



# 2021 Sustainability Report

Extract December 2022\*



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# URSA's commitments towards a climate neutral building stock

Climate change is now, more than ever, a global emergency that requires everyone's contribution. Global warming has become one of the significant risks to the sustainable development of the world's societies and economies. The extreme and changing nature of the climate, rising sea levels and weather catastrophes seriously affect production, transport and people's well-being, becoming an essential element of inequality and environmental degradation.

Our industry will play a vital role in this desired and inevitable transition towards a sustainable economy in which the principles of efficiency and durability of buildings - one of the leading emitters of CO<sub>2</sub> are fundamental.

At URSA, we want to contribute to the objectives of the Paris Agreement and achieve carbon neutrality by 2050. That is why we have been investing for years in developing non-polluting, resistant materials with optimal energy qualities and using recycled materials, ambitious waste management and product life cycle assessment (LCA).

Convinced that we ensure long-term growth only through responsible management, I am particularly proud to present to you an extract of our 2021 sustainability report



in which we review our ESG (environment, social and governance) objectives and achievements.

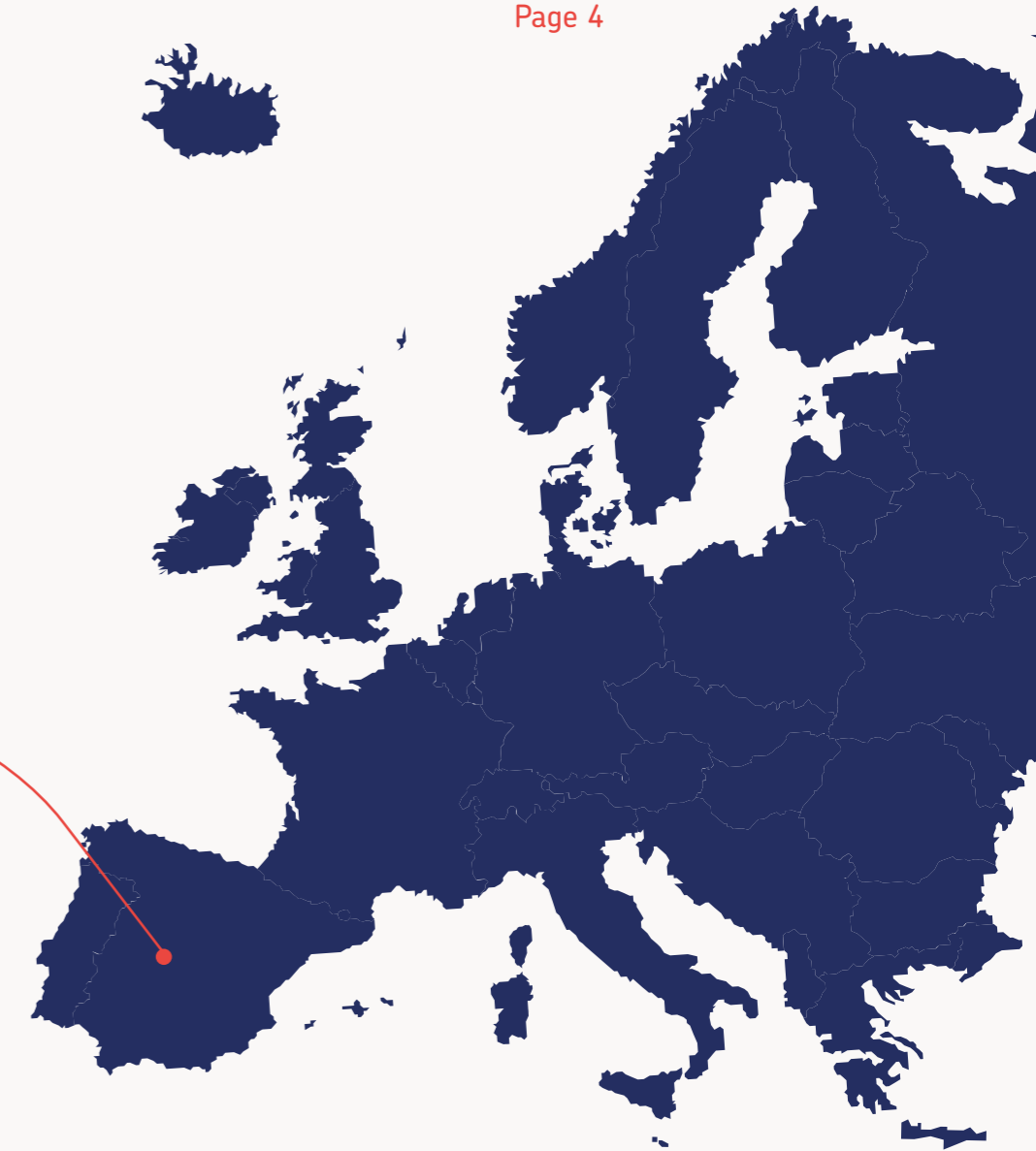
A strategy to which we commit not only to all employees but also to our suppliers and partners. A process in which every person counts and in which diversity and talent are also fundamental elements of growth. A commitment to integration that includes interaction beyond pure business with the local communities in the places where we operate. Values that, in short, give meaning and purpose to our work.

**Head of Division Insulation**  
Jochen Friedrichs

# URSA at a glance

URSA is one of Europe's largest manufacturers of thermal and acoustic insulation materials oriented to sustainability and energy efficiency in buildings. For the past 70 years, we have been offering excellent insulation materials while bettering the planet and the economy.

URSA's operational headquarters is based in **Madrid, Spain**.  
URSA was acquired by Etex in June 1st, 2022.



1,764  
employees

40+  
countries with  
commercial activity

300.000  
tons mineral wool  
capacity

73%  
recycled and  
reprocessed glass in  
mineral wool production

13  
plants

€500  
million sales

2.000  
XPS capacity

42%  
of external recycled  
input polystyrene in  
XPS production

The performance data and related information in this document relates to the 2021 calendar year and covers the operations as of December 31, 2021. During this period of time URSA was part of Xella. Part of the data used in this report has been assured by independent external auditors (PWC) with limited assurance.



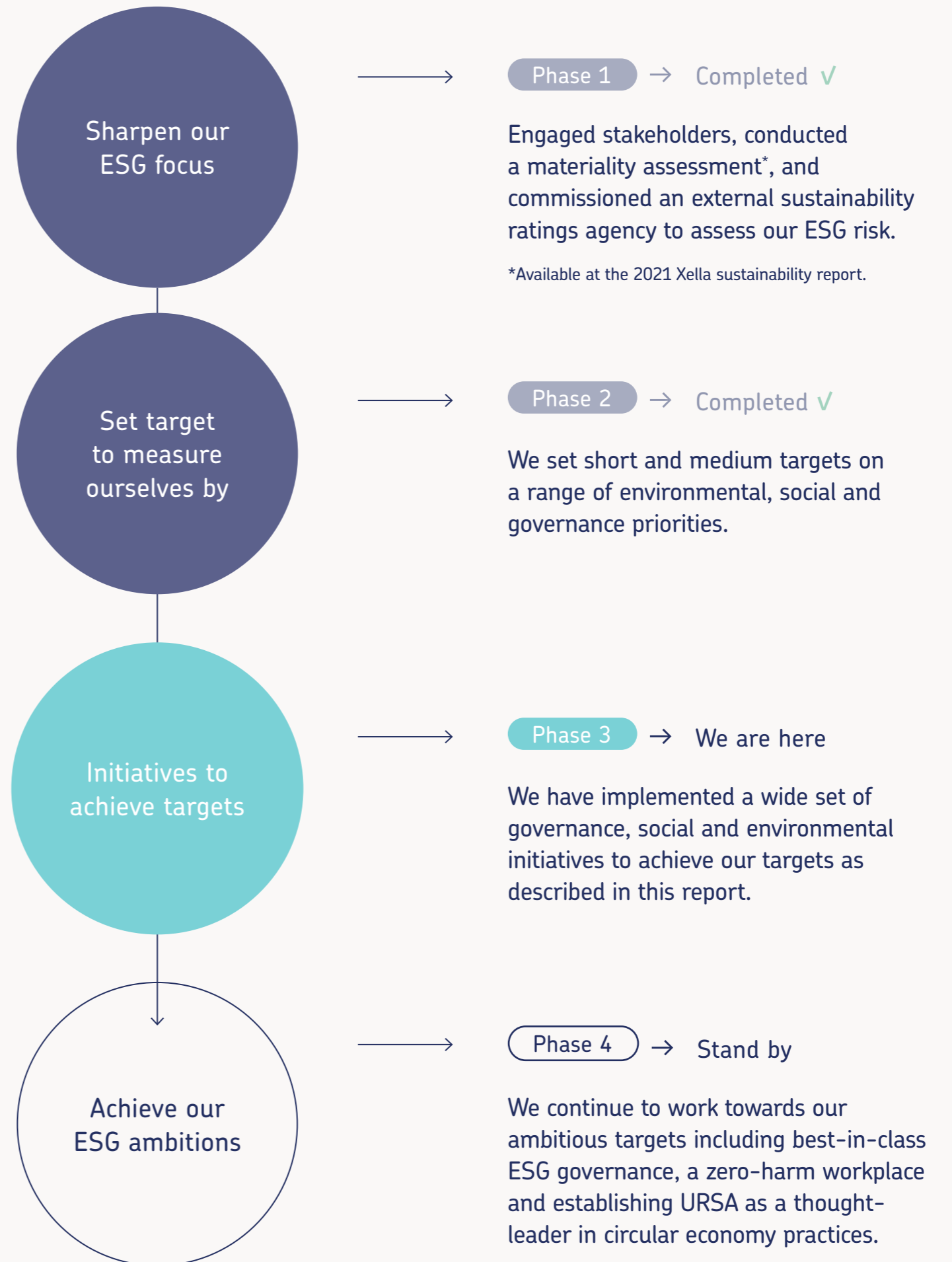
# ESG strategy

Thanks to our ESG program, we have set the path for URSA's sustainability future with the clear ambition of putting the planet in the center of everything we do.

Our ESG strategy is a key lever for the development of solid commitments for a better tomorrow for the generations to come.

# Environment, Social & Governance (ESG) strategy

In 2020, we started a journey, together with Xella, to set the path for URSA's sustainability future with the clear ambition of putting the planet in the center of everything we do. In 2021 and throughout 2022, URSA's ESG focus is to set ambitious goals & solid commitments to develop and mature our practices in the field.



# Environment

We wish to lead our industry expanding energy efficiency, by reducing carbon emissions and waste, while we boost resource conservation to enhance circularity.

We are committed to increasing the use of recycled material in our products and working on new uses and utilities for our leftovers.

# Sustainable production: a strategic commitment for URSA

At URSA we aim to safeguard the environment and minimize impacts both in how we produce our materials and how we manage residues and avoid waste sent to landfill, as a strategic company objective.



“From using greener energy to installing LEDs and best-in-class insulation, we aim to be environmentally and climate friendly in production, processes and products.”

**Björn Baum,**  
Chief Technology Officer, URSA







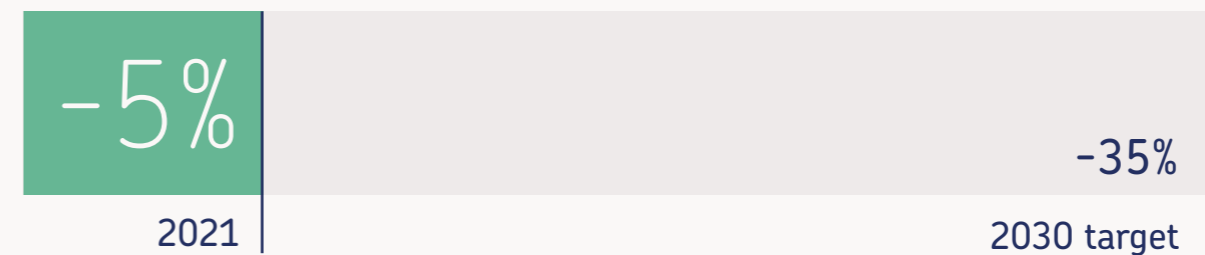
# Address circularity through energy efficiency and CO<sub>2</sub> emissions' reduction

At URSA we recognize that climate change will increasingly impact the building industry and our business. To help manage these risks we are committed to playing our part in helping the sector meet the goals of the Paris Agreement and reach carbon neutrality by 2050.

## Our target

**-35%**  
Reduction of CO<sub>2</sub>

Scope 1 and 2 emission intensity by 2030 vs. 2018



## • 2021 Key performance data

We have a wide-ranging set of initiatives in motion to help us achieve our scope 1 and 2 target.



“URSA’s El Pla plant in Spain is located in an area of high solar radiation making it an ideal location to harness solar power. In 2021 URSA initiated a tender enabling 23,000 m<sup>2</sup> for a photovoltaic installation. By 2022 we will have the installation up and running generating close to 4,500 MWh per year. In terms of CO<sub>2</sub> savings, we will avoid more than 1,000 tons of CO<sub>2</sub> per year.”

**Dr. Iñaki Grau Unda,**  
Energy Efficiency Program  
Manager, URSA

This is our action plan:

# 01

Constitution of an energy efficiency corporate department.

# 02

**Energy efficiency measures**

- Optimize energy usage.
- Replacement of equipment with more efficient technologies: leds, efficient motors, variable speed drives and air compressors.
- Energy recovery within our facilities.

# 03

Expand and optimize the energy monitoring infrastructure.

# 04

New energy related Key Performance Indicators (KPIs) to assess and improve the performance of the plants.

# 05

New photovoltaic panels on the rooftops of our production sites.

# 06

Boosting procurement of renewable energy.

# Address circularity through waste and resources management

In the building industry, enhancing our circular economy is an on-going process and one that requires collaboration with others. Our initiatives to implement our policy include:

- Working with customers and partners to recover more leftovers items;
- Implementing operational measures to cut waste and residues.



## • 2021 Key performance data

### 1 Use of recycled raw material in mineral wool and XPS production



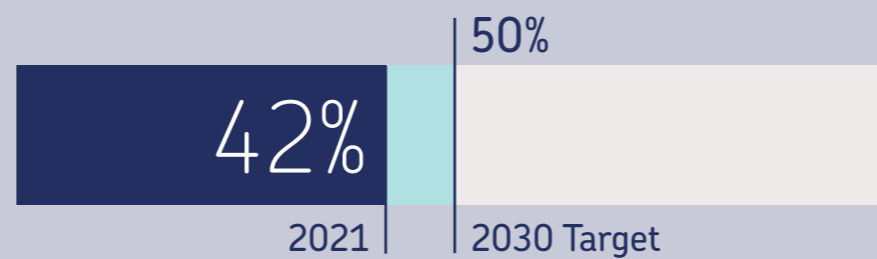
#### Mineral wool

We already use 73% of recycled and reprocessed glass in our mineral wool products and we aim to increase this figure to a minimum of 80% by 2030.



#### XPS

We already use 42% of recycled polystyrene in our XPS products. We aim to increase that level to a minimum of 50% by 2030.



“Our Novo Mesto factory in Slovenia boasts one of the highest shares of recycling – with 86% of Mineral Wool coming from recycled glass. Moreover, 73% of the leftovers internally generated in the plant is reintroduced again into production.”

**Uroš Gruden,**  
Product Manager, URSA Adria

## 2 Working with customers and partners to recover leftover items

### Reuse Pallets Project

In 2021, URSA has started working on a pallet return project in Germany. This service will be effective in the first half of 2022 and we expect a return rate of 40%. This same project will be extended to the French market in 2023.



“This is a further step in our overall aim to improve production processes by reducing the use of raw materials and natural resources, reusing products, and recycling.”

**Fernando Mingo,**  
Head of URSA's Circular  
Economy department

40%

Expected pallets return  
rate in Germany



## Polystyrene

Polystyrene is the major component to produce XPS. At URSA, for the production of our XPS insulation material we not only use more than 40% recycled materials in our composition but also reuse most of our own production leftovers and cut-offs for manufacturing new insulation products.

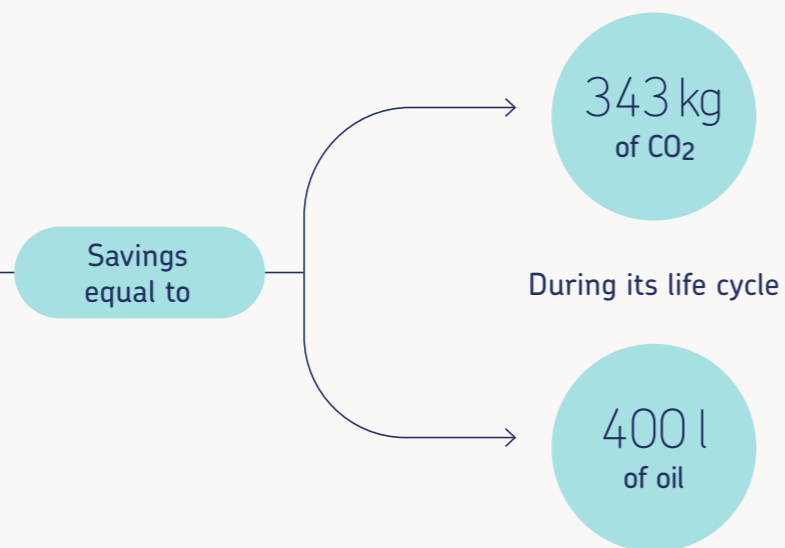
Furthermore, as part of our circular economy efforts, we have also partnered with polystyrene-intensive industries, such as consumer and food packaging, and have actively introduced these waste products from other industries into our production.



# High-performance insulation products to address sustainability and energy efficiency in buildings

The production of insulation materials is an energy intensive one, but we strive to ensure that the products we make have excellent thermal insulation properties, enabling our customers and building owners to reduce their carbon footprint.

1m<sup>2</sup> of URSA mineral wool



All our materials stand for highly efficient thermal insulation, acoustic comfort, optimum fire protection, indoor air quality and ease of handling. We also regularly review our product portfolio to keep developing better processes and formulations for our products and to make production even more sustainable.

## Reference project

## Art and earth meet at Joaquín Costa Street

Showcasing URSA's best qualities on the walls of No.4 Joaquín Costa Street, in the Castilian city district in Salamanca, Spain. No.4 was earmarked for a facelift which resulted in a not-for-profit collaboration between art, architecture and modern insulation technology. The project was funded by the Architects' Association of Salamanca and León, and the Association of Quantity Surveyors of Salamanca. URSA donated the external thermal insulation system, providing the blank canvas for Salamanca native artist, Ricardo Cavolo.

Salamanca experiences a range of temperatures throughout the year, making XPS the perfect insulation to keep the building cool in the summer, and warm in winter. XPS is not only watertight but expands and retracts to adapt to quick changes in temperature, supporting the longevity of Cavolo's outer cover.



## Reference project

## Strength and durability for hospital buildings

URSA EURASIA material helped establish 16 new medical centres to help respond to the pandemic in Russia and in December 2020, the Enfermera Isabel Zandal Hospital in Madrid opened its doors.

On the roof of the new building, we provided 6,000m<sup>2</sup> of URSA XPS NIII L, guaranteeing first rate strength and durability.



# Social

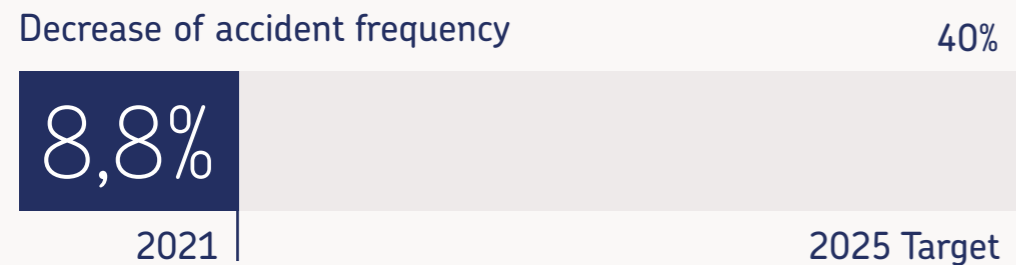
We aim to contribute to the creation of energy efficient and healthy housing, healthy work, satisfied employees and diversity while reducing occupational accidents.

# Fully engaged teammates driven by commercial excellence and customer-oriented solutions

Our talented workforce is a fundamental element of our competitive advantage and long-term success. We aim to provide them with a healthy, safe, and diverse working environment and to offer fair wages and opportunities for growth and development. We want them to be proud to work for URSA.

## Health and safety\*

Our facilities are dynamic working environments with several potential areas of risk whether from use of heavy machinery, working at heights or trips and falls. We manage safety risk. We work every day to not only implement robust safety standards and procedures but also to instill the safety mindset that can achieve our target of zero accidents at our plants.



Our overriding goal is to reduce the number of accidents to zero in the long term. We have medium-term targets to reduce accident frequency (LTIFR) by 40% by the end of 2025.

Based on 2019 baseline.

\* The purpose of this document is to communicate the sustainability approach at URSA at a glance, focusing on the environmental aspect of it. To find more information about health and safety please visit our website at [URSA.com](https://www.ursa.com).



# People and culture

## Attraction and retention of talent

A talented, efficient, and committed workforce is the basis for our success. To recruit and retain the best people we provide fair, performance-based remuneration, a non-discriminatory working environment, high-quality training and flexible options for balancing work and family life.

### Targets

- Ongoing communications between management and employees.
- Individual support and development to the employees.
- Equal pay and we pay at least minimum wage in all countries.

+10%

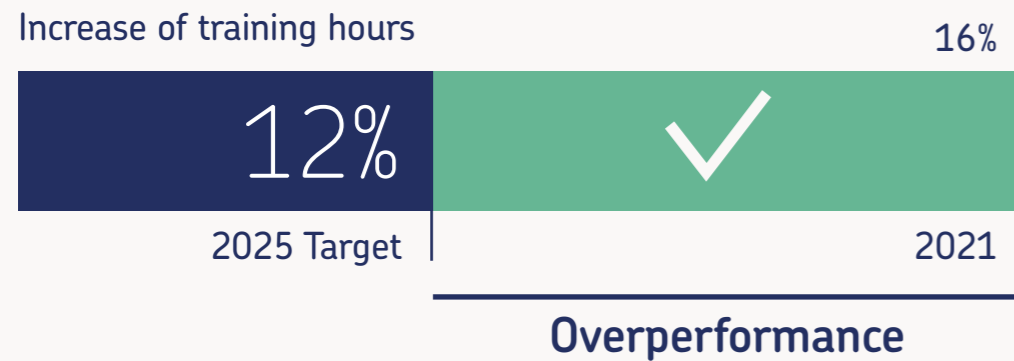
We have set a core KPI to increase annual training hours per employee by 2025.

## • 2021 Key performance data

In total URSA employed 1,764 employees (headcounts) in 2021, another year when managing the Covid-19 pandemic was high on our agenda to keep our people safe. All plants put in place appropriate measures – including social distancing and remote working as appropriate to local situations.

### Training hours

Despite the pandemic, and perhaps in part because of it, we made strong progress towards our target to increase annual training hours per employee by 10% by 2025 (from a 2019 baseline). In 2021, **Xella provided an average of 16.27 hours / employee. Well over a target of 10.97 hours in 2021** on a wide range of technical, managerial and personal development topics.



## Diversity

Our respect for diversity and equal opportunities is an important component of our Code of Conduct and we have a standalone non-discrimination and diversity policy which sets out our commitment to equal opportunity. We are firmly committed to ensuring equal pay for men and women doing comparable work, and regularly review our pay structure.

When recruiting, and not least when filling management positions, we pay active attention to diversity, equality and inclusion.

### • 2021 Key performance data

We have seen encouraging progress towards our core KPI, with the proportion of female managers across the Xella group rising to 19% compared to 17.8% in 2020. Measures introduced have included a requirement for all vacant manager positions to include at least one woman on the short-list and the provision of mentoring for high-potential female talents.

We have put in place training programs including e-learning seminars for our managers that address diversity.



## Supporting local communities

All our plants and administrative buildings seek to support thriving local economies and build good relations with local communities across all countries of operation.

The URSA Dabrowa plant in Poland has continued its long-running program of support to local communities to help improve life standards. This included outreach to celebrate Christmas with local kindergartens and schools, support to clear from snow access roads, help renovate a local playground, plant new trees in the area and provide extra support during the Covid-19 pandemic.

URSA Benelux team cycled for three charities gathering 145 cycling enthusiasts who contributed through their heartfelt efforts to the three selected charities:

- [Spina Bifida ↗](#)
- [Helen Keller Club ↗](#)
- [Warriors Against Cancer ↗](#)

Suppliers and customers were also invited to contribute. All donations and the proceeds reached a total amount of €9.900!



# Testimonials

URSA's corporate governance counts with clear organizational structures, processes and responsibilities. We wish to be a fair, reliable, and trustworthy partner for customers, business associates, and employees.



“My first child, Adam, was born in May 2021 and I have been really grateful for the flexibility URSA/Xella have shown, enabling me to combine my life situation and work duties. I have 16 weeks of paid paternity leave as of Spanish law and am using the majority of this flexibly to combine quality time with my baby in the mornings, and work in the afternoons. I feel well supported in getting used to my new responsibilities as a dad, while still playing my part in the success of the Ibérica plants.”

**Gerard Perea,**  
URSA Ibérica



“Having different generations gives us different perspectives. The younger team members bring a positive energy and tend to learn new software or technical items fast – helping out colleagues across the team. While the over 30s tend to hold the knowledge and experience that streamline processes for everyone and find solutions when there is a problem. It is the diversity that creates a good atmosphere, and everyone has respect for each other and that is the most important thing that drives our team and helps us enjoy our work and deliver every day.”

**Marianna Muszala,**  
Manager of the URSA Group  
Shared Service Center in  
Poland



“Girls must be empowered to design their own future and fight for it.”

**Marina Alonso,**  
Director of Marketing and  
Communication, URSA Ibérica

# Governance

URSA's corporate governance counts with clear organizational structures, processes and responsibilities.

We strive to be a fair, reliable, and trustworthy partner for customers, business associates, and employees.



We are on track at group level on the target of having independent ESG audits at suppliers from 2022.

Targets achieved in 2020:

- Zero tolerance toward fraud, bribery, and anticompetitive activities.
- We strive to deliver an industry-leading customer experience.
- Updated whistleblower system.
- ESG audits at suppliers.
- URSA & all local business units have ESG committees reporting to the Board.



# Suppliers

In 2021, we succeeded in our goal for 100% of relevant suppliers\* to accept and comply with the Supplier Code of Conduct by the end of 2021.

As part of our strategy to build a resilient and stable supply chain, we tend to favour local suppliers to our plants where possible. We are also committed to protect personal data provided to or by suppliers in line with regulation such as the EU General Data Protection Directive (“GDPR”).



“In 2021 we focused on ensuring all providers sign their agreement with our Supplier Code of Conduct and that we embed the respective rules and paragraphs within the set of contract templates we use for our suppliers.”

**Enrique Gallego,**  
Legal Manager, URSA



\* We consider a relevant supplier to be any supplier that is based in one of the defined procurement countries and from which we source defined goods and services at a value of over €50,000 per year.



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\*From 2021 Xella Sustainability report.