



## Increase the use of **recycled** materials

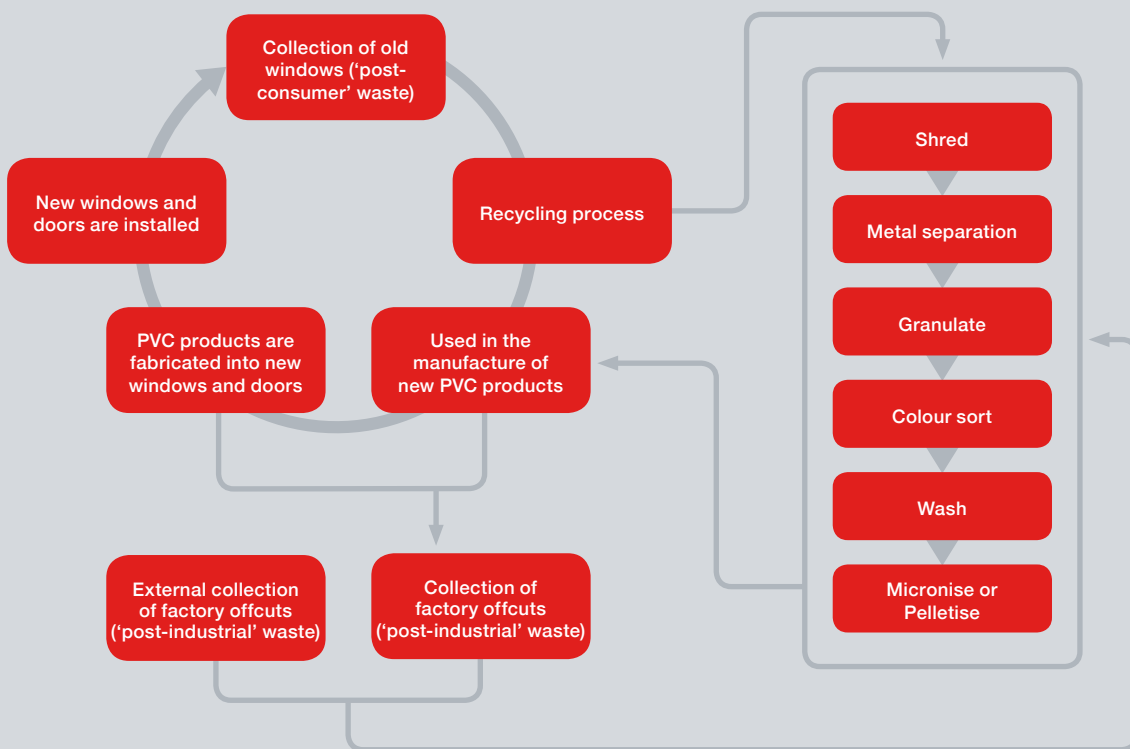
We recycle both old windows ('post-consumer' waste) and customer factory offcuts ('post-industrial' waste) at our 75k square foot recycling and extrusion facility in Ilkeston.

Post-consumer and post-industrial waste is collected from a variety of our customers and other providers. In general, around two-thirds of the input feedstock for recycling is post-consumer and one-third is post-industrial waste.

The Ilkeston plant produces recycled PVC compound in pellet form from this waste, for use in our other manufacturing processes. This provides a substantial saving in cost compared to virgin resin compound and therefore helps to mitigate raw material price increases. Using recycled material also enhances product stability and lowers the carbon footprint of our manufactured goods.

When we develop new products, we look to include as much recycled content as possible. For example, most Modus and Eurologik systems comprise on average 45% recycled materials. In addition, the continued expansion in the use of recycled material remains attractive to the new build market.

The chart opposite illustrates our recycling process.



In 2017 we produced approximately 13.2k tonnes of recycled PVC compound for use in our extrusion processes. Of the recycled compound produced, 8.3k tonnes (being almost exclusively derived from post-consumer waste) was used alongside virgin resin in the manufacture of many of our rigid PVC products in our primary extrusion processes. This represents 17% of material consumption, up from 14% in 2016.

Most of the remaining 4.9k tonnes of recycled PVC compound produced (being almost exclusively derived from post-industrial waste) was used in products which

are manufactured at the Ilkeston plant from 100% recycled material, including thermal inserts and cavity closer systems.

As described in the Chief Executive's Review, we plan to invest to increase further our recycling production capability. These investments are comprised of new equipment at the Ilkeston recycling plant to remove bottlenecks and increase efficiencies, as well as tooling and other extrusion equipment required to make the rigid profile. As a result, we expect recycled material usage to increase to around 20% in 2018.