



Building for the future

Sustainability Report 2020

About this report

As the report title 'Building for the future' reflects, Etex has a clear commitment to help build a better, sustainable future. We work towards this vision by caring about our social and environmental impacts and working on innovative solutions for the building industry. 'Building for the future' also marked our sustainability strategy activities in 2020. We set key building blocks in place across the organization to streamline our sustainability activities. This strategic approach is integrated across all organizational divisions, with our CSR department moderating and motivating this cross-departmental dialogue. From here, we set out to an exciting journey to improve in the short- and in the long term. We know there is a long road ahead and invite all our stakeholders to support us to become a benchmark in our industry.

As part of our CSR strategy issued in 2020 we commit ourselves to the highest standard of transparency and accountability for the benefit of our stakeholders. We are excited to issue this first sustainability report today, 30 September 2021, to share how our sustainability initiatives and actions progressed in 2020. It covers the sustainability activities of Etex NV for the period comprised between 1 January and 31 December 2020 and covers, unless otherwise stated, all legal entities as included in the group's consolidated financial statements. Etex NV is a private company and its securities are not traded on a regulated market. It is headquartered in Zaventem, Belgium (company registration number RPM : 0400.454.404). From now onwards, we aim to report on our progress on sustainability topics on an annual basis.

This report has been a true global team effort. We extend a special thank you to the 'Green Team', our internal task force of environmental and sustainability specialists, which initiated a reporting process in line with international sustainability reporting standards, as well as the teammates who were directly involved through interviews, the collection and analysis of sustainability data, as well as the review processes.

This report has been prepared in accordance with the international GRI Standards: Core option. An overview of the applied disclosures can be found in the GRI Content Index in chapter 11 of this report. When trend data for previous years is shown in this report, it may have been recalculated in alignment with the GRI standard. Any such instances are marked with a respective footnote.

If you wish to share questions, comments or impressions about the report, please contact us at: sustainability@etexgroup.com.

This report has been published digitally to enhance accessibility and avoid paper use.

Editorial notes

The pictures shown in Etex's Sustainability Report 2020 are in line with the company's safety regulations, which align - or in most cases, exceed - the application of local COVID-related policies. Any pictures which do not reflect the application of such rules have been shot before March 2020.

Disclaimers

This report has not been externally assured. However, all financial information is aligned with the company's Annual Report 2020, which has been audited by the statutory auditor PwC Reviseurs d'Entreprises SRL / PwC Bedrijfsrevisoren BV. We will explore the option of external assurance for our Sustainability Report in the future.

This report contains forward-looking statements. Such statements reflect the current views of management regarding future events, and involve known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Etex is providing the information in this report as of this date and does not undertake any obligation to update any forward-looking statements contained in this report in light of new information, future events or otherwise. Etex disclaims any liability for statements made or published by third parties and does not undertake any obligation to correct inaccurate data, information, conclusions or opinions published by third parties in relation to this or any other report or press release issued by Etex.



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Inspiring sustainable ways of living

GRI 102-14



Paul Van Oyen,
Chief Executive Officer



Jörg Ertle,
Head of Corporate
Social Responsibility

Navigating proactively in uncertain times

In 2020, the COVID-19 pandemic proved once again how closely global society is interconnected. Since March 2020, social and economic life has been disrupted and the impact on people and business has been severe. As a global community, we are still facing health, safety, social and environmental challenges. **At Etex, we are committed to actively contributing to finding solutions.**

In impacting all aspects of our organisation, from day-to-day operations all the way to our strategy and future, COVID-19 is an unprecedented crisis that has tested our company's ability to react quickly. Above all, **it revealed our determination to take care of our people by showing solidarity and support.** It was incredibly motivating for us to learn that we succeeded. In the 2020 'Me & Etex' engagement survey, 93% of participating teammates agreed that we successfully connected and cared as an organisation. Moreover, the same percentage of teammates agreed that

additional COVID-19 related safety precautions were put in place.

Yet, next to COVID-19, there are further world-spanning challenges to tackle. In the midst of global megatrends such as climate change, resource scarcity, regulatory complexity, disruptive technologies, population growth, rapid urbanisation and lack of housing, **Etex is a key player in offering products and services that support tangible and affordable solutions.** Our customers benefit from safety features such as fire protection, energy-saving insulation and low-emission fibre cement products.

consumption, waste and emissions to enhanced long-term circularity through opportunities for deconstruction, reuse and recycling.

As part of the construction industry value chain, we depend on raw materials, energy and other ecosystem services. By design, the building materials industry has a significant environmental footprint. Combined with our scale of more than 11,000 employees and 110 plants, quarries and offices across 42 operating countries, **we strive to contribute to achieving the Sustainable Development Goals of the United Nations.**

Sustainably delivering on our core purpose

Our purpose is to inspire ways of living, and we are building our future on product and service solutions that support the transition towards a sustainable society and economy.

We invest more than EUR 30 million annually in innovation, with a particular focus on lightweight materials and prefabricated construction methods. The advantages of lightweight materials range from reduced raw material, energy

Bringing value to all of our stakeholders

We offer our customers, employees, shareholders and other stakeholders' high quality and affordable products and services which are created and delivered in a way which continuously enhances environmental and social value. This is also reflected in the fact that sustainability has been defined as one of our six strategic pillars (see page 14).

2020 was a year of great strides on this front. We established that **our sustainability efforts are based on a group-wide foundation.** With an extensive and inclusive sustainability strategy exercise, to which 270 external and 312 internal stakeholders contributed, we ensured that our sustainability strategy and priorities are **aligned with our stakeholders' expectations and values.**

EUR 30 million

We invest more than EUR 30 million annually in innovation, with a particular focus on lightweight materials and prefabricated construction methods.



Prioritising our ambitions

"We offer our customers, employees, shareholders and other stakeholders holistic value and continue to decouple our growth from environmental and social impacts. This is also reflected in the fact that sustainability has been defined as one of our six strategic pillars."

Further, we sharpened our focus on where we can make the biggest impact. We defined key milestones for 2021 in our priority areas of health, safety and wellbeing, carbon neutrality, waste management and circularity, and diversity and inclusion. In 2020, we already reached some important milestones. For example, we **reduced** the proportion of our **landfilled waste to 20%**. We also ensured that **100% of the electricity** that we consume is **green electricity**. This level was already reached in Europe, while it stood at 71.8% in our other countries of operation. In 2020 we met our goal of **zero work-related fatalities** and high-consequence injuries. We also **increased our accountability and transparency** by sharing detailed and structured information on our sustainability ambitions through various channels according to international standards. This includes our first Communication of Progress to the United Nations Global Compact, a multi-stakeholder initiative.



Connect and Care

83%

of Etex employees stated that they were able to balance their work and personal responsibilities

Collaborating across boundaries and organisations

We know we have to look beyond the use of our building solutions and services and aim to enhance the way our products are manufactured and processed at the end of their lifecycles. For the challenges in our value chain that we cannot tackle alone, **we continue to work together or in line with our customers, suppliers and other businesses**. For instance, in 2020, we entered into a partnership with Ecovadis, an external specialist in supply chain sustainability, to develop a supplier rating and sustainability improvement programme.

In addition, we empowered data-driven decision-making through coherent sustainability-related key performance indicators. **Our enlarged, consolidated,**

group-wide dataset offers actionable insights through advanced analysis, and enables the monitoring of our track record.

Sustainability as our global compass and rallying flag

At Etex, business viability and sustainability form strong partnerships. 2020 was a milestone year in the face of an unprecedented global challenge. It was also **a year of crisis management and resilience at its start, but mostly a year of caring and acceleration of our strategy execution**; two items that are very closely linked to our CSR commitment.

With Etex's very first Sustainability Report, we invite our stakeholders to learn more about how we approach

and integrate social and environmental sustainability into our business strategy, culture and daily operations.

We deeply thank all our employees and stakeholders, who showed incredible commitment and motivation and made amazing efforts in our sustainability-driven activities in 2020. Through these achievements, we kicked our sustainability integration into high gear. We will continue to shape our sustainability journey together with our stakeholders to create value and inspire ways of living for the benefit of future generations.

Paul Van Oyen,
Chief Executive Officer

Jörg Ertle,
Head of Corporate Social Responsibility

Connect and Care – Our guiding value through the COVID-19 crisis

From our day-to-day operations all the way to Etex's strategy and future, COVID-19 was an unprecedented crisis that tested the company's ability to react fast.

When the pandemic hit, we stood together as 'One Etex' and deployed an agile squad to create and implement a list of preventive measures worldwide. We supported our teammates to work from home wherever possible. We adapted shift patterns and different working models to guarantee distance between workplaces, provided sanitary and medical support.

Assuming 'safety first', several factories were temporarily closed, mandated by local authorities or on Etex' own initiative. We reached the peak of sites closed during April 2020 when 35 of our sites temporarily closed. We managed to resume 100% of production from July 1st onwards.

Further, we ran a five-week campaign on 'working from home like a pro', covering elements such as an ergonomic home working station, a workout session, training on collaboration tools, testimonials, improving work patterns, health and personal well-being.

Through our engagement survey we learned that **83% of the responding teammates stated that they are generally able to balance their work and personal responsibilities**.

At local level, **Etex facilities have contributed to COVID-19 relief causes**. Our teammates truly came together to face this challenge. Accordingly, at the end of 2020, all Etex teammates were rewarded with a one-off bonus for their contribution and resilience during these tough times.



Mathew
Slater

ete

1

About Etex

Etex is **a global industrial group in the building materials and solutions industry with a diverse portfolio.**

Like any other organisation, our sector, locations, size, activities and ambitions provide us with a unique position in which we link to sustainability, from managing risks and adverse impacts to pursuing opportunities and positive impact.



Our divisions, main commercial brands and markets

GRI 102-2 102-6

Etex inspires the world to build safe, sustainable, smart and beautiful living spaces with a wide spectrum of lightweight solutions. From innovative modular systems to leading fibre cement and plasterboard systems. From applications for cladding, façade, roofing and terrace to high-performance fire protection and insulation for construction and Original Equipment Manufacturer (OEM) applications.

Our customers and stakeholders include end-users, architects, specifiers, developers, distributors, contractors and installers. In order to distribute our solutions, and to engage with the markets in the most effective way, our activities are structured across **four divisions: Building Performance, Exteriors, Industry and New Ways.**

Industry

Front runner providing high performance technical insulation as well as fire protection solutions for the construction, energy, transport and thermal process industries.



Building Performance

Leader in plasterboards and fibre cement boards, and the global reference in fire protection solutions for the residential and commercial segments.

Exteriors

Provider of innovative, durable, high performance and beautiful fibre cement exterior materials for architectural, residential and agricultural projects.

New Ways

New Ways offers offsite solutions - based on timber and steel framing - to customers, mainly in residential new built, but also in non-residential and renovation, driven by passion for sustainability, digitization and industrialization.

Our product and service solutions

GRI 102-2 102-10

Our future lies in product and service solutions that support the transition to a sustainable society and economy.

Our products and service solutions offer a wide range of social and environmental benefits to buildings.

From safety features such as fire protection to energy saving features such as insulation, we strive to be pioneers in a market with accelerating needs for products that address sustainability

challenges. Thus it is our ambition to put an even keener eye on how we can expand the sustainability features of our products in the future.

Moreover, we want to include the entire circular value chain before and after the use phase, for example through enhancing how our products and solutions will be reused and processed at the end of their lifecycle.

In 2018, Etex executed a **strategic shift to become a global player in lightweight, sustainable, cost-effective, quality-focussed building technologies.**

The company has since then made

great strides to deliver on this ambition, notably by:

- setting up its New Ways division dedicated to high-tech offsite modular building solutions in early 2020;
- completely exiting the clay and concrete roof tiles business – a non-lightweight technology – in October 2020; and
- taking control of a number of companies fully in line with Etex's vision of the future since September 2020 (more information about these operations on our website: <https://www.etexgroup.com/en/news/>)

A leader in lightweight construction

GRI 102-2

The next dimension of sustainability to reduce raw materials, energy and emissions and to build on long-term circularity for deconstruction, reuse and recycling.

A complete construction method

Our lightweight solutions don't require water and combine interior building boards and exterior cladding with frames – for unique architectural freedom.



Efficient

It is through excellence production, construction and maintenance that our lightweight solutions shine. Our efforts – specifically through Building Information Model (BIM) and automation – improve work and cost efficiency for all partners and end customers.



Eco-friendly

Etex lightweight solutions are easy to maintain and insulative, which reduces waste and resource consumption. More, plasterboards are recyclable and unlock eco-friendly production, transportation and construction methods.



Safe, affordable, beautiful

In addition to fireproof, eco-friendly and cost-efficient, our solutions are beautiful and comfortable.



Our products, systems, materials and ways of construction

GRI 102-2



Building boards & compounds

These include

fibre cement boards and plasterboards, drywall products and systems for partitions, ceilings, linings and external sheathing.



Cladding

External coverings for multiple residential

applications that exceed the strictest standards, last a lifetime and look beautiful.



Façade

Architectural fibre cement exterior materials that are

thin, light, durable and striking in their beauty.



Roofing

Corrugated sheets for residential, agricultural and

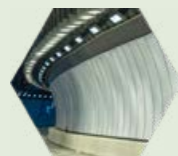
industrial applications.



Terrace

Ground-breaking new

fibre cement materials for soft, slip-proof, durable and beautiful residential terraces and decks.



Fire protection

A full range of fire rated boards,

paints, sprays and fire stopping sealants for the protection of homes, public construction and industrial assets.



Insulation

Calcium silicate and microporous

high performance thermal insulation products and solutions for industrial, OEM and construction applications.



Modular solutions

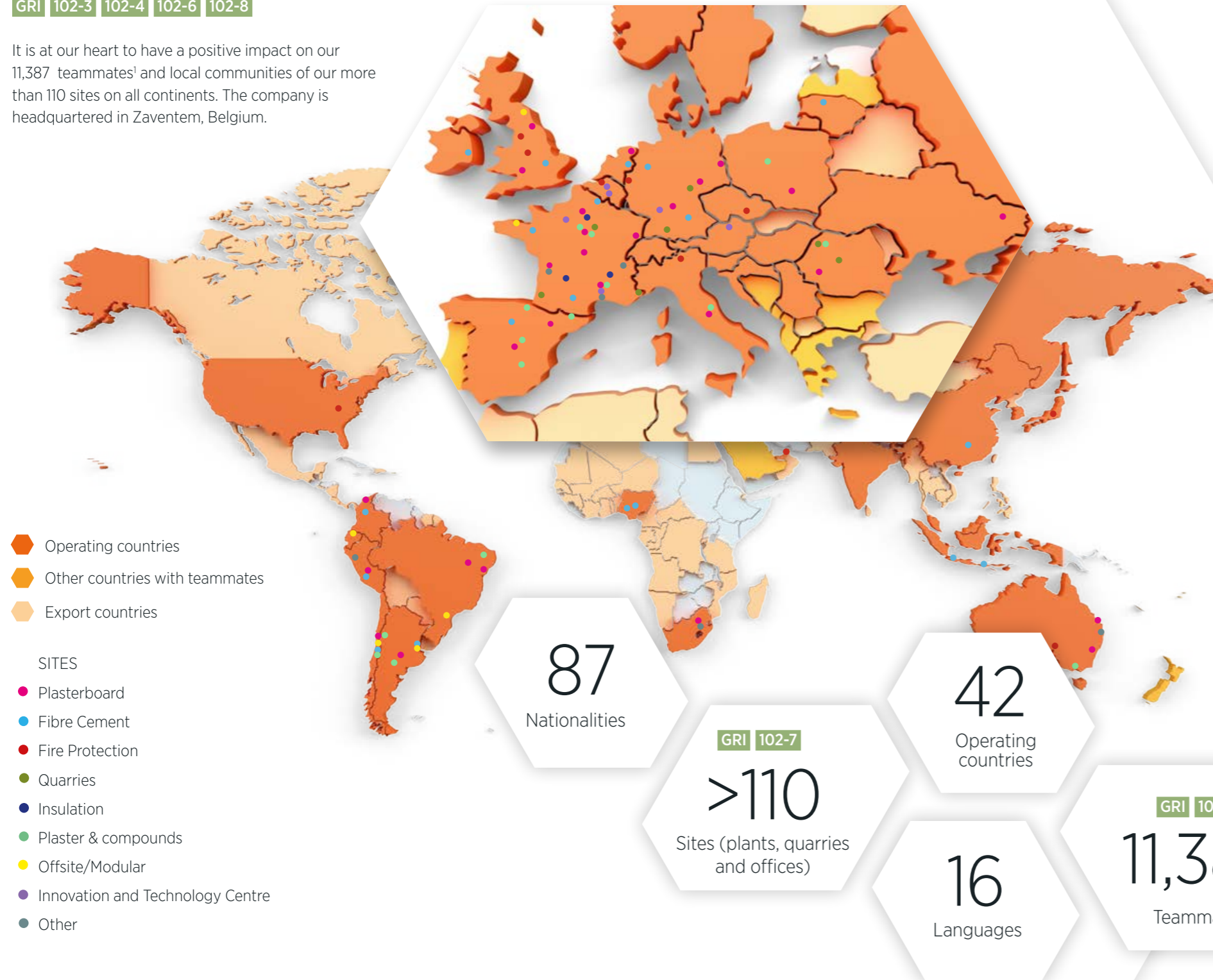
Incorporating our latest innovations,

modular solutions are high-precision, comprehensive building solutions manufactured by Etex and rapidly assembled on site.

Where we have impact

GRI 102-3 102-4 102-6 102-8

It is at our heart to have a positive impact on our 11,387 teammates¹ and local communities of our more than 110 sites on all continents. The company is headquartered in Zaventem, Belgium.



87 Nationalities

GRI 102-7
 >110 Sites (plants, quarries and offices)

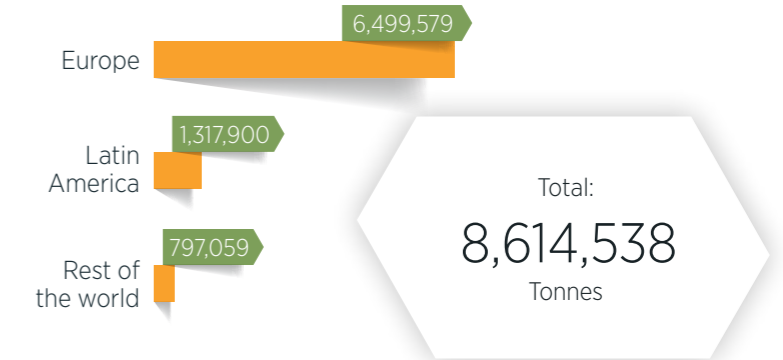
42 Operating countries

16 Languages

GRI 102-7
 11,387 Teammates¹

Tonnes of products sold in 2020²

GRI 102-7



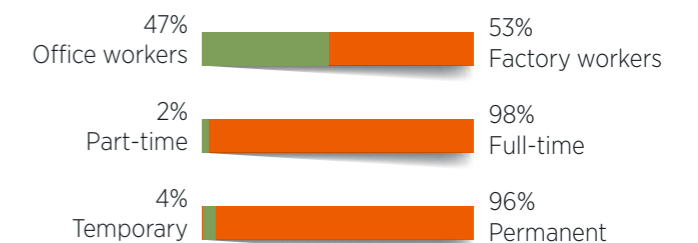
Our employees at a glance

GRI 102-4 102-7 102-8 401-1

Our top three operating countries in terms of number of teammates are France (1,678 teammates), Belgium (1,367 teammates) and Germany (976 teammates). For the top ten list, see the [additional data](#). In 2020, we hired 559 new teammates (vs 919 in 2019). At the same time, our employee turnover rate decreased from 10.1% in 2020 to 6.9% in 2021. The number of teammates has been stable throughout 2020, and Etex did not record any significant variations (GRI 102-8 d and f).

While we engage contractors mainly for specific projects to support us whenever needed, measured by full time equivalent (FTE), the core activities of Etex are predominantly carried out by Etex employees.

Etex employees in 2020



¹ Excluding the Residential Roofing companies which have been divested in 2020 as well as the personnel of our plasterboard business in Australia, as this operation was completed in February 2021. The figure includes the personnel of FSI Limited, which was acquired by Etex in September 2020.

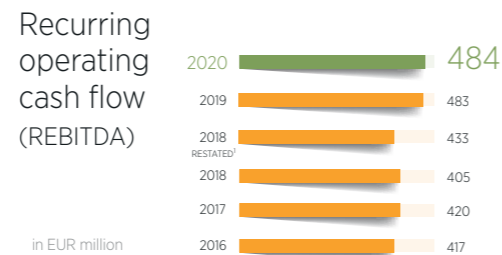
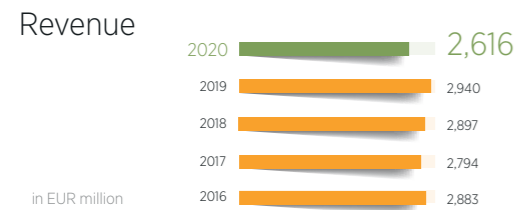
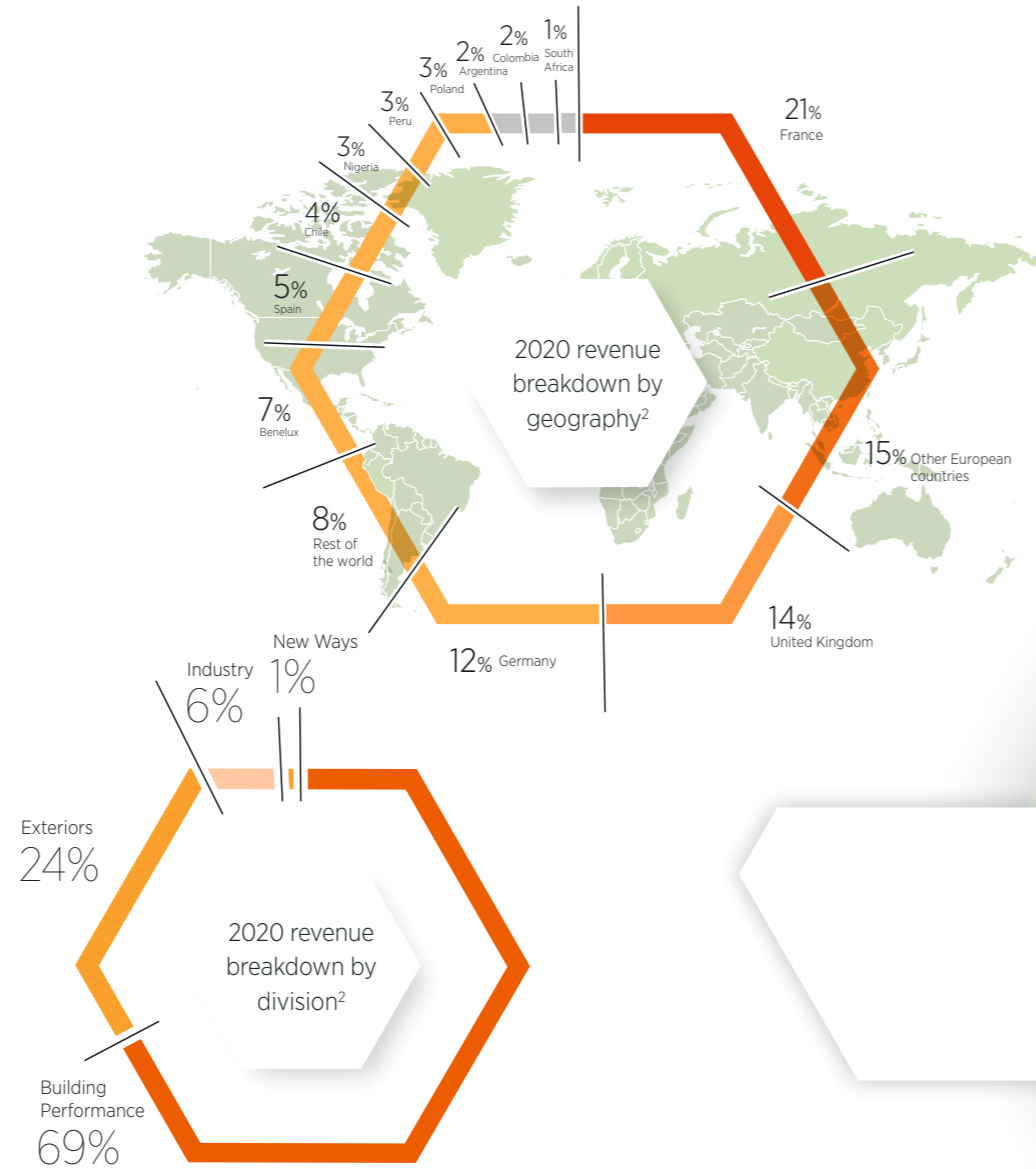
² These figures represent more than 95% of the Etex group. Promat US and Promat Middle East are included only for the second half of 2020. The following entities are excluded: Siniat Ukraine, Etex Ecuador, Promat Japan and Promat India.

Our financial performance

GRI 102-7

At Etex, business viability and sustainability form a strong partnership.

Sustainability considerations can, for example, boost our innovation, productivity or the attractiveness of products. In turn, through the financial health of our organisation we can dedicate appropriate resources to advance our social and environmental ambitions. In terms of financial performance, 2020 was a challenging year due to the impact of the COVID-19 pandemic as from mid-March. The revenue of Etex went down by 3.1% year-on-year to EUR 2,616 million on a like-for-like basis, but the company nevertheless recorded a double-digit REBITDA improvement (+10.9% like-for-like) to reach EUR 484 million. As a result, the REBITDA margin reached 18.5% and the net recurring profit increased by 15.1% to EUR 215 million. The free cash flow before dividends, acquisitions and disposals of businesses reached, for the second year in a row, its highest historical level, at EUR 313 million. Combined with the successful disposal of non-core businesses, the net debt decreased to EUR 15 million, its lowest level ever.



1 Value restated for IFRS 16 (lease) impacts consistently with 2019 with respect to lease debt, leased assets and depreciation of lease assets.
2 The revenue excludes the Residential Roofing companies which have been divested in 2020.

Our three values



Our three-pillar agenda



The bigger picture: Sustainability in the construction industry value chain

GRI 102-9

As part of the construction industry value chain, we depend on raw materials, energy, water and other ecosystem services. By design, the industry has a significant environmental footprint, for example in terms of materials use. According to the OECD, non-metallic minerals such as construction materials are projected to grow rapidly from 35 gigatons in 2011 to 82 gigatons in 2060.

Evolutions such as these create responsibility for the whole value chain. **We expect the market to focus more and more on the sustainability characteristics of our solutions and prepare for these opportunities.**

In line with our strong future- and customer-orientation, **we assess how our products and solutions can help our customers reach their own sustainability goals.**

As the illustration shows through some spot examples, sustainability opportunities and challenges occur across the whole value chain.

We have to work together to address social and environmental sustainability challenges. That is why in 2020, we started on an exciting journey to work with our tier-1 suppliers. More information can be found in the 'Better together' chapter of this report.



Carefully managing our asbestos past

Asbestos is part of our past and we continue to manage our history with the material carefully. Our group-wide policy enforces this commitment.

Asbestos through the years

In the past, some of our companies used asbestos as a raw material in production.

Preventive measures

Starting in the 1970s, Etex companies took measures to reduce asbestos concentration levels in the air in their factories. These included:

- Masks and other protective gear;
- Dust extraction equipment;
- Shift from dry to wet production;
- Automation of production processes;
- Exploration of alternative materials;
- Ban of blue, brown and later white asbestos.

These measures were aligned with the legislation and based on scientific knowledge available at the time, and were considered effective ways to prevent health risks. However, scientific and medical knowledge further evolved, indicating later that this was not sufficient and that some risks persisted. Asbestos-related diseases such as mesothelioma can take an average of 45 years between the start of exposure and the development of the disease. It is the most cause-specific asbestos-related disease. This long average latency period has slowed down or

influenced the progression of scientific understanding of these diseases.

Stringent regulations

Throughout the 1980s and 1990s, the use of asbestos was more strictly regulated and in 2005, the European Union completely prohibited its use. Etex entirely banned asbestos from the production processes of all its companies in 2002, thus prior to the European Union ban.

The global picture

The name Eternit is used to patent the technology which was sold worldwide to multiple companies, several of which adopted and retained the name for their company as well as it being the name of the product. As a consequence, some companies today bear and/or sell products under the name Eternit while not being part of Etex.

It should also be noted that although the use of asbestos is prohibited in the EU, in many countries around the world it can still be legally used and sold.

Health provisions

Since asbestos-related diseases have a long latency period, Etex companies may still receive claims related to former asbestos exposure. As part of our commitment to compensate victims, our company provides settlement costs for past and future claims.

Several variables affect how compensation is calculated, and these may change over time. We therefore regularly review our approach to take into consideration any new information that may become available.

Group-wide policy

We cannot undo the past and we deeply regret that people became and still become seriously ill due to asbestos exposure. To put adequate support systems in place we established a mandatory policy that enables our companies to manage their past vigilantly. The policy is based on a three-way approach: compensate victims, prevent exposure and support research.



Compensate victims

Etex companies have to ensure that those who become seriously ill due to being exposed to asbestos in their factories receive a fair financial compensation.



Prevent exposure

Etex companies constantly monitor the presence of airborne fibres and safely manage all buildings and landfills. In 2020 we started an asbestos awareness training involving 150 Site Managers, EHS Managers and Project Managers from all over the world. The training was focussed on our asbestos policy, the potential risk exposure, preventive health and safety measures, air monitoring, project management and communication. In the course of ongoing initiatives to upgrade sites and buildings, including sites from recent acquisitions, we also inventory and remove asbestos-containing materials.



Support research

Etex supports medical and scientific research. We started in 2012 to support the Foundation Against Cancer and we are committed to support their research work until 2024, with a total donation of EUR 10 million over this period. It is our sincerest hope that treatment for asbestos-related illnesses will benefit from medical and scientific research in the future.

About asbestos



Since its discovery and mainly since the industrialisation, this naturally occurring silicate mineral has been used and is still used worldwide in many sectors due to its technical characteristics. Asbestos is highly heat and chemical resistant, electrically non-conductive and rot-proof.

It became the norm to use asbestos in many industrial processes such as textile, plastic, food, automotive, railway, insulation, construction and building industries. However all the health implications of inhaling asbestos fibres were not yet known. Unfortunately it has taken the world decades to fully understand the risks associated with asbestos exposure.



Former application of cement produced by some Etex companies

EUR 10 million

In donations to the Foundation Against Cancer between 2012 and 2024



2

What Etex stands for:
Our culture, values
and governance

We want to create long-term value for our customers, employees, shareholders and other stakeholders by addressing their growing needs for sustainable solutions. This can only happen by tackling how Etex operates in the ecological, social and economic fields. Therefore, we started our journey by aligning our business strategy with our corporate social responsibility ambitions. We added visibility to this move by defining “Driving sustainability in the way we develop business” as one of our six strategic pillars. Our culture, values and governance are also strong drivers on this journey. In turn, our sustainability journey helps us strengthen our culture and values, and supports our long-term business success. For example, our culture and values play an increasing role in attracting talent and being seen as a reliable and future-proof company.



Subscribing to global sustainability values

GRI 102-12

To demonstrate our alignment with global sustainability ambitions that aim to shape a sustainable future, **in 2020, Etex became a signatory of the United Nations' Global Compact (UNGC) for sustainable and responsible business practices. The company also committed to the United Nations' 17 Sustainable Development Goals (SDGs).**

To support the achievement of the SDGs, **we are committed to furthering our transition and decoupling our growth from environmental and social impacts.**

We are set on offering building solutions that best meet the changing needs of our customers, while continuously working towards reducing our negative and growing our positive impacts.

We highly value inclusiveness and co-creation, as set out in our Connect and Care value (see next page). For our 2020 CSR strategy we actively included our employees as well as our connected and external stakeholders in a structured approach to understand how we can best focus our sustainability efforts.

What makes us unique - our purpose, culture and values

GRI 102-16

At the very core of Etex is a clear purpose: 'Inspiring ways of living'. This guides what we do, and how we do it. It is an invitation to deliver to our customers an outstanding experience with lightweight building solutions that tackle the megatrend challenges that our world is confronted with, such as population growth, resource scarcity and climate change. It guides us to leverage expertise and contribute to our unique promise of providing ever better solutions for smart, safe, sustainable and beautiful spaces. This is possible through the integration of our purpose and values into our daily business activities.

Our six-pillar strategy

PILLAR 1
Reinforcing our strong position in plasterboard



PILLAR 2
Maximising our fibre cement position



PILLAR 3
Accelerating growth in passive fire protection



PILLAR 4
Driving sustainability in the way we develop business



PILLAR 5
Embedding digital in our value chain, driving optimisation and growth



PILLAR 6
Disrupting with new ways of building



Predicted by the OECD, by 2060 close to ten billion people will be living on this planet, and they will need ever more high-quality space to live and work. Etex can be part of the solution by making full use of new technologies and methods, staying close to its partners, anticipating industry trends and providing the best building solutions to its customers. We are convinced that our focus on lightweight and modular building technologies holds critical keys to a safer, smarter, more beautiful and sustainable world.

We want to get things right from the start: we share information on our purpose, culture, values and governance with our new teammates as part of their induction programme. Thanks to this, our teammates can connect with each other based on a common language.

‘The Etex Way’, our code of conduct

GRI 102-16 | 102-26

To strengthen our Connect and Care value and lay the ethical base required to lead and deliver excellent performances, **Etex implemented in 2018 a revamped code of conduct on safety, ethics, compliance and integrity titled ‘The Etex Way’.** The recent update of the code involved and is fully supported by Etex’s Executive Committee, Board of Directors and Risk and Audit Committee. This reference document is easily accessible both externally (on our website) and internally (on our intranet platform). Internally, to make it as easy as possible for all Etex teammates to consult the code,

we translated it into the 16 languages spoken by our global workforce. This is key for us **to ensure the code’s contents are ‘lived’ by all our employees in their everyday work.**

We held in-person interactive training sessions on the code of conduct, led by our Antitrust and Compliance Officer, throughout our locations in Europe, Latin America, Asia-Pacific and Africa. Furthermore, we strive to refresh and update our teammates’ knowledge of this crucial reference. Accordingly, in 2020 the interactive e-learning module of ‘The Etex Way’, available in six languages, became mandatory for all office workers to complete once a year as part of their performance review. It will be supplemented by additional e-learning modules covering compliance related topics.

In 2020, over 70% of Etex’s office workers completed the e-learning module. In addition, as of 2021, all office workers are being asked to certify that they:

1. have read the code of conduct;
2. acknowledge its importance;
3. understand their obligations and their duty to prevent, correct, and if necessary, report suspected violations to the code of conduct;
4. commit to conducting themselves in line with the code at all times.

Business ethics and integrity is a collective exercise. **We encourage all employees to raise concerns and report in good faith any behaviour that may be considered to violate the code.** This reporting will be kept confidential and can be done without fear of recrimination or vengeance. Any employee who violates the code may be subject to disciplinary action by the employer, including termination of his/her employment contract, taking local law and procedures into account. If applicable, the employee will be asked to return all funds and/or assets gained through the violation of the code.

Human Rights

GRI 103-1 and GRI 103-2 for 412

We acknowledge our responsibility to respect human rights throughout our operations and where directly linked to us through our business relationships.

Support to and respect for the protection of internationally proclaimed human rights is crucial at every step in the value chain.

As outlined in ‘The Etex Way’, **we do not tolerate human rights violations,** and we support the relevant national laws and the applicable provisions of the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the International Covenant on Economic and Social Rights. We join forces with our suppliers to minimise any risk relevant to human rights by implementing a purchasing frame contract and a code of conduct for suppliers.

We also commit to voluntary actions that seek to advance human rights and create positive impacts in areas including housing, food and education through our social projects. More information can be found in the ‘Community relations’ chapter.

A culture of trust, integrity and anti-corruption

GRI 102-16 | 102-17

Etex supports the United Nations Convention against Corruption because we see ethical business conduct as a key factor in maintaining a fair and supportive environment for business activity and corporate sustainability. **Etex has a zero-tolerance approach towards any form of bribery or corruption** (private and public) in all jurisdictions in which it operates. Accordingly, we adopted a

policy reiterating and supplementing our commitment to prohibiting bribery and corruption, as set forth in ‘The Etex Way’, and providing guidance to employees in this area. The policy ensures that all employees are aware of their obligations in relation to relevant anti-bribery and anti-corruption laws. It explains individual responsibility (i) in complying with anti-bribery and corruption laws around the world, and (ii) in taking all necessary steps so that third parties that we engage to act on our behalf do the same. To breathe life into our approach, the training sessions on the code of conduct include real life examples on the topic of bribery to stimulate the debate and raise awareness.

A precautionary approach

GRI 102-11

As an international company, we constantly learn about new interdependencies between business activities and the environment, for example regarding the impacts that materials or production processes can have on the environment. Therefore, **in every business activity, we aim to be aware of environmental risks and concerns** and take these into account abreast of legal requirements.

In being responsive to our customers’ specific interests towards particular sustainability topics and risks, we offer them respective declarations. This includes information on restrictions for hazardous substances (RoHS), conflict minerals or on registration, evaluation, authorisation and restriction of chemicals (REACH).

Our three values:



Connect and Care

Developing people and meaningful relationships

People working together are the essential driver of a sustainable future. We nurture teamwork, communities, partnerships and new ways of working. Even more, we provide people with all the tools and skills they need to collaborate effectively.



Pioneer to Lead

Driving valuable change

Through passion, innovation and adherence to the highest standards, we deliver the very best to our partners and customers. We raise the bar in everything we do and never settle for anything less than top-notch.



Passion for Excellence

Doing the right thing and enjoying outperformance

Outperformance is something we actively seek. To deliver the most value in a changing sector, leadership means putting the customer at the centre of our continuous improvement and innovation efforts.



A sustainable approach to taxes

GRI 103-1 for 207 207-1

The United Nations acknowledge that taxes play a vital role in achieving the Sustainable Development Goals by offering governments an important source of revenue that is central to fiscal policy and macroeconomic stability. Our tax policy is articulated around four pillars:

- **Compliance:** Etex is committed to conduct its tax affairs to comply with all relevant laws, rules and regulations and reporting and disclosure requirements. The group's tax management takes into account the company's wider reputation and standards of governance;
- **Risk management:** our tax strategy is aligned on our overall risk strategy. Etex believes that by approaching the control of risk in a strategic and organised manner risk factors can be reduced to an acceptable level given their likelihood and impact. Responsibility and accountability for the company's tax affairs are clearly defined and overseen by the group's Risk & Audit Committee. Professional diligence and care are applied to our assessment of all risks associated with tax matters. Where there is uncertainty as to the application or interpretation of tax law, advice is taken from recognised external advisors;
- **Business purpose:** incentives and reliefs are claimed to minimise tax costs of conducting our business activities, but we will not knowingly enter into arrangements that are contrived or artificial. **All Etex companies are subject to the standard tax regime of the country where they are based and do not benefit from any preferential tax regime, nor do they enjoy any kind of tax ruling/ concession that might be viewed as**

harmful tax competition. Equally, there is no tax erosion nor profit diversion through inappropriate transfer pricing or other techniques. The group does not use shell companies or entities whose existence would be primarily driven by tax considerations. Similarly, Etex does not make use of companies in tax havens or low-tax jurisdictions;

- **Approach towards dealings with tax authorities:** an important part of our tax strategy is maintaining and developing a collaborative relationship with tax authorities. We engage with them with honesty, integrity, respect, fairness and transparency. Wherever possible, we do so on a proactive basis.

Governance as a foundation

GRI 102-18 102-26

To manage our company in line with the best interests of our internal and external stakeholders, **Etex is committed to the principles of corporate governance**, as captured in our [Corporate Governance Charter](#).

Executive Committee

The Board of Directors entrusts the day-to-day management of the group to the CEO and the Executive Committee. The members of the Executive Committee can be found on the right side of this page.

Board of Directors

Etex's Board of Directors sets the overall group strategy, decides on major investments and monitors all corporate activities. Its composition is carefully balanced and includes representatives from Etex's family shareholders, as well as independent Directors.

Seasoned Board members are considered a major asset to our company. Accordingly, there is no limit set to board tenure.

Among its responsibilities, the Board approves any initiatives relating to sustainability and corporate social responsibility upon recommendations by the Sustainability and Corporate Social Responsibility Committee. This includes promoting a culture that sets high standards for sustainability and corporate social responsibility and reviews performance against those standards; considering the impact of the group's activities and operations from a social responsibility perspective, taking into account the legal framework and the interests of employees, customers, suppliers, shareholders, communities and regulators; and monitoring and reviewing the group's policies on sustainability and corporate social responsibility.

Further details on the work performed by our Board's four advisory committees are presented in the chapter 'Better together'. Our 2020 Annual Report also contains more information about our Executive Committee (p. 55), changes to the Board of Directors (p. 54) and an overview of business risks assessed by the Executive Committee (pp. 75-78).

Our Board of Directors

as of 26 May 2021



ARGALI CAPITAL BV
Permanent representative:
Pascal Emsens
Director



CT IMPACT BV
Permanent representative:
Caroline Thijssen
Director



GUVO BV
Permanent representative:
Guillaume Voortman
Director



MUCH BV
Permanent representative:
Muriel De Lathouwer
Director



Gustavo Oviedo
Director



Teodoro Scalmani
Director



Christian Simonard
Director



Bernadette Spinoy
Director



Thierry Vanlancker
Director



ViaBylity BV
Permanent representative:
Hans Van Byle
Director

Louise Cail, Secretary
• Remuneration and Nomination Committee

Joerg Ertle, Secretary
• Sustainability and Corporate Social Responsibility Committee

Virginie Lietaer, Secretary
• Board of Directors
• Strategy Committee
• Risk and Audit Committee

Our Executive Committee

as of 1 July 2021



Paul Van Oyen
Chief Executive Officer



Neil Ash
Head of Building Performance



Patrick Balemans
Head of New Ways



Louise Cail
Chief Human Resources Officer



Christophe David
Chief Manufacturing Officer



Mel de Vogue
Chief Financial Officer



Michael Fenlon
Head of Exteriors



Virginie Lietaer
Chief Legal Officer



Carla Sinanian
Chief Strategy Officer



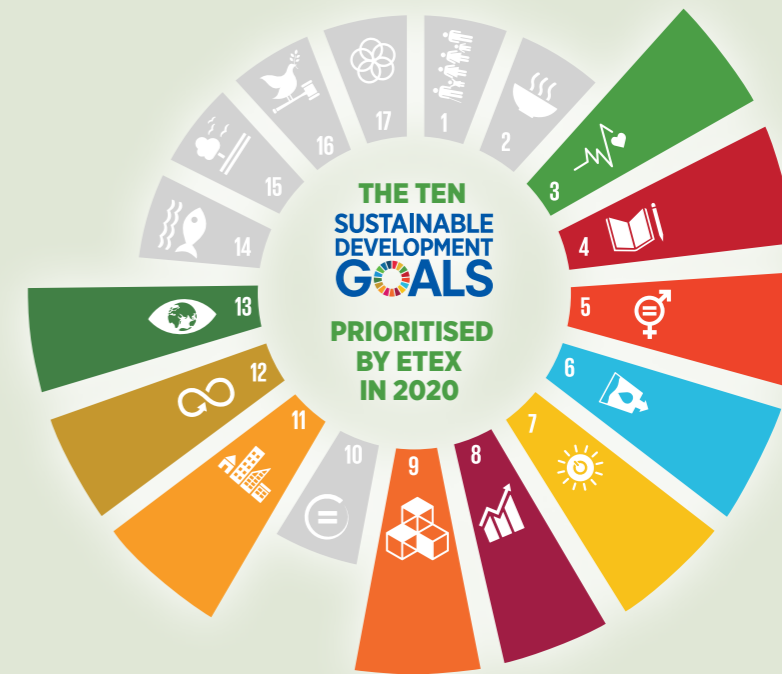
Didier Staquet
Chief Performance Officer



3

Building a strong
foundation for
sustainability





- 3 Good health and well-being
- 4 Quality education
- 5 Gender equality
- 6 Clean water and sanitation
- 7 Affordable and clean energy
- 8 Decent work and economic growth
- 9 Industry, innovation and infrastructure
- 11 Sustainable cities and communities
- 12 Responsible consumption and production
- 13 Climate action

By building on a strong foundation, one may reach unthinkable heights. We take this to heart with our sustainability ambition. That is why we laid a strong foundation in 2020 by introducing a structured approach encompassing the different areas of sustainability: social, environmental and economic impacts as well as effective governance.

The importance of sustainability is explicitly reflected in our strategy. “Driving sustainability in the way we develop business” was introduced last year as one of our six strategic pillars. We also invested in dedicated resources. Five new teammates onboarded in 2020 are responsible for group-wide tasks related to sustainability, and a further 10 new teammates more broadly focus on environmental topics. This includes a CSR Specialist at corporate level, a Head of Sustainability & Public Affairs on the R&D team, a Sustainability Scientist, a Recycling Stream Manager and a Sustainability Product Manager in the Exteriors division.

A clear path to a sustainable future

GRI 102-12

We are part of a global society, and the direction in terms of sustainability, health and well-being is clear. All 193 member states of the United Nations adopted a plan to achieve a better future for all by ending extreme poverty, fighting inequality and injustice, and protecting our planet. These Sustainable Development Goals (SDGs) encompass 17 objectives for the year 2030. **We asked ourselves how we as Etex best fit in: where do we have the best leverage to contribute to the SDGs, and which SDGs should we prioritise?**

To answer these questions, we took an **inclusive approach to capture expertise and different perspectives of our teammates**. In a first step, in 2020 we invited 450 of our Senior Leaders across regions, divisions and job functions to explore through which SDGs Etex can make the biggest impact. An information series introduced each of the 17 SDGs and its relationship to our business. This exercise triggered 248 Senior Leaders to score each SDG based on its relevance. In a second round, the results were validated when Senior Leaders ranked the top ten list of SDGs according to priority. Based on the input of 312 Senior Leaders, **we selected 10 SDGs, in order of priority, as the ones which are most relevant for Etex**. (see illustration above).

Inclusive exercise resulting in a sharp focus

GRI 102-44 102-46 102-47 102-49

When translating our ambition into impactful initiatives aimed at achieving the SDGs, a further collaborative exercise with a wide range of stakeholders provided us with powerful guidance. The aim of this engagement was to identify the list of sustainability topics where Etex has the most impact on two fronts: through the way it carries out its production and business activities, or through the products and solutions it develops.

During internal workshops with experts and senior managers from all divisions, **20 topics were shortlisted from an initial 100**. In a next step, **650 stakeholders** – 50% internal personnel across functions and locations, 35% connected suppliers and customers, and 15% external stakeholders, local communities and local public decision-makers – **responded to a survey on the importance of the 20 sustainability topics**.

We clustered these topics under the themes of 'People', 'Safety and well-being', 'Community relations', 'Towards a future-proof economy'. Through this process, stakeholders shared their perspectives concerning which of these topics they find particularly important in relation to the impact Etex has.

The results for the different stakeholder groups vastly overlapped across the cluster of topics, with slight variations on the leading topics. For internal stakeholders, 'safety management' and 'business ethics' ranked on top. For connected

stakeholders, 'business ethics' and 'sustainable products, services and innovation' did so, and for external stakeholders, 'employee training' and 'employee work-life balance, health and well-being' ranked highest.

To sharpen our focus even further, we mapped out these topics according to importance to stakeholders and Etex's impact. The results provided us with clear guidance on which topics are material¹:

- Leading our industry in health and safety
- Decarbonisation and energy use
- Waste reduction
- Water management
- Promoting the circular economy
- Innovating for more sustainability in our products and services

For 2020, we decided to prioritize the following four areas:

- **Carbon neutrality**
- **Health, safety and well-being**
- **Waste management and circularity**
- **Diversity and inclusion**

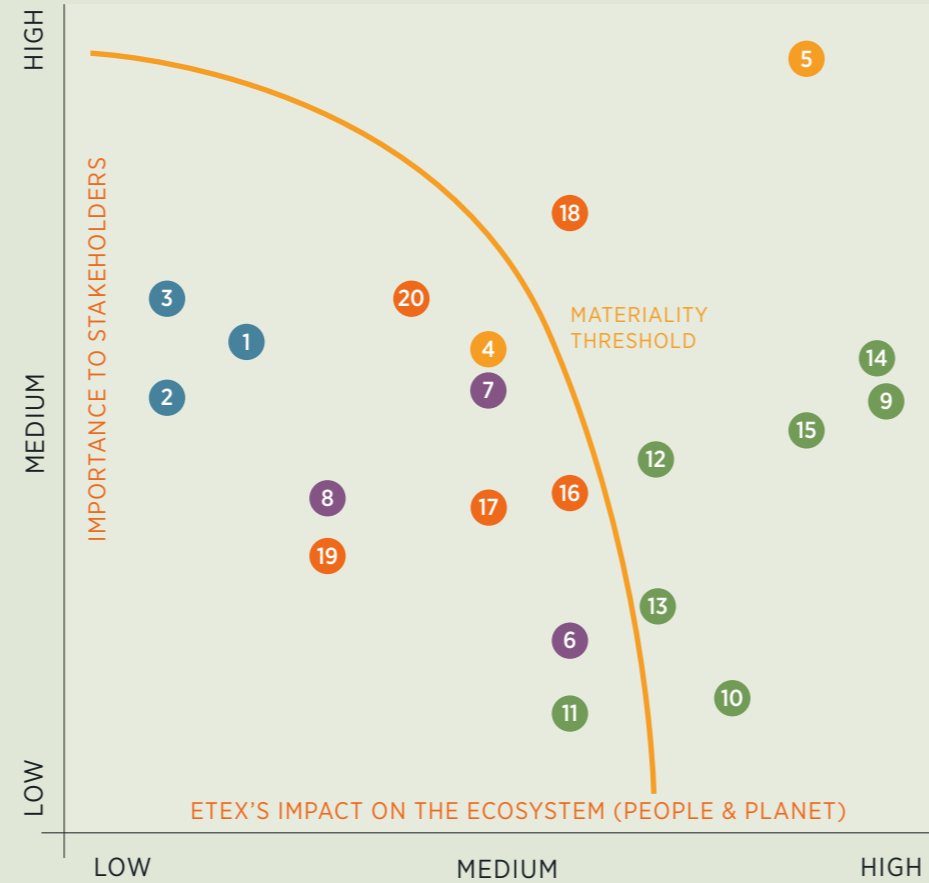
Based on this clear focus, we identified specific initiatives and will further develop our targets and actions in the next three years.

Over the course of the year, we gathered significant learnings and further inspiration. We will regularly engage with stakeholders to take fresh input into account, update our priorities and ensure our sustainability ambitions are aligned. Next to the activities related to our priority

topics, our overall sustainability portfolio of 20 topics serves as a guide to monitor and review a wider range of issues for improvement opportunities.

¹ GRI 102-49 This is the first time Etex has carried out a prioritisation exercise in this way. The boundaries for these material topics are explained in the respective chapters of this report.

Materiality matrix of Etex (2020)



PEOPLE

TOPIC

- 1 Employee training and development
- 2 Employee engagement
- 3 Inclusion and diversity (employees)

SAFETY & WELL-BEING

TOPIC

- 4 Employee work-life balance, health and well-being
- 5 Safety management

COMMUNITY RELATIONS

TOPIC

- 6 Community engagement
- 7 Responsible economic growth
- 8 Customer and stakeholder relations and satisfaction

ENVIRONMENT

TOPIC

- 9 Energy and emission management
- 10 Renewable energy sourcing
- 11 Impact of transport and logistics
- 12 Water management
- 13 Biodiversity and ecosystem management
- 14 Waste management
- 15 Sustainable products, services and innovation

FUTURE-PROOF CONSTRUCTION

TOPIC

- 16 Circular economy
- 17 Responsible materials sourcing
- 18 Business ethics
- 19 Fair operating practices in the value chain
- 20 Pricing integrity, transparency and anti-trust

Our ESG risk exposure

Our ESG rating of 18.5 shows our low risk exposure and ranks us favourably amongst our peers.

Etex monitors its environmental, social and governance (ESG) risk exposure. **In 2020, our rating of 18.5 out of 100 indicates that we have a low risk exposure and are ranked favourably amongst our peers.** The fact that our score was even better than our 2019 level of 19.9 is highly motivating for us. Our stakeholders have clearly welcomed greater understanding and transparency regarding our risk exposure score, which is determined each year by independent agency Sustainalytics.

This has strengthened our ability to acquire capital through sustainability-linked loans, where the interest margin is coupled to the borrower's fulfilment of environmental, social and governance

criteria. In 2019, a loan of EUR 600 million was granted to Etex by a syndicate of ten banks, which will run until 2023. Our risk score will be the key factor in calculating the discount/premium on the loan margin and is determined each year by Sustainalytics. BNP Paribas Fortis is acting as sustainability coordinator and facility agent for the long-term banking partners participating in the revolving credit facility. Etex stipulates that any financial benefit resulting from lower interest rates of this sustainability-linked loan will be donated to a charity.

We reviewed this year's rating thoroughly to identify opportunities to potentially lower the remaining risk. The sustainability activities we have launched in line with our CSR strategy contribute directly to our sustainability risk management.



Transparency towards our stakeholders

As a further foundation of our sustainability management approach, **we commit ourselves to the highest standard of transparency and accountability for the benefit of our stakeholders.** The GRI standards are the world's most widely used standards for sustainability reporting and are referenced or required by a growing number of policies and market regulators worldwide.

We are proud to issue the first Sustainability Report of Etex based on this international standard.

This transparency initiative has been a true team effort. Teammates across levels and functions within the organisation collaborated to it. With the broadened set of sustainability-related data that underlies this report, we can further improve our decision-making processes and identify opportunities for improvement.

Of course, this report has been published digitally for sustainability reasons.





4 Our people and culture



Strong people make for strong companies, which is why 'Engaged People' is part of Etex's three-pillar agenda. At the same time, we are aware of the impact we have as an employer on our employees' lives, not just by offering opportunities for a stable income and personal and professional growth, but also through the work environment we create. Caring for our employees is a key element of our social responsibility efforts.

We actively nurture an engaged workforce based on actively lived values that form the DNA of our business. Our values – Connect and Care, Passion for Excellence, Pioneer to Lead – guide our behaviours not only towards driving growth, achieving excellence and boosting personal development, but also raising the standards of social responsibility and sustainability.

We prefer to call our employees 'teammates' to drive team spirit and foster a collaborative culture. Collaboration, sharing and personal interaction motivate our people, regardless of their position or tenure.

A constant dialogue with our teammates

GRI 102-8 | 102-41

In order to ensure that the support we provide to our teammates is meaningful and effective, **we strengthened our employee-centric approach** that is responsive to our teammates' input.

One important channel for our dialogue are the meetings we organise with employee representation bodies such as the European Works Council, with quarterly and additional meetings held when needed. An example of successful joint decision-making concerning the organisation's operations are the collective bargaining agreements which cover 74.4% of our workforce. On an individual level, our leaders and their team members have an important point of exchange through annual performance review processes.

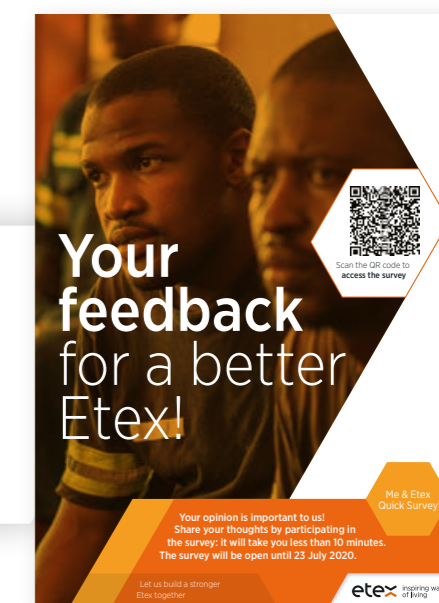
A further channel we value for learning about our teammates' perspectives and feedback is the biennial 'Me & Etex' employee engagement survey which we launched in 2018. In 2020, we offered a

digital 'Me & Etex' engagement survey in sixteen languages focussing on Etex's response to the pandemic. 8,500 colleagues participated to it, including a very high response rate from our factory teammates. We treasure the high response rate, since it is one of the tools we rely on to **give our teammates strong voices with which to express their needs, ideas and opinions.**

2020 was also a year of data-driven analysis which offered us new actionable insights into our workforce. Our global human resources information system (HRIS) helps us collect employee-related data from all our entities and to review KPIs on a monthly basis. New visibility through data helps us to further progress, also when it comes to aligned global grading and benchmarking. To enhance analysis and data-supported decision making, we started to collect more data across the group. For instance, we collected salary review information for 600 employees, a project which will be expanded this year.

8,500

respondents to our 2020 Me & Etex employee engagement survey



Being responsive to our teammates

Since 2018, we have followed up on our employee engagement surveys with action plans and focus groups where appropriate, appreciating that our teammates' input inspires continuous improvement and alignment.

For instance, in 2020, we advanced in **establishing a simpler organisation with harmonised processes, a direct follow-up on feedback from the previous 'Me & Etex' survey**. In terms of organisational structure, we now work more regionally instead of divisionally, which enables broader input and a more holistic view, facilitating even greater equity across our organisation.

In order to promote progression and diversity through more accessible internal mobility, **we are continuously building on our talent review process**, putting emphasis on associated development actions and succession planning.

A celebrated element of our employee engagement activities is **our Etex Awards programme to acknowledge outstanding performance**, which features three levels of recognition. Every teammate is eligible for nomination¹. The criteria to be nominated for an Etex Award are closely linked to the three Etex values, Passion for Excellence, Connect and Care and Pioneer to Lead. The winners receive an official certificate, a goodie and a monetary gift.



Presented to nominated employees and teams that excel in driving strong performance, people focus and valuable change on a local or departmental level.

1,080
awarded in 2020



For teammates and teams that contribute to significant financial and material impacts by embodying our values over a timeframe of 6 to 18 months.

195
awarded in 2020

38%
Factory
Workers



62%
Office
Workers



The Etex CEO Award: Celebrating game-changing contributions

Given to a teammate or team that has delivered game-changing results or breakthroughs with large positive impacts on one of our strategic domains or functional roadmaps.

At the end of May 2020, the winner of the **very first Etex CEO Award** was announced by CEO Paul Van Oyen. **Process Engineer, Coating Supervisor and Cladding Deputy Production Manager Michael Orłowski** was revealed as the recipient of the Etex CEO Award for his 'Zero Rejects' project aiming to reduce production line rejects and improve the quality of the products that we deliver to our customers.



"Upon learning the nomination, I felt so proud and happy that this project had been recognised as worthy of the first Etex CEO Award! The initiative inspired an entire cultural shift and transformed how we work together – side by side as a strong team. Receiving the Etex CEO Award was further proof that we are heading in the right direction."



"I was grateful and honored to receive the Etex CEO Award, and I felt happy seeing my teammates' joy. With the project, we aimed to grow our plasters and compounds business in a profitable way, and we succeeded by creating a new business model. This recognition shows me that to be involved, to work with passion, and to act as an owner at one's level, no matter which level that is, has meaning here at Etex."

In May 2021, the winner of the **2020 Etex CEO Award** was disclosed during a special live digital event that all teammates were invited to attend. **P&C Business Development Manager for DACHEE-SEE Dana Haiduc** was honoured. She delivered significant profitable growth in a dynamic market through innovation, facilitated an increase in our Siniat product line-up, increased the distribution channels for Siniat products and helped create an acquisition and retention plan for key professional appliers.

¹ With the exception of Executive Committee members, members of contingent workforce (contractors, consultants, freelance workers) and employees of a joint venture in which Etex holds a stake of less than 50%.

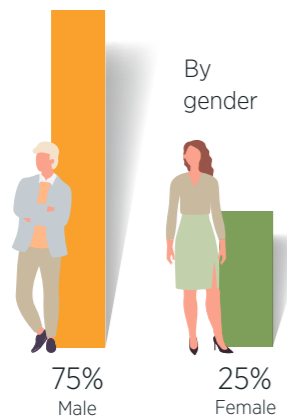
Diversity, equality and equity

As 'One Etex', we embrace and thrive in a multicultural environment.

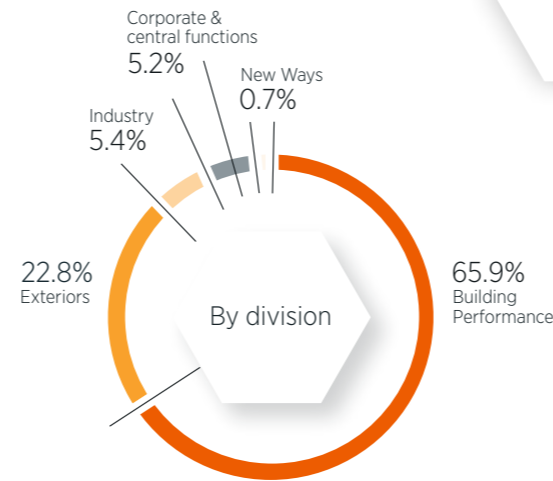
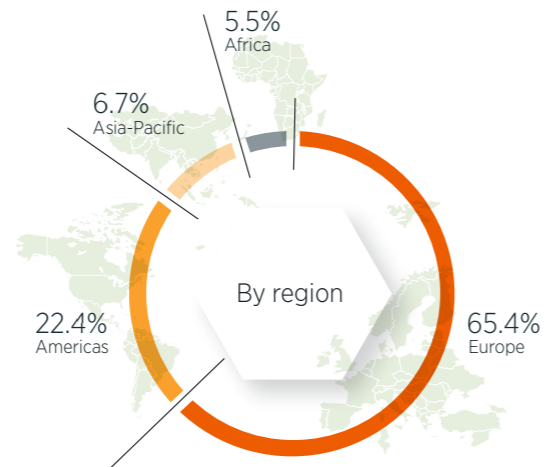
We recognise that every person is unique. We strive to provide equal opportunities and celebrate the value that our people bring together with their different social and cultural backgrounds, genders, ages and experiences. On the topic of gender, we see a positive trend among our new hires, but we aim for an even stronger balance and we will address this in 2021 onwards.

We committed to treating our employees fairly, with dignity and respect and in compliance with the most stringent applicable laws and regulations. Reciprocally, all Etex teammates are expected to treat each other in a professional way based on mutual respect, trust and dignity.

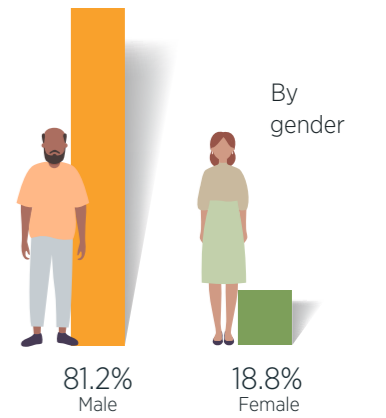
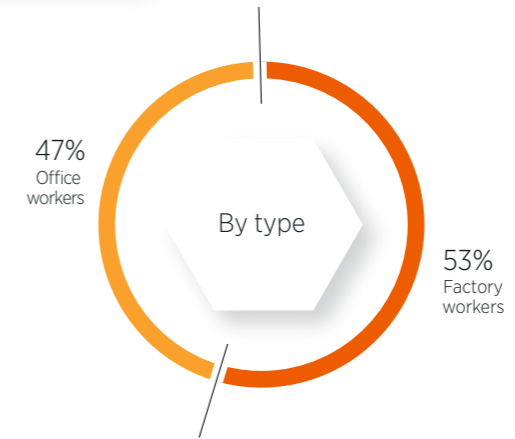
Our code of conduct stipulates that any type of harassment or discrimination is strictly prohibited. Decisions relating to hiring, job assignment, discharge, pay and benefits, promotion, transfer and relocation, termination, training and retirement are not influenced by factors such as race, skin colour, religion, political opinion, gender, national or social origin, age, pregnancy, marital status, sexual preference, HIV status or disability (unless government policies promoting greater equality of opportunity or job characteristics require otherwise).



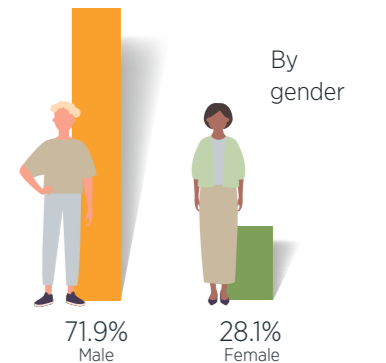
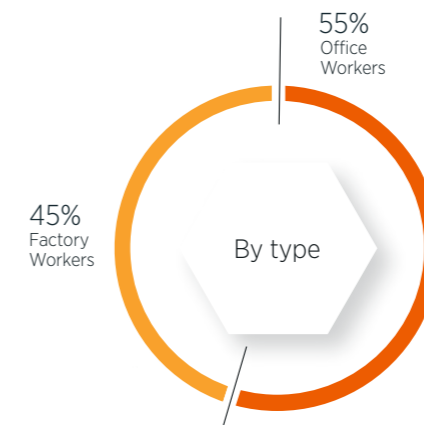
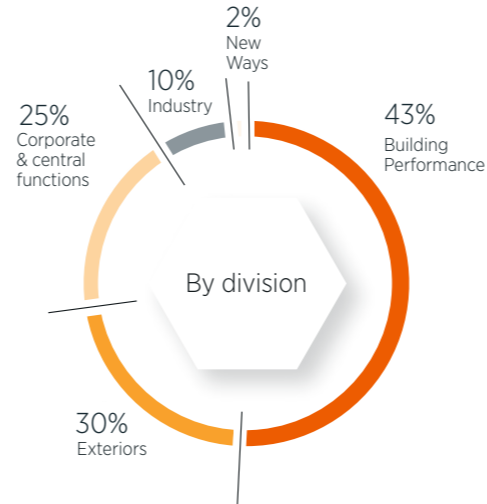
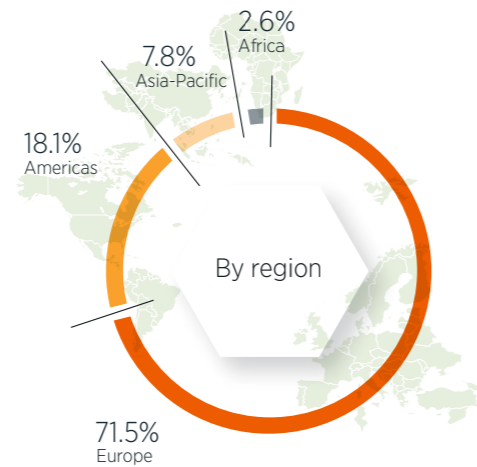
Etex employees in 2020 GRI 102-8



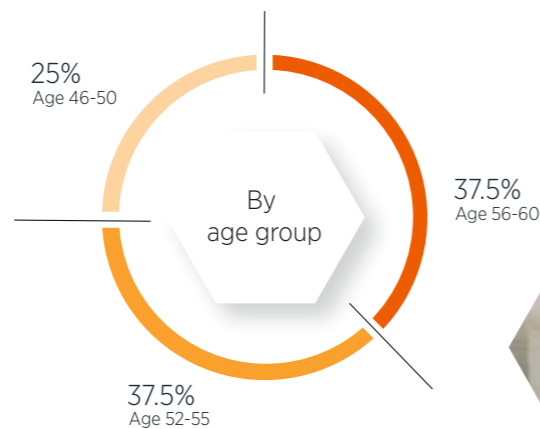
44
Average age of Etex employees in 2020



New hires in 2020



Diversity of our Executive Committee in 2020



For additional details, see the [additional data chapter](#)

35.5
Average age at hire

559
New hires in 2020



best practices across the group, such as through ambassadorship and the rollout of global programmes and quarterly webinars.

to see and live at Etex. This does not simply apply to managers. **We want to empower every single teammate to make impactful, value-adding day-to-day decisions.**

A culture of leadership

We live in an increasingly dynamic world and we recognize the need to think less about reporting lines, and more about becoming an agile and aligned organism. **Who reports to whom is of lesser importance than who can help whom.** This requires a shift in leadership and people management towards the thriving leadership culture we want

The Leadership Principles, which we defined through a co-creation exercise, steer Etex towards a culture of collaboration, innovation and value creation. In 2020, we prepared the integration of the principles into our processes and communicated and rolled them out across the organisation through various workshops, including many local initiatives.



Passion for Excellence – learning & development

GRI 404-2

We empower our teammates to achieve both personal goals and company milestones. We build strong foundations and support our teammates in becoming the best versions of themselves. **We foster a culture of high performance where we do not expect everyone to be perfect.** Owning mistakes or gaps in skills or experience motivates effective learning, and teammates are encouraged to support each other in order to become stronger as a team.

Learning is primarily organised through our local companies, enabling them to focus on what is needed. In addition, we support group-wide exchange and learning in various ways. We aim for an inclusive learning culture in which, appropriate to the position and location, all Etex teammates have access to learning and development opportunities. In engaging with our teammates **in 2020, we created a dialogue about learning opportunities to revitalise our understanding of how they would like to learn.** As we do for other topics, we used the format of listening groups for this purpose, which engaged approximately 70 people and offered smaller group discussions and an exchange with other teammates. Suggestions to offer more inclusive and digital learning opportunities and to enrich the content offering have been taken into account in the further development of our learning offering.

On top of our decentralised training and development programmes, in 2020, about 5,000 teammates have been active on our global digital learning platform 'Talent2Grow'. On average, teammates voluntarily spent nine hours on learning activities. In 2020, we converted the delivery of training sessions and learning and development programmes into digitally friendly forms, which were included on the platform. Its use substantially increased since April 2020, with between 4,000 and 5,000 logins recorded per month. We had also planned to run the central development 'Etex Explorer Programme'. However, due to the pandemic it was postponed to allow sufficient time for a digital design rollout.

By harnessing the power of our strong local connections, we also have **many opportunities to share**

In 2020
± 5,000
teammates have been active on our global digital learning platform





"Joining the Plant Manager induction programme was a great experience because Etex Senior Leaders inspired us with the key essentials. Together with 15 other Plant Managers from all continents, we gathered virtually. The expectation of meaningful involvement and interaction was high. Across 18 learning sessions, we discussed topics ranging from strategy, EHS leadership and industry 4.0 to operational excellence, customer centricity, feedback culture and more. The fact that each of us was paired with an experienced mentor meant that we had a quick contact point whenever we needed advice that could help us in our (future) journeys. As Plant Managers, it is one of our goals to develop ourselves and our team in line with the Leadership Principles. It is a starting point of valuable change to build an even better Etex."

→ Severine Verschoore,
Plant Manager, Etex Sint-Niklaas, Belgium

As of the first quarter of 2020, our Leadership Principles are incorporated into performance review cycles, during which teammates' progress relating to the principles are discussed and turned into opportunities for further growth. Based on their progress, we can craft learning and development programmes that are tailored to their responsibilities. We noted that the engagement results for factory teammates were lower compared to those for our office workers. In order to safeguard a fully inclusive leadership culture, we started with a group-backed pilot project aiming to enhance accessibility for our factory teammates through paper or electronic performance reviews, added three language options

to the already existing seven languages and encouraged our managers to initiate voluntary performance reviews for their team members. For 2021, we aim to include at least 50% of our factory teammates in our central performance review system.

We invite our teammates to become part of our culture and believe in our Leadership Principles right from the start. When we launched our global Induction Programme's first session in 2020, we brought colleagues from around the globe (virtually) together to ensure a warm welcome.

In 2020, we had to rethink the programme in a COVID-19 context. Over the course of two weeks, we engaged participants in getting acquainted not only with Etex, our business functions and teammates, but also with our culture, values and Leadership Principles. We also introduced an induction programme specifically for Plant Managers.

In 2020, we also introduced the First Line Management Development Programme for our first level Line Managers, and a first group participated.

This programme is a response to our 2018 employee engagement survey results. We regard high employee engagement as essential for strong business performance, and leaders and managers have the biggest impact on engagement. By empowering our first-level Line Managers and supporting them in their leadership development, we do not only boost their effectiveness as leaders, but we also invest in their engagement. This, in turn, leads to inspired, engaged factory teammates, and even safer, more productive facilities.



Outlook

Looking ahead, in 2021, we will take the next steps in rolling out our new programmes and embed our values even deeper into our DNA. We will continuously seek to improve the learner experience and drive our inclusive learning culture.

We are also motivated to follow up on topics which we identified in 2020 and potentially develop improvements. One example is a Diversity Working Group for 2021, which will explore how we can advance the topic further and position Etex as an attractive employer and business partner to people from an increasingly diverse and interconnected society.

We also aim to harness the power of motivation of our teammates to advance Etex's overall sustainability ambition. We will start a CSR discovery session to share more details about our CSR strategy and how the individual teammate can contribute on our sustainability roadmap.



5

Health, safety
and well-being



GRI 104-1 and 103-2 for 403

Occupational health and safety has a crucial impact on workers' lives, and is therefore at the forefront of our social responsibility efforts. Hence, zero accidents and occupational illnesses are our only acceptable ambitions.

Healthy and safe work conditions are a human right and cannot be fostered in a piecemeal way. Ensuring safety in our daily life is a task that never stops. Safeguarding people on as well as outside our premises¹, or travel to and from work, requires a thorough, structured and continuously evolving approach. Because there is a risk that even a small oversight can have serious consequences. At our factories, for instance, work is often performed using heavy machinery and powerful tools, and handling large loads. It is our utmost priority for our facilities to be designed, operated, maintained and inspected in a way that ensures a safe environment and continuous hazard management. We are proud of our workers who, with their experience, professional attitude and dedication to caring for each other, take responsibility and ownership every day to respect and apply the safety rules and regulations, and intervene when needed to prevent unsafe work conditions. It is through these combined efforts that our effective health and safety management can be relied upon to support operational excellence.

Zero work-related fatalities and zero high-consequence work-related injuries²

GRI 403-9

In 2020, in terms of our highest-impact key performance indicators (KPIs), **we met our goal of zero work-related fatalities and high-consequence injuries.**

This result concerns, next to our employees our contracted temporary staff, workers associated with our permanent and non-permanent contractors, and anyone else who carried out work at or visited Etex's premises.

Employees, contracted temporary staff, workers of permanent contractors and anyone else whose work we directly control on our premises³

	2018	2019	2020
Fatalities	1	0	0
Number of high-consequence work-related injuries (excluding fatalities)	2	1	0
Rate of high-consequence work-related injuries per 1,000,000 hours worked	0.067	0.033	0.000
Recordable work-related injuries	123	128	75
Rate of recordable work-related injuries per 1,000,000 hours worked	4.12	4.16	3.02
Number of worked hours	29,833,749	30,741,467	24,816,867

Workers whose work we do not or indirectly control on our premises, such as workers of non-permanent contractors⁴

	2018	2019	2020
Fatalities	1	0	0
Number of high-consequence work-related injuries (excluding fatalities)	0	0	0
Recordable work-related injuries	21	13	8

¹ Our premises refer to all our sites (plants, offices, quarries) as mentioned on the world map in the 'About Etex' chapter. For more information on our sites, visit <https://www.etexgroup.com/en/inspiring/global-locations>.

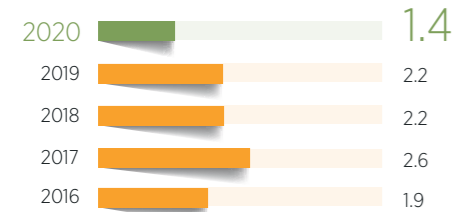
² Work-related injury that results in a fatality or in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 6 months.

³ This information is collected as an aggregate for employees, contracted temporary staff, workers of permanent contractors and anyone else whose work we control at our premises, through our internal Etex EHS mobile app.

⁴ We currently do not track the hours worked on our premises for workers whose work we do not control. We are exploring possibilities to improve this in the future.

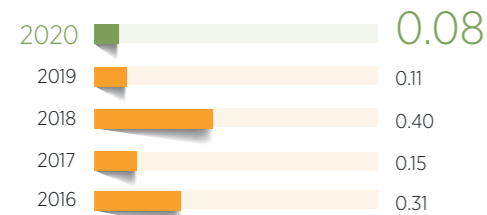
Frequency rate of lost-time accidents

Number of lost-time accidents per one million hours worked



Gravity rate of accidents

Level of absenteeism after an accident. The higher the rate, the more severe the accident.



Included in the two graphics above are employees, contracted temporary staff, workers of permanent contractors and anyone else whose work we directly control at our premises.

2020 was also a turning point for lost-time accident frequency. After years of consistent performance, Etex moved from a lost-time accident frequency rate between 1.9 and 2.6 down to 1.4.

These figures are the direct result of the structural changes implemented over the last two years, as well as of the roll-out of a global training and awareness initiative aiming to offer all employees practical techniques to prevent any health and safety incident. This was combined with our good practices, which we base on our learnings from past incidents.

Harnessing the expertise of every single teammate to help us improve collectively

GRI 103-2 for 403 403-2 403-5

A thorough hazard analysis is key in guiding our improvement activities. It is powered by the application of the Hazard Identification and Risk Assessment (HIRA) standard in combination with further five critical standards, a careful analysis

of our recorded accidents and near misses, and the expertise and experience of our teammates. The HIRA standard calculates risk for every routine task. Certain risk scores trigger immediate temporary mitigation measures in due course of a permanent solution that applies the hierarchy of control.

All factory teammates are trained on and participate in the risk assessment of their workplaces by their respective EHS Manager and are made aware that they should remove themselves from work situations that they consider unsafe. In 2020, special attention was given to better implementation of the last-minute risk assessment (LMRA) process for non-routine tasks. In the same year, Etex' EHS team tracked the implementation of the HIRA standard (complemented by five other critical standards) in all manufacturing sites of Etex through our excellence score tool.

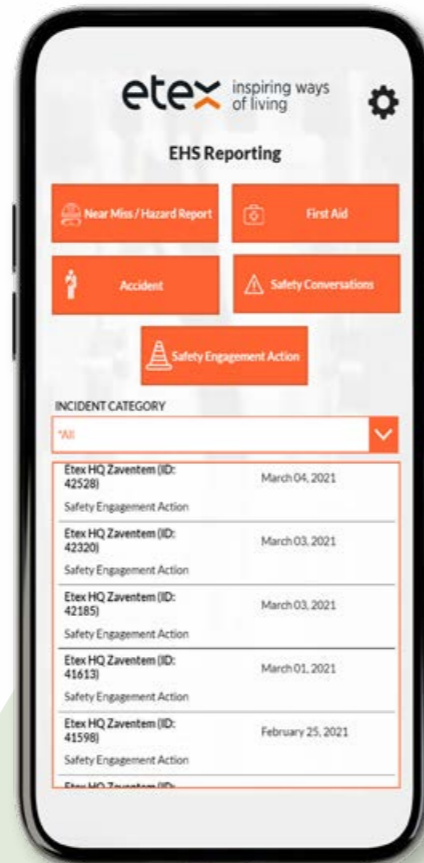
Our plants have committed to completing the full implementation exercise in the excellence score tool by the end of 2021.

Out of the five critical standards we have in place, work at height, energy isolation and machine safety are the three standards that are most crucial in reducing the gravity of accidents.

To record accidents requiring first aid and high-risk near misses, our Environment, Health & Safety (EHS) app and its accident investigation feature is a powerful tool for our teammates and complements our local reporting tools for reporting hazards, dangerous situations, dangerous behaviour and near misses (see focus article below). Our teammates are aware that no reprisal will be taken due to reporting, a fact that is also stated in our code of conduct. The app helps people to learn from incidents through a structured approach. In addition, some teammates

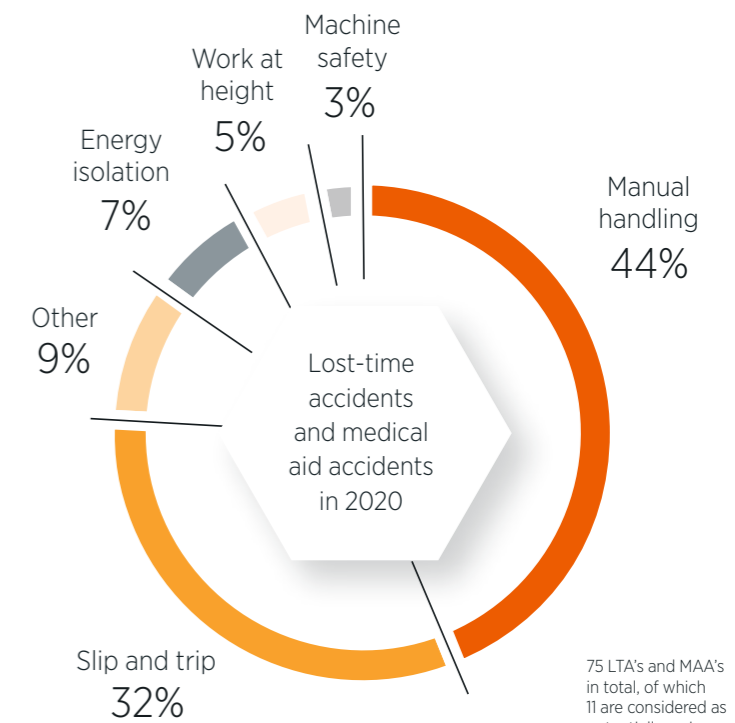
are specifically trained on troubleshooting methodology and root cause analysis.

A few days after an incident, we communicate learnings to the EHS and manufacturing teams to avoid repetition of the incident. Moreover, incident debriefs are held with the plant management and the EHS leadership team after every lost-time accident, medical accident and potentially serious near-miss or first-aid incident. From our analysis in 2020, we learned that most lost-time and medical aid accidents in our plants were related to slips and trips and manual handling. Fifteen percent of our lost-time accidents (LTA) and medical aid accidents (MAA) have the potential to be serious. They are analysed with particular rigour to see where we can refine our safety measures even further.



The Etex EHS app: unlocking global EHS leadership

Our IT team developed a custom EHS reporting tool accessible to all our employees worldwide to track our performance on all EHS indicators and enable fast and effective group-wide learning. This way, our teammates have an efficient tool at hand to record accidents and incidents in a structured way which maximises learning opportunities through a structured incident analysis. Thanks to this tool, Etex can report progress on leading and lagging safety indicators on a monthly basis. It also enables us to share safety alerts and exchange learnings from incidents and 'near misses' to colleagues around the world.



75 LTA's and MAA's in total, of which 11 are considered as potentially serious.

Striving for continuous improvement

GRI 103-2 for 403 403-1

A comprehensive combination of policies, standards, responsibilities, training, evaluation, targeted programmes and follow-up on our goals and targets composes Etex's health & management system and motivates us to do better every year. We commit to complying with all relevant laws and regulations of the countries in which we operate and strive to go beyond compliance with regulation. **We measure health & safety risks and minimise the exposure of our employees and others to possible hazards associated with our operations.**

Health & safety is safeguarded at every level at our organisation. For example, our EHS team engaged the Executive Committee of Etex through a workshop in 2020. Our Executive Committee confirmed and committed themselves to the updated 2021 EHS plan, which includes the implementation of HIRA and other activities that we describe in this chapter.

To support our goal of zero harm, we set targets to continuously monitor and improve our health & safety activities and minimise impacts. Group-wide targets are proposed by our EHS leadership to our EHS council. Our local companies may set even more stringent targets for their teams. Initiatives are launched, centred around effective prevention, mindset change and structured actions. We also benchmark internal and external best practices to seek innovative and practical solutions.

Our EHS policy applies to all teammates, contractors and visitors, in order to ensure an environment that is safe and healthy for everyone.



The policy and our health & safety measures are supported with a health assessment and monitoring programme as well as a health screening for teammates. Our permanent contractors receive the same safety instructions and training as our teammates. Our non-permanent contractors and visitors coming to our premises receive a safety briefing upon entering the site and must commit to complying with our safety rules.

Adherence to international standards

GRI 103-2 for 403 403-1

We also commit to a standardised programme of continuous improvement. 50% of our plants, covering around 66% of our teammates, are certified according to international continuous improvement standards. In line with recent updates, they are preparing to make or have completed the transition from the OHSAS 18001 standard to its replacement standard, ISO 45001, which highlights an organisation's health & safety management system.

Our plant focus programme boosts support where needed to implement critical standards

GRI 103-2 and 103-3 for 403 403-5

Considerable progress was made across all divisions regarding the implementation of HIRA and our five critical standards, which are tracked using our excellence score tool. The implementation of the standards is also complemented through seven procedures, five specifications, two notifications and three advisories. As part of our monitoring of continuous progress, the dates of last issue and revision are indicated on every valid document. In order to make the contents of our standards as easy to read and accessible as possible, **in 2020, we reviewed and updated the energy isolation, work at height and site traffic safety standards.** We also created a presentation and training packages for different levels of the organisation to ease the implementation processes across our group. Due to the decentralised structure of Etex, instead of choosing an internal audit procedure handled by headquarters,

each plant conducts a self-assessment on the main topics of the health & safety management system. The self-assessed score is examined first by the divisional EHS leaders, and second by the leadership teams of the Chief Manufacturing Officer and Chief Performance Officer.

With our **Plant Focus Programme**, which we kicked-off in 2020, we **directed additional assistance and resources where they are most needed to reach EHS excellence.** We selected five Etex plants with opportunities for improvement in lagging safety indicators, leadership or implementation of standards. We then launched a booster initiative by providing coaching, resources and assistance. We are proud to note that our plant in Guangzhou (China), for instance, quickly rose to 100% implementation of the HIRA standard, a key element of the programme, in a few months' time. Our other focus plants (Kappelle-op-den-Bos, Tisselt, Goor and Bègles¹) made significant progress as well and plan to finalise the implementation of the HIRA standard in 2021.

"When our plant was chosen to be part of Etex's Plant Focus Programme, a lot of fantastic support was immediately given by the group and division to identify the current state and present a gap analysis.



Three key pillars for action were identified: risk reduction, knowledge and culture. We were supported in developing a comprehensive plan, and experts from across Etex supported our local teammates with targeted training courses. I thank all the colleagues involved for this initial push in the right direction, and the many discussions on 'how to do', not just on 'what to do'.

I am proud to say that my team was very engaged. We started to address the different points, increased our compliance with the standards and completed the hazard identification and risk assessment of the whole factory.

The programme was a success, as shown by the Guangzhou plant's record breaking lost-time-accident-free period of 572 days and counting!"

Benjamin Mansfield,
Plant Manager, Etex Guangzhou, China

¹ The Plant Focus Programme was discontinued in 2020 after Etex announced its divestment of the Bègles site.



"I was happy to have the opportunity to become a certified SafeStart master trainer in 2020, as part of a group of 9 at Etex. In this role, I will coach more SafeStart trainers at Etex, who in turn will train our teammates across the globe.

What I appreciate about the SafeStart principles is that they guide us not only in our work environments, but also support safety behaviour on the road and in our private lives. For instance, I teach my family members to identify lines-of-fire, not to rush, to keep their minds focussed on a task, and to take a rest or pause when fatigued.

The best evidence of teammates following the SafeStart principles at work is 886 days without lost-time accidents in Ukraine. I also liked the fact that we transformed the SafeStart curriculum into a tailor-made Etex initiative centred around our values and strategic pillars. This is an important step for the company-wide roll-out of the reviving programme, which will help to increase safety awareness among our teammates."

Elena Lisogor,
Administrative Manager, Etex Ukraine

Leadership and constructive dialogue help us improve

GRI 403-4

Our workers help us continuously improve. As a base, we build a strong leadership culture through which our teammates take the lead in their own safety. Our teammates and permanent contractors share their input on risks and incidents, for example, through our EHS app. Across the group, we use several media to animate health & safety topics, ranging from our central channels to our internal social media and chat functions. Further, the EHS committees which we have in place in our main factories facilitate constructive dialogue between management and employee representation. We update our teammates through EHS committee meetings. In our smaller organisational units, health & safety matters are included on the agendas of staff meetings. Additionally, on an individual level, **our managers are encouraged to have regular conversations with teammates to discuss and seek feedback on how to best safeguard health & safety.** In this context, our managers have helpful instruments at hand, such as the safety intensity score that we introduced in 2020. Safety conversations, near-miss reporting and safety activities are summarised in this safety intensity score for each teammate on a monthly basis.

Driving excellence through training and behavioural initiatives

GRI 103-2 for 403 403-5 403-6

Every teammate and permanent contractor receives a safety training session tailored to their function and tasks. Training is an important aspect of "driving EHS excellence" and most factories have a competence matrix system in place to ensure that everyone starts a job with basic EHS knowledge. We track safety training hours through our EHS app. Our companies use a rich palette of training for their teammates, e.g. by offering 'toolboxes', technical training as well as safety training days. In 2020, we organised special training regarding COVID-19.

We reached an average of 15.5 hours of health & safety training per employee, slightly below our target of 16 hours.

This is because whilst we had more health training hours on the topic of COVID, more work was carried out from home, which did not allow the same amount of in-person on-site trainings compared to previous years. We have also started to design a new EHS competence training course for EHS staff and Plant Managers, which is planned to be rolled out in 2021 and 2022.

Given the importance of guided safety behaviour for our zero-harm goal, we refreshed our promotion of SafeStart. SafeStart is one of the most successful safety training processes in the world

for developing personal, 24/7 safety skills. Between 2016 and 2018, we implemented the SafeStart behavioural safety principles across Etex.

These principles inspire our teammates not only in their work environments but also in their private life. In 2020, all of our plants committed to reviving these principles and achieving the maturity level needed to sustain the momentum of SafeStart group-wide.

¹ At 25 June 2021.





Health services

GRI 403-3

Health services at Etex are organised according to local needs. Some plants have their own medical doctor and health centre, while others make use of an external health service provider. In response to the COVID-19 pandemic, we started to address the fact that some topics were becoming increasingly important for our employees, such as mental and physical health impacts caused by a change in movement and exercise patterns. We have started to address mental health in 2021.

The health and safety of our external stakeholders

GRI 403-7

Where possible, we support the health and safety of all our stakeholders, from business partners to our end customers. For example, we are aware that the use of our products can create impact, such as dust during sawing. Accordingly, the relevant products have safety and/or technical data sheets informing our customers. Regarding business partners, we assess where we can have impact, even if we have no control over

their work or workplaces. For example, we ensure that our products are properly packaged to avoid any risk to dealers, transporters or other third parties when handling them.

COVID-19 – proving our health & safety management agility

GRI 103-2 for 403

As it did for most industries worldwide, the coronavirus pandemic put health and safety in the spotlight. **Ensuring the safety of our employees has always been our number one priority – but in 2020, a new challenge pushed us to collectively embrace new ways of collaborating.** We were compelled to rapidly adapt our behaviour to ensure the safest operating conditions with extended COVID-related provisions. We are very proud to say that Etex came through with flying colours –

in fact, the President of Colombia, Iván Duque Márquez, publicly cited Etex as an example of how to continue to work and succeed during a pandemic.

However, despite all the actions taken at our premises, our awareness-building and personal protective equipment distribution, our teammates still faced the threat of infection in their private lives. Several of our teammates were unfortunately infected, 29 of them were hospitalised, and as of 13 September 2021, we have tragically recorded six COVID-related fatalities in Lima and Huachipa, Peru, and one in Gacki, Poland. In all cases, our human resources teams have been supporting the affected families.

When challenges become opportunities

GRI 103-2 for 403

In this unusual year, teleworking became the norm, and inter-divisional have never been so numerous. In combination with the structural changes we are implementing, our Environment, Health & Safety (EHS) teams operate in a much more aligned way. We now work cross divisionally to meet our health and safety goals. With more fluid collaboration and best practices shared across divisional boundaries, **Etex colleagues work more closely together as well as with the EHS community to ensure operational excellence.** In addition, COVID-19 required us to reassess the risks involved in every task in our facilities to ensure social distancing and the provision of additional personal protective equipment when required. This thorough last-minute risk assessment directly contributed to an increase in risk awareness, and indirectly to safer working environments.

Outlook

GRI 103-2 and 103-3 for 403 403-6

We are fully engaged to maintaining excellent health & safety results and continuing with the measures we started in 2020, with SafeStart as our guide to improve behaviour and to reduce the number of accidents. We also plan to take new opportunities to advance our employees' health and well-being.

This includes, for example, regular updates to our excellence score tool and expanding our review of working conditions and our follow-up actions after accidents and near misses. We will pay further attention to the topics of ill-health, mental health and medical surveillance. Finally, we aim to explore where we can improve our health & safety product stewardship regarding the use of materials.



6 Environment

GRI 103-1 for 302, 303, 304 and 305

When exchanging with our stakeholders, the topics of energy and emission management, renewable energy, water management, biodiversity and ecosystem management, waste management as well as sustainable products, services and innovation were identified as material environmental topics, where Etex has the biggest impact. In addition, Etex interacts with the environment directly or indirectly in many ways, and the ecosystem provides us with several crucial services that our value chain depends on. These include the provision of raw materials such as gypsum or sand as well as water for our production processes, and services such as pollination as part of the rehabilitation programme of our quarries.



At Etex, we want to be an active partner in finding solutions. In our ambition to reduce negative effects and scale up positive impacts, we look at where our activities can have the biggest leverage to contribute to the Sustainable Development Goals related to the environment, such as Goal 13 'Climate Action'. **In 2020, we decided to prioritise decarbonisation, including the use of renewable energy, as well as circularity, with a first focus on waste management.** For these priority topics, we identified specific initiatives and actions for the coming years. Because our waste management activities are integrated with our activities towards a circular economy and with our innovation activities, we report these in the chapter 'Towards a future-proof economy'. Next to our priority topics, in 2020 we also recorded progress on our water management goals and monitored our biodiversity and ecosystem management.

Data-driven improvement opportunities

GRI 103-1 for 302, 303, 304 and 305

Thanks to our Green Team's efforts in 2020, the start of **comprehensive group-wide environmental data collection and reporting capabilities unlocks data-driven benchmarking and improvement**, enabling us to seize new opportunities and to keep our stakeholders informed about our progress. The Green Team consists of 30 experts from different Etex entities and functions across the world. After an induction training course, the team defined, collected, reviewed and updated the environmental data pertaining to all of our 79¹ plants and quarries to ensure we have a structured dataset in place that is aligned with international Global Reporting Initiative (GRI) standards.

With this stepping stone in place, we strengthened our comprehensive analysis and the identification of the most efficient and targeted measures to push our environmental agenda forward.

Across the group, **we leverage local expertise in managing local environmental impacts.** 67% of our manufacturing sites are ISO-14001 certified, demonstrating their commitment to work in an established framework to steer us towards continuous improvement.

Transitioning to carbon neutrality

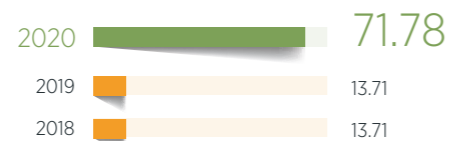
GRI 103-2 for 302 and 305 302-1 302-3 305-1 305-2 305-4

We support the European Green Deal and its commitment to reaching net-zero carbon impacts by 2050 at the latest through a reduction of our energy consumption and a shift in energy sources and technologies on a global scale. While we strive to be an active partner that works closely with other players in our value chain to address climate issues, we are investigating the most impactful ways to reduce CO₂ emissions in our own operations, which are Etex's main source of CO₂ emissions (scope 1). **In 2020, one major step in our energy management approach was the transition of our electricity supply from non-renewable sources to certified renewable sources in 100% of Etex's locations in Europe and Chile. In doing so, we aim to source as local as possible.** For instance, in 2020 we set the goal of 17% of the electricity used by Etex France to be sourced directly from a local wind farm, Gravières-Roussas, located in Provence. The respective purchase agreement started in February 2021. All our European-purchased

¹ At 31 December 2020, excluding office sites and stand-alone warehouses.

% Green electricity produced and purchased

vs Total electricity consumption



"The environmental data collection process was a great chance for us to better understand the impacts of our plants and quarries. It is only once we have precisely quantified this impact that we can benchmark our performance to highlight best practices and identify opportunities: some plants that are rather similar can indeed differ greatly in terms of environmental performance due to several factors.

The data collection and analysis has already triggered this benchmarking process, for example for waste: some plants have achieved zero landfilling and can now make recommendations to other plants on how to better recycle their scrap internally and to identify recycling chains for each type of waste. It is very exciting to have initiated this continuous improvement process by introducing appropriate metrics!"

Sylvain Marchiset, Business Process Manager of Manufacturing Execution Systems, Etex Avignon, France

renewable and CO₂-free certified electricity has European guarantees of origin (GO). We have also made big strides in our other regions to source green electricity; today, **71.8% of our worldwide purchased electricity comes from renewable sources.**

Next to managing our supply from external providers, we are also ramping up our own production of electricity from renewable sources. Adding to our existing solar installations, **in 2020, we decided to establish further on-site solar power generation projects in close partnership with external partners at eight plants** in Italy, Spain, France, Belgium and Germany. Out of these, the solar installation at our plant in Tisselt, Belgium became operational in 2020. Together, these projects, with a total capacity of 12 MWp, will generate 18 GWh of renewable energy per year, which has the capacity to reduce annual CO₂ emissions by 4,800 tonnes. In the context of green electricity, we also investigate where electrification is a viable option to reduce our carbon footprint.

In addition to electricity, **we also continuously strive to transition towards**

the use of thermal energy sources and fuels. In terms of fuel consumption, we prefer to select less carbon-intensive fuels, and we are investigating the replacement of natural gas with biomass and solid residual fuel from internal waste. To initiate these activities and discuss continuous progress opportunities, we rely on our dedicated Energy Working Group, which meets on a monthly basis. The group also assesses opportunities to change or optimise processes or equipment to reduce our energy consumption and to allow the use of energy types with smaller environmental footprints. In addition, **we incentivise a reduction of our emission intensity by implementing a carbon pricing mechanism that we installed in 2020 to support investments with lower impact on CO₂ emissions.** Set above the market price (from EUR 65 to 125 per tonne of CO₂ equivalent with an average in 2020 of min. 85 €/tonne for long-term investments), this internal carbon price drives lower-emissions investments in our operations. One resulting example is our transition to electric forklift truck fleets across our activities.



"The enthusiasm of our dedicated Green Team, together with our colleagues in charge of energy management and carbon accounting, made it possible for us to rapidly achieve 100% certified carbon-free and renewable electricity in 2020 everywhere in Europe and in Chile. In addition, we are actively working on having additional photovoltaic panels installed on our factory sites.

We are also working on structural solutions with a bigger positive impact on our environmental footprint. These include the production of carbon-neutral heat using solid residual fuels, the production of biomethane and production and use of hydrogen. And above all we strive to contribute to the transformation of our industry, to make it much less energy intensive while integrating it into a circular and local economy."

Alain Bourgeois, Purchasing Category Manager Energy, Etex Brussels, Belgium

Etex Building Performance-UK pathway to net-zero carbon emissions

As the United Kingdom was the first nation to put a 2050 carbon ambition into law, Etex UK found this to be a useful context for setting science-based, zero-emission targets and incorporated these national goals into its own business processes.

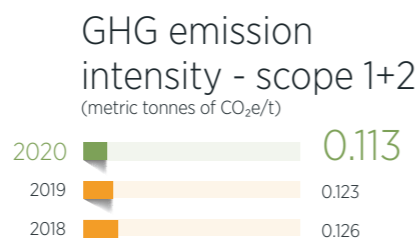
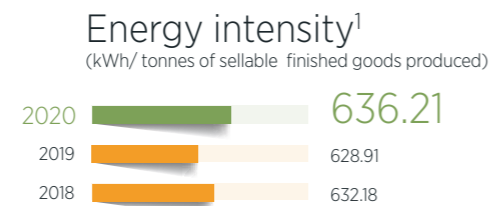
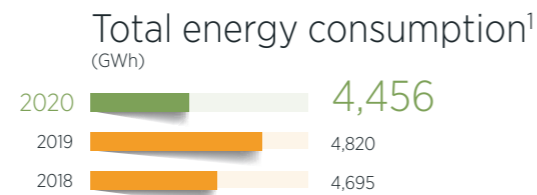
The milestone target of 2020 was a reduction of 35% in emissions compared to a baseline set in 1990. Etex UK has a strong track record of progress through improvements in energy efficiency and investments in modern technologies.

In recent years, the decarbonisation of the electricity grid has contributed to the downward trend in manufacturing emissions, and the central Etex purchasing team helped the UK business cross the line. It negotiated a new electricity contract that took effect in April 2020 and supplies 100%-renewable power to all Etex UK sites.

We are currently learning more about our scope 3 emissions and exploring which opportunities for leverage we have. For example, we could map 63% of our total outbound shipments, which represent 65% of our tonnage. The combined distance for these transports in 2020 was 655,276,564 km.

Regarding our energy and emission indicators, after recording good progress over the last several years, we have seen an increase in our energy intensity and related emissions last year compared with 2019.

Lower volumes in most of our markets and our decision to close many of our plants for several weeks, both mainly due to the COVID-19 pandemic, have led to higher energy intensity. We have also been impacted by changing demand in some market segments, which influenced pre-COVID trends. On the other hand, a very positive effect reflected in our scope 1 emissions results from our **increased use of renewable electricity.**



¹ Total energy consumption and energy intensity include fuel consumption from non-renewable sources, electricity and heating (including steam). Fuel sources include: natural gas, heavy fuel, diesel, LPG and propane. Diesel consumption has been converted to kWh with a 9.7kWh/litre factor (source: <https://de.wikipedia.org/wiki/Dieselmotordieselkraftstoff>). More detailed KPIs on energy consumption can be found in the 'Additional data' chapter. The energy figures include Etex's own operations with the exception of the following entities: Residential Roofing businesses and plasterboard paper (Papeterie de Bègles, France), both divested in 2020.

² The calculations including conversion factors follow the Greenhouse Gas Protocol. The IEA database was used as source for the emission factors. Our consolidation approach is based on operational control. The following entities are not included in our scope 1 figures: Residential Roofing businesses and plasterboard paper (Papeterie de Bègles, France), both divested in 2020. Our scope 1 emissions include CO₂, CH₄, N₂O, HFCs, PFCs, SF₆ and NF₃. Our scope 2 calculations include CO₂, CH₄, N₂O, HFCs, PFCs and SF₆ from the IEA database. Etex does not emit CO₂ from combustion or biodegradation of biomass.

³ Not included in Etex's monitoring in 2020.

2020 CO₂ emissions

We report on our CO₂ emissions in line with the Greenhouse Gas Protocol developed by the World Resources Institute and the WBCSD.



Scope 1

Gross direct CO₂ emissions² from use of energy in manufacturing (natural gas, liquid fuels, biomass) and use of fuels in our vehicles operating in the quarries and plants.



Scope 2

Gross location based energy-indirect CO₂ emissions² from purchased electricity.



Scope 3³

Indirect emissions from all other activities, for example inbound and outbound transportation by our contractors, waste generated, purchased goods and services, and employee commuting and business travel.



Water management

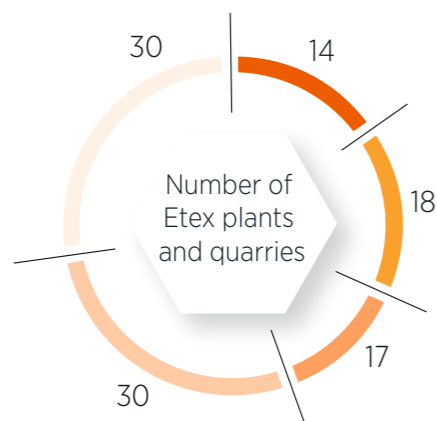
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Water is an important resource that we use, for example, in our production processes, as well as for cooling purposes. In 2020, our water withdrawal totalled 5,875.521 megalitres. The biggest portion of withdrawn water evaporates or is embedded in our finished products due to the crystallisation process of some raw materials.

We operate in different regions of the world and manage our water use according to the specifics of each local situation. Through reuse, recycling and efficiency, we strive to consume less water in our operations. **Understanding where our water consumption is most impactful is the basis of our approach and of the targets we set to reduce it.** 13 of our 110 sites are located in geographical areas with extremely high water stress, leading us to monitor our water consumption in these areas accordingly. Due to the lower production volumes in 2020, the total water withdrawal and the total water discharge decreased, while the water withdrawal intensity increased by 6% compared to 2019. This increase was mainly due to the product mix and the construction of facilities in one of our locations.

Water stress level in the areas in which we operate

- Extremely High
- High
- Medium High
- Low Medium
- Low



As one important milestone, **we want to avoid the use of potable water in all industrial processes, and our sites explore ways that are best suited for their local contexts.** For example, Etex France continues to develop rainwater recovery systems. 75% of its plasterboard plants have retention basins to collect rainwater. At some plants, this enables rainwater to cover a significant share of their water consumption. For example, at the Auneuil plant, more than 20% of consumed water was collected rainwater in 2019. In 2020, two new water retention basins were added, one in the Carpentras plasterboard plant and one in Mazan, a plaster and formulated products plant. **Across all sites, in 2020 more than 7% of the consumed water was rainwater.**

Contributing to Etex's ambition to reduce its total amount of water withdrawal, water considerations are also integrated in our process and product innovation activities. **In September 2020, we started our three-year Sahara Project, which is one of Etex's levers to produce cement-based products in a more environmentally friendly way,** not only by optimising current production in terms of water usage and carbon footprint, but also by considering alternative or emerging production techniques. So far, we initiated a preliminary lab investigation to assess new technologies and the use

of alternative binders to replace Portland cement in the recipes.

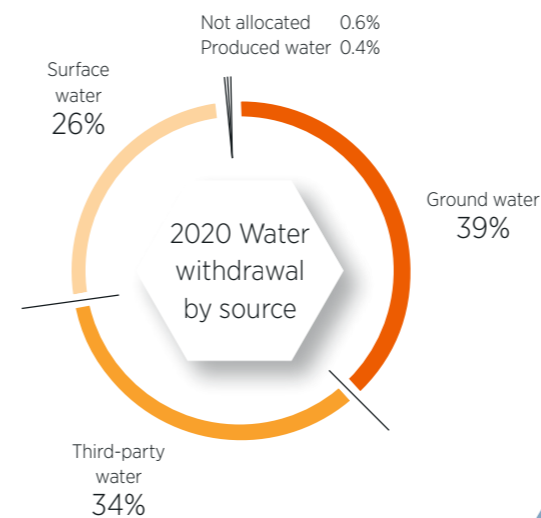
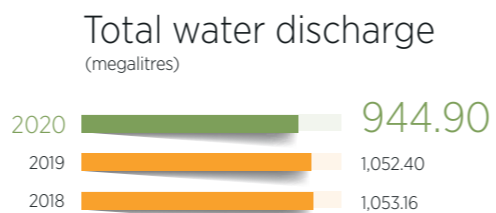
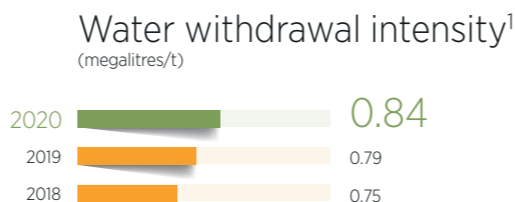
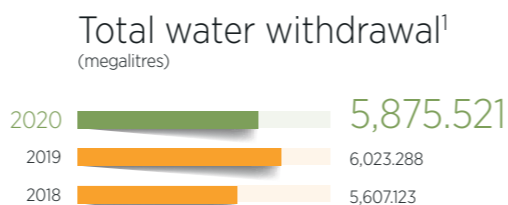
Our sites use water in regions with different regulations and in different processes. Because of this, our overall approach is tailored at site level. Etex does not have central water-related minimum standards; our facilities comply with local regulations and permits regarding water withdrawal and wastewater discharge. In 2020, we discharged a total of 944.90 megalitres. **Our sites are incentivised to recycle and reduce water discharge.** This includes discharge to sewage and surface waters.

We pre-treat or treat our wastewater prior to discharge, according to local requirements. Where applicable, we monitor relevant effluent parameters. More detailed figures on water discharge can be found in the 'Additional data' chapter.

We are currently reviewing our water management approach, including water-related goals, minimum standards, and the need to engage with stakeholders on how to ensure good stewardship of water as a shared resource. We plan to report updates in the next reporting cycle.

Water withdrawal by source (in megalitres)

	2018	2019	2020
Surface water	1,187.86	1,392.97	1,559.76
Ground water	2,343.68	2,335.33	2,294.58
Seawater	0.00	0.00	0.00
Produced water	15.79	18.03	19.20
Third-party water	1,942.93	2,243.28	1,973.44
Not allocated ²	116.86	33.68	28.54
Total water withdrawal	5,607.12	6,023.29	5,875.52



¹ Water figures include Etex's own operations with the exception of the following entities: Residential Roofing businesses and plasterboard paper (Papeterie de Bègles, France), both divested in 2020. The data integrity check for the 'freshwater ($\leq 1,000 \text{ mg/l total dissolved solids}$' and 'other water' categories has not been finalised. These breakdowns will be shared in the next sustainability report.

² The data integrity check to allocate this water withdrawal is still ongoing. We plan to report the full allocation in the next reporting cycle.

Caring about biodiversity and ecosystems

GRI 103-1 and 103-2 and 103-3 for 304 304-3

Healthy ecosystems and biodiversity and the natural capital they provide are a wealth we all share. Through our industrial activities, we inevitably change the land we use. For our mining locations, we currently manage approximately 3,950 ha of surface land globally. This includes land for our buildings and plants, land where we have active mining operations, authorised land which has so far been untouched by us and restored land which we previously used for our quarries.

Thoroughly restoring the landscape to the biggest extent possible immediately upon ceasing mining activities in a particular

area minimises impact on the landscape. In line with local requirements, the success of our restoration measures is approved by independent external professionals. **The completed restorations result in a zero-net loss of biodiversity, and in some cases even lead to a higher biodiversity value compared to the moment we acquired concessions to use the land**, such as at our Hartershofen site in Germany and our Valdemoro site in Spain, which we acquired as monoculture agricultural land. Our high-quality management approach, which we implement in collaboration with local biodiversity experts, makes us a trusted partner for local authorities and allows us to operate in biodiversity-sensitive areas such as at our Sorbas Almeria and Endseer Berg sites in Germany, which are located in Natura 2000 listed protected areas. Biodiversity management of our quarries is carried out and evaluated by our local entities.

We also work with other industry players in order to advance the methods used by the industry to address the topic of biodiversity. A great example of jointly raising the bar and creating a common language for addressing biodiversity in quarry management is the biodiversity KPI framework published by the European Gypsum Association. The publication *Performance indicators framework for biodiversity management in gypsum quarries throughout Europe* aims to improve sustainability in quarries beyond addressing legal requirements, and highlights the importance of eleven key biodiversity indicators for the gypsum industry. Etex was actively involved in the process, next to Eurogypsum stakeholders, European authorities, a scientific panel of universities and consulting offices, European and local associations, NGOs for the conservation of nature and stakeholders from the mining sector. Selected indicators from the framework are used to support biodiversity management at our quarries. We believe in mutual learning and are committed to sharing best practices. For example, for the best practice collection brochure *Biodiversity Stewardship in Gypsum Quarrying*, we contributed a case study on a restoration project at our Sorbas site close to Almería, Spain carried out in partnership with Exploitation Rio de Aguas (Torralba Group), the Plant Biology and Ecology Department of the University of Almería, and Biointegra.

In addition, we follow biodiversity-related global challenges such as pollination loss through the reduction of populations of pollinating insects. **In 2020, we designed eleven insect hotels that have been installed on selected sites across Europe.**

¹ Information on size, location and status of each area is kept confidential in order to avoid disclosing the amount of mineral resources in these areas.

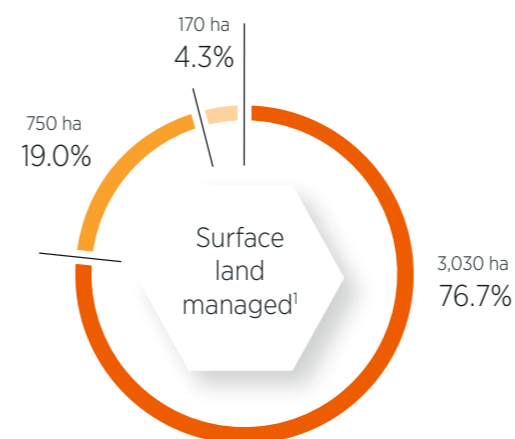
Outlook

GRI 103-3 for 302 304 305

Overall, the evolution of our performance measured through key environmental indicators has been steady. Nevertheless we identified clear positive trends that confirm the lower impact of our operations. This year, we are expanding our team dedicated to energy and emission management.

This team will implement our existing energy and emission management plans and good practices in each plant and quarry. For example, following up on our successful transition in Europe, we plan to cover all our electricity needs with green electricity by the end of 2023. In addition, the team will also draw up a roadmap for our scope 2 and 3 emissions. For 2021-2022 we plan to capture emissions related to transport in more detail by categorising our transport (truck, intermodal, rail, boat, air, etc.) and their average emissions. In the same time frame, we also aim to gain a deeper understanding of distance/weight balance per shipment per business unit/plant/country.

Further, in 2022 we also aim to better understand the fleets of our contracted transport companies and their emissions, and map these as part of scope 3. Based on this information, we will investigate the assignment of an environmental score during requests for quotes, next to service and cost. At the local level, we will continue to seek opportunities to advance our biodiversity and water management. For instance, at our Hornos Ibéricos site in Spain, we decided to implement the complete list of biodiversity key indicators from the Eurogypsum framework, and began drafting a baseline for these indicators which were not measured yet.



Total: 3,950 ha

- Land which remains untouched
- Fully restored land, sometimes with higher biodiversity than before
- Land occupied by infrastructure, current extraction operations or current landscape rehabilitation



7 Towards a future-proof economy

For us, circularity means offering innovative and sustainable products and services and to shift our mindset from linear extraction, production and consumption patterns (take-make-use-waste) to circular production and consumption loops in which materials are sourced in an infinite, environmentally responsible way, and resources are continuously re-used or regenerated. In this respect, circularity plays a key role in achieving a sustainable future in which economic growth is decoupled from adverse environmental impacts. It is a powerful concept for our ambition to support the Sustainable Development Goals, particularly SDG 12 'Responsible consumption and production', as well as SDG 6 'Clean water', SDG 7 'Affordable and clean energy' and SDG 13 'Climate action'.



The Etex circular economy model

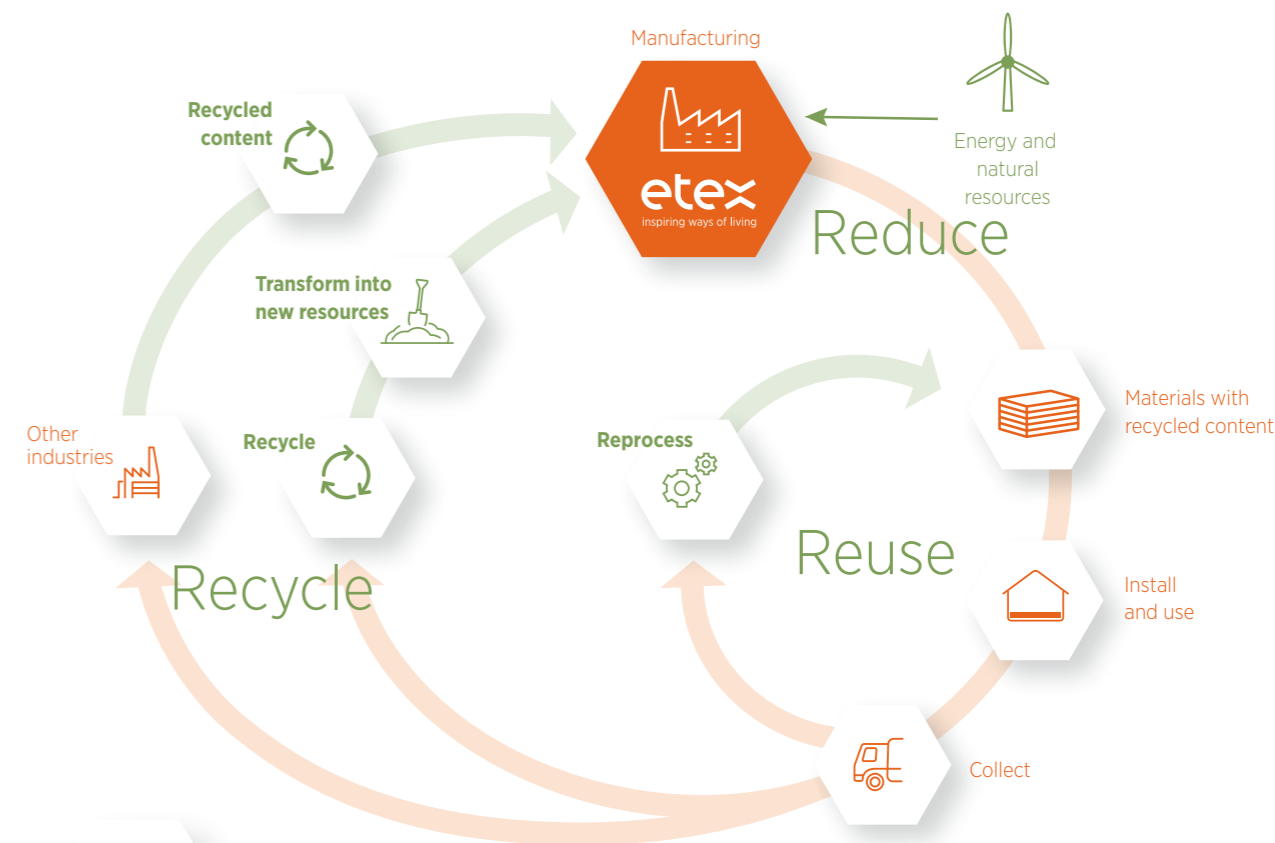


Illustration inspired by Ellen MacArthur Foundation, [https://archive.ellenmacarthurfoundation.org/circular-economy/what-is-the-circular-economy/](https://archive.ellenmacarthurfoundation.org/circular-economy/what-is-the-circular-economy)

Where we want to go

In a circular approach, resources contained in materials remain available for the economy and society, instead of getting lost through landfilling or incineration. Circularity also aims to go beyond those recycling processes in which the quality of the material is downgraded and thus (most of) the materials can only be recycled a few times before they reach end of life and disposal.

In our ambition to support circularity, we are inspired by cradle to cradle (C2C) principles. C2C is based on nature's model, where everything is a

resource, energy is renewable, diversity and cooperation are the norm, and a systemic view is essential. Circular buildings designed according to these principles become true material banks, along with a transition from mining to 'urban mining'.

Such circularity has clear benefits in that it counters resource depletion while offering cost efficiencies and securing the long-term supply of resources and materials. In addition, less landfilling also relieves pressure on limited land availability.

Cradle-to-cradle certificates at Etex France and Etex Italy

Etex France and Etex Italy are uniquely positioned on this front and can look back on years of experience with cradle-to-cradle certification for a range of plasterboard products by Cradle to Cradle Certified. This certification considers the certified company's overall CSR

performance including energy and water management as well as the particular cradle-to-cradle characteristics of the products. In 2019, Both Etex entities were awarded bronze status. The status is updated every two years, with the next update due this year.



"The feedback from our customers on the Cradle to Cradle experience we offer points out the positive value they see, such as the regenerative effect on the environment and the positive impact on health.

Customers also appreciate that the choice of healthy and sustainable components allows a building to become a resource for the future, and that information such as the composition, next possible life, carbon footprint and dismantling instructions are conveniently captured in circular passports.

In 2020, IGC Construction built the first house in France with the 'Cradle to Cradle' label, using our Siniat products. In the next few years and considering the French environmental regulation, it will certainly become mandatory for builders to have recycled content in their houses; Cradle to Cradle allows us to be proactive."

Nicolas Arruti, Regional Key Account,
Etex Avignon, France



Three keys to unlocking the potential of circularity

GRI 103-2 for 306 306-2

Our first key is the **optimisation of our current processes related to waste management, responsible sourcing and related activities**, which go hand in hand with our ambitions regarding carbon neutrality, water and biodiversity

management (for more information on these ambitions, please see the [Environment chapter](#)). Our second key is **innovation**, which helps us to find new and practical solutions to improve our products and processes, and Etex is very active on this front. Our third key is **collaboration**. Circularity in a value chain is based on all actors working together to connect material flows in closed loops and shifting focus from the one-off value of materials used in a product to reoccurring use.



Pioneering recovery of gypsum at Etex France

Since 2012, Etex France is recycling selected and clean gypsum waste from the building industry in its plasterboard facilities through its Éco-Plâtre service. This service is used by different players: drylining companies, contractors, and specialised waste recyclers which have efficient solutions to collect waste from building sites. Etex France also has a long-term partnership with gypsum waste transformers Ritleng Revalorisations and Recygypse. In 2020, Etex France recycled 43,000 tonnes of gypsum waste from construction sites. The environmental benefits of Éco-Plâtre are valued by our customers because it helps them in their regulatory compliance and the improvement of building sustainability rating.

Our Bristol site: toward zero waste to landfill

The Etex team in Bristol, UK has managed to achieve and maintain a recycling rate of 100% through excellent waste segregation, increased awareness, new and improved storage, signage, and most importantly, praise where it is due. Moreover, the site team included waste management and recycling in the agenda during recent staff engagement days, and the entire team received a waste awareness and management training course. Our contractors are also involved in our waste management ambitions.

Our customers are increasingly interested in the recycled content of our products. This has not gone unnoticed, and Etex is now the leading plasterboard recycler in the UK. The target at our Bristol site for 2020 was 147,000 tonnes of recycled material (+23% compared to 2019).

Smart waste management

GRI 103-2 for 306 306-1 306-2

‘Thinking circular’ is a great motivation to approach waste management in a forward-looking, long-term and solution-oriented way.

With gypsum, one of our key materials, we already possess a wealth of experience in internal and external recycling in various locations. **Gypsum has the potential to be infinitely recycled. Through our recycling efforts, we are already the leading plasterboard recycler in some markets.**

Exploring the reusability of one of our further key products, fibre cement, we currently reuse 5% of our production waste in our products. **We are in the process of creating installations in Germany and Belgium to increase this share up to 15%. In addition, we are investigating further opportunities to use post-consumer demolition waste.** After milling down the fibre cement, one option is to use it as filler, although this process downcycles the

material. Another option is to carbonise it to make it stickier for use in binders, and a further option is to use it as a component of semi-binders, for example in pavement stones.

Our engagement towards circular value chains is reflected, for example, in the outstanding achievements of our fibre cement team in Neubeckum, Germany. Their actions to reduce waste along the entire manufacturing process – from raw material infeed to the loading of finished products onto trucks – were acknowledged through our Etex CEO Award (see page 23).

When contracting with third parties to treat waste that our operations generate, Etex puts a specific focus on their adherence to the highest standards in fulfilling contractual and legal obligations.

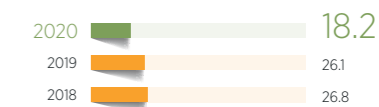
While the total quantity of generated waste decreased in 2020, shutting down factories and restarting production processes in the context of the COVID-19 pandemic increased the intensity of waste generation. However, an increased volume of non-hazardous waste was recycled.

Zero waste to landfill

GRI 103-2 for 306 306-2 306-3

2020 was a landmark year for our ambition of zero landfilling. **Our plants in the UK and Italy were the first to achieve this ambitious goal by implementing reuse or recycling solutions for all types of waste generated on site.**

% Waste landfilled / Total waste treated



Weight of non-hazardous waste landfilled out of total waste treated (In tonnes)



	2018	2019	2020
Total weight of waste generated, in metric tonnes (1000 kg)	259,560.88	278,260.14	253,576.65
Share of non-hazardous waste reused externally, in metric tonnes	9,110.97	11,138.76	8,120.15
Share of non-hazardous waste recycled, in metric tonnes	151,100.72	175,681.99	176,658.07
Share of non-hazardous waste incinerated, in metric tonnes	19,250.18	2,716.04	2,524.46
Waste intensity (kg/t)	41.39	42.73	49.56

Unleashing fresh ideas for a sustainable future

GRI 103-2 for 306 306-2

To create a new circular value chain, we must develop new solutions. We believe that innovation is the key in this transition to achieve both economic gains and a reduction of environmental impacts across the entire lifecycle of our product portfolio. **In 2020, we further increased our resources to explore how to boost disruption and produce solutions that are technically superior, but that also advance us on our sustainability ambitions** in line with our lightweight materials strategy. In 2020, we put a particular focus on materials and processes in our R&D approach. In addition, our proactive spirit is also reflected in our **Future Lab**, which was set up in 2020, **in which we scout for external innovative technologies to be integrated into our activities**. More than 50% of our Future Lab activities are focussed on sustainability benefits. A dedicated cross-departmental working group undertook a wide-



reaching first screening of more than 200 companies, and narrowed this pool down to companies of particular interest, with which we have started to explore further opportunities.

Etex continues to build on a successful track record in innovation. A good example of solution optimisation that benefits our customers and reduces the solution's environmental footprint by using less materials is **PROMATECT XS**. This high-performance system for the fire protection of metal structures was designed to be applied without the need for an intermediate frame. It also offers our customers unparalleled installation speed.

We also actively seek alternative raw materials, replacing primary raw materials with secondary raw materials wherever possible and inserting them into the manufacturing processes of our facilities. For example, for the Sahara Project, we investigate innovative formulations and the application of alternative new materials while considering alternative and emerging production techniques.

Launched in September 2020, the Sahara Project is funded by the Belgian government and implemented in collaboration with leading research institutions in Europe and third-party companies. Through this and other projects, **we strive to improve the manufacturing process of our cement-based products in terms of several environmental factors**. So far, we have initiated a preliminary lab investigation to assess new technologies and the use of alternative binders to replace Portland cement in the recipes.

Through innovation, we extend the lifetimes of our products, improve their technical performance in terms of insulation, acoustics and fire resistance, and strengthen their deconstructability for reuse or reinsertion into our own manufacturing processes.

Rooted in our strong customer focus, the continuous optimisation of our products, systems and solutions ensures their future-proofness.



"It is exciting to explore opportunities to re-use and recycle products and materials without losing value over time

While gypsum has very good recycling qualities and needs relatively low energy to do so, materials like fibre cement pose more technical difficulties. I like to look beyond mechanical recycling processes: how can different waste streams, potentially across industries, be pre-treated and combined to create new products? Identifying pretreatment experts is one of the things I enjoy the most in my job.

We look forward to the road ahead. Our project teams are already developing reuse of internal waste as much as possible. With our future-proof strategy, as well as by combining our individual actions with a collective approach, we are positive that we can continue to raise the bar of our waste management."

Steven Wante, Recycling Stream Manager, Etex Belgium

PROMATECT XS



In 2020, our Siniat brand entered a partnership with Biofib' Isolation and began offering efficient, healthy, durable and fire-resistant plasterboard systems with Biofib' Trio biosourced insulation. This insulation is based on hemp, flax and cotton, and meets the technical requirements on energy, environmental and sanitary performance for all types of buildings. This biosourced solution enables our customers to apply insulation with a lower CO₂ footprint than conventional insulation.

It is also the responsibility of Etex to ensure product liability and a full and transparent assessment of our product portfolio. **We are dedicated to assisting with product lifecycle assessments and product optimisation** in order to enable our customers, end users and architects to calculate and certify, for example, the energy performance of all materials we use in our products. **In 2020, we reinforced lifecycle assessments for greenhouse gas emissions, water and low-impact materials**, and thus environmental product declarations for all main Etex product ranges. In doing so, we ensure that our customers can trust that our products meet their sustainability

ambitions, for example to achieve sustainability-related certifications for buildings such as BREEAM and LEED.

A leader in the value chain

GRI 103-2 for 306 306-2

In the spirit of SDG 17 partnerships, we seek collaborations through which we can achieve more than we can on our own.

In the construction value chain, Etex is uniquely positioned to take a leadership role. We can build on our experience to create products designed for durability and long lifespans. Responsible sourcing is one building block in our circularity ambition. In addition, through our product design, we can support disassembly ambitions in our downstream supply chain. We are connected to a broad range of actors and can build partnerships to advance circular loops.



Outlook

GRI 103-3 for 306

We continue to view partnerships and collaboration as essential to accelerate our innovation journey, and we will search for suitable partners such as value chain actors, start-ups and universities for scientific research. For 2021, we set up a dedicated team led by our Head of Research & Development and Intellectual Property to draw up a roadmap on waste management and circularity. We also look forward to the further implementation of projects we have started, which will focus on recycling customer waste in our gypsum and fibre cement activities as an extension to our in-house production waste recycling efforts.

New Ways for circularity

Sustainability is at the core of the New Ways division's business model. For example, the offsite and modular construction solutions offered by New Ways reduce raw material use, energy consumption and emissions, and are built in the spirit of long-term circularity for later deconstruction, reuse and recycling.

Due to the fact that we design, premanufacture and prefabricate buildings, we have the unique opportunity to integrate dismantling, deconstruction and reuse in our designs. At end of life, these buildings will be easier to break down and process for the reuse and recycling of the contained materials. Beyond that, New Ways offers a wide range of sustainability benefits, for example through wood construction and environmental friendliness in packing, transport and assembly.

A convincing partnership

In late 2020, Etex Belgium linked up with more than ten partners to develop a circular approach for its Equitone brand. A jury as well as the Flemish government were convinced by the proposal, and awarded a subsidy of EUR 100,000 to support the project in 2021 and 2022. A convincing factor was that Etex and a significant number of partners across the value chain (cement producers, logistics partners, recycling companies, dealers, installers) agreed to work together on this project.

The subsidy is intended to support action, rather than theory, which then can be analysed and learned from. Using these funds, several experiments will be performed over the next two years to further develop a circular value chain for our Equitone façade solutions, which will then be valorised in sustainable customer services.



Community relations



Being global and acting local is part of our identity. For our community involvement, our decentralised approach helps us to foster meaningful relationships with our local communities. Our teammates and the communities in which they live and where they operate are key.

We benefit from local talents and from the supply of local goods and services. In turn, we want to contribute to the local business environment. Beyond that, we engage in a wide range of voluntary initiatives which offer support to local communities through partnerships and social projects. We believe that our teammates know their local communities best, and we are proud of the numerous projects and actions initiated around the world that are based on the awareness of their communities' needs. This helps us build trust and strong, long-lasting relationships.

Our responsibility as a local employer

GRI 103-2 for 202

We acknowledge that an important part of our success is due to our local talents. Striving for inclusive teams, over the years we refocused our process of talent allocation. While in the past the share of expatriates in local management was higher, today we look more for developing and recruiting local talents. At the same time, the opportunity to move from any location to a position as an expatriate remains an important tool for professional and personal development, in line with our diversity ambition.

As 'One Etex' and in line with supporting Sustainable Development Goal 8, "Decent Work and Economic Growth", we go beyond local standards wherever possible. For instance, in Chile, a salary review in 2020 revealed that in some instances, our teammates were earning minimum wage which we consider too low compared to the local poverty level. In all identified instances, we revised the contracts with addendums to raise the wages to enhance our teammates' life quality and apply this new wage standard to all their new colleagues.

Our community-oriented charity projects

GRI 103-2 for 413

Through our community-oriented charity projects we embrace the United Nations' Sustainable Development Goal 11, "Sustainable Cities and Communities". We combine our strengths in inspiring and supporting safe, sustainable, smart and beautiful housing solutions with the knowledge of our longstanding non-profit partner SELAVIP and its network of local NGOs. But we don't stop there; we also seek to create value beyond our local communities by **supporting particularly vulnerable people in facing social emergencies and opening up opportunities for a better future for them and their families.** While some of our initiatives were temporarily slowed down due to COVID-19, this only fueled our passion to move ahead with our social projects as soon as possible.

We combine our strengths in inspiring and supporting safe, sustainable, smart and beautiful housing solutions with the knowledge of our longstanding non-profit partner SELAVIP and its network of local NGOs.



Examples of countries where Etex helped in the fight against COVID-19

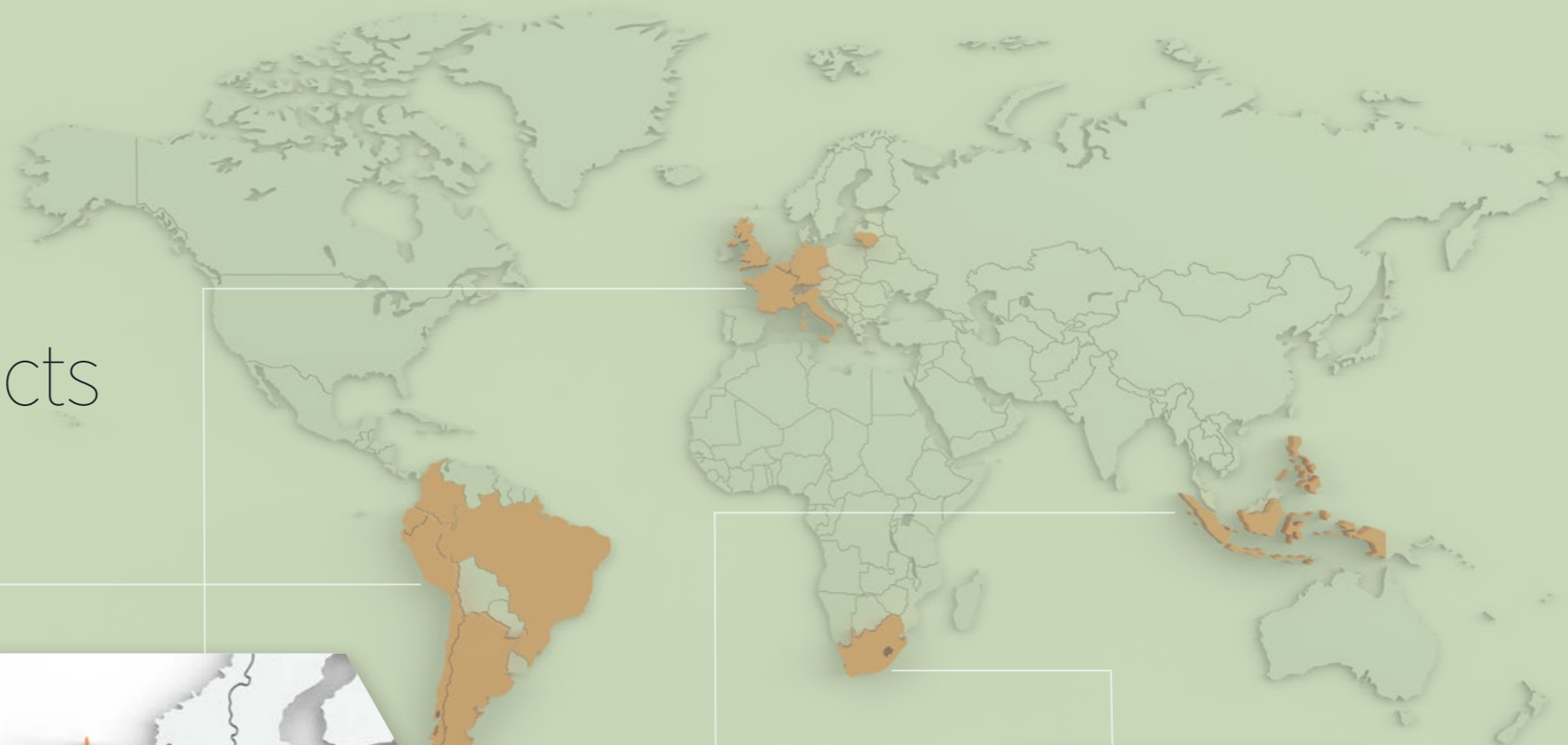
Donating masks and overalls to hospitals in **France**

Donating personal protective equipment and plasterboard products to a hospital in **Italy**, as well as giving a safety kit for everyone in the Etex plant and their families

Donating masks to members of the security forces and firefighters in **Argentina**

Offering relief and contributing to food security to communities who have been hit hard by the lockdown in **Chile**

Examples of social projects in 2020



Improving the living conditions of victims of natural disasters in the **Andean Region**

Starting a 60-house project for low-income families in **Ecuador**

Donating 30 Eternit water tanks in **Peru**

Providing free internet access to students and young people,

as well as supporting a local NGO to help underprivileged students in **Brazil**

Sponsoring eight talented students and funding their college education, as well as addressing the housing deficit in **Chile**

Offering low-income people training in office work to enhance the opportunities for a quality inclusion in the labour market in **Argentina**

Supporting a charity organising food banks in the **UK**

Financing and maintaining a sports centre in **Belgium**

Fulfilling children's Christmas wishes in **Germany**

Helping with the renovation of a school building in **Lithuania**

Supporting a community housing project in the **Philippines**

Sponsoring the construction of 60 houses for very poor families in **Indonesia**

Building schools in townships and retrofitting classrooms to support school attendance in **South Africa**



offer very poor families better housing conditions. In 2020, the construction materials were delivered and 40% of the project was completed. Due to COVID-19, the construction was slowed down but it will be finalised this year.

Social engagement in Africa

South Africa

In partnership with local NGO Ikhayalami, which pursues a vision of affordable homes and alternative technologies for all, Etex South Africa committed in 2019 to build seven schools in several townships of Cape Town. Based on a design tailor-made by Etex to optimise the sizes of classrooms, kitchens and sanitary facilities, construction started in 2020 and the first schools are already hosting teachers and students.

Moreover, in August 2020 our plant team in Roodekop started a partnership with Itireleng Youth Group & Tshwane University of Technology Architecture Department in Gauteng to support the informal settlement Itireleng about 10 kilometres from Tshwane University in Pretoria. More precisely, this project will retrofit three classrooms of the Itireleng Youth Group Centre for children from 3 months to 9 years old. The Itireleng settlement was established in the early 1990's and 955 of its inhabitants live with less than 1\$ a day. The retrofit project was interrupted due to COVID-19 and is planned to be finished in 2021, with an evaluation based on measuring temperature, noise, light and humidity before and after the retrofit.

Social engagement in Europe

Lithuania

Etex's Akmenė plant helped a regional school renovate its ageing building by offering consultancy services, support in the preparation of the roof works and roofing materials.

United Kingdom

Due to the impacts of COVID-19, many families in the UK have been put under financial constraints. Fortifying our community spirit, Etex UK worked together with the Trussell Trust, a charity that organises food banks and other crucial forms of support, such as the provision of warm winter clothing for children. Etex provided support in the form of manpower, products where premises or racking are in need of repair, and financial contributions. A donation of GBP 2,000 was given to each Trussell Trust food bank near the five Etex sites in Grangemouth, Ferrybridge, Newport, Bristol and Basildon.

Belgium

A community sports centre offers great value, enabling inhabitants to come together, enjoy exercise and a healthier lifestyle, and pursue their personal sports goals. In Kapelle-op-den-Bos, a sports centre financed and maintained by Etex allows everyone in the community to enjoy its amenities for free. One special event was the "Fit & Fun 4 Kids Week" organised by Etex in the summer of 2020, which brought many smiles to the faces of everyone involved.



"We really value our social commitment to supporting communities because it contributes to the achievement of the Sustainable Development Goals through sustainable cities and communities. We learned from Itireleng Youth Group and Tshwane

University of Technology that in the winter, attendance at the school in the Itireleng informal settlement dropped 20% because the building gets cold during that time of the year. We were eager to support the retrofit of the classrooms, which will ensure the thermal efficiency of the structure and aims to increase class attendance during the colder months. We were involved from the inception of the project, and we experienced it as a bridge to link us with the core fabric of our community. It taught us that children should be at the centre of the COVID-19 relief initiatives as we strive to build an inclusive society."

Karabo Tsele, Brand and Communications Manager, Etex South Africa

Sibusiso Mthembu, Technical Services and New Business Manager, Etex South Africa

Social engagement in Asia-Pacific

Philippines

Decent housing is a basic human right that gives people dignity. In the Philippines, Etex Indonesia has already been supporting several social housing projects. In 2020, fibre cement boards were delivered to support a new community housing project. The installation was completed at the end of the year.

Indonesia

In partnership with the SELAVIP foundation, Etex Indonesia sponsored the construction of 60 houses in the city of Palu on the island of Sulawesi to

Germany

Christmas is traditionally a special time for children. Together with the local charity organisation "Froschkönige gegen KinderArmut eV.", which works on the field to combat child poverty, Etex Germany invited 50 children to attach a Christmas wish to a Christmas tree that Etex teammates took upon themselves to fulfil. Etex paired every gift given by our teammates with a financial donation to the organisation to help them continue their precious work.





Social engagement in Latin America

Andean Region

In Ecuador and Colombia, some communities were the victim of natural disasters such as floods and the Iota hurricane. Managing the impacts of COVID-19 at the same time, families with insufficient income suffered particularly. Etex Colombia and Ecuador partnered with the Colombian Construction Chamber to improve their living conditions in several regions of the countries through low-income housing improvements, donating Etex products and supporting with a monetary contribution of USD 17,000. Through this project which ran from June until December 2020, we could help

people in Colombia in Bogotá, Manizales, San Andres Island, Cartagena and Quibdo, and in Ecuador, in Quito and Cuenca.

Argentina

In Argentina, Sustainable Development Goals 4 “Quality Education” and 8 “Decent Work and Economic Growth” are at the forefront of our social activities. Etex collaborates with local NGO Fundación Oficios to enhance the opportunities for a quality inclusion in the labour market through a job qualification. The project, which started in 2007, offers people with lower resources in Buenos Aires to get trained as office workers. While the project aims to train more than 100 people a year (110 were trained and qualified in 2019), in 2020 the project was interrupted due to COVID-19. 35 people were trained before the pandemic struck.

Brazil

In the pursue of Sustainable Development Goal 4 “Quality Education”, helping students and young people in search of a job is at the heart of projects that Etex Brazil supports through local NGO Ser Cidadão. In July 2020, we started to provide free internet access. Our donation comprised 15 computers and 1 UPS to outfit a computer room at the NGO. We also donated the installation of 56 solar panels at Ser Cidadão’s headquarters to support their sustainable electricity use and reduce their yearly electricity expenses. In addition, we partnered with the NGO to help underprivileged students to continue their studies during the pandemic. We donated 120 tablets to their school, which lends these to the students on an annual basis. The projects were finalised in March 2021.

Chile

Quality education is essential to our development as well-rounded human beings. It is also one of the most powerful tools in lifting socially excluded children and adults out of poverty and helping them become part of the wider community. In 2020, Etex sponsored eight talented students and funded their college education, thereby continuing our support to the important work of Fundación

Belén Educa, an organisation that offers schooling to low-income students. In addition, we responded to the foundation’s request for donating used laptops to low-income students, so that they can join online classes. Moreover, we continued to support our longstanding local partner organisation Techo, financially and with know-how, to address the housing deficit in Chile. This happens through firstly, offering affordable but superior housing solutions for emergency housing using insulation, decorated boards and sidings, and secondly, through developing new multifamily solutions for rentals to low-income households using more durable and affordable materials.

Ecuador

In partnership with the NGO Hogar de Cristo in Guayaquil, we started an exciting sixty-house project in 2020 to offer shelter to low-income families. Due to COVID-19, the project was temporarily slowed down. In 2020, Etex Colombia donated materials which will be used in the construction of the 60 new houses planned. The frames for the houses are based on steel framing that is easy to assemble on site, developed with our sales force in Ecuador. The prototype has been successfully completed.

Peru

Sustainable Development Goal 6 “Clean Water and Sanitation” is at the core of our social project in Peru. Based on the fact that 30% of the population in Peru does not have direct access to clean potable water, and hand-washing is one of the basic World Health Organization recommendations to combat the COVID-19 pandemic, Etex donated 30 Eternit water tanks to the community of San Antonio de Huarochiri in the neighbourhood of our plasterboard plant in Huachipa.



All hands on deck to help in the fight against COVID-19

As COVID-19 posed new threats to communities worldwide, Etex rose to the challenge, supporting them and creating positive impacts in places that were particularly affected. The following are only a few examples of compelling community spirit, initiatives and leadership displayed by our teammates in 2020.

Chile

Both a community next to our Maipú site in Chile, home to more than 100 families, including our teammates', and the community next to our Santa Rosa operation were hit hard by the lockdown. Our facilities donated more than 150 food boxes to offer some relief and contribute to food security.

Italy

Our local Italian site took immediate action to help Lombardy, one of the regions that suffered the most from COVID-19 in the first half of 2020. Our plant in Filago donated personal protective equipment to the Papa Giovanni XXIII Hospital of Bergamo. In the context of the hospital's continuous fight against the virus, Etex Italy also contributed to the hospital's COVID-19 fund. Moreover, the company delivered two trucks full of Etex plasterboard products to the hospital. This enabled to build 150 emergency spaces for patients in the first week of April. Of course, caring about our employees was also front and centre in our strategy. When face masks were difficult to obtain, we prepared a safety kit containing four reusable masks for everyone in the plant and their families.



Argentina

The COVID-19 situation meant increased demand for face masks, which was a particular challenge for people responsible for ensuring the safety of our communities. In this time of need and in a spirit of solidarity, the Etex Argentina plant in Mendoza donated more than 100 masks to members of the security forces and firefighters.

France

The neighbourly spirit was also alive and well at Etex France's Auneuil plant. In the north of France, an area highly impacted by COVID-19, the plant swiftly responded to the situation and donated masks and overalls to several hospitals. Our French teammates were touched when the hospital in Gisors responded by sending a nice picture a few days later with the message: "Thanks for taking care of us".



"For me, being involved in the project with NGO Ser Cidadão as sponsor means getting involved in the Santa Cruz community and supporting local development, with a particular focus on digital transformation in education. In addition, we partnered with another NGO, Instituto da Criança, to help underprivileged students to continue their studies during the pandemic. The projects were finalised in March 2021, and it was great to see that our collaboration was able to somewhat narrow the digital gap in learning processes in this region."

Luciana Campos, Plant Manager, Etex Santa Cruz (Rio de Janeiro, Brazil)



Outlook

Continuing our social and community projects lies at the heart of what we do. For 2021 we agreed at group level to support another four social housing projects in the Philippines, South Africa, Ecuador and Chile.

In addition, we keep encouraging all our entities to organise and support local community projects and to take human rights as a fundamental criteria in the selection and decision process.



9 Better together



While we can tackle some sustainability opportunities on our own, we know that real progress can only be achieved through collaboration with strong partners, using input from customers, suppliers and other business partners and stakeholders. Through our collaborations and partnerships, we can accelerate progress towards the UN's Sustainable Development Goals.

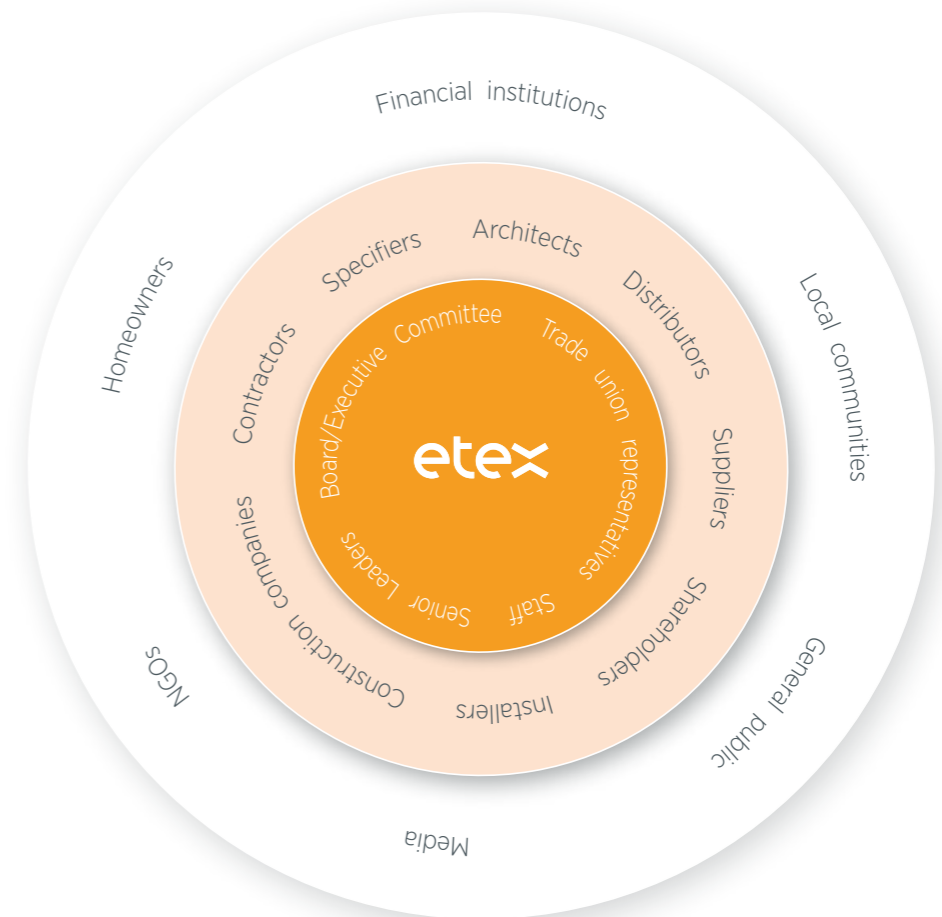
An enriching environment of stakeholders

GRI 102-40 | 102-42 | 102-43

As part of our CSR strategy, in 2020 we mapped out our stakeholder groups to gather their perspectives and have a well-defined understanding of their expectations regarding how our work contributes to social and environmental topics. 74 internal cross-functional 'gatekeepers', representative of all Etex divisions and operational regions, were asked to provide a list of 'internal', 'connected' and 'external' stakeholders:

- Our **internal stakeholders** are strongly dependent on the organisation.
- Our **connected stakeholders** are those that have economic or contractual relationships with Etex.
- Our **external stakeholders** are the least dependent on the organisation, but do influence it.

This mapping exercise offers us a great overview which guides our stakeholder engagement strategy to build strong and trust-based relationships. These relationships are valuable assets to ensure fair operating practices across the value chain and advance responsible materials



● Internal stakeholders ● Connected stakeholders ● External stakeholders

sourcing, both integral topics to our CSR strategy. Some of our stakeholder dialogue deals specifically with our sustainability management, such as the stakeholder consultation we use to define our sustainability priorities, as described in the chapter 'Building a strong foundation for sustainability'.

Engagement with our internal stakeholders

GRI 102-20 102-22 102-44 403-4

As examples have shown in the chapters 'Our people and culture' and 'Health, safety and well-being', we are in constant dialogue with our internal stakeholders to understand their needs, maximise their safety, inform them about key decisions, connect them with each other and facilitate personal and professional development. With our **employees**, we also engage at group level, next to the employee-management relationship and tailored communication handled by

our local businesses. These group-level channels include our Etex Core intranet platform, live or digital events (such as quarterly Etex Team Talks, which every teammate is invited to join), our employee engagement survey ('Me & Etex') and various communication campaigns.

Etex's **Senior Leaders** from around the world gather annually (2020 and 2021 were exceptions in the context of the COVID-19 pandemic) and attend webinars hosted by the Executive Committee every two months. These events, to which 350 teammates participate on average, encourage our leaders to relay updates to their teams and ensure that every single one of our employees is informed.

Our **Board of Directors** met eight times in 2020 to discuss updates and approve proposals by the Executive Committee and recommendations from the advisory Committees, as part of the duties it performs. The Committee and Board meetings are attended by Board members and members of the Executive Committee. The office of the CEO, together with the Secretary to the Board, manage the information

flow between Executive Committee and Board. The Board documents and other relevant information are shared through a secured digital platform accessible to Board members only. To assist and advise the Board on specific matters, all four dedicated advisory Committees were active throughout 2020: the Strategy Committee met four times, the Risk and Audit Committee

three times, the Remuneration and Nomination Committee eight times, and the **Sustainability and Corporate Social Responsibility Committee** four times. The latter's meetings are joined by the Head of Corporate Social Responsibility, who reports directly to the CEO. **This Committee ensures that Etex effectively addresses the economic and societal challenges**

associated with its mission to offer building solutions that contribute to a better world. It considers the impact of the group's businesses, operations and programmes from a social responsibility perspective, taking the legal framework and the interests of all stakeholders into consideration. **In 2020, Etex' CSR strategy, its social projects programme, ESG rating, move to renewable energy and supplier sustainability rating were the main topics discussed by the Committee.**

of COVID-19 travel restrictions, however, the June 2020 meeting was postponed to October and converted into a remote meeting. We set up a specific digital format allowing each participant – most of them factory workers – to participate in their mother tongue. Real-time translation was ensured. Both union members and Etex management shared positive feedback on this event.



"We are in constant dialogue with our internal stakeholders to understand their needs, maximise their safety, inform them about key decisions, connect them with each other and facilitate personal and professional development."

Engagement with our connected stakeholders

As part of our engagement with **trade unions**, next to our local union representatives, the European Works Council is an important stakeholder that we keep updated on relevant developments at Etex, a task coordinated by a dedicated teammate. In 2020, topics included worker safety (we share results that we collect through our EHS app), strategy and restructuring plans, and the implications of COVID-19. The regular social dialogue includes an annual, in-person, two-day meeting in Belgium, where union members from ten European countries connect with each other and interact with our CEO, CFO and Heads of division. As a result

We communicate with our **shareholders** mainly during our General Meetings of Shareholders, where we present them with relevant information about our business to guarantee transparent communication about our performance and outlook. Full-year and half-year results as well as strategic developments are shared with all our stakeholders through press releases, which are sent by e-mail and published on our website.

Upstream supply chain

GRI 102-9 | 102-10

Our over 30,000 tier-1 **upstream suppliers** present us with a vast range of opportunities to jointly pursue the Sustainable Development Goals. Upstream, our supply chain is characterised by stable, long-term relationships with predominantly local suppliers. They support us through services such as transport, or help us to secure our supply of different key raw materials.

Among the materials sourced for our production, there are also, directly or indirectly, organic compounds such as starch, palm oil and wood fibres. Because we are aware of the impacts that our need for materials can have on the environment, **we investigate how to support our sustainability ambitions by replacing materials or reducing the intensity of their use** through innovative production methods, product innovations and certification of materials or their components (e.g. RSPO certification for palm oil). As part of our paper reduction programme, for instance, we started using pulp to replace virgin paper in 2020.

To secure our supply, we also manage risks related to climate and resource scarcity. For example, in February 2021 the state of Texas (US) suffered a major power outage resulting from three severe winter storms. Numerous plants of our suppliers located in the region had to close. The supply disruption lasted for 1.5 month and created a severe backlog. Thankfully, Etex was able to successfully secure stocks. Our global, regional and local supply, based on strong and ethical partnerships, helped us get through this difficult time.

For our decarbonisation ambition, we are in the process of changing our supply from conventionally generated to renewable electricity.

In line with our social and environmental values, we acknowledge, through our purchasing frame contract agreement with our suppliers, that they and their employees, distributors and subcontractors, **comply in all respects with fundamental principles in the fields of human rights, labour, environment and corruption**, as laid out in our code of conduct. In this

respect, social and environmental considerations also determine our decisions about which markets we avoid doing business in. **Before entering a contractual relationship, we review our suppliers according to social and environmental criteria, including social and environmental ones.** As part of this relationship, our gypsum suppliers, for instance, are audited on a yearly basis. We run additional audits when concerns of breaches come to our attention. For example, in the past we learned about a concern regarding child labour in our mica supply chain. We promptly reacted with an audit to investigate the situation. The audit confirmed that no cases of child labour were found. No particular concern came to our attention in 2020.

In order to strengthen our sustainability-related engagement with our upstream suppliers, in 2020 we laid the foundations for **working with leading sustainability rating company Ecovadis to implement a supplier rating programme.** It was launched in March 2021. Not only does it invite our suppliers to support our CSR ambitions, it will also be used in our future tender processes and by our business partners.

Downstream supply chain

Our **downstream stakeholders** help us stay ahead of the latest market needs related to sustainability. Our downstream partners include customers, construction companies, distributors, contractors, installers and specifiers. Striving for strong connections with them on group level, our Innovation & Technology Centre in Avignon, France invites customers to co-innovate during our annual Innovation Days (which were put on hold during the COVID-19 pandemic).

Furthermore, our purchasing team engages with our largest suppliers at group level. **Customer satisfaction, including on**



Siniat Prégyplac BA18S

The first BA18 plasterboard in 900mm width: Siniat Prégyplac BA18S combines high performance for public buildings with easy handling characteristics. The fact that it weighs 25% less compared to a 1200mm wide BA18 board is a welcomed benefit by our downstream partners.

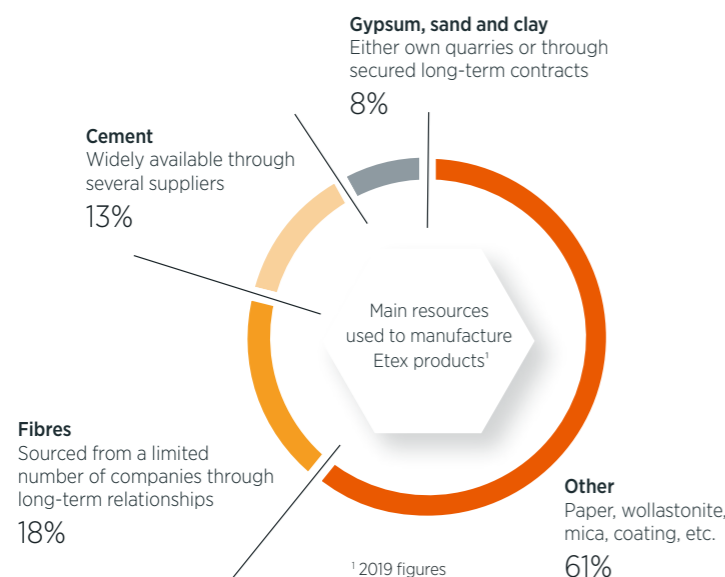


Siniat CAPT'AIR® technology

Siniat CAPT'AIR® technology in our gypsum boards captures and transforms formaldehydes into inert compounds and improves indoor air quality. This is one example of how we improved our products to benefit parties downstream the value chain, from installers to the end-users of the buildings.

sustainability matters, is key for us. Responsiveness to our clients' wishes ranges from addressing broader feedback to meeting concrete wishes. Examples include ensuring all our pallets are ISPM certified to protect ecosystems from spread of insects and diseases, as well as PEFC ST-1003 certified, which follows the requirements for sustainable forest management.

We also assess our downstream supply chain in terms of circularity and how waste management and recycling options can be optimised, e.g. for packaging. In addition, **we investigate with our**



transport companies opportunities to reduce emissions, including the use of alternative bio-based fuels and driver training. Overall, we see a growing request for sustainability-related information in our markets. In France and Italy, we started to provide our customers with cradle-to-cradle information for most of our products, which allows them to make informed decisions in line with their sustainability preferences.

Engagement with our external stakeholders

GRI 102-13

Among our external stakeholders, **industry associations are a great way for us to exchange information and combine forces with our peers, also to find sustainable solutions in our industry.**

Etex has representatives in various national trade associations (e.g., SNIP, GDPA, BV Gips) that are members of Eurogypsum, the European federation representing the gypsum product manufacturing industry. Some of Etex's representatives are also active in the governance and committees of Eurogypsum (including the Quarry, Sustainable Construction, Climate, Chemical and Recycling Working Groups). The other main associations are:

- the European Federation of Fibre Cement Manufacturers (EFFCM; a mix of manufacturing companies and national associations);
- the European Association for Passive Fire Protection (EAPFP; a mix of manufacturing companies and national associations);

- Fire Safe Europe (predominantly manufacturing companies);
- the Passive Fire Protection Network (PFPNet; a mix of companies and entities, not only producers, as well as other stakeholders).

Our local businesses, as the specialists within their geographies, manage optimal communication channels with their **communities**. At group level, we partner with international NGO Selavip, which supports housing projects for underprivileged people. For more information, we refer to the 'Community relations' chapter of this report.

Media relations are nurtured at local level. Belgian and international journalists are also in direct contact with Etex's corporate communications team in Belgium, which manages all communication channels at group level.

For the benefit of **investors, financial institutions, NGOs** and the **wider public**, we provide a high level of transparency and accountability through our website and public reports, including our Annual Report and now our first Sustainability Report. As communicated through these channels, topic-related contact points are available to external stakeholders who wish to get in touch with us.

Outlook

Support from our governance structure and top management motivates us on our sustainability journey. We also plan to intensify our dialogue on all levels with our internal, connected and external stakeholders. For example, regarding our upstream suppliers, our supplier rating programme will provide us with detailed insights, which we will use to engage in a more structured dialogue to jointly contribute to the achievement of the Sustainable Development Goals. For 2021, we aim to have our top 100 suppliers (in terms of spend) evaluated, and our total base of 30,000 suppliers to undergo a first screening according to specific sustainability criteria.

In complement, we plan to develop a specific supplier code of conduct tailored to the needs of our supply chain. This code will offer our current and potential business partners a clear point of reference and detailed information about our social and environmental values.





10 GRI content index

GRI 102-55

We include this GRI content index to specify which GRI Standards have been used and which GRI disclosures have been reported. It offers a quick navigation to where these can be found in the report.

Disclosures relevant for the GRI 'in accordance-Core' option are fully reported in the meaning of being reported 'in accordance'. They may include explanations for partial omissions, e.g. due to business confidentiality.

General disclosures

GRI Standard	GRI Disclosure	Report chapter	Page number(s) or url	Coverage
GRI 102 General Disclosures (2016) ↓	GRI 102-1 Name of the organisation	About this report	P. 2	Fully reported
	GRI 102-2 Activities, brands, products and services	About Etex	P. 7, 8	Fully reported
	GRI 102-3 Location of headquarters	About this report	P. 2, 9	Fully reported
	GRI 102-4 Location of operations	About Etex	P. 9, 61	Fully reported
	GRI 102-5 Ownership and legal form	About this report, About Etex	P. 2	Fully reported
	GRI 102-6 Markets served	About Etex	P. 7, 9	Fully reported
	GRI 102-7 Scale of the organisation	About Etex, Our people and culture	P. 9, 10	Fully reported
	GRI 102-8 Information on employees and other workers	About Etex, Our people and culture	P. 9, 22, 24	Fully reported
	GRI 102-9 Supply chain	About Etex, Better together	P. 11, 54	Fully reported
	GRI 102-10 Significant changes to the organisation and its supply chain	About Etex, Better together	P. 8, 54	Fully reported
	GRI 102-11 Precautionary principle or approach	What Etex stands for – Our culture, values and governance	P. 15	Fully reported
	GRI 102-12 External initiatives	What Etex stands for – Our culture, values and governance, Building a strong foundation for sustainability	P. 14, 18	Fully reported
	GRI 102-13 Membership of associations	Better together	P. 55	Fully reported
	GRI 102-14 Statement from senior decision-maker	Inspiring sustainable ways of living	P. 4	Fully reported
	GRI 102-16 Values, principles, standards and norms of behavior	What Etex stands for – Our culture, values and governance	P. 14, 15	Fully reported
	GRI 102-17 Mechanisms for advice and concerns about ethics	What Etex stands for – Our culture, values and governance	P. 15	Fully reported
	GRI 102-18 Governance structure	What Etex stands for – Our culture, values and governance	P. 16	Fully reported
	GRI 102-20 Executive-level responsibility for economic, environmental and social topics	Better together	P. 53	Fully reported
	GRI 102-22 Composition of the highest governance body and its committees	What Etex stands for – Our culture, values and governance	P. 53	Partially reported
	GRI 102-26 Role of highest governance body in setting purpose, values and strategy	What Etex stands for – Our culture, values and governance	P. 15, 16	Fully reported
	GRI Disclosure 102-40 List of stakeholder groups	Better together	P. 52	Fully reported
	GRI Disclosure 102-41 Collective bargaining agreements	Our people and culture	P. 22	Fully reported
GRI Disclosure 102-42 Identifying and selecting stakeholders	Better together	P. 52	Fully reported	
GRI Disclosure 102-43 Approach to stakeholder engagement	Better together	P. 52	Fully reported	
GRI Disclosure 102-44 Key topics and concerns raised	Building a strong foundation for sustainability, Better together	P. 19, 53	Fully reported	
GRI Disclosure 102-45 Entities included in the consolidated financial statements	About this report	P. 2	Fully reported	

**GRI 102
General
Disclosures
(2016)**


GRI Disclosure 102-46 Defining report content and topic boundaries	Building a strong foundation for sustainability	P. 19	Fully reported
GRI Disclosure 102-47 List of material topics	Building a strong foundation for sustainability	P. 19	Fully reported
GRI Disclosure 102-48 Restatements of information	About this report	P. 2	Fully reported
GRI Disclosure 102-49 Changes in reporting	About this report	P. 2, 19	Fully reported
GRI Disclosure 102-50 Reporting period	About this report	P. 2	Fully reported
GRI Disclosure 102-51 Date of most recent report	About this report	P. 2	Fully reported / Explanation that this is Etex's first Sustainability Report
GRI Disclosure 102-52 Reporting cycle	About this report	P. 2	Fully reported
GRI Disclosure 102-53 Contact point for questions regarding the report	About this report	P. 2	Fully reported
GRI Disclosure 102-54 Claims of reporting in accordance with the GRI Standards	About this report	P. 2	Fully reported
GRI Disclosure 102-55 GRI content index	GRI content index	P. 56	Fully reported
GRI Disclosure 102-56 External assurance	About this report	P. 2	Fully reported

Material topics

GRI Standard	GRI Disclosure	Report chapter	Page number(s) or url	Coverage
GRI 302 Energy (2016)	GRI Disclosure 302-1 Energy consumption within the organisation	Environment	P. 34, 62	Fully reported
	GRI Disclosure 302-3 Energy Intensity	Environment	P. 34	Fully reported
GRI 103 (2016) for 302 Energy (2016)	GRI Disclosure 103-1 Explanation of the material topic and its boundary	Environment	P. 34	Fully reported
	GRI Disclosure 103-2 The management approach and its components	Environment	P. 34	Fully reported
	GRI Disclosure 103-3 Evaluation of the management approach	Environment	P. 38	Fully reported
GRI 303 Water and Effluents (2018)	GRI Disclosure 303-1 Interactions with water as a shared resource	Environment	P. 37	Fully reported
	GRI Disclosure 303-2 Management of water discharge-related impacts	Environment	P. 37	Fully reported
	GRI Disclosure 303-3 Water withdrawal	Environment	P. 37, 62	Fully reported
	GRI Disclosure 303-4 Water discharge	Environment	P. 37	Partially reported
	GRI Disclosure 303-5 Water consumption	Additional data	P. 62	Partially reported
GRI 103 (2016) for 303 Water and Effluents (2018)	GRI Disclosure 103-1 Explanation of the material topic and its boundary	Environment	P. 34, 37, 38	Fully reported
	GRI Disclosure 103-2 The management approach and its components	Environment	P. 34, 37, 38	Fully reported
	GRI Disclosure 103-3 Evaluation of the management approach	Environment	P. 37	Fully reported
GRI 304 Bio- diversity (2016)	GRI Disclosure 304-3 Habitats protected or restored	Environment	P. 38	Fully reported
GRI 103 (2016) for 304 Bio- diversity (2016)	GRI Disclosure 103-1 Explanation of the material topic and its boundary	Environment	P. 34, P. 38	Fully reported
	GRI Disclosure 103-2 The management approach and its components	Environment	P. 38	Fully reported
	GRI Disclosure 103-3 Evaluation of the management approach	Environment	P. 38	Fully reported

GRI 305 Emissions (2016)	GRI Disclosure 305-1 Direct (Scope 1) GHG emissions	Environment	P. 34	Fully reported
	GRI Disclosure 305-2 Energy Indirect (Scope 2) GHG emissions	Environment	P. 34	Fully reported
	GRI Disclosure 305-4 GHG emission intensity	Environment	P. 34	Fully reported
GRI 103 (2016) for 305 Emissions (2016)	GRI Disclosure 103-1 Explanation of the material topic and its boundary	Environment	P. 34	Fully reported
	GRI Disclosure 103-2 The management approach and its components	Environment	P. 34	Fully reported
	GRI Disclosure 103-3 Evaluation of the management approach	Environment	P. 38	Fully reported
GRI 306 Waste (2020)	GRI Disclosure 306-1 Waste generation and significant waste-related impacts	Towards a future-proof economy	P. 42	Fully reported
	GRI Disclosure 306-2 Management of significant waste-related impacts	Towards a future-proof economy	P. 41, 42, 43, 44	Fully reported
	GRI Disclosure 306-3 Waste generated	Towards a future-proof economy	P. 42	Fully reported
GRI 103 (2016) for 306 Waste (2020)	GRI Disclosure 103-1 Explanation of the material topic and its boundary	Towards a future-proof economy	P. 34	Fully reported
	GRI Disclosure 103-2 The management approach and its components	Towards a future-proof economy	P. 34, 41, 42, 43, 44	Fully reported
	GRI Disclosure 103-3 Evaluation of the management approach	Towards a future-proof economy	P. 44	Fully reported
GRI 403 Occupational Health and Safety (2018)	GRI Disclosure 403-1 Occupational health and safety management system	Health, safety and well-being	P. 30	Fully reported
	GRI Disclosure 403-2 Hazard identification, risk assessment, and incident investigation	Health, safety and well-being	P. 29	Fully reported
	GRI Disclosure 403-3 Occupational health services	Health, safety and well-being	P. 32	Fully reported
	GRI Disclosure 403-4 Worker participation, consultation, and communication on occupational health and safety	Health, safety and well-being	P. 31, 53	Fully reported
	GRI Disclosure 403-5 Worker training on occupational health and safety	Health, safety and well-being	P. 29, 30, 31	Fully reported
	GRI Disclosure 403-6 Promotion of worker health	Health, safety and well-being	P. 31, 32	Fully reported
	GRI Disclosure 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health, safety and well-being	P. 32	Fully reported
	GRI Disclosure 403-9 Work-related injuries	Health, safety and well-being	P. 28	Fully reported
	GRI 103 (2016) for 403 Occupational Health and Safety (2018)	GRI Disclosure 103-1 Explanation of the material topic and its boundary	Health, safety and well-being	P. 28
GRI Disclosure 103-2 The management approach and its components		Health, safety and well-being	P. 28, 29, 30, 31, 32	Fully reported
GRI Disclosure 103-3 Evaluation of the management approach		Health, safety and well-being	P. 30, 32	Fully reported

Additional disclosures

GRI Standard	GRI Disclosure	Report chapter	Page number(s) or url	Coverage
GRI 103 (2016) for 202 Market Presence (2016)	GRI Disclosure 103-2 The management approach and its components	Community relations	P. 46	Partially reported
GRI 207 Tax (2019)	GRI Disclosure 207-1 Approach to tax	What Etex stands for – Our culture, values and governance	P. 16, 62	Fully reported
GRI 103 (2016) for 207 Tax (2019)	GRI Disclosure 103-1 Explanation of the material topic and its boundary	What Etex stands for – Our culture, values and governance	P. 16	Fully reported
GRI 103 (2016) for 412 Human Rights Assessment (2016)	GRI Disclosure 103-1 Explanation of the material topic and its boundary	What Etex stands for – Our culture, values and governance	P. 15	Partially reported
	GRI Disclosure 103-2 The management approach and its components	What Etex stands for – Our culture, values and governance	P. 15	Partially reported

GRI 401 Employment (2016)	GRI Disclosure 401-1 New employee hires and employee turnover	About Etex	P. 9	Partially reported
GRI 103 (2016) for 413 Local Communities (2016)	GRI Disclosure 103-2 The management approach and its components	Community relations	P. 46	Partially reported
GRI 404 Training and Education (2016)	GRI Disclosure 404-2 Programmes for upgrading employee skills and transition assistance programmes	Our people and culture	P. 25	Partially reported



11 Additional data

Top 10 Etex operational countries based on the number of employees (in 2020)

GRI 102-4

Country	Employees
 France	1,678
 Belgium	1,367
 Germany	976
 United Kingdom	830
 Peru	605
 Chile	588
 Colombia	546
 Argentina	443
 Nigeria	409
 Australia	356

Tax charge by country/region

GRI 207-1

The following table shows the tax charge (current tax and deferred tax) of all Etex companies for 2020 by country. Negative amounts correspond to a net tax charge, whilst positive amounts represent a net tax income.

Region/country	Tax charge
Europe	-17,228
Austria	-1,220
Bosnia and Herzegovina	0
Belgium	-2,051
Denmark	299
Germany	-3,935
France	6,176
Hungary	-1,408
Ireland	-163
Italy	1,501
Lithuania	-207
Luxembourg	7,804
Poland	-4,277
Portugal	-30
Romania	-921
Russia	111
Serbia	-4
Slovenia	-11
Spain	-849
Switzerland	-14
The Netherlands	-1,750
Ukraine	-601
United Kingdom	-15,838
Latin America	-17,717
Argentina	-4,289
Brazil	-2,809
Chile	-2,968
Colombia	-1,818
Ecuador	-240
Mexico	-1,251
Peru	-4,342
Uruguay	0
Rest of the world	-8,659
United Arab Emirates	0
Australia	-1,085
Botswana	0
China	-936
Indonesia	-507
India	0
Japan	453
Morocco	0
Malaysia	67
Mozambique	0
Namibia	0
Nigeria	-6,544
Singapore	83
South Africa	-232
United States	41
TOTAL	-43,604

Energy-related KPIs

(in addition to the KPIs reported in the [Environment chapter](#))

GRI 302-1

These energy figures include Etex's operations with the exception of the following activities: Residential Roofing and plasterboard paper (Papeterie de Bègles, France) both divested in 2020. Diesel consumption has been converted into kWh with a 9.7kWh/litre factor. In our operations, we do not consume cooling beyond self-generated cooling, which has been accounted for through other KPIs. In 2020, all energy generated at Etex's sites, e.g. renewable electricity, has been consumed by the site. Etex did not sell energy to third parties.

	2018	2019	2020
Total fuel consumption from non-renewable sources (GWh)	4,030	4,148	3,846
Total fuel consumption from renewable sources	0	0	0
Total electricity consumption, in GWh	589.56		535.71
Total heating (including steam) consumption, in GWh	74.61	79.74	72.47

Water-related KPIs

(in addition to the KPIs reported in the [Environment chapter](#))

GRI 303-3 303-5

These water-related figures include Etex's operations with the exception of the following entities: Residential Roofing and plasterboard paper (Papeterie de Bègles, France) both divested in 2020. At Etex, water storage has not been identified as having a significant water-related impact. Water stress is defined as 'Medium High', 'High' and 'Extremely High', according to the WRI Aqueduct Water Stress Atlas.

	2018	2019	2020
Water withdrawal from all areas with water stress in megalitres – Surface water	823.50	823.77	733.10
Water withdrawal from all areas with water stress in megalitres – Groundwater	1,126.94	1,211.78	1,085.61
Water withdrawal from all areas with water stress in megalitres – Seawater	0	0	0
Water withdrawal from all areas with water stress in megalitres – Produced water	0	0	0
Water withdrawal from all areas with water stress in megalitres – Third party water	1,110.07	1,267.69	1,212.05
Total water withdrawal from all areas with water stress in megalitres	3,098.93	3,292.73	3,019.50

Additional water consumption KPI	2018	2019	2020
Total water consumption from all areas with water stress in megalitres	2,231.07	2,427.32	2,222.03

Building for the future

Sustainability Report 2020



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