



ESSENTRA

ANNOUNCEMENT OF NEW ENVIRONMENTAL KPIS AND TARGETS

Released : 28/08/2020 07:03

RNS Number : 3908X
Essentra plc
28 August 2020

ESSENTRA PLC

Announcement of new environmental KPis and targets

Building for the future, responsibly

Essentra PLC ("Essentra" or "the Company") today announces new environmental KPis and targets representing a significant step forward in the advancement of the Company's established sustainability agenda. These new targets are over and above the Company's existing safety-related KPis.

- Carbon neutral by 2040, for manufacturing and distribution operations (Scope 1 and 2 emissions¹)
 - Interim target of 25% reduction in normalised Scope 1 and 2 emissions by 2025, vs 2019 baseline
- All sites at zero waste to landfill by latest 2030
- 20% reduction in overall waste volumes by 2030, vs 2019 baseline
- 20% of packaging and raw materials from sustainable sources by 2025^[1]

Chief Executive Paul Forman said:

"Essentra's purpose is to provide the products and services our customers need to succeed - and to do so responsibly. I am pleased to be announcing these new environmental KPis and targets which provide us with an ambitious framework as we continue to drive forward our sustainability agenda.

The measures that we are announcing today will see an accelerated reduction in our Greenhouse Gas (GHG) emissions, providing the roadmap to being carbon neutral by 2040 as the Essentra family steps up to play its part in achieving a low carbon economy. Our new waste management initiatives will ensure we do not send anything to landfill by latest 2030, at all of our sites around the world - taking their lead from the eight sites that have already achieved this goal. During this period we also aim to reduce overall waste by a fifth across our business, while significantly increasing the usage of more sustainable raw materials such as fully biodegradable or post-consumer recycled products.

There are four pillars to our sustainability agenda, which have been carefully chosen based on who we are and what we do: responsible resource usage; energy and climate change; people & community; and responsible supply chain. These new environmental KPis are an important step forward and reinforce our commitment to investing and innovating to reduce Essentra's environmental impact as part of our commitment to acting responsibly in everything we do."

GHG emissions

Essentra will target carbon neutrality by 2040 through a programme of energy efficiency improvements and emissions reductions across its manufacturing and other sites. To ensure the Company is on track to meet this commitment an interim target has been set of a 25% reduction in normalised Scope 1 and 2 emissions by 2025 as measured against a 2019 baseline (the first year where Essentra emissions were third party verified on a Group-wide basis).

The site improvement programme is comprehensive and wide-ranging, focusing on reducing overall emissions through initiatives that include:

- **Energy efficiency upgrades:** Implementation of a rolling programme of site energy audits and energy efficiency improvements, including roll-out of energy efficient LED lighting, site insulation, and ongoing energy reduction and conservation measures.
- **Clean energy:** Pilot projects are currently underway across five locations globally for the installation of local energy

generation on Essentra sites, including the installation of solar PV solutions. In addition to on-site generation the Company is also reviewing its energy supply contracts to prioritise the procurement of certified renewable energy.

- **Innovation and technology:** Development and adoption of innovative, energy efficient projects on a site-specific basis, such as all-electric presses in the Components business.

The implementation of these initiatives will continue and accelerate Essentra's journey to carbon neutrality. In addition to these projects Essentra is committed to working closely with supply chain partners to promote low carbon operations across the Company's operating footprint.

Waste reduction and sustainable materials

Essentra is committing to ensuring all of its sites operate with zero waste to landfill by latest 2030. The Company currently has eight production sites verified as zero waste to landfill and is rolling out initiatives and best practice from these sites globally.

These measures include advanced tracking and reporting of waste flows and the implementation of advanced site-specific recycling projects and waste reduction programmes. In addition to committing to eliminate all waste to landfill, Essentra is targeting a 20% reduction in overall waste volumes by 2030.

As part of the Company's continued emphasis on responsible resource usage, Essentra is also pursuing a wide range of projects with more sustainable material approaches. The Group is targeting 20% of all packaging and raw materials used in the Components Division's manufacturing processes to be from more sustainable sources by 2025. All businesses are actively engaged in material trials, customer collaborations and new product development with the aim of reducing material usage, increasing post-consumer recycled (PCR) content, using new materials from more sustainable sources or making packaging and products biodegradable. Example of sustainable product initiatives that are currently being explored by the Company's business divisions are as follows:

- **Components:** The Components business is working closely with customers on new product development, including the incorporation of increased recycled content and biodegradable additives into cap and seal products.
- **Packaging:** The Company is working with Packaging customers to substitute plastic with paper-based designs and reduce material usage and waste, trialling higher PCR content materials and designs that facilitate consumer recycling.
- **Filters:** Supplier collaboration projects are focused on investigation of alternative fibre materials with a range of fully biodegradable materials products under development.

Each of Essentra's divisional businesses are tracking division-specific metrics to improve the overall sustainability of their product and packaging portfolios. These represent a significant opportunity for the Group to collaborate more closely with customers, accelerate new innovation and improve the long-term sustainability of the business. Essentra's sustainability agenda will remain at the centre of the Group's strategy as it continues to build for the future.

Sustainability Governance

Towards the end of 2019 a new Board Sustainability Committee was formed, which elevated the previous Group Sustainability Committee to Board level and underscored the increasing importance that both the Board and the Company's stakeholders are placing on this issue of Sustainability. The Board Sustainability Committee meets at least quarterly in order to input on strategy, risk management and performance.

Notes

(1) Scope 1 (direct emissions e.g. fuel combustion on site) and Scope 2 (indirect emissions associated with the generation of purchased energy).

(2) Components Division target, as a proxy for Group activity - other Divisions will also be tracking different material-related metrics.

Enquiries

Essentra plc

Aamir Mohiuddin, Investor Relations Director

Lucy Yank, Group Communications Director

Tel: +44 (0)1908 359100

Tulchan Communications LLP

Martin Robinson

Sophia Martin-Pavlou

Olivia Peters

Tel: +44 (0)20 7353 4200

Notes to Editors

About Essentra plc

Essentra plc is a FTSE 250 company and a leading global provider of essential components and solutions. Organised into three global divisions, Essentra focuses on the light manufacture and distribution of high volume, enabling components which serve customers in a wide variety of end-markets and geographies.

Headquartered in the United Kingdom, Essentra's global network extends to 34 countries and includes 7,552 employees, 50 principal manufacturing facilities, 34 sales & distribution operations and 4 research & development centres. For further information, please visit www.essentraplc.com.

Essentra Components

Essentra Components is a global market leading manufacturer and distributor of plastic injection moulded, vinyl dip moulded and metal items. Operating in 29 countries worldwide, 14 manufacturing facilities and 29 logistics centres serve more than 84,000 customers with a rapid supply of low cost but essential products for a variety of applications in industries such as equipment manufacturing, automotive, fabrication, electronics and construction. The division also includes the Reid Supply business, which provides a wide range of branded hardware supplies to a broad base of industrial customers, largely located in the US Mid-West.

Essentra Packaging

Essentra Packaging is one of only two multicontinental suppliers of a full secondary packaging range to the health and personal care sectors, with 24 facilities across four geographic regions. The division's innovative products include cartons, leaflets, self-adhesive labels and printed foils used in blister packs, which help customers to meet the rapidly-changing requirements of these end-markets and can also be combined with Essentra's authentication solutions to help the fight against counterfeiting.

Essentra Filters

Essentra Filters is the only global independent cigarette filter supplier. The seven worldwide locations, plus a dedicated Technology Centre supported by three regional development facilities, provide a flexible infrastructure strategically positioned to serve the tobacco sector. The business supplies a wide range of value-adding high quality innovative filters, packaging solutions to the roll your own segment and analytical laboratory services for ingredient measurement to the industry: Essentra's offering also includes Heat Not Burn and e-cigarette solutions to the rapidly evolving market for Next Generation Products. The division now also includes the Tear Tapes business, which is globally recognised as the leading manufacturer and supplier of pressure-sensitive tear tapes, that are largely used in the tobacco, food and drink and specialist packaging sectors.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@lseg.com or visit www.rns.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

STRKKOBBBKBNFB