

One team driving world class sustainable solutions

Our CSR focus

PEOPLE

- Our people
- Performance and Development Review
- Health and safety
- Incentives and rewards
- Learning and development
- Apprenticeships
- Organisational design
- Equality and diversity

ENVIRONMENT

- Greenhouse gas data
- Operation Clean Sweep
- Other initiatives

CUSTOMERS

- Service levels
- Quality Policy Statement
- Sustainable and quality products

SUPPLIERS

- Ethical and sustainable sourcing
- Modern slavery

GOVERNMENT

- Taxation

NON-FINANCIAL INFORMATION STATEMENT

COMMUNITY

- Supporting our local community and charities

People

Our people

Our people are at the heart of our success. We believe that engaging all employees and galvanising their efforts in line with the Company's Vision and Values will set us on a successful path to achieving all our business objectives.

As we continue to develop as a Group, it is important that all our employees are provided with personal development opportunities, well aligned to business objectives. A strong match here is a vital component to achieving our overall targets.



Performance and Development Review ('PDR')

We recognise that employee engagement (the energy and purpose our staff get from being immersed in their jobs), is key to the achievement of overall business targets. In 2019 we therefore designed a new performance management cycle and associated processes. This provides a forum for employees to discuss and agree their business aligned objectives and development needs with their manager.

Over the course of the year, we provided start-up training to over 300 managers, including our senior leaders. We developed our Human Resources Information System ('HRIS') to capture objectives, development needs, key activities, achievements and PDR reviews. In 2020, we will roll this out to the rest of the business.

Health and safety

We employ over 1,800 people. The safety and the well-being of these employees and our contractors is our first operational priority.

	2019	2018
Injury frequency rate ¹	4.8	5.7
Lost time injury frequency rate ²	0.9	0.9

¹ Injuries per 100,000 hours worked.

² Lost time accidents per 100,000 hours worked.

We made good progress with our two key health and safety performance measures in 2019. Our injury frequency rate fell from 5.7 to 4.8 and our lost time injury frequency rate was maintained at 0.9. These results reflect the hard work of the health and safety team and of our employees to reduce the risk of incidents in the workplace.

We recorded no major injuries in 2019 under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 ('RIDDOR'). The number of minor RIDDOR injuries reported in 2019 was 17, compared to 9 in 2018.

Our health and safety performance continues to benchmark well with industry standards.

Incentives and rewards

We want to ensure that we attract the best people, either internally through our talent pipeline or from outside the business, that provide the right skills and knowledge that support the continued growth of our Company. It is therefore important that we continue to benchmark our remuneration packages to ensure that they remain competitive.

Every employee has access to a range of benefits that will support them both inside and outside of work. Our total reward strategy ensures that all employees are eligible for a range of incentives that include a defined contribution pension scheme, life insurance, Save as You Earn ('Sharesave') schemes and access to a range of savings and special offers through our Eurxtras platform. This platform also facilitates user-friendly communication with all employees, allowing the business to provide the latest news from across the organisation.

Learning and development

We are committed to continuously improving the availability and quality of training and development for employees at all levels across the Group. Our focus in 2019 was to begin to use data to standardise the way we identify training needs and to improve the quality and range of compliance training, through both e-learning courses, online activities and face to face activity.

We replaced our e-learning course provider and catalogue to improve basic compliance training, with an offering that is both current and relevant to the broad range of activities undertaken at Eurocell. We now have well over 100 e-learning courses and a total of 306 different learning resources and downloadable activities developed in-house available through our learning management system ('LMS').

Our external partners continue to play an important part in the delivery of health and safety and compliance training. Delivery is face-to-face and we monitor the quality and completion of novice, conversion and refresher training in areas such as: fork lift driving and health and safety qualification programmes (e.g. First Aid at Work and fire warden training).

Within the Building Plastics division, we established a national technical and product training team. This enabled various face to face workshops and online activities, designed to keep those at the forefront of serving our customers up to date and to build their compliance and technical product knowledge and skills.

Furthermore, the introduction of a new internal Management Development Programme in 2019 was also well-received by our teams. We identified the most pressing people management challenges and launched in response three modules to address these needs.

Delivery of our various training courses may be face to face, either at HQ or at one of our training centres throughout the UK. We also run training on our in-house system for managers, face to face, on-line or via Skype.

In total across all of these activities, we had 3,037 registrations for face to face training last year.

Apprenticeships

Eurocell is a recognised STEM ('Science, Technology, Engineering, Manufacturing') employer. We take our responsibility to help boost the UK industry's growth of existing and new talent seriously. Our focus on apprenticeships therefore continues to grow, with the current number of employees registered for a levy funded, approved apprenticeship programme growing from 15 in 2018 to 56 at the end of 2019.

In 2019, we had apprentices in technical, maintenance, operational, engineering, design, toolmaking, accountancy and customer services.

We have partnered with new approved training providers and have developed a bespoke programme for existing Trade Counter employees who wish to consolidate their experience and develop new knowledge and skills. Delivery of this Trade Supplier programme to a 34-strong cohort commenced in January 2020.

We will continue to develop apprenticeship opportunities for new and existing employees.

Organisational design

We created and recruited two new senior roles in 2019: Chief Operating Officer and Head of Supply Chain. These roles necessitated organisational change and the re-alignment of structures to better serve operational delivery. Work will continue in 2020 to maximise the effectiveness of our organisation.

Corporate Social Responsibility *continued*

Equality and diversity

We aim to create an inclusive culture, with equality and diversity forming part of our Company Values.

We know that diversity is key to running a successful organisation and we aim to give every employee the opportunity to reach their full potential. Our Equal Opportunities Policy is at the heart of our recruitment processes and sets out our standards to achieve a diverse and inclusive workforce.

UK legislation sets out minimum standard that organisations must adhere to. However, we believe that the benefits of diversity require that we go well beyond this and seek to assist and provide adjustments that will help and support all our employees reach their full potential. In 2019 we also invested in a new recruitment platform, providing much improved application process.

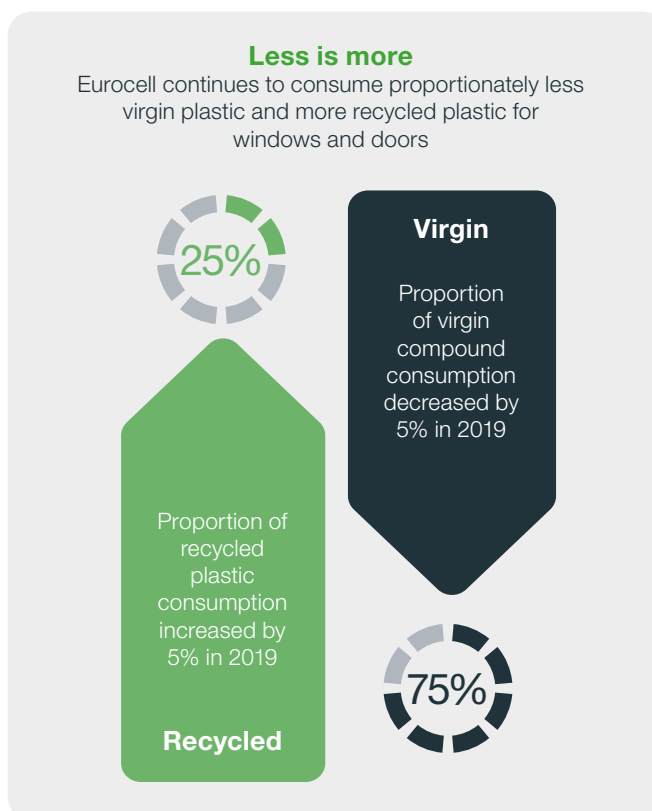
We recognise the benefits of encouraging diversity across the business and believe that this will contribute to our continued success. All appointments are made based on merit and are measured against specific objective criteria, including the skills and experience needed for the position. We remain committed to increasing the participation of women throughout the Group, including at Board level, within the Executive Committee and senior management.

Gender analysis	Male no.	%	Female no.	%	Total average no.
Directors	5	83	1	17	6
Executive Committee	5	100	–	–	5
Other senior management	21	70	9	30	30
Senior management	31	76	10	24	41
Other employees	1,601	88	213	12	1,814
Total	1,632	88	223	12	1,855

Environment

We are committed to protecting and minimising our impact on the environment.

Recycling now sits at the very heart of our operations and we are proud to be the leading recycler of PVC windows in the UK, further details of which are shown on page 24.



More generally, we operate in compliance with all relevant environmental legislation and we strive to use pollution prevention and environmental best practice in all that we do. We recognise that our operations result in emissions and waste and we are committed to control, recover and reuse PVC waste wherever possible.

We promote the efficient use of all materials and resources throughout our facilities, particularly non-renewable resources, and continue our development of sustainably sourced products using recycled materials wherever possible.

Environmental concerns and impacts are a consideration in all of our decision making and activities. We promote environmental awareness amongst our employees and encourage them to work in an environmentally responsible manner. This is achieved through training and education, informing our employees about environmental issues that may affect their work.

Emergency response procedures are maintained where required by legislation or where significant health, safety or environmental hazards exist.

Our general environmental objectives are set in alignment with legislation and are continually reviewed to ensure they are being met. Our environmental policies apply to all our operations and we make sure sufficient resources are made available to ensure that they are implemented. We strive to continually improve our environmental performance and review our policies regularly in the light of planned future activities.

Greenhouse gas data

We are reporting our greenhouse gas ('GHG') emissions as part of our Strategic Report and our GHG reporting period is 1 October 2018 to 30 September 2019, with comparatives for the corresponding period in the previous year. Reliable reporting of GHG emissions on a calendar year basis is not possible due to difficulties in collating actual data for the final months of the year due to timing lags on supplier invoicing.

GHG emissions for the Group for the period ending 30 September 2019 in tonnes of carbon dioxide equivalent (tCO₂e) as follows:

Source	2019	2018	Change
Fuel Combustion (stationary)	335	420	(20)%
Fuel Combustion (mobile)	7,910	6,417	23%
Facility operation	91	72	26%
Purchased electricity	16,061	16,007	0%
Total	24,397	22,916	6%

Total emissions increased by 6% compared to the corresponding 2018 period. Sales growth for the 2019 calendar year was 10% (or 8% excluding acquisitions). The main contributor was a 23% increase in transportation emissions from diesel and propane. This reflects the full year effect of the acquisition of Eurocell Recycling North (formerly known as Ecoplas) in August 2018 and the impact of organic sales growth.

This is set against a 20% fall in natural gas consumption which can partially be attributed to the 2019 period being approximately 7% warmer than 2018 and therefore requiring less gas-fired heating.

Electricity emissions remained static, despite the impact of sales growth and acquisitions during the reporting period (including the full year effect of Ecoplas). This is an excellent result and reflects our significant investments in the latest extrusion technology, as we have expanded production capacity over the last two years. This technology is considerably more efficient than older extrusion lines.

Annual comparison and emissions intensity:

tCO ₂ e	2019	2018	Change
Total emissions	24,397	22,916	6%
Emission intensity ¹	87	90	(3%)

¹ Expressed in tCO₂e per £m revenue.

Methodology and emission factors:

These emissions were calculated using the methodology set out in the Environmental Reporting Guidelines (ref PB 13944), published by the Department for Environment, Food and Rural Affairs in June 2013. Emissions are taken from the Department for Business, Energy, Industrial Strategy emissions factor update published in 2018.

Operation Clean Sweep



From 2018, we have been part of a campaign called 'Operation Clean Sweep', a global initiative to reduce plastic pellet loss to the environment. This is led by the British Plastics Federation in the UK with the aim of ensuring that the plastic pellets, flakes and powders that pass through UK manufacturing facilities don't end up in our rivers or seas.

By signing up to Operation Clean Sweep, Eurocell has committed to best practice and to implement systems that prevent plastic pellet loss — and that we will play our part in protecting the aquatic environment.

"We're always looking to improve and Operation Clean Sweep gives us the opportunity to ensure the effectiveness of the systems we have in place for pellet storage and handling. Our goal is to achieve zero pellet loss and, while this may seem an ambitious target, we believe it is possible through containment and the implementation of good housekeeping practices."

Other initiatives

- Reducing electricity consumption (currently c.66% of emissions) by:
 - encouraging behavioural changes to be less wasteful;
 - reducing idle time/optimising temperatures on extrusion lines and chillers; and
 - investigating LED lighting.
- Increasing the use of recycled material in packaging by:
 - investigating the return of packaging materials to suppliers for re-use – i.e. a polythene closed loop; and
 - conducting an assessment to determine how much material can be collected from branches.
- Reducing the amount of packaging used by investigating the reclaim of packaging from customers.
- Reducing air pollution by encouraging the use of electric/hybrid vehicles.



Corporate Social Responsibility *continued*

Customers

Service levels

In terms of quality, our focus has been on implementing key principles of quality management and measuring systems. These are captured in our customer-focused **Quality Policy Statement** (see below), which captures the way we aspire to work at Eurocell.

Quality Policy Statement

Customers

To be trusted by our customers in everything we do. Working in partnership with them to ensure that they are able to differentiate their service and product offerings from their competitors. Easy to do business with and always responsive to their needs, in a consistent, timely, courteous and flexible manner.

Quality

Adherence to industry-leading specifications and ISO-based standards for Quality & Environmental Management and British Standards for Health and Safety. Ensuring that suppliers understand and work with us to meet our aspirations.

Constant improvement

Uniform standards across our business benchmarked against industry best practice, constantly reviewing and improving processes. Benchmarked leading industry best practice transferred across businesses and customers with a view to reducing waste and improving consistency. Always tracking and measuring through business and departmental KPIs reflecting the business objectives.

Everyone's responsibility

All departments are responsible for constantly reviewing, measuring, checking and improving the quality of their work and ensuring that the necessary training, facilities and tools are available to get the job done right first time through a culture of continuous improvement. All departments working together and supporting each other with no barriers and no silos.

Sustainable and quality products

We adhere to industry-leading specifications and ISO-based standards for Quality & Environmental Management and British Standards for health and safety.

Suppliers

Ethical and sustainable sourcing

We strive to develop and maintain supplier relationships which are ethical, sustainable and responsible, forming the basis of our commitment to responsible sourcing.

In particular, we ensure that all relevant raw material suppliers are compliant with the current Registration, Evaluation, Authorisation and Restriction of Chemicals Regulation (REACH) and continually monitor all of our supplier's quality management processes and controls as part of the set-up and approval process.

We have a loyal supplier base, of which over 70% have been suppliers to Eurocell for more than 3 years. All supply and tender agreements include the following statement:

"The supplier advocates the principles of Corporate Social Responsibility and requires a serious approach to social-economic issues from its supply chain."

In addition, all of our suppliers are required to confirm their commitment to the following principles:

- The obligation to the global and local environment;
- Respect for fundamental human entitlements;
- In purchasing activities, a commitment to improving the organisation's performance in relation to fairness to all;
- A system of internal and external reporting which matches espoused values;
- A proactive promotion of sustainable practices and products;
- Recognition that there is responsibility to add value to communities and societies upon which the organisation has influence; and
- An ethical approach to purchasing activities.

Modern slavery

We are absolutely committed to preventing slavery and human trafficking in our business activities, and to ensuring that our supply chains are free from these practices.

We aim to identify modern slavery risks and prevent slavery and human trafficking in all our operations. We continue to identify any potential risks in the top 80% of our suppliers and, in cases where medium or high risk is identified, further assessments are carried out which may result in the supplier not being used.

Our full Anti-Slavery and Human Trafficking Statement is published on our website at investors.eurocell.co.uk.

Government Taxation

The Fair Tax Mark is an independent certification scheme, which recognises organisations that demonstrate they are paying the right amount of corporation tax in the right place, at the right time.

On 1 August 2019, we were certified as an accredited Fair Tax Mark business, following our successful assessment against the Fair Tax Mark criteria.

We recognise the responsibility we have to our stakeholders and communities to set the highest standards of corporate conduct, and paying the right amount of tax in the right place is fundamental to this. The ability to be able to measure ourselves against an independent benchmark, like the Fair Tax Mark, allows us to continually improve the quality of information that we provide to our investors, employees, suppliers and customers, and assists us in creating a fair and successful business environment.



Fair Tax

“We’re delighted to have achieved the Fair Tax Mark certification, demonstrating our commitment to tax transparency.”

“Paying the right amount of tax is about fairness. Far too often tax is presented as a burden, rather than an essential component that helps glue our society together.”

Paul Monaghan, Fair Tax Mark

Non-financial Information Statement

This section of the Strategic Report constitutes our Non-financial Information Statement, produced to comply with sections 414CA and 414CB of the Companies Act. The information listed is incorporated by cross-reference.

Reporting Requirement	Policies and standards which govern our approach ¹	Information necessary to understand our business and its impact, policy, due diligence and outcomes.
Environmental matters	Corporate Vision and Values Corporate Social Responsibility Policy	Environment pp. 32-33 Investing in more recycling pp. 24-29
Employees	Corporate Vision and Values Corporate Social Responsibility Policy Employee Handbook	People pp. 30-32
Respect for human rights	Corporate Vision and Values Corporate Social Responsibility Policy Privacy Policy Recruitment Policy Anti-Slavery and Human Trafficking Policy Anti-Bullying and Harassment Policy Various information Security Policies Whistleblowing Policy	Equality and diversity p. 32 Modern slavery p. 34
Social matters	Corporate Social Responsibility Policy	Customers p. 34 Community pp. 36-37
Anti-corruption and anti-bribery	Corporate Social Responsibility Policy Anti-bribery policy	Whistleblowing and bribery p. 71
Description of principal risks and impact of business activity		Risk Management pp. 44-45 Principal risks and uncertainties pp. 46-49
Description of the business model		Overview p. 2-3 Our business model pp. 20-21
Non-financial key performance indicators		Operational Performance p. 17

¹ Certain Group Policies and internal standards as guidelines are not published externally.

The policies noted above form part of our policy framework which is founded on our risk management principles. The policies which underpin these principles define mandatory requirements in respect of risk management. Controls and processes are in place to ensure compliance.

Community

Supporting our local community and charities

Our manufacturing and recycling centres, and our branches, can have a significant impact on, and benefit from, the communities in which we operate. It is important that we provide support to communities local to our sites so we can enhance the quality of life in these communities.



*Building relationships
in our communities*

We donated materials to national charity 'Band of Builders' as they worked on providing a safe environment for Kyle, a Cystic Fibrosis sufferer.



It is important that we provide support to communities local to our sites."

Mark Kelly
Chief Executive Officer





Supporting good causes

We raised money for Save the Children by celebrating Christmas Jumper Day.



Supporting our community

We donated a defibrillator to local youth football team Stonebroom F.C.