

A FACT-BASED DRIVE FOR LASTING IMPACT

SUSTAINABILITY POSITION PAPER

Think
Trespa



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INTRODUCTION

Trespa International B.V. is a leading manufacturer of panels for exterior façade cladding applications around the globe.

Trespa's management and employees put License to Operate first. Health and safety of the employees and the quality and safety of products and thereby customers are considered Trespa's number one priority. Trespa aims to adhere to the highest safety standards and has invested and will continue to invest in its factory to safeguard the health and safety of its employees and the surrounding community. Product compliance, transparent reporting, risk control and mitigation and the code of conduct are also critical to the way Trespa wants to conduct its business. Successfully addressing all of these topics constitutes what Trespa considers to be its License to Operate. License to Operate priorities are the responsibility of top management, but also require the commitment of the employees, and come first in Trespa's strategy.

During a top management summit in 2010, Trespa decided to add sustainable development more explicitly to the way it wants to conduct its business and make it part of their License to Operate priorities. Sustainable development provides Trespa with challenges as well as new opportunities. The challenge is to limit the impact of Trespa products and operations on the environment. At the same time Trespa sees opportunities to help its customers solve their sustainability needs through new products and solutions. Trespa is fully committed to playing its part in understanding and meeting the associated diverse challenges, now and in the future.

As an anchor and guideline to its efforts, Trespa has referred to the ISO 26000 norm, Guidance on Social Responsibility. Many of the topics that Trespa considers to be its LTO priorities are already incorporated in this ISO 2600 norm. To extend the License to Operate priorities with sustainability, Trespa selected the relevant issues covering this topic from the norm:

- Prevention of pollution
- Sustainable resource use
- Climate change mitigation and adaptation
- Protection and restoration of the natural environment

This position paper describes Trespa's first steps and focus on the journey to improve its performance regarding these issues. As Trespa progresses in its efforts or as new information becomes available that requires the company to change its priorities, Trespa will restate its position accordingly and issue new versions of this position paper. In doing so, Trespa will clearly outline its progress as well as the change in its priorities.

PHILOSOPHY AND BELIEFS

Common sense

As in many of its business decisions Trespa will use common sense in addressing the topic of sustainable development. It will continue to evaluate available methodologies and only adopt ones that are understandable, transparent and standardized and that promote lasting improvements.

Objective and fact based

Trespa believes in objective and fact based analysis and has performed a Life Cycle Analysis (LCA) to map its environmental footprint along the entire value chain. Though many different methods exist, Trespa believes the Life Cycle Analysis, as described in ISO 14040 and ISO 14044, is currently the most objective and fact based method to measure its environmental footprint, that is available. This is supported by an increasing number of certifications relying on this methodology. Although it will pursue certification, this is not the backbone of Trespa's sustainability policy.

The Life Cycle Analysis for Trespa has been performed and validated by one of the leading consultants in the area of sustainable development, and will form the basis for all of Trespa's improvement initiatives.

Integral part of business planning and review cycle

To achieve change Trespa will set priorities based on its Life Cycle Analysis (LCA) and agree realistic but challenging targets. In line with other License to Operate topics, Trespa has integrated all sustainability priorities into its rolling business planning and review cycle. This cycle consists of an annual target setting and budgeting round, monthly KPI reporting and management reviews and meetings and quarterly forecasting and recalibration.

SUSTAINABILITY POLICY

The basis of Trespa's sustainability policy is a strong belief that any change should start with the company itself. Trespa's approach to sustainable development is framed by three basic principles:

1. Do No Harm

Trespa's first task is to comply with the safety, product and sustainability rules and guidelines set by the countries that it operates in. In addition, Trespa is looking for opportunities to minimize the impact of its operations and products.

2. Do Good

The second element of Trespa's policy is that it strives to help its customers realize their sustainability challenges. This means that Trespa looks for opportunities to maximize the sustainability contribution of its products in their end-use, e.g. façade cladding.

Moreover, Trespa will continue to look for opportunities and initiatives to support and promote longer term sustainable development beyond the direct scope of its current operations.

3. Do Better

Finally, Trespa believes new business opportunities will arise from sustainable development. Many sustainability challenges also constitute opportunities that make good business sense today and will allow the company to continue to grow its business.

LIFE CYCLE ANALYSIS

A Life Cycle Analysis of Trespa has been performed with help of PE International, a leading consultant in this area.

Six key environmental indicators commonly agreed as most relevant were selected by PE International based on their inclusion in Environmental Product Declarations (EPDs). EPD's are the leading documents to publish sustainability results. Trespa is currently in the process of developing an EPD. The LCA parameters included in EPDs cover emissions of substances with a negative impact on the environment (air, water and soil), emissions of greenhouse gases that contribute to climate change and depletion of energy resources both non-renewable and renewable. These indicators are listed and explained in Appendix 2. Trespa realizes that the LCA methodology itself is in development and new dimensions and parameters will be agreed upon in future. If this happens, Trespa will update its LCAs to incorporate these latest developments and reflect these new dimensions.

The LCA analysis has been performed from a 'cradle-to-gate' perspective that basically looks at the total impact of the manufacturing footprint including the extraction and processing of raw materials as well as transport to the Trespa manufacturing site. The analysis excludes the effects during the use and end of life phase which has to be analyzed on a specific product level.

This analysis has made it clear that the majority of Trespa's environmental footprint is determined by its raw material inputs. Up to 80% of the energy in Trespa products is allocated from the upstream raw material productions processes and transportation to its production site. The same holds for emissions leading to creation of acid rain (AP) and extinction of life in water (EP).

Trespa also evaluated one specific Use and End Of Life (EOL) scenario for an 8mm Meteon façade panel to assess the contributions of these phases to the overall environmental footprint of the product. The results of this exercise have confirmed that the principal contribution to Trespa's environmental footprint comes from its own manufacturing operations and upstream raw material production. With the exception of the carbon footprint (GWP), the contribution from the Use and End Of Life phases did not exceed 10% in any dimension of the cradle to gate contributions. For the carbon footprint, End Of Life disposal through incineration does play a role as captured carbon is released.

IMPROVEMENT INITIATIVES

The newly developed LCA has led to three clear focal points for Trespa's sustainability efforts:

1. Upstream contributions from raw material production and transport
2. Onsite emissions originating from resin production and impregnation
3. Primary energy use for Trespa's own production processes

To ensure progress and impact, Trespa has added the following list of agreements to its business planning:

1. Upstream contributions (topic 1)
 - Detail the specific contributions of Kraft paper with Trespa's suppliers
 - Reduce Trespa's waste in production of impregnated Kraft and final laminates
2. Onsite emissions (topic 2)
 - No agreements
3. Power consumption (topic 3)
 - Install monthly monitoring of the power consumption per machine
 - Develop a power reduction plan
4. Steam consumptions (topic 3)
 - Perform a diagnosis of the current steam consumption
 - Install monthly monitoring of the steam consumption per machine

Progress on each of these agreements is monitored in the monthly Safety and Sustainability meeting. Trespa will report back on the results in subsequent versions of this document.

APPENDIX 1

Guidance on social responsibility from ISO 26000 including the priority areas.

| Core subjects and issues | Addressed in sub-clause |
|--|--------------------------------|
| Core subject: Organizational governance | 6.2 |
| Decision making processes and structures | 6.2.3 |
| Core subject: Human rights | 6.3 |
| Issue 1: Due diligence | 6.3.3 |
| Issue 2: Human rights risk situations | 6.3.4 |
| Issue 3: Avoidance of complicity | 6.3.5 |
| Issue 4: Resolving grievances | 6.3.6 |
| Issue 5: Discrimination and vulnerable groups | 6.3.7 |
| Issue 6: Civil and political rights | 6.3.8 |
| Issue 7: Economic, social and cultural rights | 6.3.9 |
| Issue 8: Fundamental rights at work | 6.3.10 |
| Core subject: Labour Practices | 6.4 |
| Issue 1: Employment and employment relationships | 6.4.3 |
| Issue 2: Conditions of work and social protection | 6.4.4 |
| Issue 3: Social dialogue | 6.4.5 |
| Issue 5: Human development and training in the workspace | 6.4.7 |
| Core subject: The environment | 6.5 |
| Issue 1: Prevention of pollution | 6.5.3 |
| Issue 2: Sustainable resource use | 6.5.4 |
| Issue 3: Climate change mitigation and adaptation | 6.5.5 |
| Issue 4: Protection and restoration of the natural environment | 6.5.6 |
| Core subject: Fair operating practices | 6.6 |
| Issue 1: Anti-corruption | 6.6.3 |
| Issue 2: Responsible political involvement | 6.6.4 |
| Issue 3: Fair competition | 6.6.5 |
| Issue 4: Promoting social responsibility in the sphere of | 6.6.6 |
| Issue 5: Respect for property rights | 6.6.7 |
| Core subject: Consumer issues | 6.7 |
| Issue 1: Fair marketing, information and contractual practices | 6.7.3 |
| Issue 2: Protecting consumers' health and safety | 6.7.4 |
| Issue 3: Sustainable consumption | 6.7.5 |
| Issue 4: Consumer service, support and dispute resolution | 6.7.6 |
| Issue 5: Consumer data protection and privacy | 6.7.7 |
| Issue 6: Access to essential services | 6.7.8. |
| Issue 7: Education and awareness | 6.7.9 |
| Core subject: Community involvement | 6.8 |
| Issue 1: Community involvement | 6.8.3 |
| Issue 2: Education and culture | 6.8.4 |
| Issue 3: Employment creation and skills development | 6.8.5 |
| Issue 4: Technology development | 6.8.6 |
| Issue 5: Wealth and income creation | 6.8.7 |
| Issue 6: Health | 6.8.8 |
| Issue 7: Social investment | 6.8.9 |

APPENDIX 2

LCA environmental indicators

Emissions parameters:

Acidification Potential (AP) gauging the effect of releasing acids into environment ultimately leading to phenomena like acid rain.

Eutrophication Potential (EP) measuring the effect of releasing excessive amounts of nutrients into surface water which reduces the oxygen content in the water and kills aquatic life.

Ozone Depletion Potential (ODP) measuring the effects of gas emissions ultimately leading to breaks in the earth's protective ozone layer with all the associated detrimental effects on life. Well-known but fortunately banned contributors to ozone depletion are CFC gasses.

Photochemical Ozone Creation Potential (POCP) gauging the emissions of gases with negative impact on the local environment resulting in the build up of summer smog.

Climate change parameters:

Global Warming Potential (GWP) is the emission of greenhouse gases leading to climate change. This dimension is also known as the carbon footprint and is measured in equivalent emission of carbon dioxide. Burning fossil fuels is the major source of GWP, but carbon capture in raw materials such as wood can off-set these emissions.

Resource depletion parameters:

Primary energy usage is the energy required to produce one unit of product.

Share of renewable energy providing the share of energy coming from renewable sources like sun and wind.

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Questions

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