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“One team, customer centric, driving world class sustainable solutions everywhere we operate.”

People

Our Vision and Values

In 2018, we launched our new Vision and Values statements at our annual Leadership Conference. Senior managers then held a series of workshops with their own teams to roll the materials out across the Group.



We believe that engaging all of our employees and galvanising their efforts behind these four key values will set us well on the way towards realising our vision and gives us the best possible chance of achieving our strategic objectives.

Health and safety

We employ over 1,600 people. The safety and the well-being of these employees and our contractors is our first operational priority.

	2018	2017
Injury frequency rate ¹	5.7	6.8
Lost time injury frequency rate ²	0.9	1.4

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 2018. Our injury frequency rate fell from 6.8 to 5.7 and our lost time injury frequency rate fell from 1.4 to 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 2018 under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 ('RIDDOR'). The number of minor RIDDOR injuries reported in 2018 was 9, compared to 16 in 2017.

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

Incentives and rewards

Our remuneration policies remain competitive and packages include combinations of salary, performance related pay and a defined contribution pension scheme.

In 2018 we launched 'Eurxtras', a staff benefits platform that entitles all of our employees to benefit from savings and special offers from a wide range of partners, including travel companies, retailers, insurers and entertainment providers. This platform also facilitates user friendly communication with all members of staff, allowing the business to provide the latest news from across the organisation, links to online training and resources, and other important messages and alerts.

We also launched a second Save As You Earn sharesave scheme in June 2018. Approximately 40% of our employees now participate in one of the two schemes.

Training and development

We continue to invest in the training and development of our staff, and support them in the delivery of our Group-wide and individual objectives.

We provide a number of training programmes for our teams, using a combination of internal and external service providers. In addition, we provide financial and study leave support for our trainees who are in the process of obtaining a professional qualification.

During 2018 we established 10 training centres across the country. These are used primarily to provide training to our Building Plastics colleagues to help improve their knowledge of the increasingly wide range of products available in our branches, allowing them to provide better support and service to our customer base.

Within the Group we also offer e-learning training programmes to employees. During 2018, staff from across the business have completed and passed over 4,000 e-learning courses.

Apprenticeships are an important part of the development of our future talent pools. As a Group we seek to take advantage of the opportunities provided by the Government's Apprentice Levy. We have 15 apprentices working towards a qualification under Levy-compliant apprenticeships, in areas of the business as diverse as production, warehousing, customer experience and finance. Apprentices spend 4 days a week working and learning within the business, supplemented by 1 day a week spent at college studying towards a relevant technical qualification.

We will continue the roll out of apprenticeships across the business, aiming to upskill our existing employees as well as support new roles within the business. This is just one component of our wider plans to invest more in the training and development of our employees in the coming years.

Overall, we work hard to ensure we remain a local employer of choice, to help us attract and retain talented people.

Equality and diversity

Equality and diversity form part of our core values.

Our equal opportunities policy requires that we give full and fair consideration to applications for employment by disabled people. In the event of a colleague becoming disabled, every effort will be made to ensure that their employment with us continues and that appropriate support is available.

Our colleagues come from wide and diverse backgrounds, nationalities and ethnic and religious groups and we respect and embrace cultural differences wherever we operate.

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 Steering Group and senior management.

Gender analysis

	Male no.	%	Female no.	%	Total average no.
Directors	6	86	1	14	7
Executive Committee	6	86	1	14	7
Senior Managers	20	77	6	23	26
Other Employees	1,437	88	189	12	1,626
Total	1,469	88	197	12	1,666

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.

We are committed to increasing the use of recycled PVC and improving the sustainability of our products and our business. We have invested more than £10m over the past decade in expanding the recycling operations at our plant in Ilkeston. In 2018, we acquired Ecoplas, another PVC window recycling plant based in Selby.

During the year, we rescued more than 1.6 million window frames from landfill, up from c.1 million in 2017. These frames are recycled at one of our facilities, with the resulting compound reused in our manufacturing operations to make new extruded products. We increased the use of recycled PVC in our manufacturing operations from 8.3k tonnes to 9.5k tonnes in 2018, representing c.17% of material consumption. We intend to continue this journey, with more investment to expand our recycling capability at both plants planned for 2019.

CORPORATE SOCIAL RESPONSIBILITY CONTINUED

Environment continued

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 1st October 2017 to 30th September 2018. Previously we reported on a calendar year basis, however this resulted in difficulties in getting the data for the final months due to timing lags on invoices from suppliers, resulting in estimations. This data is used to report against our annual financial data, which keeps a calendar year reporting period.

GHG emissions for the Group for the period ending 30 September 2018 have reduced by 11% on emissions reported for 2017 and were, in tonnes of carbon dioxide equivalent (tCO₂e):

Source	2018	2017	Change
Fuel Combustion (stationary)	420	446	(6)%
Fuel Combustion (mobile)	6,417	6,365	1%
Facility operation	72	64	13%
Purchased electricity	16,007	18,792	(15)%
Total	22,916	25,666	(11)%

Overall emissions have been on a general downward trend since the previous submission. The most notable change is that emissions from electricity has decreased annually since 2014. This is mainly due to the falling national grid emission factor, driven by the closure of coal fired power stations and their replacement with gas and renewables.

Annual comparison and emissions intensity:

tCO ₂ e	2018	2017	Change
Total emissions	22,916	25,666	(11)%
Emission intensity ¹	90	114	(21)%

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

In 2018 we joined a campaign called 'Operation Clean Sweep', the aim of which is to help plastic resin handling operations work towards achieving zero pellet, flake and powder loss.

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 opposite), which captures the way we aspire to work at Eurocell.

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 ensure that suppliers understand and work with us to meet our aspirations.

Over 70% of our suppliers have been supplying 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.

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 our operations. We made good progress during 2017 in identifying any potential risks in the top 80% of our suppliers. In cases where medium or high risk is identified, further assessments are being carried out.

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

Community

Nominated charities

We supported Muscular Dystrophy UK in 2018, providing sponsorship and the facility to receive donations via counter-top collections across our branch network. We also matched staff contributions pound-for-pound in donating money to MacMillan Cancer Support, Save the Children and the Royal Derby Hospital Chemotherapy Department.

Supporting our local community

In the local community, we provided sponsorship to the Rigby and Alfreton Musical Theatre Company, and to a teenager from the Alfreton area who represented England in the European ITF Taekwondo Championships in Poland.

In 2018 we also participated in the Great Plastic Pick Up, a national campaign led by Keep Britain Tidy. Teams from our head office joined other local businesses to pick up litter in and around Alfreton Park.

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. 23-24 Investing in more recycling pp. 20-21
Employees	Corporate Vision and Values Corporate Social Responsibility Policy Employee Handbook	People pp. 22-23
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. 23 Modern slavery p. 25
Social matters	Corporate Social Responsibility Policy	Customers p. 24 Community p. 25
Anti-corruption and anti-bribery	Corporate Social Responsibility Policy Anti-bribery policy	Whistleblowing and bribery p. 51
Description of principal risks and impact of business activity		Risk Management pp. 34-35 Principal risks and uncertainties pp. 36-39
Description of the business model		Overview p. 1 At a glance pp. 2-3
Non-financial key performance indicators		Operational Performance pp. 9-11

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.

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.