplishments; and length-of-service milestones.

### TEAM WORKING AND COLLABORATION

A series of Back to Work Days were organised at the beginning of 2019. This is a new annual initiative in which managers across the Group hold a one-off session with their teams. Feedback from the first meetings was very positive. Moving forward, this will be an essential forum to share achievements from the previous year and to facilitate a team discussion about individual, site and Company targets for the remainder of the year.

The launch of a twice-yearly Senior Leadership Team Conference (SLT) has proved to be a successful format to engage the top leaders in our organisation. Covering business performance and key areas of focus, the SLT offers the perfect environment in which relationships can grow and a collaborative culture can be fostered.

### EMPLOYEE FEEDBACK

We value the opinions of all of our people. We relaunched our employee engagement survey in 2017 and we have continued to capitalise on all feedback received in order to continue creating a great place to work.

DID YOU KNOW..?

WE'VE ORGANISED A TOTAL OF **7,318** TRAINING DAYS IN 2018



“Our people are our most important asset, so it's vital that we have a communications strategy that involves them, keeps them informed of our business and applauds them for their achievements”

Ashley McCann  
Communication Manager





“The benefits of the Istock Brick University are twofold. People who attend come away with a lot more technical knowledge so they are able to help customers when they need it. Because nobody else in the industry has anything like it, it puts Istock Brick ahead of the competition, and for customer’s attending it puts us as the forefront of their minds”

**Andy Batterham**  
Group Technical and Innovation Director

## Retaining and nurturing talent

**People are at the heart of Istock. Our target is to grow our business by investing in our people and grow them in their careers to help them achieve their full potential.**

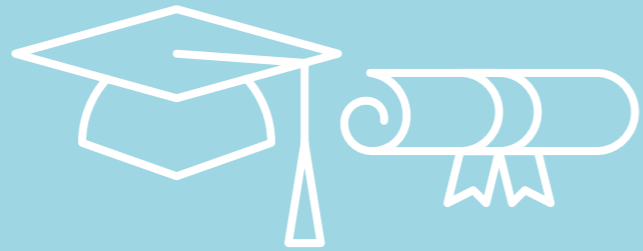
Our training and development programme contributes to a highly engaged workforce. Over the past 12 months we have delivered 7,318 training days, covering a range of topics from operational skills improvement through to modular and structured Leadership Programmes to support our succession plans.

Of particular note is our Istock Brick University. Now in its 20th year, it was created to ensure our staff meet our high standards of product knowledge and expertise. The training programme – which is held twice a year – provides a detailed understanding of our products, manufacturing techniques, building process and technical support.

25% of our recruitment currently comes from internal candidates, ensuring our people are able to fulfil their career aspirations and helping us retain their in-depth skills and knowledge.

Each year we see many of our colleagues celebrating 25 years or more service. We believe this demonstrates a sustainable organisation where people feel valued.

We also recognise that our business is most successful where we have a balance between promoting existing talent and attracting new talent and skills from outside of our business. As such, we actively encourage applications from people who may bring new ideas and best practice from other sectors and other types of organisation. This approach helps us ensure we promote a culture in which learning from others is welcomed and capitalised upon.



Continuing to drive forward our best in class apprenticeship scheme

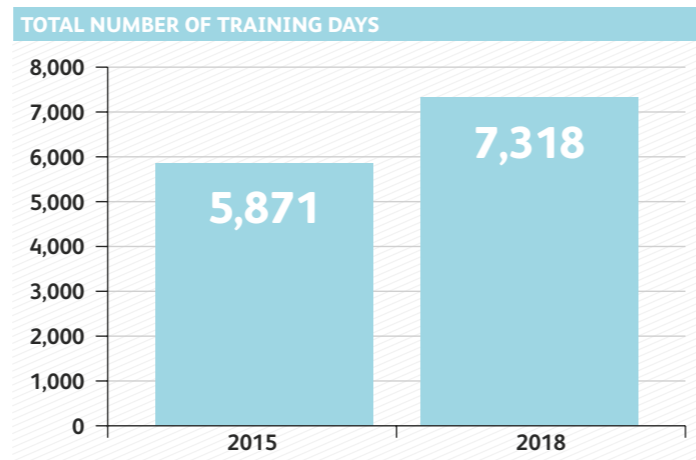
## Apprenticeship scheme

**Our apprenticeship scheme ensures that we create a pool of engineering and technical specialists who will help drive forward innovation and manufacturing excellence. It is only by nurturing our future talent that we will have people with the technical expertise and skills to manufacture our products for years to come.**

There are now 39 apprentices ranging from 16 to 25 years old, including our first three female engineering apprentices. Nine new engineering apprentices were welcomed onto our programme in 2018.

Our scheme includes an Apprentice of the Year award which celebrates exceptional performance; develops our workforce; and creates a pool of engineering and technical talent. Eight candidates were shortlisted from our current apprentices and invited to attend an informal interview from which the selection panel chose a winner. Due to the exceptional standard, the panel agreed to give the 2018 award to two candidates: Jonathan Hackett, a 4th Year Mechanical Engineering Apprentice at our Lodge Lane Factory, and Philip Atherton, a 4th Year Technical Apprentice at Ravenhead. Each received a trophy and £500.

On completion of their programmes, our apprentices are ideally placed to develop their career within the company, and we have a history of keeping apprentices within our business. Our records show that since 1995 we have a retention rate of our apprentices into full time employment within Istock of 70%.



“I wanted to do something where I could use my practical skills rather than just learning about the theory behind it. An engineering apprenticeship allows me to do exactly that. Women are still a minority in engineering, and this is why I love working in an engineering team and showing other people that women can also be successful in a male-dominated field”

**Courtney Scarlett**  
Istock Brick Dual Engineering Apprentice



# COMMUNITIES

**As a business we are committed to making a positive contribution to the communities around us.** We are building long-term local relationships, inspiring future generations and connecting with communities to work with them, developing a place-making approach.

## Long term local relations

**Our products have a tremendous influence on the places they create. As such, we have a role to play in helping to shape the future physical, environmental and social characteristics of the built environment. We believe this will have a positive impact on the communities that live in and use these spaces.**

We are also passionate about creating social value and making a positive contribution to the communities where we operate. We will achieve this by sharing our expertise, providing jobs, and supporting the local economy. By actively engaging with our neighbours, showcasing the work we do and explaining its importance to the locality we are able to demonstrate our long-term commitment to the communities we operate in and help these communities to thrive. For these reasons, we have set ourselves a target that 100% of our sites will report on community engagement by 2025.

### ECLIPSE COMMUNITY DAY

We operate an 'open door' approach to good neighbourly relations and we are committed to social outreach at each of our operating sites.

There can be no better example of our commitment to community engagement than Istock Brick's Community and Families Day. The event was our way of saying thank you to the local community for their support of the Eclipse project over the last three years. It was also an important platform from which to communicate Eclipse's vital contribution to the local economy in terms of employment, opportunity and skills.

Held on Saturday 22 September 2018, we welcomed 400 people to our new factory. Attendees included our employees and their families; local residents; community groups; and school children.

We provided plenty of activities for families to enjoy. As well as taking a tour of the factory, visitors participated in brick making, a football shoot-out, a test of strength, face painting and traditional fairground games. We received a raft of positive comments from attendees and it was clear from the feedback that our visitors enjoyed their day.

### SUPPORTING LOCAL PROJECTS

We are able to support community projects through our quarry restoration partners under the Landfill Tax Credit Scheme which includes the Istock Enover Environmental Trust; WREN (through FCC); and the Mick George Community Fund.

Projects supported over the past year are numerous but, highlights include a new children's play area in Stourbridge; a refurbished tennis club house in Old Sodbury; and a new activity play area for children in Frampton Cotterell near Bristol. Each and every one of the projects we support adds a new and positive dimension to a wide range of people.

It is also rewarding when a two-way relationship between Istock and a local group or school takes hold. For example, local Scouts and Guides, schools and Parish Officers in the village of Istock helped us to plant some of the 15,000 trees as part of the Eclipse project.



**Istock plc is working in partnership with Wellnorth Enterprises** to explore innovative possibilities in place-making and making these a reality so that Istock's people and its communities can grow and thrive together.



**WELLNORTH ENTERPRISES**



“What a wonderful work place you have created and what a marvellous day the company arranged. We thoroughly enjoyed the experience. All the employees whether guiding the parking, arranging the tours or actually taking us around the plant were so very helpful. Obviously when your customers are given the same opportunity they are sure to know that they are dealing with the very best of suppliers. You all have a right to be very proud”

**Ian and Janet Hartley**  
Attendees of the Eclipse Family and Communities Day

## Inspiring future generations

The Chartered Institute of Building (CIOB) recently reported that the construction sector will need to find 157,000 new recruits by 2021 in order to keep up with demand.

As a UK's leading construction products manufacturer, we play an active role in working with local colleges and skills-building organisations to address the sector skills shortage and close the gap between education and the construction industry. We also work with young children too.

As well as supporting scores of schools and colleges, we have developed an ongoing partnership with the Construction Skills Village which provides people in Barnsley, Doncaster and Scarborough with the learning opportunities. We hope that the bricks we have donated will support the development of students and their journey into employment.

We have also donated a lorry load of bricks to Northbrook College in Brighton. The bricks will allow the next generation of bricklayers to train using our materials for their coursework. To deepen their understanding of our business, we also invited the students to take a behind-the-scenes tour of our South Holmwood factory.

**Our 2025 target:**  
**100%** of sites to be reporting their community engagement



We regularly spend time with local groups and schools and wherever possible, we provide resources, time and materials for their benefit. This kind of practical support enables us to build a genuine relationship that has lasting impacts for both parties.

For example, when Swannington Primary School told us about its plans to build a new environmental building, we donated 10,000 Leicester Multi Red Stock bricks manufactured at our Ellistown factory which is just over three miles away. We also donated roof tiles manufactured by Forticrete. The bricks were specifically chosen to fit in with both the eco and sustainable themes of the building. The new school building was completed in 2018.

DID YOU KNOW..?

**WE DONATED BRICKS TO THE CONSTRUCTION SKILLS VILLAGE**



“The donation from Ibstock has been gratefully received. The school children have been keeping a close eye on the building's construction to monitor the progress being made and they are all excited to be able to use it”

**Andy Mawsley**  
Swannington Primary School Headteacher



“I passionately believe that in 21st century Britain, everybody should have a warm and secure place to live. Together with Shelter – an organisation that shares our values and purpose – all of us can play our own part in making this a reality”

**Joe Hudson**  
Chief Executive Officer

## Proud to be supporting Shelter

Ibstock has a rich history of engaging with communities and over the years has raised funds for many different causes. This year we have combined the generosity of our employees and asked for volunteers from each of our sites to become Charity Champions to help us select a charity for the Group to partner with. We didn't have to wait long for over 50 volunteers to come forward to register their interest in getting involved. At a special event held in June our Champions selected our new charity partner, Shelter.

We are extremely proud and excited to announce our partnership with Shelter. We will work with them to raise awareness and vital funds to support people who are experiencing homelessness and bad housing.

A home is a fundamental human need and a basic moral right, as vital as education or healthcare. But in Britain today, that right is being denied to millions of people whose lives are blighted by homelessness, bad conditions, soaring rents, discrimination and the threat of eviction. As 4,750 people sleep on the streets on any given night and 90,000 households are stuck in unsuitable temporary accommodation, such as homeless hostels, we believe we must contribute to the solution through our products, skills and fundraising.

Our partnership will be for a minimum of two years to allow for our relationship to grow and for momentum to build.

### THROUGH OUR PARTNERSHIP WE AIM TO:

- Make a difference to the lives of homeless people and those at risk of homelessness
- Build employee engagement in our fundraising activity through our network of site based champions
- Lend our expertise and products where appropriate
- Reach our fundraising target of £50K in our first year

**Our 2020 target:**  
Fundraise for Shelter, our group charity partner



“We are delighted to be working in partnership with Ibstock to raise vital funds for people struggling with homelessness and bad housing. We want to make sure we're there for the millions of people facing the housing emergency who turn to us for help. It is thanks to the generosity of businesses like Ibstock and their employees, that our services can continue to thrive and make an impact”

**Andy Harris**  
Director of Fundraising at Shelter

# Building on sustainability

We define a sustainable product as one that combines a long product-life with strong environmental and ethical credentials. Over the years, great things have been achieved. However, together with our suppliers and partners, we remain committed to finding new ways to manufacture our products using less virgin material; less water; and less carbon.

## ESOS LEGISLATION

All of Ibstock plc's operations are compliant with the **ESOS energy compliance reporting scheme**.

## RAW MATERIALS

Across the Group, we have achieved **BES6001; the Framework Standard for Responsible Sourcing**.

## THERMAL MASS

Brick and concrete buildings have low thermal transmittance, **which can contribute to reduced heating and cooling requirements**.

## RESPONSIBLE SOURCING

**Bricks typically last for 150 years** with little or no maintenance.

## WATER EFFICIENT

**Over 60% of the water** we use across the Group is from non-mains sources.

## ENERGY

On average, **it takes almost 65% less energy** to manufacture a brick than in the 1970s.



# Improving standards

**There are a number of standards operated throughout our businesses which include environmental, energy and quality.**

These provide a consistent set of procedures which are regularly reviewed and updated to identify ways in which they can be made more effective.

## Leading the industry

**Ibstock Brick was the first in our industry in the UK to achieve the international Energy Management Standard ISO 50001 of which we are immensely proud.**

Companies are required to have an appropriate environmental management system, this will vary depending on the specific demands of the local regime. Currently in the UK the total number of Group locations with ISO 14001 certification is now 100% and the focus is to move to the implementation of the new 2015 standard. The business continues to take a proactive and progressive approach to current issues and has introduced a Group wide policy to combat modern slavery.

## Quality Management Standard: ISO 9001

**ISO 9001 is the world's most widely recognised Quality Management System and helps businesses like ours to meet the expectations and needs of our customers. Most of our UK sites have ISO 9001 in place with all others having an established Quality Management System to which they operate.**

Having a Quality Management System in place allows us to remain competitive by producing high quality products, having motivated and engaged employees while maintaining compliance with relevant standards.

## Environmental Management: ISO 14001

**ISO 14001 is an internationally agreed standard that sets out the requirements for an environmental management system. It helps businesses improve their environmental performance through more efficient use of resources and reduction of waste, gaining a competitive advantage and the trust of stakeholders.**

All of our UK businesses have ISO 14001 in place, Ibstock Brick was the first to achieve certification at all sites to ISO 14001 in the year 2001.

## Responsible Sourcing: BES 6001

BES 6001 is the Framework Standard for Responsible Sourcing and provides a holistic approach to managing a product from the point at which component materials are mined or harvested, through manufacture and processing. All of Ibstock Brick and Concrete sites have the BES 6001 certification with Anderton working towards this.

Responsible Sourcing of Construction Products is demonstrated through an ethos of supply chain management and product stewardship and encompasses social, economic and environmental dimensions.

Ibstock Brick achieved an 'Excellent' rating in 2016. The highest possible level.

## Energy Management Standard (EMS): ISO 50001

**ISO 50001:2011 the International Energy Management Standard provides a framework of requirements for organisations to continually improve and to integrate energy management into their overall efforts to improve environmental management.**

All of Ibstock Brick sites have the ISO 50001:2011 certification and we became the first UK brick manufacturer to implement this. This built on their achievement of being the first to achieve all sites to ISO 14001 for their Environmental Management System. Holding ISO 50001 certification is supporting Ibstock Brick compliance with the requirements of the UK's Energy Saving Opportunity Scheme (ESOS).

Our motivation for implementing ISO 50001 was to be more efficient with the energy we consume. This has enabled us to reduce energy consumption and as a consequence CO<sub>2</sub> emissions.

In addition our employees have benefited both at home and at work by becoming more aware of ways to improve energy usage.

## Energy Saving Opportunity Scheme (ESOS)

The ESOS regulations came into force on 17 July 2014. It is a mandatory energy assessment and energy saving identification scheme for large undertakings (and their corporate groups). The scheme applies throughout the UK. ESOS was established by the Department of Energy and Climate Change (DECC) in response to the requirement for all Member States of the European Union to implement Article 8 of the Energy Efficiency Directive ('the Directive').

All of Ibstock plc's UK operations are fully compliant with this scheme and have had relevant energy assessments carried out and will act on viable documented energy saving opportunities.



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The information and data contained within this report has been verified by Lucideon CICS Ltd as reliable and providing a fair and balanced representation of the reported environmental activities in the reporting period. A full assurance statement has been provided to Ibstock plc.

Third party verification. The key performance measures have been approved by Lucideon.

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insight creating advantage

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