

**Constructing
the future** 

Sustainability Report 2021

Commencing our journey

2022-2025



SIG

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2025

Zero waste to landfill over the next four years

Social

£69,750

Raised for charity in 2021

Governance

7 GRI

Standards being reported against

Environmental

47%

Reduction in operational emissions over the last 10 years

Section 1

Overview



FOREWORD

We are committed to changing how we operate and achieving a carbon net-zero position by 2035.

Foreword from our UK Managing Director

It will take time for the global community to repair and restore the years of damage to our climate. There is an enormous amount of work to be undertaken to tackle the environmental, social and economic crises our world faces as a result of climate change. As a business with sustainable foundations, it's our responsibility to build on our story and embed a renewed focus on sustainability within the DNA of SIG.

As much as I wish it to be the case, the actions we take as a company will not provide an overnight solution. We must be realistic about our targets and ability to deliver on our promises. However, it's my firm belief that with every additional business and individual committed to making the changes needed, we can reverse the current situation and once again create a clean, healthy environment for future generations.

We hold a key position in the marketplace that we must not take for granted - we are at the centre of the supply chain. This provides us with a prime vantage point from which to work with both suppliers and customers to deliver a defined sustainable product range that meets and exceeds environmental standards.

We're committed to changing how we operate and achieving a carbon net-zero position by 2035. In line with this goal, we will also aid our customers in achieving their net-zero goals, through offering new age products with net-zero carbon applications.

Our people are the heart of our business and the areas of environmental, social and governance ("ESG"), collectively referred to as "sustainability", have a huge part to play in the way we operate and the conditions that we create for our people. We're passionate about becoming a company that's reflective of the community it serves, that's why we're driving a series of initiatives across all aspects of ESG.

At SIG, a huge amount of emphasis has been put on this subject within a short space of time. I'd like to thank the commitment of our leadership personnel and every member of the team for our achievements to date. In particular, I'd like to thank our ESG Director, Lorna Stork, who is resolutely focused and determined in driving our sustainability agenda.

In this UK report, we've outlined the ambitious, diverse sustainability commitments and targets that we are absolutely dedicated to achieving. We know there will be unforeseen events which may disrupt our journey but, in the same way that we rose to the challenge of the COVID-19 pandemic and were still able to make substantial headway on our business goals, we will rise and overcome the next challenges and continue to deliver on our sustainability promises.

I'm extremely proud of our people's continuous efforts to expand our knowledge, deliver new thinking and grow our industry influence. I am confident that we are accelerating our positive action to a point where we'll soon be recognised as a leader across the industry for environmental, social and governance best practices.

Philip Johns,
SIG UK Managing Director

“ As a business with sustainable foundations, it's our responsibility to build on our story and embed a renewed focus on sustainability within the DNA of SIG. ”

Philip Johns, UK Managing Director



OUR ESG APPROACH

Born Green - SIG's history of sustainability

We are delighted to have published our first Sustainability Report, which addresses the three integrated categories of sustainability; **Environmental, Social and Governance.**

We've always been doing the right thing; the difference now is that we have taken great strides to bring our actions together under one cohesive strategy to achieve a leading ESG position over the coming years. This ties into our unique positioning within the construction supply chain and our ability to support the industry to achieve increasingly challenging carbon reduction targets.

We say that SIG was "born green" because our environmental awareness and credentials can be traced all the way back to our founding roots in 1957. Our business is consistently recognised for the ongoing work we've delivered and the contribution we've made to the industry. Most importantly, this includes our efforts to develop new markets around the critical issues affecting everyday people, for example, the current energy crisis.



1957

Sheffield Insulations Limited is founded by Ernest Adsetts with the principal activity of "Wholesale and Retail Distribution of Insulating Materials".

1973-79

SIG leads the UK construction industry's response to the energy crises, entering the new arena of energy conservation. The Group seized the opportunity presented by this and by the Government's "Save it" campaign.

1981

Sir Norman Adsetts joins, and subsequently becomes Chairman of the Association for the Conservation of Energy, which proves to have great success in increasing the awareness of the need to save energy.

1987

In the year coined the "Energy efficiency year" by the Secretary of State for Energy, Sir Norman is awarded an OBE for his services to energy conservation.

1990s

Continued focus on energy conservation drives higher insulation standards and robust demand during this period. SIG leverages the UK Government's allocation of finance for the Home Energy Efficiency Scheme.

2000s

New measures to alleviate fuel poverty such as the Energy Efficiency commitments and Carbon Emissions Reduction target. SIG supports priority customer groups, who benefit from the installation of insulation free of charge.

2010s

Market and product regulation in late 2012 brings an increase in compliance to make British homes more efficient. SIG is now looking to lead the way in providing sustainable product offerings.

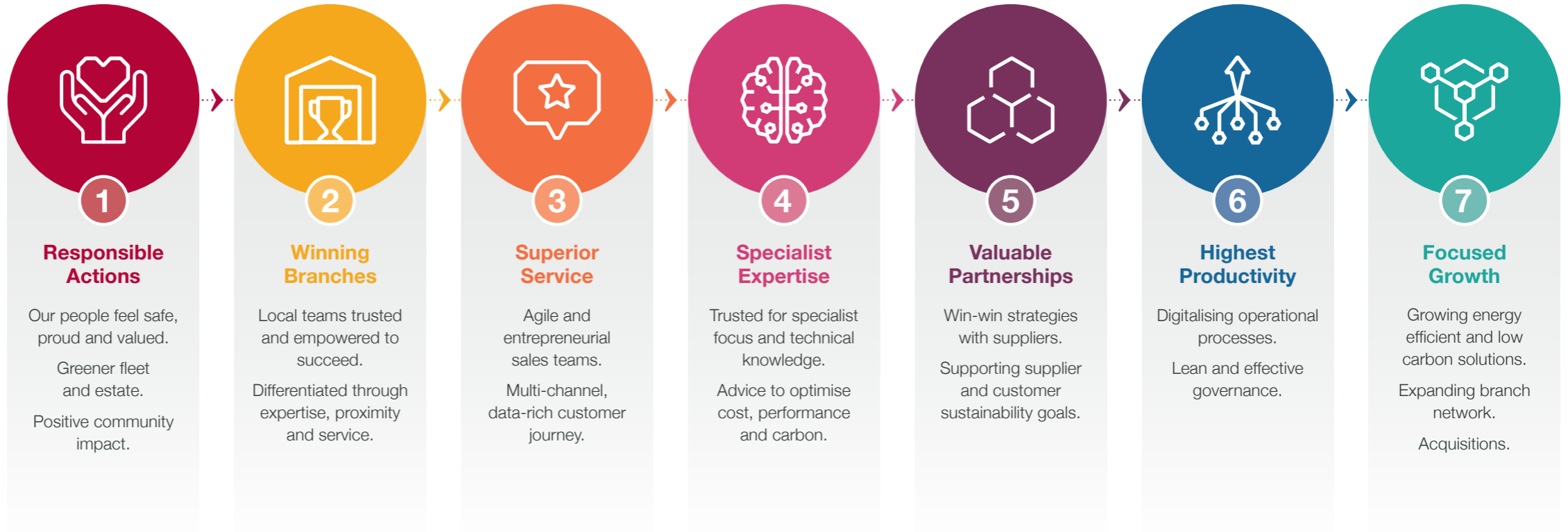
OUR ESG APPROACH

Introducing our **Seven Strategic Pillars**

Built to ensure that we continuously grow our leadership position and market share through expertise, service and proximity.

The commitments SIG has made under our Seven Strategic Pillars framework set out to minimise the impact of our operations on the natural environment and provide a progressive, caring employee work environment, while adhering to the highest standards of governance.

The first pillar, Responsible Actions, directly refers to the social and environmental responsibility that we are determined to make an indispensable condition when implementing our sustainability strategy at every level.



OUR ESG APPROACH

Underpinned by our **Five Sustainability Commitments**

Health & safety leader in building materials distribution

Measure

- “Our people feel safe” (from the employee engagement survey).
- Lost Time Injury Frequency Rate (“LTIFR”).



Net-zero carbon by 2035 at the latest

Measure

- Emissions by Scope 1, Scope 2 and travel.
- Current fleet mix by fuel type.



Zero SIG waste to landfill by 2025

Measure

- Percentage of waste diverted from landfill.
- Details of types of waste such as hazardous and non-hazardous.



Partner with manufacturers and customers to reduce carbon and waste across the supply chain

Measure

- Scope 3 emissions.



Employer of choice in building materials distribution

Measure

- Employee Net Promoter Score (eNPS).
- Diversity statistics.

Aligned with the SIG Group position, we announced five overarching sustainability commitments in 2021 to underpin our ESG strategy moving forwards.

OUR ESG APPROACH

Delivering through “3 Strategic Stages”

Our sustainability strategy is addressed and implemented against the following “3-in-10” strategic framework of Commencing, Advancing and Completing:



STAGE 1

Commencing the Journey

Commencing the journey is the crucial first step that allows our business to be practical in its implementation of key initiatives. There will be some initiatives that are more successful than others, hence why the recommendation is to allow three years for this stage.

Years 1-3



STAGE 2

Advancing the Journey

Advancing the journey will come in a series of actions that follow the evolution and maturation of sustainability programmes. For example, through technology enhancements or improvements in renewable fuels. During this period there will be advancement stages 1.0-4.0.

Years 4-7



STAGE 3

Completing the Journey

Completing the journey in the final years involves taking the last corrective and mitigating actions to achieve the targeted net-zero position. For example, verification of the natural capital solutions deployed to address the 10% of residual carbon which cannot otherwise be mitigated.

Years 8-10



Commencing The Journey

We commenced our journey in the UK in 2021 and during the first 12 months we have made considerable progress, as illustrated by:

- **A 52% reduction in our operational carbon footprint** compared with our emissions level in 2010. This is based on figures from our 2019 carbon audit as it represents the last year in which our business activities remained unaffected by COVID-19.
- **Positive feedback from our company-wide 2021 employee engagement survey** showed strong support for our aim to be an employer of choice. 84% of our people agreed or strongly agreed that SIG employees are treated with respect regardless of their age, gender and cultural background.
- **Our refreshed health & safety culture** with several new senior level employees who joined the company to bring enhanced capability and know-how throughout the organisation, as well as expansion of the senior team dedicated to making sustainability a brand differentiator for the UK.
- **Improvement in governance robustness** to better support our ESG agenda with the establishment of a CEO-led ESG steering group.

OUR ESG APPROACH

Determining our sustainability priorities

At the start of 2021, we determined the ESG areas that are of primary significance to the company and its internal stakeholders through a comprehensive process that sought and considered the views and concerns of a range of employees. We have since used this insight to build a clear picture of our collective priorities.

The most important priorities identified were:

- **Carbon reduction** – Reflecting the climate emergency that has come sharply into focus during the last year.
- **Health & safety** – Doing all that we can to make everyone in our organisation always feel safe.
- **Employee well-being** – Ensuring that our people continue to feel connected and valued.
- **Supply chain management** – In particular, focusing on the responsible sourcing of materials and the human rights elements within the complete supply chain.
- **Product innovation** – Positioning ourselves at the forefront of sustainable product innovation.

Key commitments to drive improvements in these areas:

- **Carbon reduction** – We will achieve 35% emissions reduction by 2026 and reach net-zero carbon by 2035 for our emissions categorised by Scope 1, 2 and travel.
- **Health & safety** – We will conduct ongoing site renovations and improvements to welfare facilities to help make sure our branches are places where people want and are proud to work.
- **Employee well-being** – We will launch our ESG Employee Engagement programmes across the company, building on initial pilot branch activities.

- **Supply chain management** – We will have a defined range of sustainable products and provide data on the embodied carbon and carbon-in-use for our core products.
- **Product innovation** – We will partner with universities and think tanks to help define our sustainable products and devise future innovations.

We are aligning our sustainability priorities and commitments to tackle the global challenges as recognised by the United Nations' Sustainable Development Goals.



OUR ESG APPROACH

Supporting the UN SDGs

The Sustainable Development Goals (“SDGs”), also known as the Global Goals, were adopted by the United Nations in 2015 as a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity. The collection of 17 interlinked global goals has been designed as a “blueprint to achieve a better and more sustainable future for all” by addressing the global challenges we face, including those related to inequality, climate change, responsible consumption and production. They recognise that action in one area will affect outcomes in others, and that development must balance social, economic and environmental sustainability.

We welcome the framework as it is committed to solving global issues, and these universal principles support our commitment to responsible business operations. Our industry is resource-intensive, and we are aware of the huge challenges we face to mitigate our adverse impact on the environment.

Through our commitment to always doing the right thing, we are already directly supporting several of the SDGs. However, to achieve sustainable long-term value creation for all our stakeholders, we have consciously set out to align our operations with all of the UN SDGs. This will form the primary framework against which to map our sustainability plans.



Of the 17 SDGs, six align directly with our focus areas in this current phase of “Commencing” our sustainability journey:

- 

SDG 3: Good Health and Well-being
Ensure healthy lives and promote well-being for all, at all ages.
- 

SDG 5: Gender Equality
Achieve gender equality and empower all gender groups.
- 

SDG 9: Industry, Innovation and Infrastructure
Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.
- 

SDG 11: Sustainable Cities and Communities
Make cities and human settlements inclusive, safe, resilient and sustainable.
- 

SDG 12: Responsible Consumption and Production
Ensure sustainable consumption and production patterns.
- 

SDG 13: Climate Action
Take urgent action to combat climate change and its impacts.

Looking ahead to next year, our leading commitments will be explicitly aligned to the above SDGs to show how we are delivering against these goals. As we advance our journey, we will further align our processes with more of the SDGs and encourage all our supply chain partners to join us in tackling this challenge.

OUR ESG APPROACH

Aligning with our Group principles

SIG Group has set out a series of ESG principles to provide the framework for how we operate.

Code of conduct

Our Code of Conduct sets out our ethical standards and expected behaviours from all employees of the Group. The Code of Conduct provides guidance on how to manage certain situations, where to go for advice, and outlines our obligations across several business policies, including anti-bribery, corruption, ethical trading, and human rights. The Code of Conduct is supported by our Group and local policies, procedures and guidelines that are designed to protect the business and our employees from legal, financial, and reputational risk. A confidential and independent hotline service is available to all employees so that they can raise any concerns about how the Group conducts its business. SIG believes this is an important resource, which supports a culture of openness throughout the Group. The service is provided by an independent third party with a full investigation being carried out on all matters raised and a report prepared for feedback to the concerned party, where possible. The Code of Conduct is available on our website (www.sigplc.com).

Diversity and equal opportunities

Our D&EO Policy promotes equality and diversity in the workforce as well as prohibits discrimination in any form. We encourage and consider all applications from individuals with recognised disabilities to ensure they have equal opportunities for employment and development within the business.

If an employee becomes disabled during employment, every effort is made to ensure they can continue in employment by making reasonable adjustments in the workplace or by providing retraining for alternative work, where necessary.

Ethical trading and human rights

Our Ethical Trading and Human Rights Policy covers the main issues that may be encountered with product sourcing and sets out the standards of professionalism and integrity that should be maintained by employees in all Group operations worldwide. The policy sets out standards concerning:

- Safe and fair working conditions for employees.
- Responsible management of social and environmental issues within the Group.
- Standards in the international supply chain.

SIG promotes human rights through its employment policies and practices, supply chain, and the responsible use of its products and services.

Anti-bribery and corruption

We have several principles that provide the foundation of sound and fair business practice, one of which is a zero-tolerance position on bribery and corruption. The Group's Anti-bribery and Corruption Policy clearly sets out the ethical standards and requirements to ensure

compliance with legal obligations within the countries in which SIG and its subsidiary companies operate. A copy of the policy is available to view on our website.

All employees across the Group are provided with anti-bribery and corruption training. SIG values its reputation for ethical behaviour, financial probity, and reliability. It recognises that over and above the commission of any crime, any involvement in bribery will also reflect adversely on its image and reputation. Its aim, therefore, is to limit its exposure to bribery and corruption by:

- Setting out a clear policy on anti-bribery and corruption.
- Training all employees so that they can recognise and avoid the use of bribery by themselves and others.
- Encouraging employees to be vigilant and to report any suspicion of bribery, providing them with suitable channels of communication and ensuring sensitive information is treated appropriately.
- Rigorously investigating instances of alleged bribery and assisting the police and other appropriate authorities in any resulting prosecution.
- Taking firm and vigorous action against any individual(s) involved in bribery or corruption.



Modern Slavery Act 2015

The Group has published its Group Modern Slavery statement in respect of the year ended 31 December 2020 on our website in line with the Home Office guidance. We set out to work with our supply chain to ensure there is zero tolerance for slavery.

SIG Assured

SIG Assured is our Compliance Tracking System that ensures the products we stock, by participating suppliers, meet essential regulatory compliance. Whenever UK customers see the SIG "shield of assurance" stamp, they can be confident that their purchase is fully traceable and supported by SIG's Compliance Tracking System appraisal.

TRANSITION TO SUSTAINABLE CONSTRUCTION

Constructing with the future in mind

From the effects of the global pandemic on working conditions and supply chains, through to the energy crisis and the introduction of the UK Environment Act, 2021 will be recognised as a defining year for the construction industry, signalling a decade of accelerated change ahead for our business.

The material changes shaping our industry:

- The UK Government has adopted an ambitious position on the climate emergency. In June 2019, it amended the Climate Change Act (2008) and set a statutory target for net-zero by 2050, becoming the first major economy to do so. This was followed in June 2021 with the target to reduce emissions by 78% by 2035 compared to 1990 pre-industrial levels.
- The UK Government is also committed to achieving the United Nations SDGs defined in the 2030 Agenda for Sustainable Development – of particular relevance to our operations is eliminating avoidable construction waste and decarbonisation.
- The Future Homes Standard is a new set of standards to ensure that new homes built from 2025 will produce 75-80% fewer carbon emissions than homes under current regulations. This will ensure that no further work will be necessary to make these new builds net-zero ready, as they will be powered by the decarbonising grid and not rely on any fossil fuels.
- The United Nations' 26th Climate Change Conference of the Parties ("COP26") saw governments firm up their commitments to net-zero by 2050 (e.g. UK, France, Netherlands, Ireland) and 2045 (Germany). With construction contributing an estimated 40% of the UK's total carbon footprint, almost half of which comes from the energy used in buildings and infrastructure, our industry is centre stage.
- The UK Environment Act received Royal Assent in November 2021 with its aims to deliver long-term targets that improve air quality, biodiversity, water and waste reduction, and resource efficiency.
- Uplifts to the Building Regulations Part L (conservation of fuel and power) and F (ventilation) for improving the energy efficiency of new homes means that from June 2022, new homes will have to produce 31% fewer carbon emissions, and new buildings such as offices and shops will have to cut emissions by 27%. This is paving the way for the 2025 Future Homes Standard.
- The construction industry also proposed Part Z as an amendment to the UK Building Regulations for regulating embodied carbon on all major construction projects. It would require whole life carbon assessments and compliance with embodied carbon limits for projects greater than 1,000m² (or 10 dwellings).
- Other building standards, such as the Energy Performance Certificate ("EPC") rating, are also being revised upwards. This is specifically for private and social rented properties which will need to achieve a C rating (currently E) by December 2028 for existing tenancies and new tenancies after December 2025.
- The Code for Construction Product Information ("CCPI") was recently published to drive higher standards in the presentation of construction product information. It sets out to ensure that the information manufacturers provide is clear, accurate, up-to-date, accessible and

unambiguous. We have set up a compliance team to support customers and are taking an active role to help the industry.

- The fiscal stimulus of the UK's "Build Back Better" programme has an added sustainability focus to support growth through significant investment in infrastructure, skills and innovation while aiming to level up the regions of the UK, enable the transition to net-zero and pursue its vision of "Global Britain".
- The COVID-19 pandemic created an unprecedented level of disruption in the UK's construction industry from 2020 to 2021, and it will be some time before this is fully resolved.
- Structural Renovation Maintenance Improvement ("RMI") demand from the shift to home working that accelerated during the pandemic has increased consumer intent for home renovation. With approximately 50% of sales in RMI and the concentration in energy efficiency categories expected to grow ahead of overall construction activity, we are well placed.
- Digital adoption in construction lags behind some other industries, but the direction is clear and accelerating, driven by sustainability trends, pandemic disruption, and inflation.

Fast-changing landscape and industry focus

The construction industry's commitment to construct with the future in mind creates five opportunities for our business to capture significant commercial benefits while reducing the carbon emissions along our value chain.

- 1 Increase exposure to green trends
- 2 Partner with suppliers to accelerate uptake of low-carbon products
- 3 Reframe the strategic conversation with large accounts
- 4 Facilitate growth in the circular economy
- 5 Provide value-added services

TRANSITION TO SUSTAINABLE CONSTRUCTION

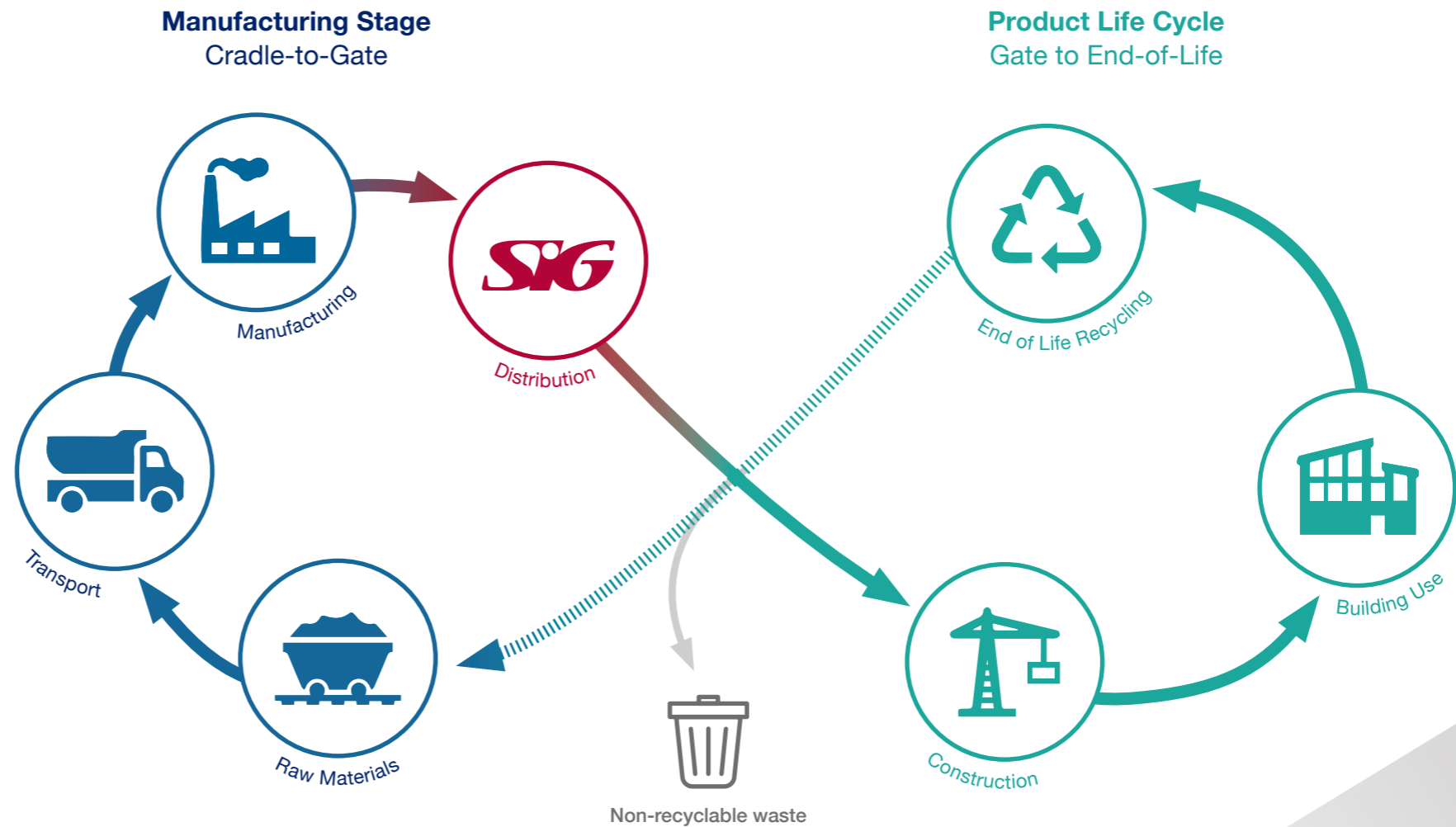
Decarbonising the industry

We fully support the industry's transition to sustainable construction and are already making strong progress by driving change across our operations.

Our approach to decarbonising the industry includes; reducing emissions from our operations, promoting the use of lower-carbon materials, helping customers make trade-offs when it comes to embodied carbon and through our long-established focus on energy efficiency solutions.

Our history shows that we have always considered energy conservation and sustainability within our ethos, as illustrated by many of our core products which have served energy efficiency needs since the 1970s. We are a leading supplier of specialist insulation and sustainable building products and solutions, differentiated through expertise, service and customer proximity.

With the accelerating focus on environmentally conscious processes, we have reimagined one of our founding principles of being "born green" and drawing on 60 years of experience, we can support customers and suppliers to take tangible steps towards more sustainable construction too.



TRANSITION TO SUSTAINABLE CONSTRUCTION

Leading the way as specialist distributors

As part of our strategic approach, we have looked extensively at our peers, at investor / regulator expectations, and drawn on actions and ideas already happening across our business. Through experience, we have found that sustainability is multifaceted across our product and service offerings – it is not as simple as green versus non-green products.

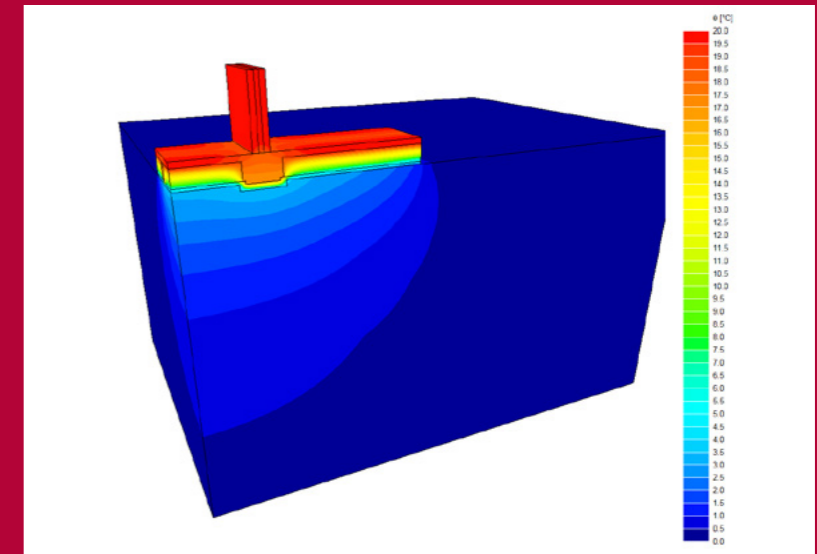
Our sustainability vision is to lead the shift towards a circular and sustainable construction product supply chain. As one of the largest specialist distributors in the UK market, we have several roles to play in partnership with our customers and suppliers, including:

- Raising awareness of energy efficiency opportunities and the changing carbon regulation.
- Scaling up new lower-carbon product solutions.
- Helping customers optimise costs with insulation performance and embodied carbon reductions.
- Coordinating complex logistics to reduce on-site cost and waste.
- Providing ancillary services such as data, technical advice and support.
- Backhauling waste from customers to suppliers.
- Reducing emissions from our operations.



CASE STUDY

SIG360



Our SIG360 technical support team helps to value-engineer projects that support our customers to make the right choices in products and services that ultimately reduce carbon in the built environment. A holistic approach is taken to assess fire safety, thermal retention, acoustic leakage and carbon savings. Customer requirements are evaluated, and preferences are noted regarding building technique, micro renewable energy technology and building timetables.

Following analysis of these factors, our SIG360 team provides product specification and technical notes, highlighting where savings have been made to costs and energy usage through Standard Assessment Procedure (SAP) calculations, which underpins the Energy Performance Certification, U Value calculation, and condensation risk analysis. This enables the team to model dwellings to meet current standards and satisfy operational net-zero carbon.

ABOUT THIS REPORT

Our philosophy within this report

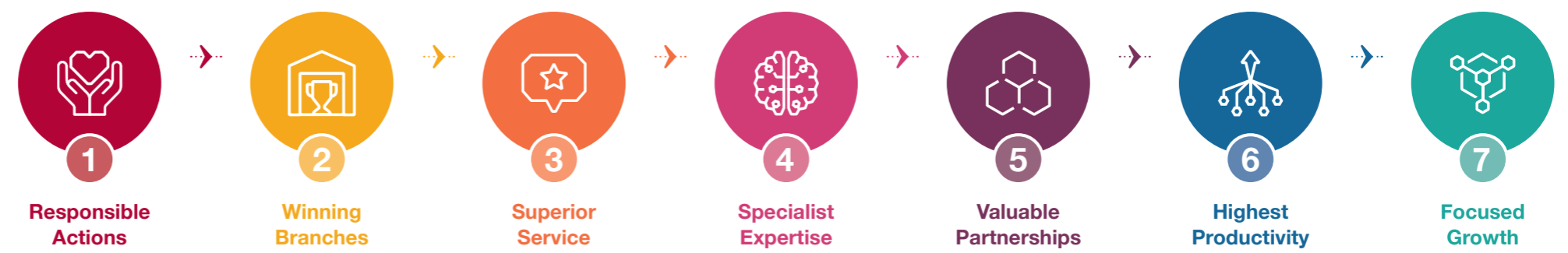
Across the company, we believe in humility, transparency and accountability. This report is one way we plan to deliver on these principles by sharing details of our progress and challenges as we “Commence the Journey” to align our operational and employee priorities with the SDGs.

This report sets out our commitments across the environmental, social, and governance spectrum, with each occupying a chapter. Within each chapter, you will find details of our commitments and a selection of accomplishments from our work in 2020-2021, along with some hints at what’s to follow over the coming years.

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Section 2

Environmental

OUR APPROACH

Defining emissions categories

Sustainability credentials are an integral part of our history and future success that will continue to evolve alongside our offerings and customer needs.

Increasing awareness of the need for sustainable construction plays to our strengths and represents a significant opportunity.

Sustainability is important for our customers, who are increasingly looking for product offerings that support the evolving legislative focus regarding the decarbonisation of new builds and retrofits. We recognise their expectation of us to hold product data regarding sustainability credentials, predominantly embodied carbon (manufacturing stage and performance-in-use), and to have a net-zero strategy in place, among other things.

Our most direct environmental responsibility is to reduce the carbon footprint of our operations. These emissions are referred to as “operational emissions” and are divided into two scopes – Scope 1 and Scope 2.

SCOPE 1

Direct emissions from our owned or controlled sources.

SCOPE 2

Indirect emissions from the generation of purchased electricity, heating or cooling.

SCOPE 3

Non-direct operational emissions, including all other indirect emissions that occur across our value / supply chain.

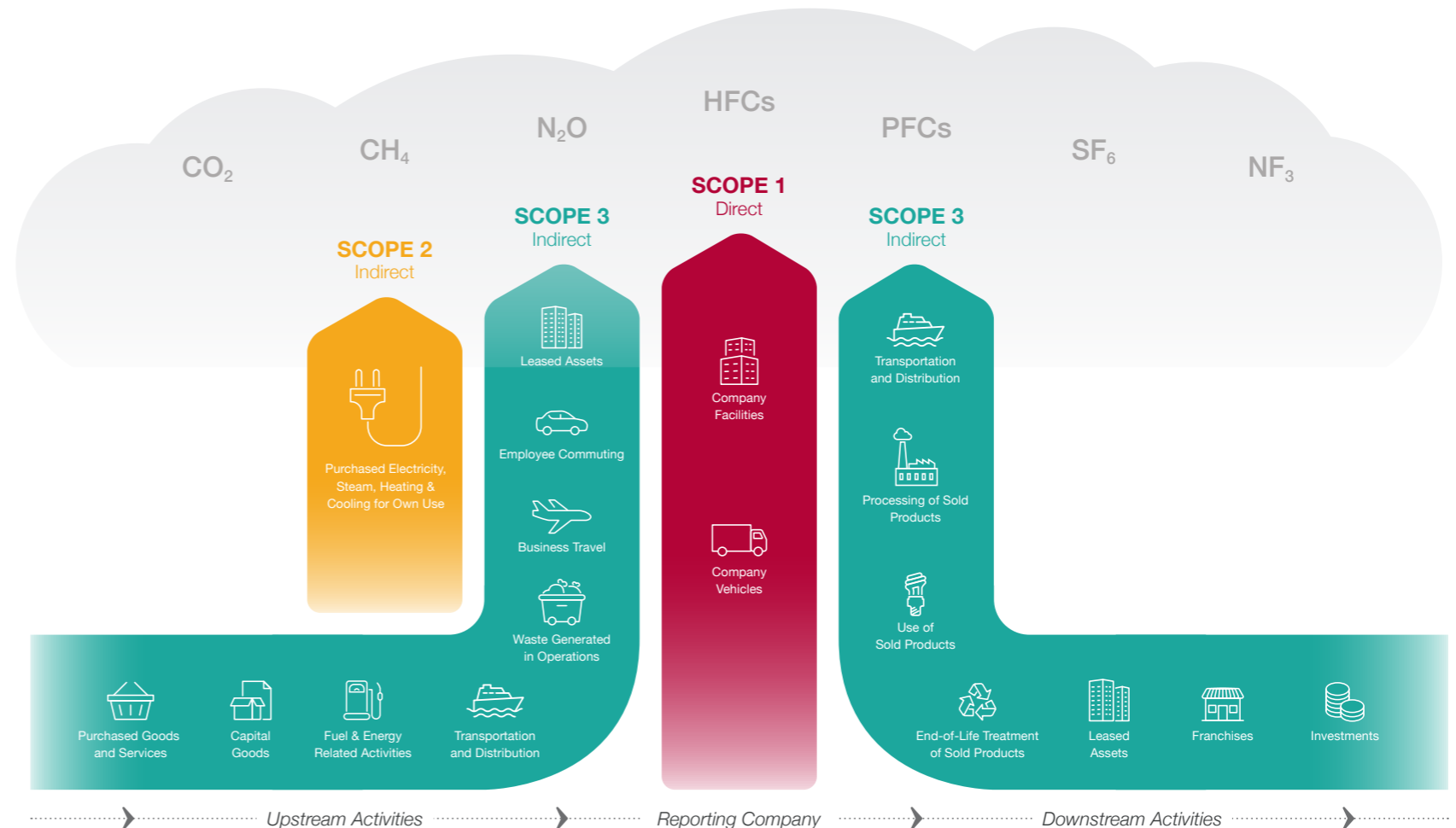
Greenhouse Gases Guide:

Carbon Dioxide (CO₂): Increased in abundance due to the combustion of fossil fuels and deforestation. Not the most potent but due to its abundance and the fact it lingers for 300-1,000 years in the atmosphere, it has the largest impact.

Methane (CH₄): More potent than carbon dioxide, it has a residence time of around 10 years and is present in lower volumes. Human activity has inflated the methane concentration in the atmosphere from natural gas system leakages and the raising of livestock.

Nitrous Oxide (N₂O): Produced through the use of commercial and organic fertilisers, fossil fuel combustion and biomass burning.

Industrial greenhouse gases: Hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF₆), nitrogen trifluoride (NF₃).



OUR APPROACH

Eliminating carbon from our operations

To prevent the worst effects of the rapidly changing climate, the world needs to transition to a net-zero carbon emissions economy by 2050. SIG is working towards net-zero by 2035 for our operational emissions and the travel component of our Scope 3 emissions.

This means we are setting out to eliminate 22,923 metric tonnes of greenhouse gas emissions (2021) from our operations.

Our immediate priority is to address key emitting areas including our fleet and branches. Alongside our net-zero carbon target, we have also committed to zero SIG waste to landfill by 2025 through waste reduction, waste segregation, reuse of packaging and paperless processes.

Furthermore, we recognise the importance of our natural environment and are committed to addressing our residual carbon, typically attributed to the 10% of a business's carbon footprint that cannot be mitigated by changes in operating methods.

Residual carbon is best addressed through natural capital solutions such as new habitats and woodland creation. Therefore, we plan to develop strong partnerships and working relationships with environmental organisations to contribute towards natural habitat enhancement and protection.

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CARBON FOOTPRINT MITIGATION

Breaking down our operational emissions

We annually measure and report our carbon footprint under the Streamlined Energy and Carbon Reporting (“SECR”) regulation, with our accounting processes externally assessed to the ISO14064-3 standard. We are proud to have held accreditation to ISO14001 Environmental Management Standards since 2006.

We have been measuring the categories of Scope 1 & 2 emissions since 2010 and have made steady progress to reduce the figures year on year.

Our operational emissions have halved over the last ten years, from 56,211 metric tonnes of carbon dioxide equivalent (CO2e) in 2010 to 26,691 metric tonnes in 2019. 2020 and 2021 are regarded as anomalous years due to the COVID-19 pandemic.

Since 2013, we have been capturing data for a small proportion of Scope 3 emissions – our business travel. We will soon start collaborating with partners across our supply chains to tackle the bulk of our Scope 3 emissions more comprehensively, as this category will have a notable quantity of emissions.

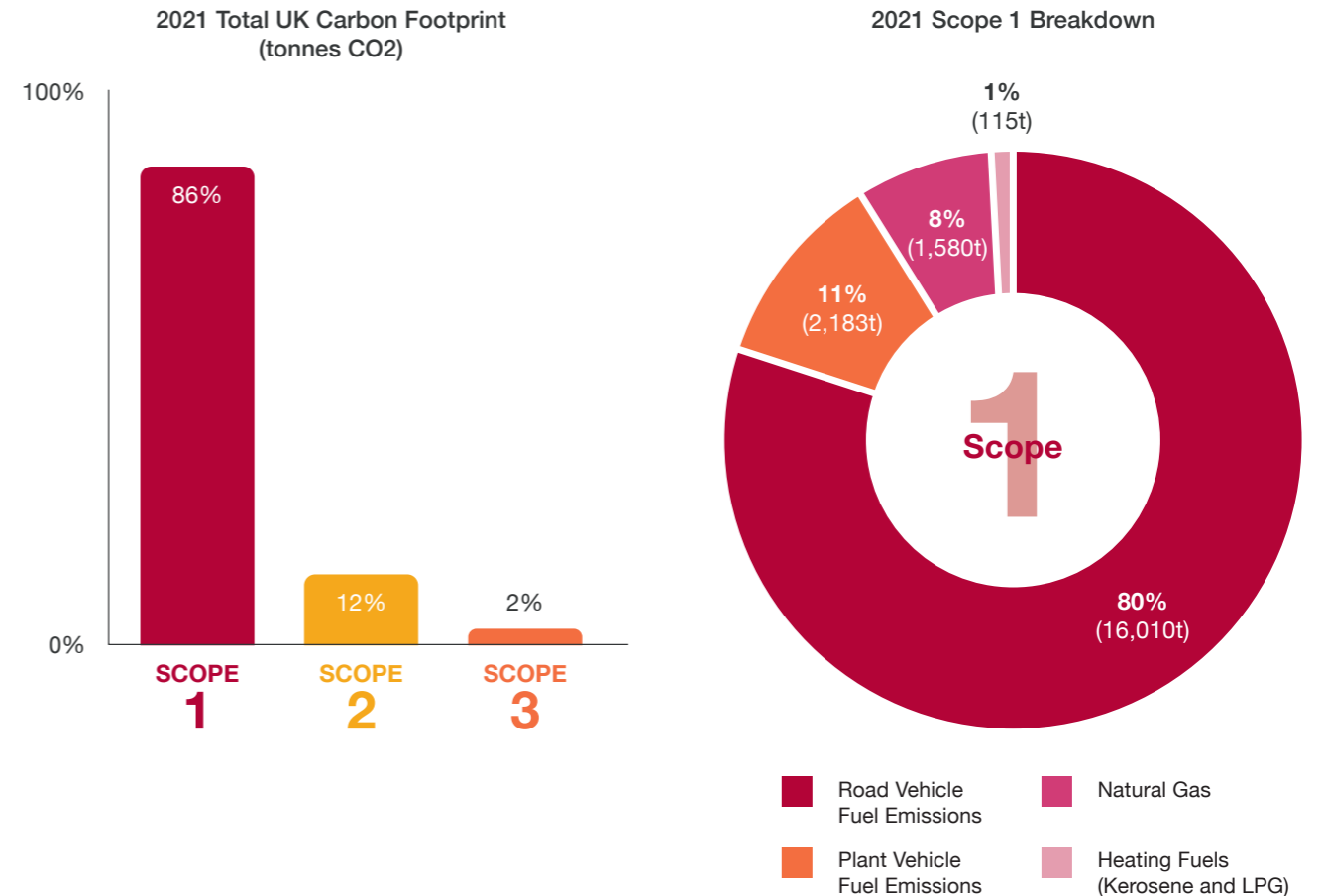
Our environmental data is based on a 12-month reporting period, from October to September. The most recent complete dataset is for the period from October 2020 to September 2021, which we refer to as the 2021 footprint.

SCOPE 1 Emissions

Road vehicle fuel makes up a significant proportion of Scope 1 emissions, comprising 84% of 2019 emissions, 84.6% of 2020 emissions and 86% of 2021 emissions. Plant vehicle fuel is the second highest source of Scope 1 emissions, comprising 10.5% in 2019 and 11.8% in 2020.

SCOPE 2 Emissions

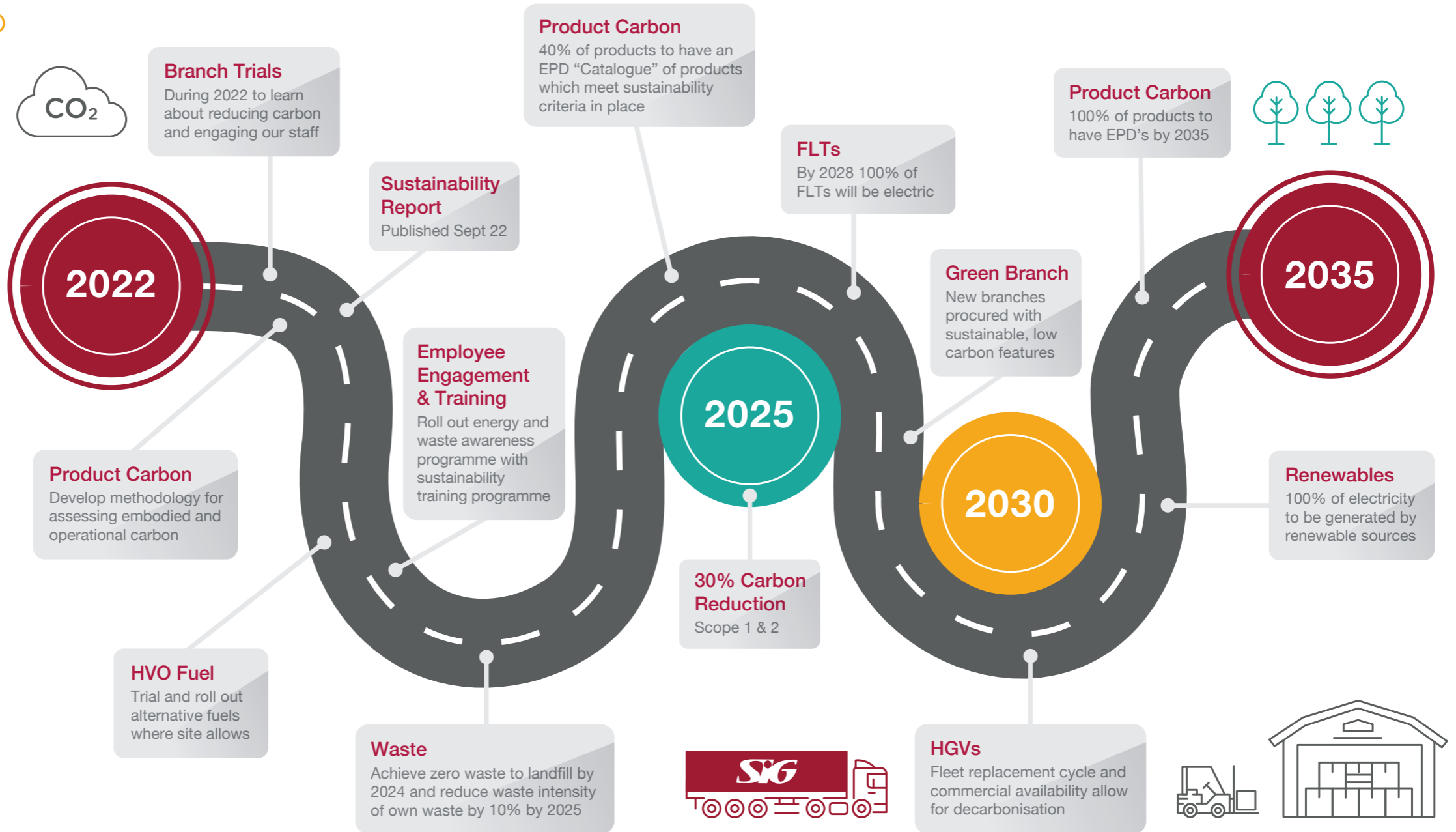
Scope 2 emissions are comprised of purchased electricity for buildings and represent 12% in 2021.



CARBON FOOTPRINT MITIGATION

Getting to net-zero

We have designed a road map for Scopes 1 & 2 to decarbonise our people, products, estate and fleet.



CARBON FOOTPRINT MITIGATION

Reducing our Scope 1 & 2 emissions by 35% by 2026

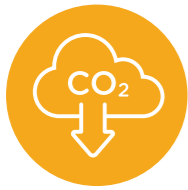
The following have been designed as interim targets:



PRODUCT & SUPPLY CHAIN

Product strategy

We have defined our sustainability criteria based on products that:

**Minimise**

embodied and upfront carbon generation

**Conserve**

energy through the lifetime performance in a building

**Generate**

or store renewable energy to reduce demand on virgin fossil fuels

We will have an initial focus on insulation products as it is likely that the sales demand for insulation will decouple from general construction materials. This is anticipated due to the increasing regulatory requirements for retrofit and the need to insulate homes for energy conservation to address current fuel poverty.

CASE STUDY

Zero Carbon Business Champion

We set out to be a CO₂nstruct Zero Carbon Business Champion and are well placed to help implement real change and support the industry to become net-zero by 2050. CO₂nstruct Zero is the Construction Leadership Council's response to the Government's Ten Point Plan (Department for Business, Energy & Industrial Strategy, 2020) for a Green Industrial Revolution and is backed by the Builders Merchants Federation.

The CO₂nstruct Zero programme aims to drive carbon out of all parts of the construction supply chain by 2050 and set out how the construction industry can meet the net-zero carbon challenges declared by the Government. Our proposed journey to carbon net-zero was assessed by the CO₂nstruct Zero programme team in 2021 and ultimately approved with the announcement of our Zero Carbon Business Champion status.

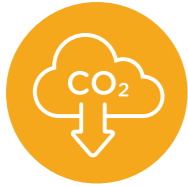
We have developed a comprehensive road map for current initiatives to achieve the goal of reaching net-zero in Scopes 1, 2 and business travel by 2035, including setting annual targets for



the business. As well as reducing our internal carbon footprint, we are working closely with suppliers to understand their sustainability goals and have implemented additional information requests to capture product and manufacturer sustainability information. This appointment is the latest in a series of partnerships that outline our firm dedication to reach net-zero goals and drive greater clarity and awareness down the supply chain.

PRODUCT & SUPPLY CHAIN

Product strategy continued

**Minimise carbon**

(at the product and system level)

- In terms of embodied carbon, alongside the raw materials and energy used upfront during manufacture and construction phases.
- SIG's role is to increase customer drive for the embodied carbon data provided in product level Environmental Product Declarations ("EPDs"). Additionally, to provide data, work with existing and new suppliers to obtain EPDs, promote their importance and simplify the range of products that fall into our defined category of "sustainable".

**Conserve energy**

(at the building level)

- During the life cycle of a building through the fabric first approach.
- SIG's focus is on the operational carbon which is measured through the building level SAP calculation (360 team) with the aim of achieving energy performance in line with current climate change targets.

**Generate renewables**

- Through renewable sources such as photovoltaics ("PVs").



Our current thinking for a **SIG Sustainable Product** is one which has an EPD at a minimum, as well as Forest Stewardship Council ("FSC") certification if it is timber-based.

It must also meet one of the following criteria:

- Manufactured with at least 80% recycled content.
- At least 80% of raw materials come from natural renewable sources; timber, hemp, straw, cellulose, or wool.
- EPD data shows reduction in global warming potential of at least 10% from manufacturing process improvements.
- Cradle-to-cradle certification.
- Product-specific waste take-back scheme, which returns the waste directly to the product manufacturing site.
- Possesses a product-specific innovation assessed by SIG Sustainability Team to contribute to carbon reduction.

This initiative is in its early stages and as such we have identified the next steps that are necessary to define our sustainable products:

- Review our existing products based on sustainability criteria.
- Work with Sheffield University "SMASH" team on defining the "sustainable" fields to ensure validity.

PRODUCT & SUPPLY CHAIN

Bringing multi-dimensional sustainability to our partners

We believe that SIG has a responsibility to provide diverse, informed choices for our customers and provide access to the most environmentally-friendly materials in the market that are supported by data and credentials.

Across SIG's categories, sustainability is multi-dimensional. To truly understand sustainability over the life cycle of a product requires considering, and sometimes trading-off:

- The carbon intensity of raw material sourcing / extraction.

- Energy use (and electricity source) during manufacturing.

- Road mileage and vehicle fuel type at each stage of logistics.

- Energy incurred during installation.

- Waste (product and packaging) generated across manufacturing, distribution and construction sites.

- In-use performance, e.g. thermal insulation, acoustic insulation and fire safety; and how these properties sustain over time.

- End-of-life impact of dismantling, re-use, recycling or disposal.



... and difficulty multiplies when considering not just GHG emissions, but also water consumption, hazardous chemicals, biodiversity impact, modern slavery risk, and so on.

We are working to provide customers with a broad set of data covering all of these areas to allow clarity in decision making.

CASE STUDY

Flex-R Sustainability Award



Our Flex-R team was celebrated after their Cwm Mawr project came top in the “Best Sustainability” category at the 2021 SPRA Awards, which recognised the outstanding workmanship and excellence of single-ply roofing projects. They received this award for their collaboration with contractor Randell and Janes Roofing on a distinctive project which sits in an area designated as a Site of Special Scientific Interest. Cwm Mawr has been designed by architect Kinver Kreations as a low-impact dwelling that blends seamlessly with its surroundings. The roof features a large, curved form to

echo the contours of the surrounding hillside, complete with a green top. Requiring a membrane which would be buried beneath the green roof, the project architects needed professional, accurate and warranty-guaranteed installation. Due to the sensitivity of the site, which contains rare plants and flowers of scientific interest, our Flex-R team worked with the roofing contractors to carefully plan the installation and overcome any challenges, including the avoidance of the use of heavy machinery that may have damaged the landscape.

PRODUCT & SUPPLY CHAIN

Strengthening our environmental credentials

Manufacturers' growing adoption of EPDs, which provide estimates of embodied carbon, is increasing the need for expert sales and solution design support. Embodied carbon refers to the embedded emissions of goods that are being consumed, for example, within the manufacturing process.

As a specialist distributor in our markets, SIG has a key role to play in partnership with customers and suppliers over the coming years.

What's next?

We will be carrying out work alongside our suppliers to promote their climate-friendly products and share information about them with our customers.

Furthermore, we will design a training programme for our frontline branch salespeople to gain a more comprehensive understanding of product information, including the environmental credentials across our range. Looking ahead, we will also be strengthening our procurement policies in favour of more ethical and sustainable procurement and pursuing specifically "green" purchasing in line with increasing customer demand and industry standards.

Alongside this, we are looking to enhance our digital customer interfaces to improve the remote navigation of our products, which in time will contain an area dedicated to our more sustainable goods.

We continue to evaluate new technologies and make investments in the digital workplace to ensure that we maintain a competitive digital proposition. In 2021, we benchmarked our digital capabilities and have identified opportunities for further progress in digital, particularly concerning how we can increase our internal efficiencies and enhance the customer experience. This will form the basis of our focus on developing our digital capabilities throughout the next few years.

CASE STUDY



Driving Sustainability in Supply

By 2023 we intend to have a defined sustainable product range and be able to provide data on the embodied carbon and carbon-in-use for our core products. Creating a common practice for product carbon performance and descriptions will be vital to drive change down the supply chain and offer clarity to our clients. Being clear on what a "green" and "sustainable" product is to SIG, will allow us to:

- Request the information from our current suppliers that our customers are expecting.
- Compare the credentials of new products to market.
- Verify manufacturers' data claims.
- Prevent greenwashing of new products to market.

This is just one part of our sustainability strategy which looks at our footprint as a distributor and how we can help our suppliers and customers reach their goals too. By implementing carbon data transparency within our supply chain, the goal is to accelerate the take up of better performing, lower-carbon products. The result would mean customers possess all the tools needed to make informed decisions and drive change, aiding the development of a wide range of products to meet evolving demand. Many of our suppliers are already hard at work to reduce their own Scope 1 and 2 emissions. At SIG, we have a responsibility to pass this information on and ensure it's as visible and transparent as possible because it accounts for our customers' Scope 3 emissions. With this in place, it'll become far easier to track, measure, and pass on those savings ensuring all our targets are met.

FLEET & BRANCH

Making our fleet greener

By 2024 at least 50% of our fuel usage will be from lower-carbon alternatives.

By 2026 we will have reduced the carbon intensity of our fleet by 20%. 100% of our company cars will be electric (not including PHEVs) and 100% of our HGVs will be fitted with telematics.

By 2028 our FLT fleet will be fully electric.

Our fleet is currently comprised of approximately 500 vehicles doing close to 2,000 deliveries daily. We have set ambitious yet realistic targets to make the transition to electric or lower-carbon alternatives across our fleet. 2025/6 are big changeover years as our vehicles come to the end of their replacement cycle. For our car fleet, it will be viable for 90-95% to transition to fully electric or hybrid vehicles at that time. However, for larger vehicles, especially HGVs, our transition to electric power is dependent on external technological progress.

In the interim, we're investing in lower-carbon technologies for our commercial fleet. We have started a trial of hydro-treated vegetable oil (HVO); a low carbon alternative to diesel which can be used in existing vehicles without any engine adaptations. Produced from waste oils, not virgin crops, combustion of the fuel can result in up to 90% fewer emissions than the traditional diesel currently being used across our fleet. Contingent on the successful outcomes of the pilot, HVO would be

expanded across the entire vehicle fleet as an interim solution whilst electric and hydrogen options become more viable. This will happen at the earliest possible convenience, ensuring the quickest reduction in our fleet's emissions before the more complex undertaking of converting our fleet to electric power.

This will involve obtaining and installing tanks for HVO storage on site so that our vehicles are able to fill up when needed. Looking ahead, we would plan to install our first HVO tanker at SIG's site in Valor Park, with further branch trials to help a more widespread uptake of this scheme.

Telematics is now being used in our fleet to improve route and fuel efficiency to reduce environmental impact. This works by optimising delivery routes to ensure the quickest path is taken. The system also sends information about the journey to our team so that they can understand how their vehicle is performing to help, for example, maintain the tyre pressure. This allows drivers to assess whether there are any faults in real time. We also operate a scheme to educate and improve driver behaviour to allow for more efficient driving.

We have recently conducted a successful trial using an electric Moffett, which is a truck-mounted forklift. It can be charged using a regular three pin plug and its battery lasts approximately three days, supporting flexible and convenient usage. The Lithium-ion battery means the FLT emits zero emissions and minimal sound.

CASE STUDY

Descartes Efficiency Software Suite

We have begun the move to a more data-rich environment to support the upcoming electrification of our fleet. We are using Descartes' comprehensive last mile delivery solution suite, which includes their route planning and execution solution, mobile electronic proof-of-delivery (ePOD) and telematics with the remote download of tachograph data. Since its implementation, our On-Time In-Full ("OTIF") has already increased by 10-15% and the volume of deliveries has increased by 25% using our existing fleet. It can be seen that even small, incremental gains in how our vehicles are driven, such as enhanced fleet efficiency, driver safety, and sustainability, can deliver huge benefits.

Descartes' last-mile delivery solution provides an end-to-end platform for home and last-mile delivery operations. The solution spans delivery appointment booking, route planning and execution, mobile electronic proof-of-delivery, delivery notifications and driver safety and compliance processes. Using advanced optimisation technology, the software takes committed appointments and improves route productivity, which



generates additional delivery capacity and reduces costs. Shortly, the system will also allow us to capture and provide the carbon data for product delivery to our customers, as we are aware that the whole life-cycle carbon of building sites is becoming ever more vital.

"The building materials market is highly fluid and SIG differentiates itself by offering an agile and reliable service to our customers with the ability to track the progress of their deliveries to help better manage the supply chain," said Edward Corbett, Head of Programme, SIG UK.

FLEET & BRANCH

Making our branches more sustainable

By 2026 we will reduce the carbon intensity of our branches by 15%, all our branches will have EV charging points installed and 100% of our electricity requirements will be generated from renewables.



Designing our Future Branch

Following successful outcomes from the trial schemes on the chosen pilot branches, we will roll out several key features across all branches to better equip them for the future, including any new branches that we open.

Referred to as our “future branches”, these will be equipped with the latest environmental measures including LED and passive-infrared-sensor lighting, photovoltaics, EV charging points, as well as automatic SMART gas and electric meters. This will enable our new branches to deliver lower emissions from the offset, rather than having to rely on retrofitting. Not only do these actions support our drive to be net-zero but have the added benefit of reducing operating expenses.

In 2021, we started to replace our lighting with lower emission LED installations, which are 80% more efficient than their halogen or fluorescent counterparts. Where not already installed, we have paired the LED installations with passive infrared sensors, meaning that the lights will turn on when movement is detected. This lowers the incidence rate of lights being left on when no one is in the room or building.

Alongside our introduction of the green fleet, we have plans for electric vehicle charging points to be installed across branches to support the onsite charging of company and personal vehicles.

Where appropriate, building insulation will be installed or updated to ensure the energy efficiency is the best it can be. This will be coupled with the same process for ventilation systems so that we can reduce reliance on electric heaters and / or fans.



What's next?

There are currently projects underway to install PV systems at four trial branch sites: Tyseley, Leeds Old School Yard, Oldbury and Leeds Intermezzo. Information gained from this trial will be used later in 2022 to inform and promote a wider rollout across more branches in the UK. We will also investigate how our PV projects can benefit the community by redirecting renewable energy back into the national grid.

As part of our move to generate 100% of our electricity requirements from self-sufficient renewables, the development of “SIG Wind Turbines” will be explored.



WASTE MANAGEMENT

Managing our waste

In 2022 we will trial at least two waste take-back schemes in partnership with our customers and suppliers, while working with The Pallet Loop.

By 2025 we will reduce our own produced waste intensity by 10% and achieve zero waste to landfill.

By 2030 we will eliminate all single-use plastics in our own manufactured products.

The construction sector is the largest user of materials in the UK and produces the biggest waste stream in terms of tonnage. Approximately 30% of construction materials across the industry are wasted, producing more than 120 million tonnes of waste. Waste products and packaging are generated across manufacturing, distribution and construction sites. The nature of our role as a distributor in the middle of the supply chain, handling logistics between customers and suppliers, means we have a responsibility to coordinate complex logistics to reduce on-site costs and waste.

Our commitment is for zero SIG waste to landfill by 2025. This will be achieved by waste segregation, reuse of packaging, and paperless processes. Our primary responsibility is the waste that we directly control, including the monitoring and validation of third-party waste contracts for our sites.

Enabling the circular economy

We are well placed to enable a circular economy by offering reusable, repairable products with sustainable packaging. One of the initial steps we are taking is to review product packaging so that we can reduce unnecessary surplus and single-use plastic as part of preparations for the new Extended Producer Responsibility (EPR) legislation.

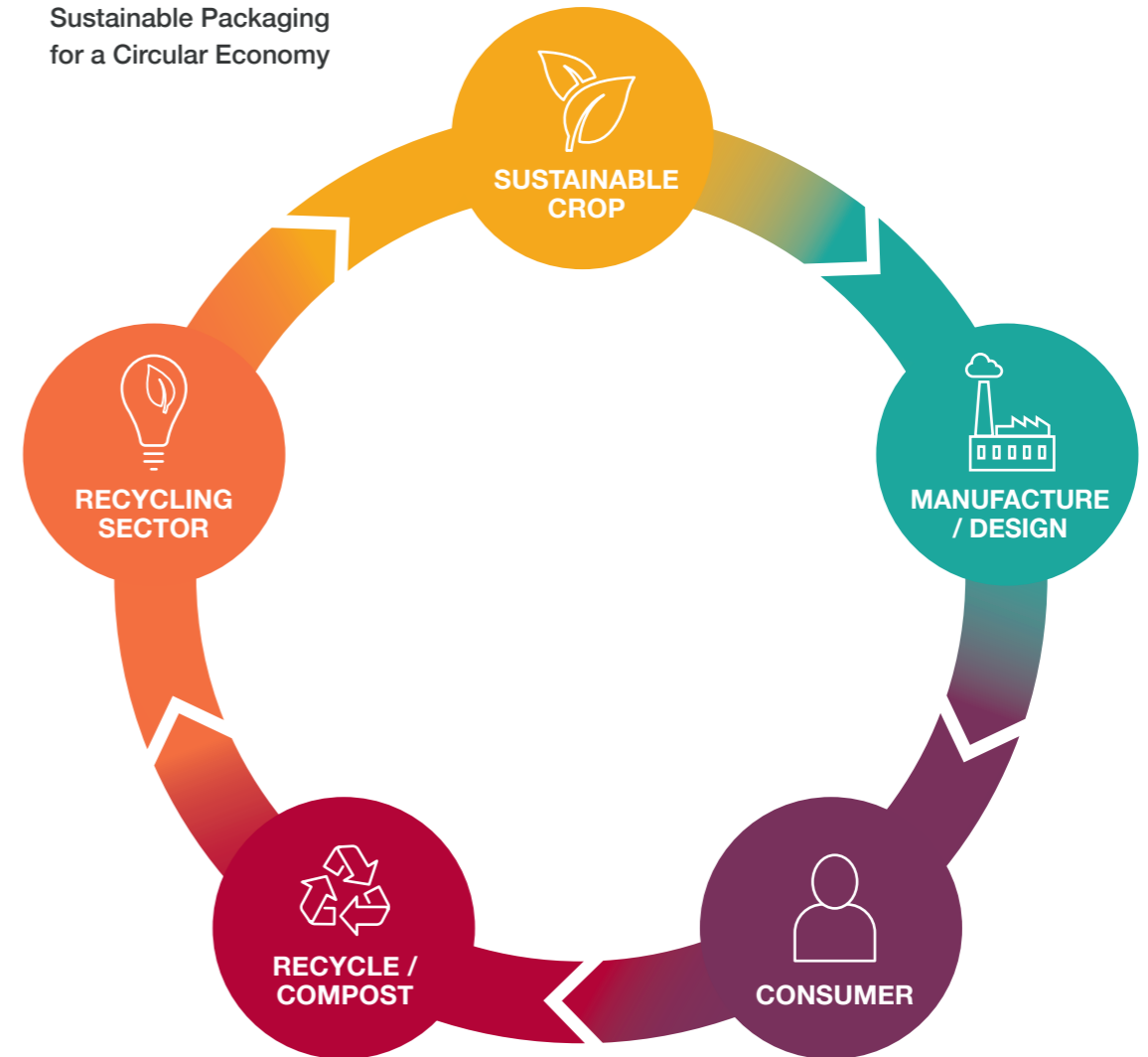
In line with the 2022 Plastic Tax, we are also communicating with our suppliers to request that they maximise recycled content in any plastic supplied to us.

In 2022, we will pilot packaging waste backhaul from customers' sites, helping to facilitate the growth in the circular economy, which is key to meeting net-zero goals.

What's next?

We will be working closely with suppliers to embed circular economy concepts into their products. We will also be exploring reuse opportunities from surplus building products with reuse organisations. In 2022, we plan to target a circular model for pallets in the industry and will be trialling projects with The Pallet Loop to avoid waste in this area.

Sustainable Packaging for a Circular Economy



Section 3

Social



OUR APPROACH

Becoming an employer of choice

Our approach to people is aligned with our Seven Strategic Pillars and is integral to meeting our commitment to being an employer of choice and health & safety leader in our UK category.

We are a people-to-people business founded on high trust relationships and we strongly believe that it is the efforts and commitments of our people which make us successful. We are a family of circa 3,500 colleagues and growing, with 170 multidisciplinary branch teams across the UK. We believe that having a culture of being humble, supportive and pragmatic is key to facilitating our goal to become an employer of choice in the near future.

The physical and mental safety of people on our premises is of utmost importance and we do all we can to protect the welfare of everyone who works with us. Therefore, we are delighted with the results of our annual employee engagement survey, which highlighted that 91% of people feel safe at work.

We believe in empowering our people at the local operations level, fostering a culture where everyone feels safe, proud and valued, and where local communities recognise the positive social impact we have as an active partner in local life. As a socially accountable business, we also feel it is important to deliver social value across our community through charity work and in 2021, we managed to raise £69,750 for charitable causes.

At the branch level, we are also dedicated to creating sustained social value by collaborating with local community members to drive synergy and innovation.

As part of our future thinking to position ourselves at the forefront of sustainable product innovation, we will be partnering with universities and think tanks to help us define sustainable products, as well as devise innovations for the future. Being Sheffield based, we plan to work with Sheffield University as they have a SMASH (Sustainable Materials at Sheffield) team with whom we have already begun discussions.

Social

Health & safety page 31

Engagement & well-being page 35

Diversity, equity & inclusion page 37

CASE STUDY



Putting People First

Our Charity Committee was established in 2021 to give fresh impetus to our philanthropic activities and co-ordinate group-wide events and initiatives. The committee has been very active over 2021 and is responsible, among other things, for the startling array of facial hair that was much in evidence at the inaugural charity dinner! #tashforcash

In November 2021, over 200 representatives from the UK building products supply chain gathered for our charity fundraising dinner in support of The Rainy Day Trust and Cancer Research UK.

Activities included a silent auction and raffle, which raised over £2,000 from prizes donated by our suppliers. In total, the event raised an impressive £44,000, which we uplifted to £50,000 and shared equally between the two nominated charities.

Beyond our social responsibilities within the community, we are committed to our employees in the same responsible fashion.

HEALTH & SAFETY

Keeping our people safe and well

As one of our leading ESG commitments, safety and well-being drive the setting of operational standards and excellence for the business.

Physical safety and mental well-being are paramount for all our employees and we are looking to champion this within SIG Group.

We are pleased that our commitments are being felt by our people, with 88% of employees agreeing that health & safety is taken seriously at SIG in the latest survey.

Our primary focus right now is to improve our safety culture and demonstrate to our people that safety is achievable and colleague-led. Several of the key initiatives conducted in 2021 included:

- Significant investment of around £2m was made to renovate our sites and improve welfare facilities, ensuring that our branches are places where people want to work.
- A new behavioural safety programme, “Positive Interventions”, was launched to understand the trends and root causes of health & safety infringements in our workplaces.
- The health & safety agenda has been enhanced and repositioned with two additional programmes: “Leadership leading by example” and “Estate review - is the fabric safe to work in?”.

- Over 200 branch managers and directors were re-inducted at the start of 2021 to refresh their knowledge of the company ethos, safety and staff protection responsibilities, and to help them move towards “Leadership leading by example”.
- The storage of our safety information has migrated to SharePoint as part of our digital journey, helping prevent safety being an administrative burden at branch level.

In 2021, we made the overarching shift to foster an open, no-blame culture where people can be honest and flag up issues without concerns. Following on from this change, our health & safety metrics indicate improved engagement and an increased understanding of the correct behaviours.

The engagement from all of our UK branches and branch managers to complete the detailed estate review and transport management plans has also been excellent and the proposed changes well received.

CASE STUDY



Positive Interventions

As part of our goal to make health & safety engaging and encourage the cultural shift necessary to make it a colleague-led approach, we launched the Positive Interventions Programme. Positive interventions encourage our people to raise an issue, concerning their work environment or their colleagues’ actions for example, through a simple conversation. In this way, before a potential accident or incident occurs, our people are making a positive intervention to engage their colleagues and start a discussion about the reasoning behind their different or unfamiliar conduct.

This transparency and openness between colleagues help our teams understand how safety contributes to the complexity of daily tasks, assessing where it might be unnecessary or being clear as to why it’s there.

Following on from the deliverance of this health & safety initiative within our teams, we have also noted numerous branch managers moving from a transactional leadership style of “telling” employees, to a transformational leadership style that “asks and inquires”.

HEALTH & SAFETY

Enhancing the health & safety of our people

We have recently introduced a new Health & Safety Policy to emphasise the vital role of employees in creating a sustainable and embedded safety culture. This will be achieved through a robust plan of objectives, which are laid out in the 10 point plan shown overleaf.

These steps will be colleague-led, ensuring every employee is committed to achieving the safest possible work environment. We are currently at the beginning of this process and will review and amend the delivery plan as we see fit to continue and improve our health & safety performance.

This process has been created with the aid of safety workshops in which our leadership personnel listened to the concerns and ideas of employees across our branches and sites in the UK. There are areas which we have since prioritised to respond more strongly to poor practice and performance with the intention to remove and reduce unnecessary risk.

The subsequent completion of safety assessments at each branch and site has also helped to reinforce our corporate emphasis on a positive safety culture by acknowledging individuals' roles in developing this culture and enabling the sharing and celebration of safety successes.



HEALTH & SAFETY

Our 10 point Safety Objective Plan

**An engaged leadership team**

All leaders within the business are trained to understand their role in creating and maintaining a safe working environment and culture.

**Utilise our ISO45001 system to maintain and improve our safety performance**

Legal compliance is achieved and provides for the systemic review, maintenance and management of policies, practices, training and risk assessment.

**Scorecard for safety**

We establish clearly identified safety performance standards with a scorecard of leading and lagging indicators to target the reduction of incidents and the improvement in engagement and leadership.

**Employee participation**

Every employee has the opportunity to contact their regional safety manager or anonymously report concerns to the safety team. Outlining safety roles within the business means that everyone has a way of engaging and being heard.

**Personal protective equipment (PPE)**

Appropriate use and maintenance is the responsibility of those that use it and their managers. Colleagues regularly check that their PPE is in a usable condition and managers respond immediately to any concerns raised, replacing as necessary.

**All branches and sites reviewed annually at a minimum, with senior management involvement**

In-person assessments take place with members of the safety team and the results and findings are discussed with senior management teams. At each board meeting the Business Unit Director is responsible for providing a performance review. Regional Directors are invited by rota to provide an update on performance and celebrate success.

**Minimise risk and reduce harm**

Our processes are designed and reviewed to reduce risk and minimise the chance of injury or ill health. Where a new risk of injury is found we review our safety system and provide an update to employees. Where risk is increasing as a result of a change in our operations, this is clearly communicated.

**Work equipment safety**

Each business unit ensures that work equipment safety is integrated into project plans prior to procurement and is maintained through a robust, planned and preventative maintenance schedule as appropriate.

**Training designed to engage with our risks**

Where we provide role-specific training, it is targeted and focused on the risks as experienced in our operations to maximise relevance.

**Control of contractors**

Through the adoption of safety standards in our procurement of services, we ensure that safety is key to the operation of any contractor on our sites.

HEALTH & SAFETY

Measuring our performance

In 2021, we continued to use the Total Recordable Incident Rate (“TRIR”) and Lost Time Injury Frequency Rate (“LTIFR”) as our reporting metrics. This allows for more transparency within the reporting system and means we can compare against competitors and similar industries.

Our TRIR, which is calculated as an incident resulting in injury or medical treatment, environmental detriment or property damage per 200,000 hours worked, has increased 1.7% from 18.3 in 2020 to 20 in 2021. This increase is believed to be due to our natural transition from home working back into the workplace, alongside more robust reporting across our UK businesses and enhanced education of the correct behaviours, processes and procedures. It now represents a good baseline for future reporting, and we would expect to see this improve moving forwards as our operational activities stabilise. Our LTIFR, which is calculated as any injury resulting in any lost time per 1,000,000 hours worked (on a rolling 12-month basis) has increased by 3.6% for the same reasons.



Total Recordable Incident Rate

2021	20.0
2020	18.3
2019	22.2



Lost Time Injury Frequency Rate

2021	13.0
2020	9.4
2019	8.6



What's next?

In 2022 we will more closely integrate the Seven Strategic Pillars to drive our health & safety agenda. Several key planned initiatives include:

- The second stage of “Leadership leading by example”, the first element of which (reinduction to safety within the business) was delivered at the start of 2021.
- Ongoing investment to improve facilities as part of the estate review for employee and customer experience.
- A safety dashboard of leading and lagging indicators to help monitor how safety culture is being developed around the business and to ensure we’re achieving above the standard.
- Programme of events targeted at our principal risks, which include slips and trips, working safely in our yards and manual handling.



ENGAGEMENT & WELL-BEING

Engaging our people to act responsibly

Our main engagement focus during 2021 was on helping our people feel safe, engaged, valued and supported in their return to the workplace.

Part of the return to work included paying particular attention to our people's health and facilitating their needs to work flexibly where this was feasible. We are committed to supporting our employees in this way so that they can continue to deliver success today, tomorrow and into the future.

In line with our obligation under the UK Corporate Governance Code, and to ensure we facilitate a direct channel of communication between our people and the Board, we conducted a Board Workforce Engagement Programme again this year. Several sessions were held across the business for our people to provide feedback on how they felt about working with us. The feedback was consistent, with employees feeling that our strategic direction is right, that we are reconnecting with our historical strengths and that we are renewing the focus on our people and our customers.

We strive every day to cultivate a feeling of belonging among everyone who works with SIG. We were therefore very pleased with our positive Employee Net Promoter Score of +5, which illustrates that our employees are more likely than not to recommend working with us. In addition to this, we achieved an engagement score of 68%, which was a new measure for 2021.

Communicating effectively with our people

We have made significant progress in several focus areas: communication, learning and development, vision and

leadership, and culture. The areas in which we scored some of the highest, well above the industry average, included health & safety, job satisfaction and culture.

Taking care of our people

In January of 2021, we launched an Employee Health and Well-being Policy with compulsory training for all employees to gain an understanding of the policy and their responsibilities when it comes to keeping themselves, as well as their colleagues, safe and well. This policy included actions to reduce organisational risk factors such as stress and excessive working hours and promote the overall mental and social well-being of people in the workplace.

This year we also relaunched our Employee Assistance Programme, which is available for all employees to access support when they are experiencing health and well-being issues. To further support individuals who are struggling, we have also trained nominated individuals in mental health first aid. Our employee communications platform, Workplace, has been used to send out notices about well-being, such as encouraging people to take steps that will help them deal with the pressures of both work and home life, especially around learning to live and belong in the post-pandemic world. On this note, we are proud that 85% of our employees rated our response to the COVID-19 pandemic as "good" or "very good".

CASE STUDY

Facebook Workplace

The opinions and perspectives of our employees are important to us, and we feel appropriate two-way communication is a key part of that. Great communication is a central part of our engagement focus and in 2021 we introduced a new internal communications platform, Workplace by Facebook.

All employees have access to share their ideas and feedback, receive business updates and success, ask questions, and so forth. We also aim to facilitate robust engagement with our leaders when it comes to the vision, strategy and direction of the business.

What's next?

We recognise there is always more we can do. Our Employee Assistance Programme and Workplace platform engagement, therefore, will continue to be a focus next year. In the second half of 2022, we will be launching our ESG Employee Engagement programmes across the company, building on the initial pilot branch activities.

ENGAGEMENT & WELL-BEING

Educating our people on sustainability

We are actively engaging our people as the advocates and enablers of sustainability at SIG, aiming to create a pro-environmental and purpose-led culture for our people to contribute to resolving material issues.

With this and climate change in mind, we recently became partners of the Supply Chain Sustainability School (“SCSS”), an industry-led initiative to provide engagement and education on sustainability for the construction sector.

The School provides free, practical support in the form of CPD-accredited e-learning modules and training workshops, tailored assessments and action plans, benchmarking tools, networking opportunities, and access to thousands of online resources.

SIG UK will encourage suppliers to join the school, making use of the learning modules available and raising awareness of sustainable practices.



CASE STUDY



Supply Chain Sustainability School

We are leading the conversation on sustainable building practices both internally and within our supply chain. Through learning modules and resources, we have started engaging our employees and suppliers to develop their awareness and understanding of sustainable practices. By encouraging colleagues in key positions to make use of the School, we aim to foster sustainability dialogue across the supply chain.

Lorna Stork, SIG UK ESG Director, plans to embolden teams to lead sustainability

conversations by selecting 25 “Champions” within our organisation who will receive a custom development pathway.

Another priority of the School is to introduce more data input into its carbon calculator tool, providing a standard methodology for measuring carbon in our industry. We’ll be encouraging our supply chain to submit data to enable better insight into carbon outputs, and to identify where improvements can be made.



DIVERSITY, EQUITY & INCLUSION

Promoting better diversity, equity & inclusion

Diversity, equity & inclusion (DEI) is about recognising and harnessing the equal value that individual differences bring to our organisation.

We celebrate our diverse workforce and the benefits that this brings to achieving our sustainability goals. The key principles of our approach are to:

- Encourage, promote and maintain an inclusive and supportive work environment for our people, which reflects the rights of individuals to be treated fairly and with respect and enables them to fulfil their potential.
- Recruit, develop and retain our talent based on skills, qualifications, experience, performance, behaviours and achievements, using clearly defined, fair and inclusive criteria.
- Invest in our employee development, treat our employees fairly and equally, and encourage an honest and open culture, which values differences.
- Support our employees to work in a way that suits their circumstances by supporting flexible working, offering part-time roles and encouraging job-sharing opportunities and shift swapping where this is possible.

- Develop policies and practices that direct and guide how we conduct ourselves both within the organisation and with our external stakeholders, which make our principles and expectations clear, deliver fairness and consistency of approach, and value individuality.
- Understand our customers and the communities in which we operate to deliver excellent service to our increasingly diverse customer base.
- Ensure that all our employees are aware of their rights and their responsibilities in relation to diversity, equity & inclusion.
- Encourage leaders, employees and our external partners and stakeholders to make a positive difference through proactively supporting our diversity, equity & inclusion principles.

Strengthening policies to protect our people

Our Group Diversity, Equity & Inclusion Policy was launched in 2020 with the aim to encourage, promote and maintain an inclusive and supportive work environment. By this, we mean an environment which reflects the rights of our people to be treated fairly, with respect, and that which best enables them to deliver superior, specialist service.

E-compliance training to support the policy has been mandatory for all our employees to complete, detailing both management and employee responsibilities. We reviewed the policy in 2021 and training is currently at 90% overall completion. In addition, our senior leader population have received diversity and unconscious bias awareness training.

Our efforts in this area to date are demonstrated by the positive response from 82% of respondents to our annual employee survey who agreed or strongly agreed that our employees are treated with respect regardless of their age, gender and cultural background. To continue building momentum in this area, we are working to establish a strategic framework for the next three to five years. Our first phase will be a full audit of our current representation, disclosure and initiatives at the branch level to identify improvement areas. We will then develop a medium and long-term plan with continued and wider leadership education, awareness and commitment.

Getting closer to gender balance

We have partnered with the Global Diversity Practice to conduct a review of our status, including peer audits, regional context and best practice recommendations. Most evident from our review is that we operate in a traditionally male-orientated industry as women currently account for approximately 20% of our employees in the UK.

Our functional roles are more balanced than operational roles, with 65% male compared with 35% female employees. We are working to address the gender imbalance within our workforce and are actively raising the profile of female leaders across the business through our focus on Women in Construction and Women in Leadership.

As well as the gender balance of our employees, we also monitor other subsets of the population such as age, ethnicity, disability and tenure with SIG. There are restrictions in collating certain information, but we report and monitor where it is available. We have a monthly dashboard of statistics to enable us to understand the roles, functions and geographical areas where particular segments of people are underrepresented.

DIVERSITY, EQUITY & INCLUSION

Welcoming new talent

As the momentum of our recovery continues, we continue to value, nurture and celebrate our people.

We are proud to be hiring youth and the long-term unemployed, including through many work-study programs, to promote employment in the local areas we operate in.

As a dynamic player in the local economic fabric, we are committed to helping develop employment through our network of 170 branches across the UK.



CASE STUDY

Kickstart for Future Generations

We signed up for the Government's Kickstart Scheme, an initiative to provide work experience for young people at risk of long-term unemployment due to the pandemic. The terms of the project meant that the Government covered Kickstarters' salaries for 25 hours a week for six months, and in return, we were to provide work experience and work-ready skills training.

As one of the first large employers to get involved, we were in an advantageous position to fill many of our available roles very quickly, with our first Kickstarter being placed in March 2021. Experience opportunities covered a variety of areas including trade counter, sales, warehouse, administration, stock control, transport, production, compliance and project coordination. Since the scheme began, we have expanded our placement positions from 150 to 250. We look forward to retaining top-performing Kickstarters on a permanent contract once the scheme closes in 2022.

What's next?

It is a priority for us to be inclusive at all levels and attract, recruit, and develop the best people from diverse groups. To achieve this, we will be bringing an even sharper focus to the talent, development and succession of our people, while placing greater emphasis on our approach to diversity, equity & inclusion. This includes conducting a review of the diversity information reported, existing policies and employee activities to inform DEI communications. We will also be improving awareness through training and other resources and updating our DEI online content and recruitment materials to include more diverse language and imagery. By establishing partnerships and increasing local activity, messaging and communication we aim to better support underrepresented groups.

Section 4

Governance



OUR APPROACH

Our de-centralised business operating model goes hand in hand with a governance framework that fosters transparency and accountability.

Through robust standards and controls for sustainable performance, we can share best practices within and across our operations to conduct and deliver a strongly governed, transparent and fair business.

In 2021, we took a fresh look at our governance in line with our sustainability focus areas and created the foundations that will ultimately help us deliver the Seven Strategic Pillars.

Internal standards

Regarding internal governance, we have **SIG Assured** to ensure our products meet essential regulatory compliance. It was born in 2011, two years before CE marking moved into regulation, enabling us to stay ahead of legislation with SIG Assured evolving in tandem with the legal practices regarding products. Participating suppliers utilise it so that their customers have all the information available, including the increasing amounts of environmental data. The key environmental information being included is whether products have EPDs and information regarding embodied carbon.

Part of the process to ensure a product is SIG Assured is working with our supplier to bring them on this journey with us. We have helped several suppliers to take up the scheme, which helps to position their products favourably in the market, as it gives clarity around their regulatory and environmental credentials.

External reporting

We're reporting in reference to the relevant requirements of several internationally recognised reporting bodies. These reporting standards exist to create a common language between organisations, regulators and governments to allow for a more measurable and consistent view of our company's operations. This allows for easier comparison between our business operations in all ESG areas.

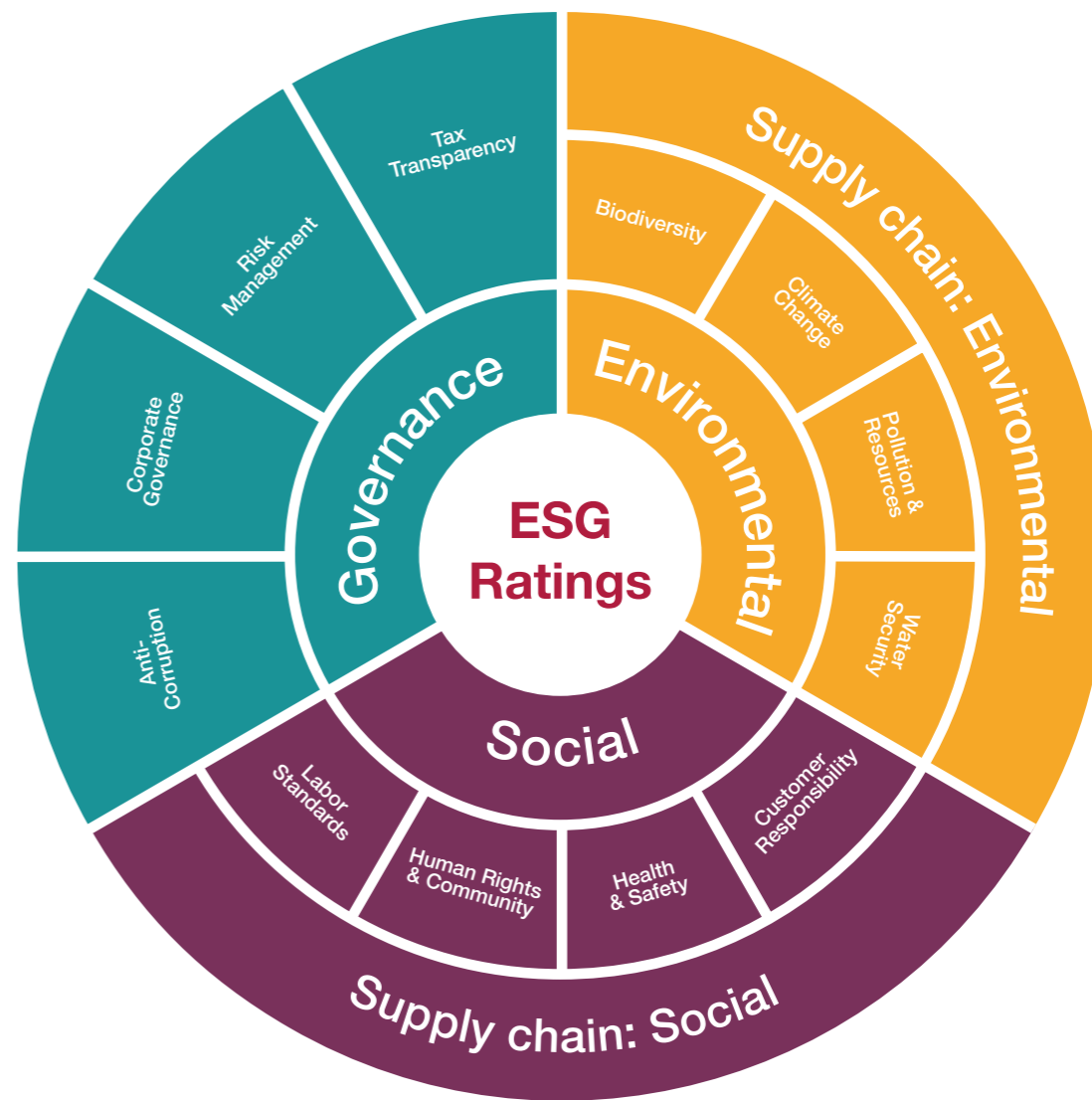
While there are some reporting metrics which are compulsory for us to report against, e.g. **SECR** and the Task Force on Climate-Related Financial Disclosures ("TCFD"), there are many other bodies and accreditations. As such, we have also chosen to align our first report to the Global Reporting Initiative ("GRI") and the International Standards Organisation ("ISO").

Governance

Global Reporting Initiative page 43

International Standards Organisation page 44

Task Force on Climate-Related Financial Disclosures page 45



What's next?

Moving forwards, we intend to have the relevant aspects of our ESG actions reviewed and measured in accordance with other leading sustainability reporting bodies, including the Science Based Targets Initiative (SBTi). This is part of a multi-year effort to provide leading visibility, reliability and transparency in our non-financial reporting.

OUR APPROACH

Board oversight

The governance supporting ESG within the company, including our understanding of climate-related impacts, has evolved over the years. We have made great strides in ensuring that the risks, opportunities, and commitments included in our approach are balanced and measured appropriately for our business. Climate-related risks and opportunities fall within our ESG framework and form a fundamental part of our overall ESG strategy, driving our sustainability commitments.

Throughout 2021, the Board has been provided with regular and pertinent oversight of the organisation's ESG risks and opportunities, including climate-related matters from members of the Executive Leadership Team, as well as a focused review on the new sustainability commitments and our approach to achieving them. The result of these reviews is that the Board considers the sustainability commitments and overall ESG approach to be balanced and measured, with an appropriate focus on reducing vehicle emissions and waste.

The Board, however, also recognises that there are significant opportunities for SIG UK that arise from climate-related matters and the drive for sustainable construction. These are explored further on [page 14](#). Based on these reviews, the Board does not consider there to be a significant short-term risk of climate change causing a significant downturn in the financial health of the business.

Management oversight

In 2021, SIG Group set up an ESG steering group which is run by the Group CEO and includes the CFO, senior representatives from the operating companies, including the UK, and functional subject matter experts. While not a Board Committee, this group has been instrumental in developing sustainability commitments for us.

What's next?

In 2022, SIG Group will use this working group to develop a wider ESG community that includes the UK and will drive through the changes needed at an operational level to ensure the commitments and strategy are delivered, including developing a framework for our Scope 3 emissions and interim targets for our sustainability commitments.

Management's role in assessing and managing our ESG and climate-related risks and opportunities is starting to be embedded throughout SIG, including the expansion of our senior team to include sustainability specialists. Management is also responsible for harnessing the opportunities that climate-related matters bring. [Page 13](#) sets out our role in driving sustainable construction, and each team is responsible for ensuring that we continue our tradition of bringing energy-efficient solutions to the market.

Climate transition risks

We consider short, medium and long-term horizons in the context of climate-related risks and opportunities to be as follows: short-term is within the next 3 years (in line with our viability review period); medium-term is 4-10 years, and long-term is over 10 years.

The table on [page 42](#) sets out the main climate-related transition risks we face alongside proposed mitigation strategies and the relevant time horizons. We do not consider physical risks such as extreme heat, drought and rising sea levels to be material strategic risks given that our operations are extremely unlikely to be impacted by these factors. Flood risk could be a consideration but based on an external review of our UK branch network, only a small number of our branches have any flood risk attached to them, leading to minimal risk for our strategy.

The impact on our strategy from the transition risks identified are as follows:

- We are already in the process of migrating our car and forklift fleet towards electric and other low-carbon fuels, such as HVO (see [page 26](#)).
- The biggest unknown in the short to medium-term is detailed cost implications for the replacement of our commercial truck fleet. This is dependent on the pace of the development of external technology and infrastructure, especially for HGVs.
- Increasing need for better product carbon data and a Scope 3 emissions framework will mean an investment in developing a climate change specialism within the company. This has already begun with the employment of an ESG Director.

- No legislation has yet been passed which would negatively impact our key revenue streams or products and therefore our strategy in the short, medium, or long-term.
- Climate change also presents several opportunities for the organisation which are already built into our strategy. Through our position in the middle of the supply chain, we can influence both suppliers and customers to help ensure that the materials we supply are as sustainable and environmentally friendly as they can be, and we have identified several "win-win" opportunities.

These include:

- Continuing to expand our presence in energy conservation solutions with green growth drivers such as insulation, roofing and solar panels.
- Partnering with suppliers to encourage the uptake of lower-carbon products, such as bio-sourced insulation solutions.
- Working with customers such as housebuilders to support their sustainability ambitions.
- Providing value-added specialist services, such as advice to architects and contractors to optimise longevity, energy efficiency and carbon savings.

Our category mix is well positioned with both insulation and roofing critical to building energy performance, and a large portion of our sales have exposure to tightening energy efficiency regulations.

OUR APPROACH

The following matrix provides a glance at the risk and impact assessment in relation to our primary focus areas.

RISK	DESCRIPTION	MITIGATION	IMPACT
Removal of fossil fuels from fleet	There is a significant degree of uncertainty regarding the optimum future technology for our fleet and this therefore presents a risk regarding what and when any investment in new technologies should be made. This should not prevent us from utilising HVO in the existing fleet as soon as possible.	Pages 21 and 26 set out the progress we have made and future plans we have for decarbonising our car and forklift truck fleets across our operations. The most cost-effective route for decarbonising heavy-duty vehicles remains less clear. We are, however, working with our fleet partners and manufacturers to assess the most viable alternatives to diesel, including electric, HVO, hydrogen and bio-fuel.	High
Waste management	There is an increased likelihood of greater regulatory pressure to ensure that, in addition to the management of SIG's "own waste", companies will become liable for product waste, particularly with regards to "end of life" and "embedded carbon" obligations. Any such requirement in the near term would present significant challenges in terms of reverse logistical processes and costs.	We are a member of our waste provider's compliance scheme and we comply with our commitments under the Producer Responsibility Obligations (Packaging Waste) Regulations 2007.	Medium
Product carbon data	There is a risk that we either lack or do not have access to the appropriate degree of detailed product or manufacturers' data to satisfy customers' needs with regards to their own internal ESG requirements or sustainability drivers.	Product data quality remains a focus area for our businesses across the UK, which continue to monitor, assess and upgrade their product data requirements, capabilities, and governance considering the ongoing changes in business needs and regulation.	Medium
Health & safety compliance	There is a risk that poor organisational arrangements or behavioural culture with regards to health & safety compliance directly contributes to a significant health & safety failure, resulting in enforcement action, penalties, reputational damage, or adverse press coverage.	The Group Health, Safety and Environment Director is a member of the Executive Leadership Team and provides strategic leadership for all matters relating to health & safety, including for the UK. They are supported by local health & safety managers, embedded in each of our businesses, who provide leadership and support as well as provide regular monitoring and reporting of key performance metrics and the status of local actions and initiatives across the region.	High
Diversity, equity & inclusion	There is a risk that SIG's relative lack of diversity in the workforce is a missed opportunity to tap into additional sources of new employees and talent, in addition to potentially contributing to adverse reputational risk.	We have an updated DEI Policy, which is mandatory for all employees to review and understand, outlining both management and employee responsibilities. The policy sets out our aims to encourage, promote, and maintain an inclusive and supportive work environment, which reflects the rights of individuals to be treated fairly and with respect and enables them to fulfil their potential.	Medium
Scope 3 emissions	Until the necessary Scope 3 analysis is performed, there is a degree of uncertainty regarding our ability to deliver on Scope 3 commitments for SIG UK. The risk may also be exacerbated by the complexity and resources required to perform a reasonable level of scenario analysis.	We currently provide limited data with regards to Scope 3 emissions. This is an area of focus for the future and a strategy will be developed to ensure we have considered the emissions relating to our broader supply chain.	Medium

GLOBAL REPORTING INITIATIVE

For our first Sustainability Report we have elected to align our reporting to the internationally recognised bodies of [GRI](#), [ISO](#) and [TCFD](#).

The [Global Reporting Initiative](#) is an international, independent standards organisation that helps businesses, governments and other organisations understand and communicate their impacts on issues such as climate change, human rights and corruption.

Reporting parameters with reference to GRI are set out in [Appendix A](#).

We elected to report with reference to the GRI methodology, providing the relevant information in conjunction with select reporting criteria. At this stage, it would not be appropriate to report in full accordance with all GRI criteria as the relevant internal measures for several categories are still under development. This serves as a stepping stone for our next Sustainability Report, in which we will aim to report in accordance with the complete GRI standards to further solidify our credentials as a sustainable business.

GRI – Global Reporting Initiative

ISO – International Organisation for Standardisation

TCFD – Task Force for Climate-Related Financial Disclosures



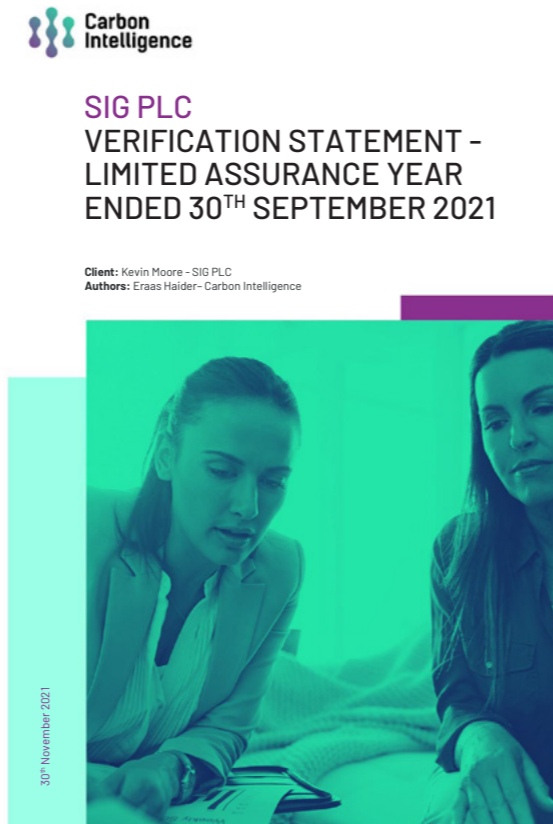
INTERNATIONAL STANDARDS ORGANISATION

The [International Organisation for Standardisation](#) is an independent, non-governmental international organisation with a membership of 167 national standards bodies. They offer a wide range of internationally recognised guidelines which are viewed as best practices across all industries.

ISO 14064

The ISO 14064 standards provide governments, businesses, regions and other organisations with an integrated set of tools for programmes aimed at measuring, quantifying and reducing greenhouse gas emissions. It is comprised of three standards, which respectively detail specifications and guidance for the organisational and project levels, alongside validation and verification.

ISO 14064-1 Part 1 is the specification for the Quantification and Reporting of Greenhouse Gas Emissions and Removals. It provides principles and requirements for quantifying and reporting an organisation’s carbon footprint. As mentioned in this report’s Environmental chapter, SIG’s SECR assessment was carried out in line with the ISO 16064-1 standard. The report was validated and verified by an independent body to ISO 16064-3.



ISO 14001

ISO 14001 sets out the practical tools and requirements for environmental management systems, which help organisations improve their environmental performance and achieve more efficient use of resources and waste reduction. We have achieved this accreditation on our business practices, demonstrating that they are managed with the consideration of environmental issues.

Full report details are available upon request to SIG UK Corporate Communications.



TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

The Financial Conduct Authority (FCA) has introduced the mandatory [Task Force on Climate-Related Financial Disclosures](#).

TCFD provides information to investors about what companies are doing to mitigate the risks of climate change, as well as gives transparency about how they are governed.

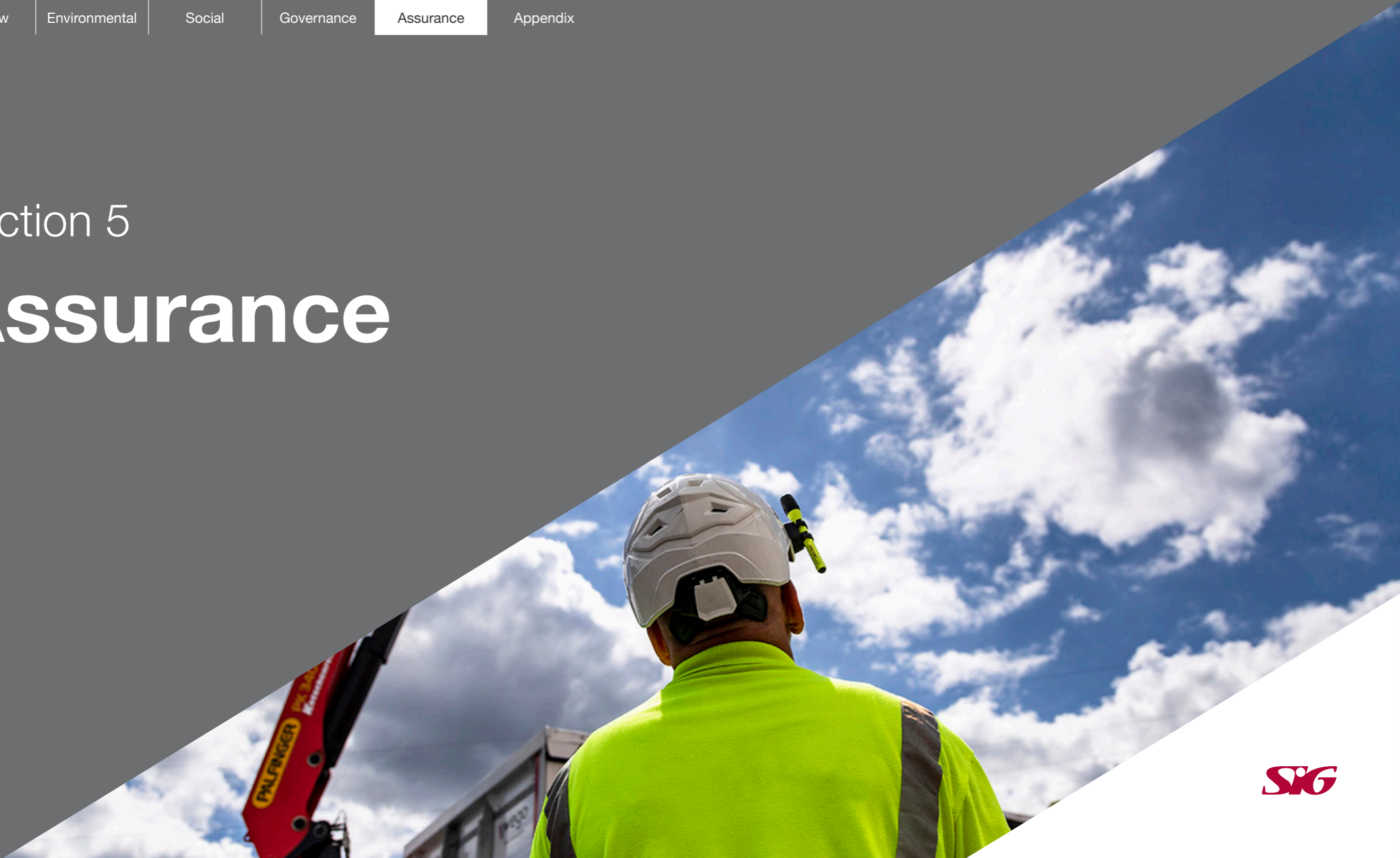
The TCFD recommendations are supported by 11 disclosures that aim to give detailed information that allows stakeholders to understand how organisations assess their climate-related risks and opportunities.

Climate-related risks can include physical risks, such as extreme weather events, or risks because of a transition to a low-carbon economy. We have addressed how we have complied with these recommendations elsewhere in the report and, where we have not complied, have also explained why this is the case. The relevant disclosures can be seen on the following pages:

THEMATIC RECOMMENDATIONS	RECOMMENDED DISCLOSURES	WHERE THE REFERENCE CAN BE FOUND IN THE REPORT
Governance – Disclose the organisation’s governance around climate-related risks and opportunities.	Describe the Board’s oversight of climate-related risks and opportunities.	Page 41.
	Describe management’s role in assessing and managing climate-related risks and opportunities.	Page 41.
Strategy – Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation’s businesses, strategy, and financial planning where such information is material.	Describe the climate-related risks and opportunities the organisation has identified (short, medium, and long-term).	Risks – Page 41. Opportunities – Page 41.
	Describe the impact of climate-related risks and opportunities on the organisation’s businesses, strategy, and financial planning.	Risks – Pages 49-50. Opportunities – Pages 12-17 & 41.
	Describe the resilience of the organisation’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	We have not yet completed an exercise to test the resilience of our strategy to different climate-related scenarios. This will be completed at a later date. We do not, however, expect this exercise to have a significant impact on our strategy and financial planning given our minimal exposure to physical climate-related risks and the significant climate-related opportunities identified on page 41.
Risk – Disclose how the organisation identifies, assesses, and manages climate-related risks.	Describe the organisation’s processes for identifying and assessing climate-related risks.	Page 41.
	Describe the organisation’s processes for managing climate-related risks.	Page 41.
	Describe how the processes for identifying, assessing, and managing climate-related risks and opportunities align with its strategy and risk management.	Page 41.
Metrics and targets – Disclose metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Sustainability commitments and metrics – Page 20. GHG emissions - Pages 18-19.
	Disclose Scope 1, Scope 2, and if appropriate, Scope 3 GHG emissions, and the related risks.	Scope 1 & 2 disclosed on pages 18-19. Our Scope 3 emissions framework will be further developed in 2022.
	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	The high-level commitments we have made to manage climate risks and opportunities have been laid out on page 20. However, interim targets to ensure these commitments are met have not yet been set and will be completed in 2022.

Section 5

Assurance



ASSURANCE STATEMENT - Wanderlands Ltd.

Our conclusions

Selected Information

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information is not fairly stated and has not been prepared, in all material respects, in accordance with the Data Criteria.

GRI Standards

This report has been prepared with reference to some of the following GRI standards: 102 (2021), 305 (2016), and 403 (2018).

Basis of our conclusion

Selected Information

We are required to plan and perform our work to consider the risk of material misstatement of the Selected Information. Our work included, but was not restricted to:

- Assessing the appropriateness of the collected data for the Selected Information.
- Conducting interviews with SIG's management to obtain an understanding of the key processes, systems and controls in place to generate, aggregate and report the selected information.

All assurance engagements are subject to inherent limitations as selective testing (sampling) may not detect errors, fraud or other irregularities. Nonfinancial data may be subject to greater inherent uncertainty than financial data, given the nature and methods used for calculating, estimating and determining such data. The selection of different, but acceptable, measurement techniques may result in different quantifications between different entities.

Our assurance relies on the premise that the data and information provided to us by SIG have been provided in good faith. Wanderlands expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Independent Limited Assurance Report.

SIG plc (the 'Company'), and its subsidiaries (collectively, 'SIG') are providing the following cautionary statement:

These forward-looking statements may generally, but not always, be identified by the use of words such as "will", "anticipates", "should", "could", "would", "targets", "aims", "may", "continues", "expects", "is expected to", "estimates", "believes", "intends" or similar expressions. These forward-looking statements include all matters that are not historical facts or matters of fact at the time of this document. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future and reflect the Company's current expectations and assumptions as to such future events and circumstances that may not prove accurate. Several material factors could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements, certain of which are beyond our control and which include, among other things: economic and financial conditions generally in various countries and regions where we operate; the pace of recovery in the overall construction and building materials sector; demand for infrastructure, residential and non-residential construction in our geographic markets; increased competition and its impact on prices; increases in energy and/or raw materials costs; adverse changes to laws and regulations; approval or allocation of funding for infrastructure programmes; adverse political developments in various countries and regions; failure to complete or successfully integrate acquisitions.



Wanderlands

EST. FOR GENERATIONS TO COME

Section 6

Appendix



GRI CONTENT INDEX

Appendix

The following table sets out the [GRI reporting categories](#) which have been referenced in the completion of this report.

Statement of use

SIG UK has reported with reference to the GRI Standards for the period 1st October 2020 to 30th September 2021.

GRI 1 used

GRI 1: Foundation 2021

GRI CODE	DESCRIPTION	REFERENCE	COMMENT
Organisational profile			
102-1	Name of the organisation	Page 49, <i>see comment</i>	SIG plc
102-2	Activities, brands, products and services	Pages 12-13, 22-23	
102-3	Location of headquarters	Page 49, <i>see comment</i>	Sheffield, UK
102-4	Location of operations	Page 49, <i>see comment</i>	UK (Group includes UK, Ireland, France, Germany, Belgium, Netherlands, Luxembourg, Poland, Austria, Hungary, Romania and Bulgaria)
102-5	Ownership and legal form	Page 49, <i>see comment</i>	SIG is a public limited company, incorporated in the UK
102-6	Markets served	Page 49, <i>see comment</i>	UK
102-9	Supply chain	Page 13	
102-10	Significant changes to the organisation and its supply chain	Pages 13-14	
102-11	Precautionary approach or principle	Pages 6-9, 12	
102-12	External initiatives	Pages 22, 24, 36	
Strategy			
102-14	Statement from most senior decision-maker	Page 4	
102-15	Key impacts, risks and opportunities	Pages 6-9, 12	
Ethics and integrity			
102-16	Values, principles, standards, and norms of behaviour	Pages 5-7, 11, 14	
Governance			
102-18	Governance structure	Pages 40-41	
102-26	Role of highest governance body in setting purpose, values and strategy	Pages 40-42	
102-30	Effectiveness of risk management processes	Pages 40-42	

GRI CONTENT INDEX

Appendix continued

GRI CODE	DESCRIPTION	REFERENCE	COMMENT
Reporting practice			
102-50	Reporting period	Page 50, <i>see comment</i>	2021
102-54	Claims of reporting in accordance with the GRI standards	Page 50, <i>see comment</i>	See pages 49 and 50
102-55	GRI content index	Pages 49-50	
Emissions			
103-1	Explanation of the material topic and its boundary	Pages 17-19	
305-1	Direct (Scope 1) GHG emissions	Page 19	
305-2	Energy indirect (Scope 2) GHG emissions	Page 19	
305-3	Other indirect (Scope 3) GHG emissions	Page 19, <i>see comment</i>	A full Scope 3 assessment will be carried out in the future, we are aware this is not the complete total
Occupational health & safety			
103-1	Explanation of the material topic and its boundary	Pages 31-35	
103-2	The management approach and its components	Pages 31-35	
103-3	Evaluation of the management approach	Pages 31-35	
403-1	Occupational health & safety management system	Pages 31-35	
403-2	Hazard identification, risk assessment, and incident investigation	Pages 31-35	
403-3	Occupational health services	Pages 31-35	
403-4	Work participation, consultation, and communication on occupational health & safety	Pages 31-35	
403-5	Worker training on occupational health & safety	Pages 31-35	
403-6	Promotion of worker health	Pages 31-35	
403-7	Prevention and mitigation of occupational health & safety impacts directly linked by business relationships	Pages 31-35	
403-8	Workers covered by an occupational health & safety management system	Pages 31-35	
403-9	Work-related injuries	Pages 31-35	
403-10	Work-related ill health	Pages 31-35	

Constructing the future

Sustainability Report 2021

Commencing our journey

2022-2025