

Sustainability Report 2022





Contents

- Our commitment to sustainability 3**
- Message from our CEO and Chairman 4**
- Message from our Global Head of Sustainability 6**
- 1. About Master Builders Solutions 8**
- 2. Sustainability 17**
- 3. Products 25**
- 4. Climate and environment 43**
- 5. People 57**
- 6. Business integrity 66**
- 7. Further information 80**





Our commitment to sustainability

2022 sustainability highlights

Master Builders Solutions was carved out from MBCC Group in 2022 and 2023 and purchased by Cinven in May 2023. The scope of this report covers Master Builders Solutions on a standalone basis in 2022. Where historic data are reported, these have been recalculated from original MBCC Group figures to represent Master Builders Solutions' activities.

>7,000
customers in over **25** countries

Our products enable **reductions of greenhouse gas emissions** associated with concrete by **15–50%**, compared to the current industry average²

Ranked **11th** out of 538 chemicals companies by Sustainalytics¹, earning us recognition as an **ESG Industry Top Rated** company

~48%
of our sales are from products that enable **sustainable construction**³

35%
reduction in wastewater per produced ton compared to 2020 baseline

100%
of our sites assessed for **solar panel installation**

1,586
employees in 36 countries

Conducted a thorough **gender pay gap analysis** across all job grades

Partnered with a specialist third party to analyse the regional **environmental and human rights risks** in our operations and supply chain

>42%
of R&D budget attributed to projects with a **sustainability focus** in 2022

¹ Sustainalytics is the global leader in environmental, social and governance (ESG) research and data.
² Percent reduction is dependent on local conditions.
³ Products that enable sustainable construction are those that can be used potentially to reduce embodied carbon of (reinforced) concrete, preserve water resources, improve early strength, replace/reduce thermal curing, improve durability and longevity of concrete structures, allow self-healing of concrete, enhance cement strength, increase the dosage of (recycled) difficult aggregates in concrete recipes, and recycle return concrete. Other products include admixtures for geopolymers, repair mortars, and wind turbine grouts.





Message from our CEO

Welcome to our first Master Builders Solutions sustainability report, and my first as Chief Executive Officer.

Over the last year, the business has successfully navigated change and is emerging in a strong position for continued growth. As I step into this new role, I have been inspired by the passion of our employees and the way they have stayed focused on delivering for our customers — upholding Master Builders Solutions' great reputation and relationships through this period of transition. As we prepare for an exciting future, we look forward to accelerating our ambitions and amplifying our support for a more sustainable construction sector.

In late 2021, MBCC Group was acquired by Sika, a multinational construction chemicals company based in Switzerland. As part of the remedial guidance provided by the merger control authorities around the world, Sika then divested Master Builders Solutions, principally the chemical admixtures part of the business. In May 2023, international private equity company Cinven completed the purchase of Master Builders Solutions in North America, the markets of the European Economic Area (EEA), including Switzerland and the United Kingdom, as well as in Australia and New Zealand.





We are pleased that Cinven as our new shareholder fully subscribes to and supports our sustainability and decarbonisation strategy. Cinven adds a wealth of knowledge and industrial expertise through its previous investments in the wider industrials and chemicals sectors, and is committed together with us to drive our environmental, social, and governance (ESG) strategy forward and foster a decarbonised future.

Together, we will release Master Builders Solutions' full potential and establish leadership in admixtures, enabling our valued stakeholders to build better globally. There is significant potential to reduce the carbon emissions associated with today's concrete industry. Achieving these reductions is essential to drive the decarbonisation of infrastructure globally, and to achieve the net zero targets made by companies and governments. High-performance admixtures are a key instrument to accelerate this shift — offering a significant opportunity to improve the environmental efficiency of concrete and at the same time keeping or lowering the cost base of the final product.

At the time of publishing this report, we are launching our new MasterCO₂re™ product line of superplasticisers, an advanced technology to further reduce CO₂ emissions of concrete to enable our customers to proactively solve the challenges of decarbonisation.

As we continue to develop new products and solutions that help to solve our customers' unique building challenges, our focus on technical service is what sets us apart. One aspect I would like to highlight is our work to harness the power of data to support our customers in monitoring, quantifying, and communicating the environmental benefits of their products.

Keeping in place our strong management strategy and entrepreneurial culture, we plan to build on our market-leading research and development capabilities and our renowned track record of innovation. Following the recent transition, we are now very much back to our roots and principally focused on providing market-leading admixtures to our stakeholders, enabling them to facilitate and advance their net zero goals. As a signatory to the United Nations Global Compact (UNGC) we annually publish a Communication on Progress detailing our environmental, social, and governance performance.

Looking ahead, all of us at Master Builders Solutions will work tenaciously to advance our strategic purpose and further build our reputation as the trusted and valued partner of our stakeholders.

Dr Boris Gorella
Chief Executive Officer and Chairman of the Board of Management,
Master Builders Solutions





Message from our Global Head of Sustainability

As a company operating in the construction industry, and as citizens of this planet, we have a responsibility to reduce our own footprint and support our sector to transition to a more sustainable future. Concrete is fundamental to global infrastructure, and its main component, cement, accounts for up to ~8% of global carbon dioxide emissions from its production.¹ That said, we innovate and bring solutions to the market that decarbonise concrete today and tomorrow.

Offering solutions that enable sustainable construction has been a part of our business for a long time. Now that we have a more focused product benefit, we internalise a conscious mandate to grow our business to reduce the construction industry's greenhouse gas emissions and resource use. The potential for our solutions to support the construction industry to reduce its carbon footprint at a global scale is Master Builders Solutions' opportunity to make a positive difference. We estimate that the use of our products in North America last year helped save more than 1 billion litres of water, and the use of Master X-Seed™ products enabled more than 7 million metric tons of embodied CO₂ to be avoided by supporting reduced cement content in concrete mixes.

¹ <https://www.chathamhouse.org/sites/default/files/publications/2018-06-13-making-concrete-change-cement-lehne-preston-final.pdf>





I am energised by the tremendous potential of our products and solutions to help reduce the embodied CO₂ of concrete, conservatively by 15% and — in proven cases and applications — up to 50%. This can enable our customers to bring solutions to building owner operators, commercial developers and cities on a local and global scale to meet their own Scope 3 emissions objectives. We are focused on increasing brand awareness both with end users and concrete producers, to support corporate and national carbon reduction goals for real estate and infrastructure. Looking ahead, we strive to responsibly address growing urbanisation around the world and support rebuilding efforts in countries such as Turkey and Ukraine, while continuing to find innovative solutions to the challenges of our direct and indirect customers.

As we transition into our new structure, we are reviewing our sustainability performance targets and we will apply what we learn to our sustainability strategy for the coming years. We have enhanced our analysis of our evolving risks and opportunities for our business, including water-stress and human rights. We are continually working to bring innovative solutions to market, and to share learnings between our regions to maximise the potential of our products and solutions.

Our sustainability report is paramount for holding ourselves accountable to our goals. Despite the recent period of change, we continue making progress. Our

CO₂e emissions per produced ton decreased by 12% in 2022, compared to a 2020 baseline, and we reduced water usage by 35% per produced ton. In 2023, we will conduct a greenhouse gas inventory analysis of our business, including a revised baseline for all scopes. That work will help us continue to reduce our operational emissions while we engage with our stakeholders to reduce Scope 3 emissions. At the same time we will continue to focus on reducing our own Scope 1 and 2 footprint.

Corporate Scope 3 emissions management remains one of the most talked about global sustainability challenges — inventory measurement, data management, and data integrity are topics of constant discussions amongst businesses, investors, and regulators. In most cases, Scope 3 emissions dominate a company's footprint — and can be reduced regardless of data availability.

With the magnitude of our customers' Scope 3 emissions in mind, we confidently believe that the tools we offer to the industry will enable them to effectively advance the reduction of the global warming potential of concrete NOW.

John A. Ortiz
Global Head of Sustainability, Master Builders Solutions





1. About Master Builders Solutions

- Who we are 9
- A year of change..... 10
- Our business model and value chain..... 11
- 2022 business performance 14
- Trends shaping our business 15





About Master Builders Solutions

Who we are

We are a global partner to the construction industry, enabling our customers and their clients to use fit-for purpose building materials that support a lower carbon future. We provide:

- Chemical admixtures, mainly for concrete construction, in the EU, the UK, Switzerland, North America, Australia and New Zealand. Our admixtures enable customers to reduce cement content and water, enhance durability, control hydration, and more — making concrete stronger, easier to work with, and with less embodied carbon than conventional solutions.
- Construction systems in Australia and New Zealand — including products for concrete repair and protection, performance flooring, grouts, sealants, adhesives, and waterproofing.
- Technical services to support our customers in reaching their sustainability goals in collaboration with our team. These services include trainings and webinars to raise awareness about what can be achieved using our products, and tools that quantify the ecological and commercial benefits of different concrete formulations. We also provide on-site support from our technical sales team who assist customers with implementing new solutions.

Our 1,586 employees, at more than 35 manufacturing sites and four tolling sites produce, market, and sell our products to more than 7,000 customers in over 36 countries. Our customers span the concrete value chain, and include cement manufacturers, concrete producers, applicators, and contractors.

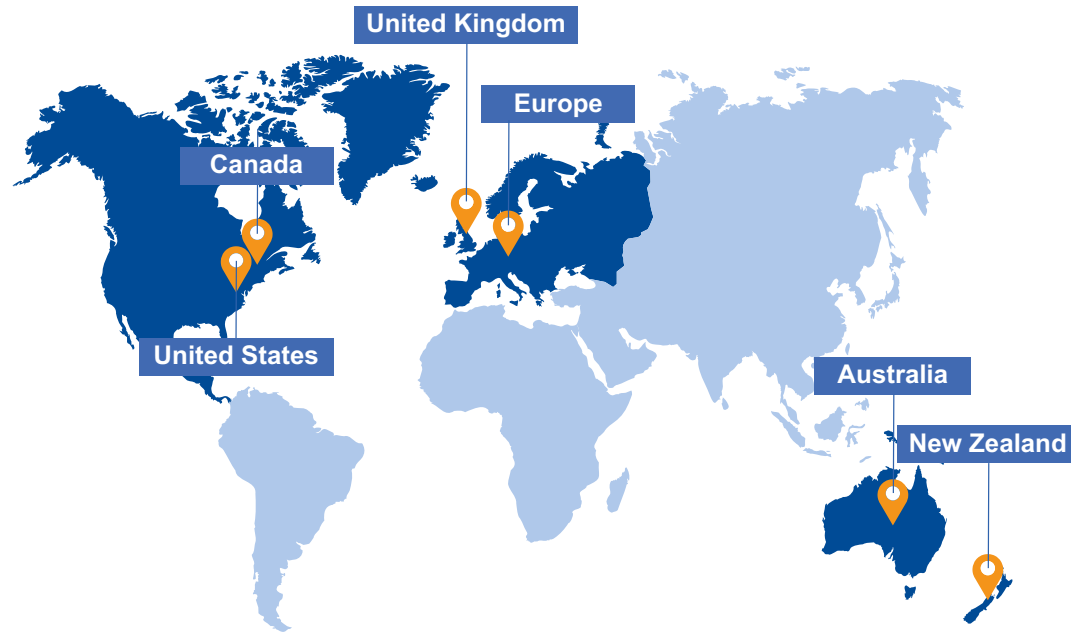
From day-to-day assistance to technical support on key strategic issues, we focus on helping our customers and the construction industry find solutions to significant challenges. Concrete production is influenced greatly by geography, atmospheric conditions, availability of raw materials such as supplementary cementitious materials and aggregates, and regulations. We provide local support to help our customers find reliable and relevant solutions in their unique local contexts.

Our innovations address sustainability challenges in the concrete industry, supporting both the movement towards net-zero construction and providing us with a resilient and future-oriented business model. Our solutions reduce our customers' Scope 3 emissions. These emissions are typically the largest and most challenging to master.





Where we operate



A year of change

2022 was a year of transition. In November 2021, MBCC Group was acquired by Sika and as part of the remedial and merger clearance process Master Builders Solutions was divested and emerged as a standalone company. The transaction closed in early May 2023 and Master Builders Solutions today operates a market leading admixtures business in North America, in the European Economic Area (EEA) — including Switzerland and the UK — as well as an admixtures and construction systems business in Australia and New Zealand.

We closed 2022 with firm plans for a pure-play admixtures business that will thrive and grow under our new private equity ownership. We are enthusiastic about the technological advancements, case studies, and customer relationships we have developed and nurtured throughout the year and look forward with passion to our future success.

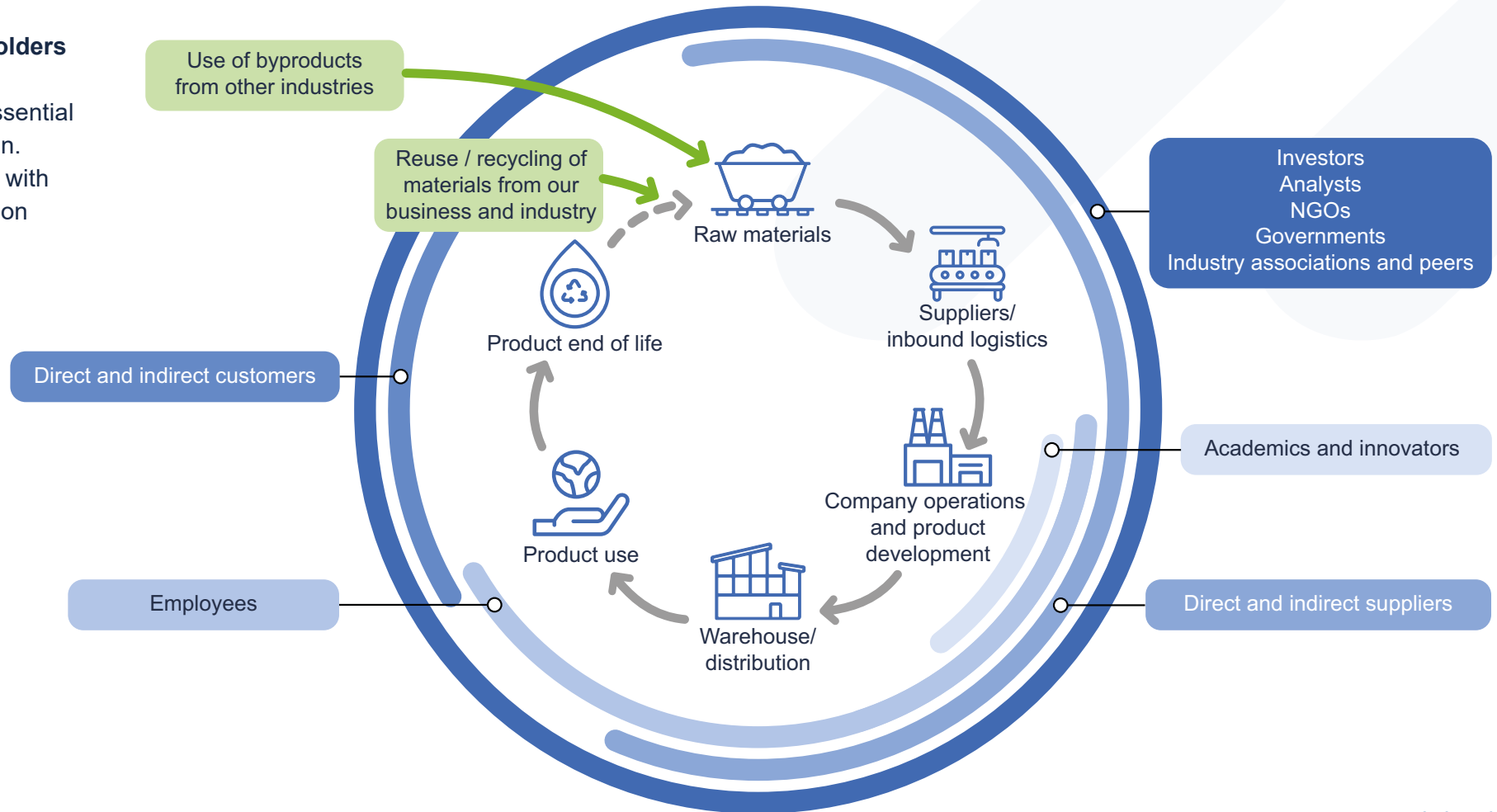




Our business model and value chain

Our value chain and key stakeholders

Our many stakeholders play an essential role in every part of our value chain. Read more about how we engage with our stakeholders on sustainability on [page 21](#).





Our business model

Our business strategy centres on supporting our customers to find solutions to their construction challenges, with a focus on accelerating the decarbonisation of the building sector.

Global cement production accounts for an estimated 8% of global CO₂ emissions.¹ The expected growth and related demand for infrastructure and buildings in developing countries and the ongoing trend towards urbanisation will further drive concrete construction as an essential part of our global economy. Our goal is to significantly reduce the carbon footprint of concrete and at the same time maintain and / or improve its essential properties and cost position — enabling the wider construction sector to operate in a more sustainable way.

Our central corporate functions provide oversight, governance and share knowledge across the organisation, with more than 240 technical service professionals in 36 countries supporting our customers with the selection and use of our products. This ensures that we adapt to local markets and provide tailored support to our customers, and identify and share best practices.

¹ <https://www.chathamhouse.org/sites/default/files/publications/2018-06-13-making-concrete-change-cement-lehne-preston-final.pdf>





We continually invest in innovation and research and development to meet and anticipate future requirements, and to accelerate progress towards a more sustainable construction industry. Partnerships with industry associations, universities, and peers are an important proponent to this work. This includes:

- Membership of the European Federation of Chemical Construction (EFCC) and local construction chemical associations helps us to stay on top of industry trends.
- We have been one of the sustaining members of American Concrete Institute (ACI) and Dr Charles Nmai from Master Builders Solutions serves the president of ACI in 2022-2023 to lead the industry effort in sustainable construction.
- Collaboration on long-term projects and research with universities such as the University of Malaga (Spain), the Universitat Politècnica de Catalunya (Spain), the Leibniz University Hannover (Germany), University of California, Los Angeles (USA), and Oregon State University (USA) engage our colleagues in state-of-the-art innovation.

- Dr Jürgen Bokern from Master Builders Solutions joined the Joint Committee on the GLOBE Consensus in 2022 — an initiative dedicated to reducing greenhouse gas emissions from construction.

Looking ahead, our separation from MBCC Group made us as a lean business with a focused range of products and services. Currently, approximately 48% of our sales originate from products that enable sustainable construction,¹ supporting our leading position in the construction chemicals market as a partner for decarbonisation, water use reduction, and circularity.

In 2023, we begin to increase our efforts to influence different levels of the value chain, to stimulate the adoption of low carbon concrete mixtures with building owner / operators and across construction tenders.

¹ Products that enable sustainable construction are those that can be used potentially to reduce embodied carbon of (reinforced) concrete, preserve water resources, improve early strength, replace/reduce thermal curing, improve durability and longevity of concrete structures, allow self-healing of concrete, enhance cement strength, increase the dosage of (recycled) difficult aggregates in concrete recipes, and recycle return concrete. Other products include admixtures for geopolymer, repair mortars, and wind turbine grouts.

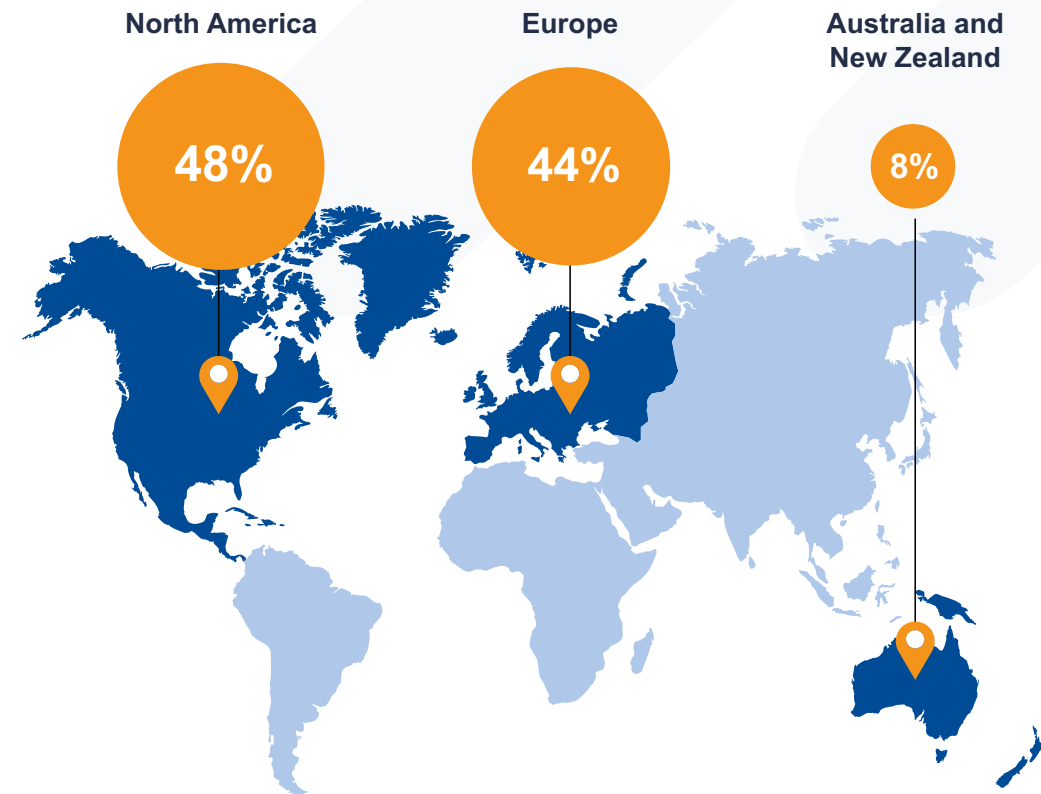




2022 business performance

Master Builders Solutions generated sales of €921 million in CY2022A.¹

Of our net sales, 48% are in North America, 44% in Europe, and 8% in Australia and New Zealand.



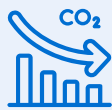
¹ Master Builders Solutions' financial information as per the carve-out data model derived from audited financial statements of MBCC Group.



Trends shaping our business

Global trends influencing the construction industry and our business

Our business is shaped by the continued evolution of the construction industry, and by a range of short and long-term global trends. Our products and services help our customers and the industry meet these trends with solutions. Here are some of the factors that influenced our business performance and plans in 2022:



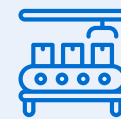
Decarbonisation. Global recognition of the requirement to reduce greenhouse gas emissions is shaping every industry. For the construction sector, governmental and corporate commitments to reach net-zero within the next 10 to 30 years will challenge our industry. A reduction in embodied carbon in new and retrofitted buildings will become essential to meeting net-zero goals, and our products and services are well placed to be a key part of this solution. Corporates, investors, and government institutions have increased their focus on Scope 3 emissions — currently one of the most challenging areas of measurement, reporting and action.



Legislation and regulation. The trend towards decarbonisation is in part being driven by new regulations and legislation that support a shift to a lower carbon future. These developments are largely emerging from the EU, and include the EU Taxonomy and other country-specific initiatives. We see an appetite to regulate embodied carbon in some states in the USA and Canada, and anticipate that successful demonstration of our ability to help customers meet those new targets will fuel greater demand for high-performing admixtures.



Increased regulation on green claims. There is increased focus from governments and non-governmental organisations on the environmental claims made by companies with respect to their products and services. We welcome this review and have stepped away from calling or labeling our products "sustainable" to ensure the veracity of our claims and communications to the industry.



Supply chain issues. Spill-over effects from global disruptions in 2020 have contributed to challenges with supply chains for many sectors, including affecting the availability of cement materials for the concrete industry.



High costs and inflation. Geopolitical events in Eastern Europe have caused volatility in energy prices and scarcity of essential raw materials to our industry across Europe. In addition, inflationary pressure and higher material costs have muted the volumes of new construction in 2023.



Urbanisation. With populations increasingly moving to higher density urban areas, the requirements for new construction growth continue to prevail.



Water scarcity. Access to clean water poses a significant global challenge, with climate change increasing the likelihood of water shortages in new geographic areas. Communities today facing social and resource inequity are likely to be further affected going forward.



Labour shortage. A scarcity of skilled workers is adding pressure on our sector to meet the demands of new construction growth in the context of increasing costs, the demand for reliable construction materials, and solutions supporting building efficiency.

Read more about how our admixtures support customers to address these trends, for example by reducing CO₂ emissions (see [pages 31-34](#) and [36](#)), reducing material use (see [page 32](#)), and improving cost and labour efficiency (see [pages 33](#) and [38](#)).





2. Sustainability

Solutions-based approach to sustainable construction	18
Regulatory trends	19
SustainableNOW	20
Stakeholder engagement.....	21
Sustainability governance.....	21
Key sustainability parameters.....	23
Proof points	24





Sustainability

Solutions-based approach to sustainable construction

The world requires new construction to provide essential homes, offices, and infrastructure for a growing, increasingly urban population. At the same time, those designing, commissioning, investing in, managing, and delivering construction projects are facing pressure to lower the embodied carbon and resource consumption in new and refurbished developments, as part of the path to net-zero.

Master Builders Solutions is well-equipped to support the construction sector to navigate many challenges — from cement and concrete suppliers to contractors, engineers, architects, investors, and managers. Our admixture solutions can reduce the quantity of cement required in concrete, improve the longevity of concrete, enhance the workability of low carbon concrete containing low-clinker cements, and enable the recycling and use of returned concrete to contribute to the circular economy. Our admixtures can reduce curing energy demands and improve cycle times, hence significantly improving efficiency and cost.

We have long used lifecycle assessments (LCAs) and Environmental Product Declarations (EPDs) to calculate and certify product emissions from cradle to cradle, and support customers' requirements for building certifications. At the same time, we developed a tool which encourages customers to improve their environmental performance. Our new ECO²NOW tool calculates and compares the embodied carbon content and cost of different concrete mixes to show their economic and environmental performance. Such data sets often confirm to our customers and their clients that the more sustainable solution can be more cost effective than traditional solutions. It allows us to start tracking the combined carbon savings enabled by our products. We also offer local and global trainings and webinars to raise awareness of our products and to inform the public about more sustainable construction solutions.





Regulatory trends

We welcome regulation in our industry targeting net-zero carbon emissions. The European Green Deal, a package of policy initiatives with the aim of reaching net-zero in the EU by 2050, sparked the development of further legislation to reduce greenhouse gas emissions. As Europe is leading the emissions reduction journey, regulation is tightening and coming into place around the world, with industry participants having to adopt new strategies to remain competitive. Some upcoming regulatory trends affecting the construction industry include:

- Cement and steel manufacturing have been subject to an emissions trading system for several years, featuring caps on total emissions permitted and companies actively trading emissions allowances among each other as required. Building operations and road transport will enter this system in 2027. Changes to the EU Emissions Trading System will increase the gap between available certificates and free allowances for CO₂-intense industries, which will be limited at higher pace from 2026 onwards. Consequently, costs for CO₂ emissions will directly correlate with cement costs, incentivising the use of cement and concrete with lower embodied carbon and more supplementary cementitious materials.
- As part of the EU Taxonomy, construction and real estate companies are required to perform a lifecycle assessment (LCA) for all new buildings with >5,000 m² floor plan, decreasing to 2,000 m² in 2027, according to latest revisions of the European Energy Performance and Building Directive, as an intermediate step before assessments become mandatory for all new buildings in 2030.
- The goal of having Zero Carbon Building Stock by 2050, and the EU's Effort Sharing Regulation, will mean that emissions reductions will be defined in national roadmaps with thresholds for operational and embodied carbon, increasing requirements for concrete suppliers.
- Master Builders Solutions is currently not governed by the German Supply Chain Due Diligence Act. However, our ongoing efforts in responsible procurement will keep us ahead of this and similar federal and state future legislation by allowing us to identify potential vulnerabilities in the social and environmental performance of our suppliers and proactively make improvements.





SustainableNOW

This has been a year of transition for Master Builders Solutions, and we are emerging as a more focused company, with a greater passion for supporting more sustainable construction. Innovation and customer engagement are the heart of our business, and our growth will further our ambition to reduce the greenhouse gas emissions of concrete at a large scale.

Our sustainability strategy — SustainableNOW — is based on four pillars: Products and Services, Climate and Environment, People, and Business Integrity.

Internally, we are raising awareness relating to sustainability parameters relevant to our industry through our internal online sustainability channel, which currently engages around 20% of our workforce. Externally, we communicate the merits of the CO₂ reduction of admixtures, in particular water reducers, to multiple different audiences. Our direct customers are often aware of the possibilities our products offer. In the second half of 2022, we began communicating with the next layer in our value chain — the customers of our customers, the decision makers, the investors, the architects. For example, we participated in an interview with “FutureBusiness”¹ to discuss the importance of admixtures as climate-solutions for the concrete industry.

¹ <https://future-business.org/interview-with-john-ortiz-shirin-fataei-mbcc-group/>

Our four sustainability pillars



Products and services

Innovate products and solutions designed to preserve resources, lower emissions, and safeguard health and wellbeing

[See chapter 3](#)



Climate and environment

Reach targets to reduce our emissions, water consumption, and wastewater across our operations

[See chapter 4](#)



People

Support the health and safety of our employees and work towards a more diverse workforce

[See chapter 5](#)



Business integrity

Ensure our business is conducted in a compliant, ethical, and transparent manner

[See chapter 6](#)





Stakeholder engagement

Close engagement with our many stakeholders is essential to our ongoing business success and informs our approach to sustainability:

- Regular communication with our customers enables us to serve them better by providing products and services that meet or surpass their expectations.
- Our people are paramount to our success, thus, we care and work to support their wellbeing and development and share our expectations of performance and conduct.
- We partner with our suppliers to ensure we deliver high quality products and work to reduce our combined footprint.
- Collaboration with academics, innovators, and peers equips us to better meet the needs of the future through new services, products, and partnerships.
- Engagement with investors, analysts, NGOs, and governments keeps us focused and accountable, ensuring we meet external expectations in relation to financial, environmental, and social performance.

Sustainability governance

We take an integrated approach to sustainability, led by our CEO, who is accountable for our sustainability strategy and performance. Sustainability is a key part of our CEO's portfolio and a strategic priority for the company.

Master Builders Solutions' Management Board includes 3 members from 2 countries. The Board oversees the Audit Committee, the Nomination Committee, the Remuneration Committee, and the Sustainability Committee. No independent board members sit on these committees. The Management Board members are affiliated with Master Builders Solutions and the investment entities and affiliates of Cinven LLP.

Our Sustainability Leadership Committee (SLC) engages our C-level executive leadership on strategy, investment, and performance. One of two subcommittees leads and tracks our own operations and supply chain sustainability, and the second focuses on our product, customer engagement, and research and development.

Our corporate sustainability function is responsible for the development, implementation, and regular review of our sustainability strategy.





Health and safety are built into our structure, from our Global Head of Environment, Health, Safety and Quality (EHSQ), to our site-level specialists who monitor environmental and compliance adherence. Our employees complete mandatory regular trainings at every site, and we ensure compliance with ESG standards through global audits which are performed by independent experts.

We adhere to all relevant chemical and environmental regulations where we operate. We comply with the EU Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) standard, and the chemical industry’s global Responsible Care initiative to ensure safe chemical management. Toxic Substances Control Act (TSCA), Canadian Environmental Protection Act, 1999 (CEPA), and California Proposition 65 (Prop 65) in North America, Hazardous Substances and New Organisms Act (HSNO) in New Zealand, and Industrial Chemicals Act 2019 in Australia are few examples of such regulations. Our Code of Conduct governs all our employees to share and follow our values and principles pertaining to human rights, EHSQ, anti-trust, anti-corruption, and data protection.

Sustainability governance





Key sustainability parameters

In 2021, MBCC Group conducted its first major materiality assessment to identify the sustainability parameters most relevant to the business. Such process included peer and industry mapping, expert input on megatrends, and approximately 50 interviews with key stakeholders. The key parameters identified through this assessment included:

- Business ethics
- Climate and emissions
- Diversity and inclusion
- Health and safety
- Innovation and research
- Resource protection and the circular economy
- Responsible products
- Supply chain sustainability
- Transparency

These nine areas continue to support Master Builders Solutions' sustainability strategy, which is central to our business plan. Following the completion of our separation from MBCC Group and in the context of our new business and ownership, we plan to update our materiality assessment with input from our stakeholders.





Contributing to the Sustainable Development Goals (SDGs)

We align our efforts to be a better company and to support our customers' sustainability efforts with the global sustainability agenda, as defined by the UN Sustainable Development Goals (SDGs). Although our business activities are relevant to several of the SDGs, we can make the biggest contribution in the following areas:



8 — **Decent work and economic growth.** We promote inclusive and sustainable economic growth, full and productive employment, and decent work for all.



9 — **Industry, innovation and infrastructure.** We contribute to innovation that supports more resilient and sustainable infrastructure.



11 — **Sustainable cities and communities.** Our products and services directly enable more sustainable construction.



12 — **Responsible production and consumption.** Our products and services enable lower carbon production and consumption.



13 — **Climate action.** A key focus of our products and services is the decarbonisation of the construction industry.

Proof points

In 2022, we achieved a Silver rating from EcoVadis on first attempt, which assesses a company's performance on social responsibility and sustainable procurement. We also achieved a low risk environmental, social and governance (ESG) rating of 18 from Sustainalytics, the global leader in ESG research and data. We were ranked 11th out of 538 chemicals companies, earning us recognition as an ESG Industry Top Rated company. Both ratings were achieved while operating as part of MBCC Group. Our policies, actions, and results remain in place and continue to drive our behaviour. As a new entity we will strive to improve.





3. Products

Enabling better construction	26
Our products	28
Our services	35
Innovation	39
Product safety	40
Our supply chain	41





Our products

Enabling better construction

The global endeavour to reduce greenhouse gas emissions and new regulations on cement producers and real estate are transforming the construction industry. Energy use and chemical processes related to cement manufacture releases up to 8% of global carbon dioxide emissions.¹ The EU's largest cement manufacturers have communicated to reduce their emissions by 30% by 2030, and to reach net zero by 2050. Cement producers across the world have set similar emission goals.

The current focus is largely on reducing Scope 1 and 2 emissions, such as air conditioning, heating, and lighting, which are owned and controlled by a company. Scope 3 emissions are typically the largest proportion of a construction company's emissions. These include all greenhouse gas emissions outside of owned operations, relating to purchased materials, transportation, product disposal and more. For the construction industry, most Scope 3 emissions originate from purchased materials.

Master Builder Solutions' products enable reductions of greenhouse gas emissions associated with concrete by 15–50% subject to local conditions and scope (segment wide or project-specific), compared to the current industry average. By serving our customers to reduce their Scope 3 emissions, which are the largest and most challenging to quantify, we enable them to achieve their sustainability goals and remain ahead of the curve of legislation and regulation.

We provide admixture solutions for concrete construction that reduce water demand, control strength development, lower manufacturing and casting energy, improve durability and robustness, provide alternative reinforcement, and much more. Our products extend the life of concrete and allow concrete producers to lower cement content or replace cement (clinker) with higher levels of supplementary cementitious materials (SCM), creating a lower environmental footprint. Cement could eventually be replaced by up to 100% by alkali-activated cementitious materials (AACM) once the use of new binder systems is accepted by the local guidelines for defined applications. We custom design concrete compositions to meet our customers' specific local requirements and at the same time maintain its properties in fresh and hardened states.

¹ <https://www.chathamhouse.org/sites/default/files/publications/2018-06-13-making-concrete-change-cement-lehne-preston-final.pdf>





We previously used a method for classifying products as “sustainable”. We believe this method was subjective and we no longer see it as meaningful or accurate. At Master Builders Solutions, we classify our products as “enabling sustainable construction” to better reflect their role in facilitating incremental reductions in the construction industry’s environmental footprint. Read more about our highest performing products on [page 28](#).



Key targets and progress

Topic	Target	2022 progress
Products that enable sustainable construction ¹	>45% of net sales from products that enable sustainable construction by 2025	<p>Achieved: 48% of net sales from products that enable sustainable construction² — an increase of 11.2% compared to 2021.</p> <p>TARGET 45%</p> <p>ACHIEVED 48%</p>
Innovation and research	>40% of our R&D budget allocated to projects that support sustainable construction by 2023	<p>Achieved: 42.3% of R&D budget attributed to projects with a sustainability focus in 2022. We strive to maintain this percentage in 2023.</p> <p>TARGET 40%</p> <p>ACHIEVED 42.3%</p>
Supply chain	All relevant suppliers agree and sign the terms of our Supplier Code of Conduct by 2023. ³	<p>On track: 72% of relevant suppliers have signed our Supplier Code of Conduct.</p> <p>TARGET 100%</p> <p>ON TRACK 72%</p>

1 Products that enable sustainable construction are those that can be used potentially to reduce embodied carbon of (reinforced) concrete, preserve water resources, improve early strength, replace/reduce thermal curing, improve durability and longevity of concrete structures, allow self-healing of concrete, enhance cement strength, increase the dosage of (recycled) difficult aggregates in concrete recipes, and recycle return concrete. Other products include admixtures for geopolymers, repair mortars, and wind turbine grouts.

2 Europe: 57.9% of sales, 47.6% of portfolio. North America: 40.6% of sales, 21.3% of portfolio. Australia and New Zealand: 30.8% of sales, 19.1% of portfolio.

3 We classify “relevant suppliers” as suppliers of critical materials and services representing more than 4% of our total supplier spend. In 2023, we will revisit our approach to include both risk and spend as prioritisation choice-points.



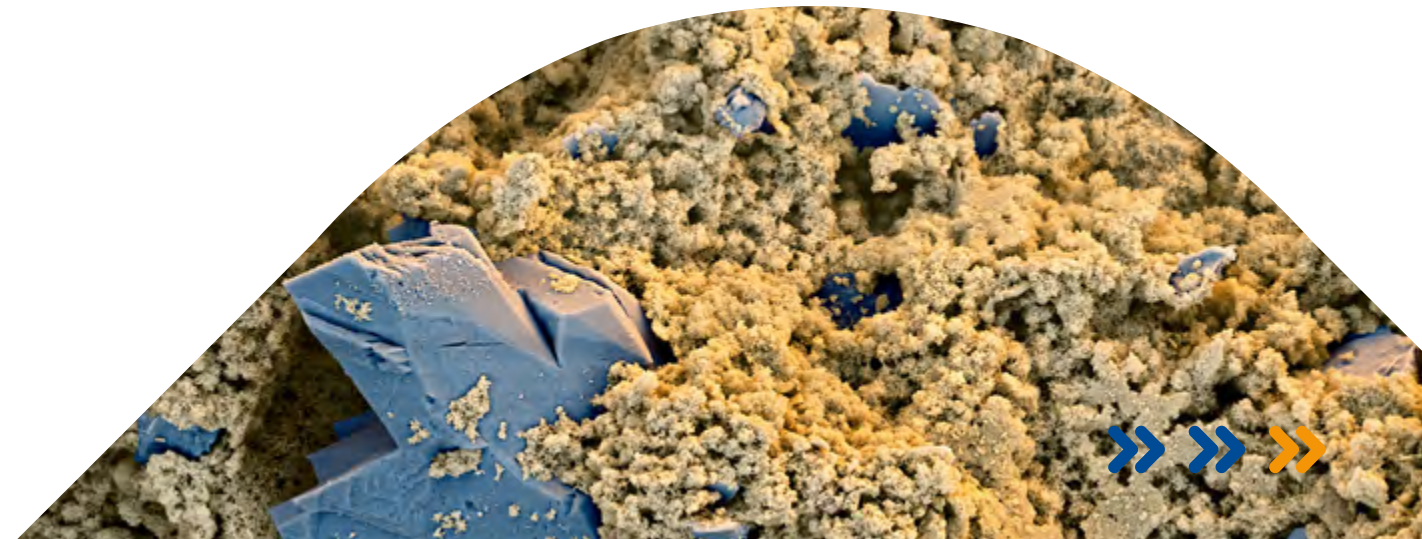


Our products

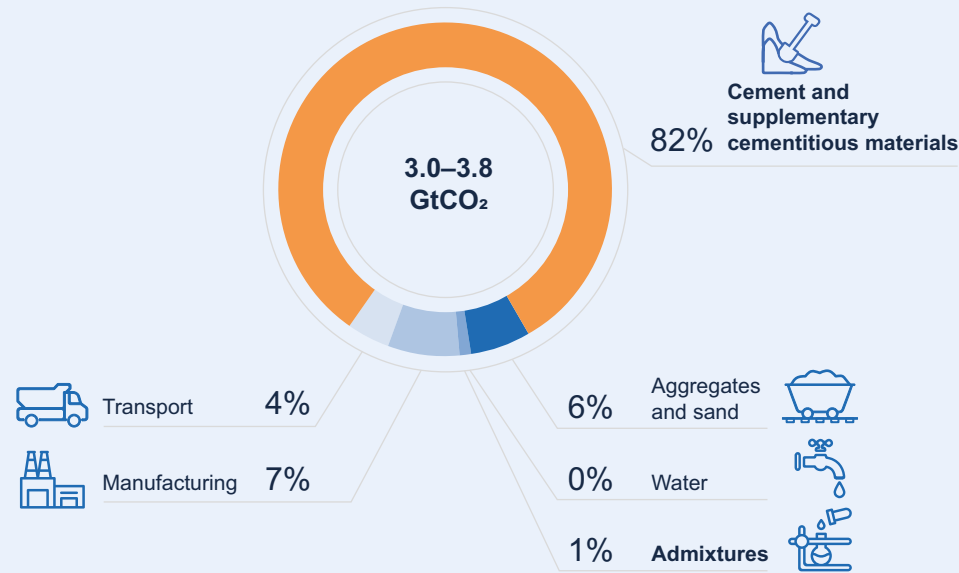
Some of our key products include:

- **MasterEase:** A family of advanced superplasticisers that help produce concrete with lower viscosity and improved workability, thus allowing for better manipulation or further water reduction and strength enhancement or to overcome the challenges when using increased amounts of supplementary cementitious materials (SCM) to reduce carbon footprint.
- **Master X-Seed:** Concrete strength enhancing admixtures increasing the strength of concrete, reducing the total quantity of cement required, and enabling a higher proportion of SCM.
- **MasterSuna RCA and SBS:** A range of water-reducing admixtures that enable the use of recycled aggregates or low-spec sand (clay contaminated, crushed recycled aggregates) in concrete, supporting circularity and preserving natural resources.
- **MasterSuna RCT:** A product used to treat unused fresh concrete to turn into recycled aggregates, eliminating the requirement for onsite concrete crushing and disposal into landfill.
- **MasterLife:** A range of products such as shrinkage reducers and corrosion inhibitors, increasing concrete durability and service longevity, and reducing potential concrete maintenance.
- **MasterSphere:** A product that improves freeze-thaw resistance of concrete.

Solving complex customer challenges is part of our DNA. We aligned this with our vision to decarbonise the concrete industry. Our sales, marketing, and research and development teams always contribute to delivering sustainability benefits to customers and users, along with solving the challenges at hand.



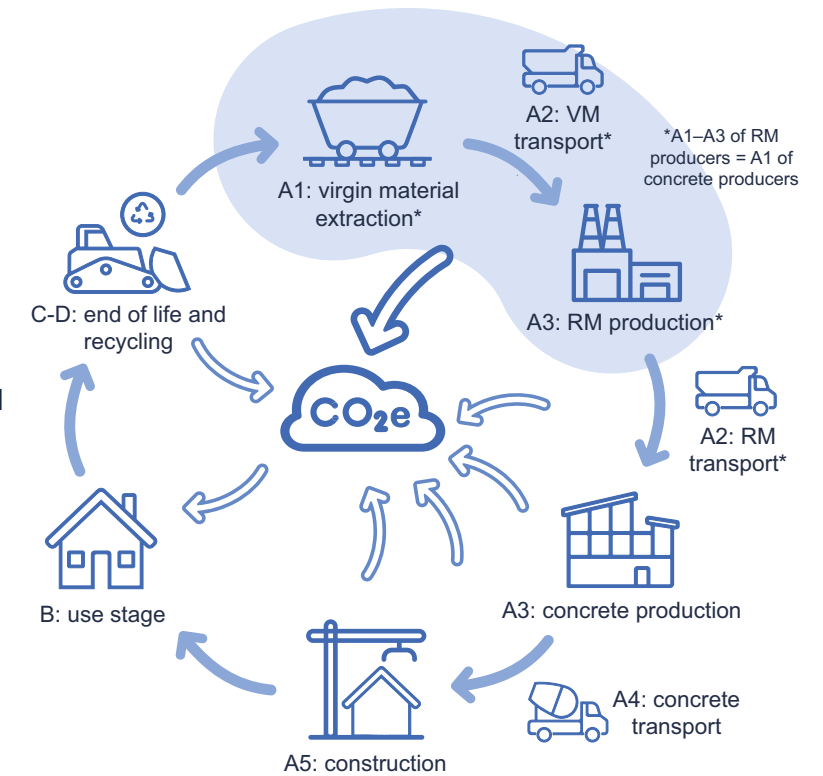
Concrete global warming potential: cradle to gate¹



¹ Typical cradle to gate GWP for concrete, based on Master Builder Solution case studies, calculated with OneClick LCA

How our products enable embodied carbon reductions

- 75–90% of embodied carbon is attributed to the production of cement and other raw materials (RM).
- Our admixtures enable the reduction of embodied carbon in cradle to gate (A1–A3 phases) between 10–50%, in comparison to the current industry average.





What admixtures can achieve

Bio-based products

We study the formulation of raw materials prior to selection, to prioritise waste reduction and resource efficiency, and avoid harmful ingredients wherever possible.

We are always on the look-out for innovative products that can support our customers to achieve their goals, maximise concrete performance, and minimise environmental effects throughout the product lifecycle. This includes exploring the potential for products that are based on biological material rather than hydrocarbons. There are several potential trade-offs to consider when exploring these “bio-based” options. These include:

- **Performance.** Bio-based alternatives can require a higher dosage of product to achieve the same performance as a hydrocarbon-based equivalent.
- **Stability.** Manipulation and storage of a product exposes it to a range of environments, which can affect the chemical stability and potentially accelerate degradation.
- **Unintended consequences.** Switching from a hydrocarbon to a bio-based alternative may reduce the use of petrochemicals yet it could lead to mono-crop cultivation and wider effects on biodiversity. The science around quantifying this potential trade-off is unclear today.
- **Customer demand.** Our customers appreciate that plant-based oils carry fewer risks to employees and the environment than petrochemicals, and sales for bio-based MasterFinish RL products have increased 41% over the last four years.

Our product packaging

Most of our products are transported by tank trucks directly from our production facilities into our customers’ storage tanks, bypassing the requirement for paper or plastic packaging. Additionally, upon delivery we can exchange our products for raw materials we require and bring these back to the plant, maximising the efficiency of each leg of our truck tankers’ journeys. See [page 50](#) for more detail.

We continually look for ways to improve the efficiency of our supply chain and transportation so that we can further reduce emissions and waste, and better serve our customers.





Given the range of uncertainties and trade-offs attached to bio-based solutions, we take a conscious approach to accelerating and investing in their development, principally led by customer demand. We do, be that as it may, formulate several products with bio-based by-products from the paper, food, and pharmaceutical industries. Using materials which would otherwise go to waste both reduces our production CO₂ emissions, and contributes to the circular economy.

Halving concrete emissions for new build

At 140 metres high, EDGE East Side Berlin will be the tallest office building in Berlin, Germany. Master Builders Solutions developed a suite of products to improve the workability of low-cement concrete enabling this benchmark tower project to be constructed with 50% lower CO₂ emissions compared to original reference concrete.

The concrete was successfully pumped over a total distance of 275 metres, of which about 140 metres vertically upwards. Our state-of-the-art solution ensured a uniform and robust concrete workability even during hot summer days using MasterSuna SBS 6080. Upon completion, EDGE East Side Berlin was certified Platinum by the German Sustainable Building Council.





Avoiding emissions and reducing costs for precast concrete

Legacy Precast is one of our long-term precast concrete customers in Texas, USA. They approached us with concerns that their usual cement supply — a type III early high strength cement — was no longer going to be available. We worked with them to find an alternative.

By combining a traditional type I/II cement with our MasterSet AC concrete set time accelerating admixture and Master X-Seed concrete strength-enhancing admixture, we found a solution that met all the demands and required characteristics of our customer's existing product.

In a typical day, a customer using the new mix will save over 10,000 lbs of cement, while reducing their carbon emissions by over 8,200 kg CO_{2e}, and saving on production costs.

When calculated for the year, the customer will save over 2.5 million lbs of cement (1,134 metric tons), prevent 2.05 million kg CO_{2e} (2,050 metric tons CO₂) of emissions, and realise substantial cost savings.



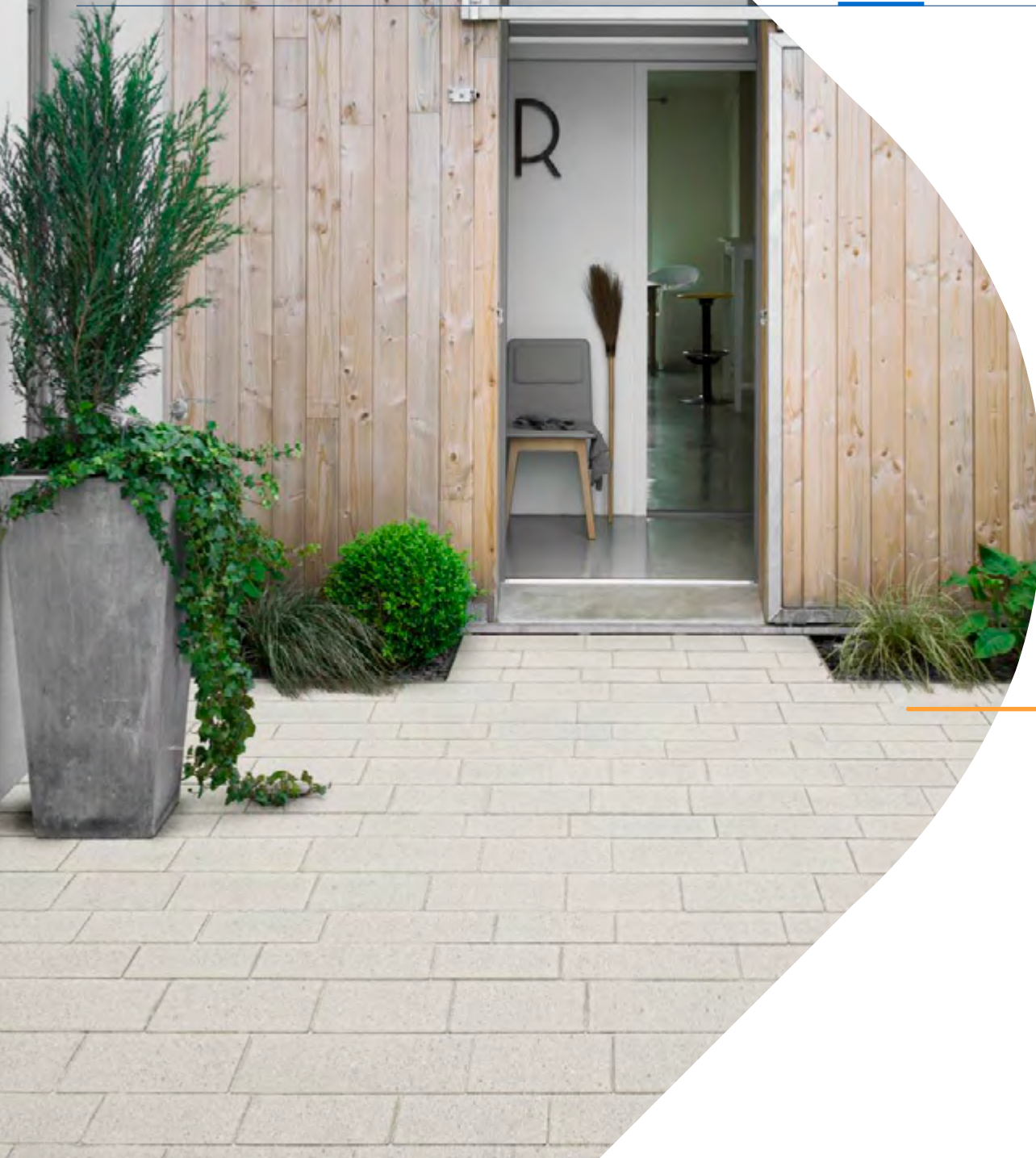


Replacement of traditional reinforcement with synthetic MasterFiber

MasterFiber is an alternative form of concrete reinforcement using polymer fibres to increase the strength and durability of concrete and prevent crack propagation. By replacing traditional steel reinforcement with MasterFiber, our customers can design and construct more efficiently — saving time and money, as well as reducing their carbon footprint, and improving worker safety during construction.

We provided technical support to a customer using MasterFiber to construct a residential complex with 510 apartments. Originally, all concrete walls were designed to have a two-layered flat steel reinforcement. By using MasterFiber and reducing steel content, the customer lowered greenhouse gas emissions by approximately 10 kg CO₂e per square metre of wall and avoided 166 tons of CO₂e in total. Based on our 2022 projects, we found that using just 3 kg/m³ of MasterFiber in ground-supported slabs can reduce reinforcements' emissions by at least 50% compared to the reference design.





Paving stones with alkali-activated cementitious materials

Paving stones with aesthetic requirements are commonly used in many cities and are made to withstand harsh weather conditions, pedestrian and vehicle traffic, and frequent freeze-thaw cycles. Double-layer paving stones with a thin coloured facing layer of high-quality concrete are often used to meet these requirements. To improve durability and reduce CO₂ emissions, we developed MasterPel GPC — a Portland cement-free alternative inorganic binder system, based on alkali activated cementitious materials. MasterPel GPC replaces the Portland cement in the top layer of coloured concrete in double-layer paving stones.

This new product enhances the long-term aesthetic properties of paving stones and maintains their durability and reduces dirt pick-up. MasterPel GPC has received recognition and awards for its innovation and sustainability benefits. Our latest collaboration with Metten Stein+Design, Germany, a precast specialist company, exhibited a CO₂ reduction of at least 14% per m² of paving, compared to traditional paving stones with a cementitious top layer. We continue to support our customers in reducing the environmental footprint of paving stones by offering recipes and products that improve concrete performance. At the same time we continue to track the CO₂ benefits of using alkali-activated cementitious materials as a low carbon alternative to Portland cement for our customers.





Our services

We offer free training and webinars to our customers on key topics in the construction industry and on solving day-to-day and strategic construction challenges. We use these educational tools to help our customers understand the status quo, identify future challenges, and learn how to work towards more sustainable improvements. In addition, we incentivise more sustainable production by offering product-focused certifications that contractors can use. Our aim is to communicate more with other industry participants that are not our direct clients to share the benefits of solutions as part of the construction process, such as contractors, engineers, real estate agents, and property and owner / operators.

Data-focused services

Master Builders Solutions has been a data-driven company for many years, providing services to support customers measure, report, and verify the performance of their products.

We offer the service for life cycle assessments (LCAs) to measure the environmental effects of a single product or process, to evaluate the

environmental lifecycle of concrete mixtures from the extraction of raw materials through to the end of life. LCA analyses enable us to discuss a range of options with customers and end users, and often go beyond our own products.

We also offer the service for Environmental Product Declarations (EPDs) — voluntary labels that share verified environmental information on goods and services. We develop EPDs for our products and for our customers' concrete formulations and products.

LCAs and EPDs are important tools that provide valuable, credible data on product performance. We believe the future lies in enabling customers to optimise, predict, and make conscious choices about their economic and environmental performance. We have developed digital tools that support EPD delivery, monitor concrete production and estimate the carbon footprint of different concrete recipes, and support monitoring and measurement to deliver efficiencies throughout the concrete lifecycle.



— Chemical treatment with Master X-Seed

We conducted a study on the embodied carbon of hollow-core concrete slabs produced using two different processing methods: a) chemical treatment using Master X-Seed, b) thermal curing using natural gas.

In collaboration with SW Umwelttechnik Stoiser & Wolschner AG, Austria, a precast specialist company, we discovered that using Master X-Seed reduced the embodied carbon, emitted during manufacturing, by about 40 kg per cubic metre in the cradle-to-gate phase compared to thermal curing, and that further reductions would be possible using optimised concrete formulations.

Chemical treatment also intrinsically features the potential to reduce costs, depending on the geographical location, season, and prevailing energy prices.

Digital EPDs

Concrete end users are increasingly demanding EPDs to support their own carbon reduction efforts. For example, new carbon reduction targets in the USA and Canada relating to the global warming potential of concrete used across all federal infrastructure projects are likely to increase the ask on concrete producers to provide a set of EPDs supporting the projects as a standard project component.

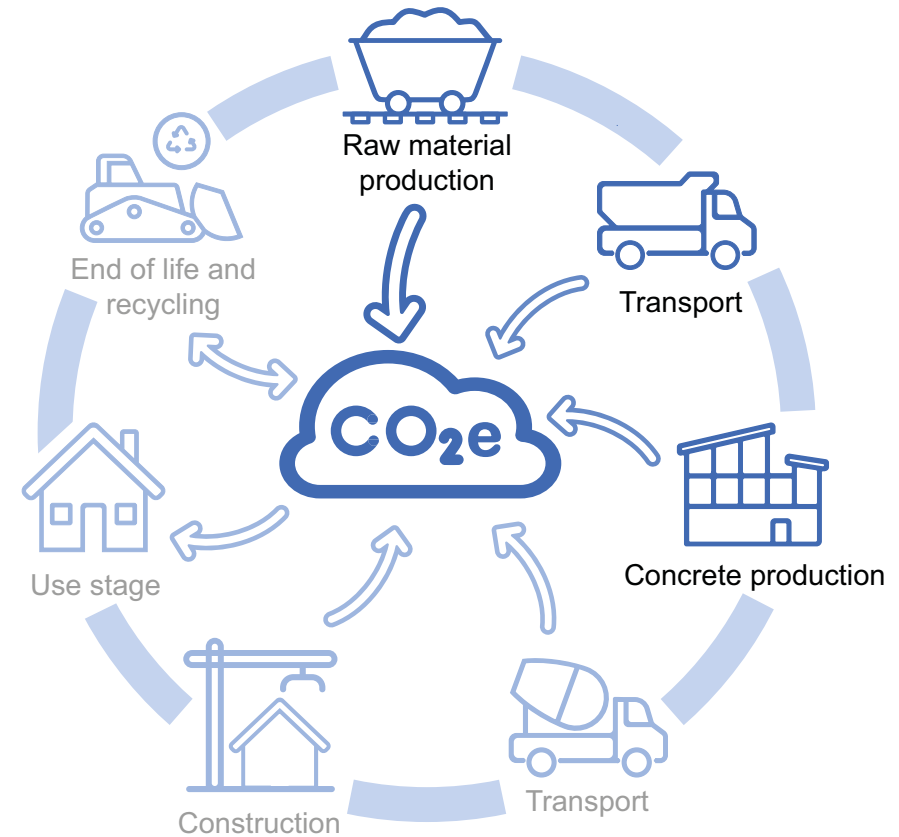
We began exploring options to shift from supporting customers on a case-by-case basis to developing a more efficient process for delivery of multiple EPDs. In the USA and Canada, we have partnered with third party providers of EPD software to develop a new service for our ready-mix and precast customers.

Following an initial process of data input, customers using this service can create EPDs whenever they require, enabling them to publish these in the marketplace within seconds. Following the initial launch in North America, we plan to expand this service to Europe, and Australia and New Zealand. We are also exploring the potential to work with our digital EPD partners and others to develop a North America product category rule (PCR) for concrete, to identify and categorise the environmental features of our admixtures.

ECO²NOW™

In 2022, we piloted ECO²NOW™. This tool estimates emissions related to raw materials, transportation, and production energy across different concrete formulations and classes. In practice, our focus is on the concrete categories that contribute the most to the concrete carbon footprint. Consideration of the raw material cost inputs can help demonstrate that the lower carbon emissions option is often comparable or lower in overall cost.

The ECO²NOW app is due to be licensed in 2023, providing our sales teams with absolute figures on the global warming potential of the different concrete formulations and classes, and our customers with a reliable estimation on the economical and ecological possibilities.





MasterAtlas™

Software systems and sensors are increasingly being used to gather data at the various stages of the concrete lifecycle — for example to monitor volumes of raw materials and finished products, transportation data, unused products, and many more aspects. Hence we set out to leverage such data by consolidating and enhancing the data from multiple software systems and sensors. This empowers our customers to discover and improve efficiencies across cost, time, material absorption and carbon emissions.

The result is MasterAtlas™. In development for more than two years, and scheduled to launch in March 2023 in the USA and Canada, MasterAtlas™ today offers real-time data tracking and analysis of multiple data sources to our customers globally. A built-in virtual assistant supports users to identify data outliers and patterns, and hence find targeted solutions to current inefficiencies. As the volume of data in MasterAtlas™ grows, we see significant potential for it to support the identification of customer-specific and sector-wide challenges in support of cost and sustainability objectives.





Innovation

Research and development (R&D) into potential new innovations is central to our business strategy. We focus our R&D efforts on meeting our customers' requirements — for example, by developing solutions for low carbon concrete using low-clinker cements, high supplementary cementitious material (SCM) proportions, and/or recycled aggregates, and by working to avoid or replace materials that may pose a health risk.

Current innovation projects include, among others:

- Our product development team is testing different sensors and AI technology to help digitalise construction. In the USA and Canada, we have developed MasterAtlas™, a software platform that integrates all this information and helps producers monitor concrete production and formulation performance in real time across all stages, thus improving quality. For further detail please refer to [page 38](#).
- Master Builders Solutions has been exploring options to advance 3D printing of concrete for years. Such 3D printing processes would enable the reduction of waste by creating thinner and more precise concrete elements using input materials more efficiently and hence enabling faster builds and more affordable housing solutions.

— Exploring the potential of recycled aggregates

We are part of the publicly funded “ReCyCONtrol” project, coordinated by the Leibniz University, Hannover, Germany.

ReCyCONtrol brings together a consortium of peers along with the research institutes at the university and the German Federal Ministry of Transport and Digital Infrastructure. The purpose is to explore production of robust and versatile concretes using recycled aggregates.

Concrete demolition waste materials that form the basis of recycled aggregates are available in large quantities, they have however so far only been used in limited quantities in building and infrastructure construction. During automated production of concrete from recycled materials tested by the consortium, innovative sensor technologies and self-learning control processes are supposed to detect quality fluctuations in the concrete mix and automatically compensate variations by adjusting the formulation. This enables more accurate production, avoids “rejects”, saves natural aggregates and reduces the cement content in concrete.

The process ensures both a consistent high quality and cost effective concrete. A scale up would clearly enable the conservation of natural resources alongside CO₂ emissions reductions.





Product safety

Health and safety considerations are prioritised at every stage of our product development process. Our research and development (R&D) laboratories have high safety requirements and periodic audits, and we carefully assess any health and safety and environmental risks prior to launching new products.

During the production process, we also monitor emissions, waste, and wastewater. Read more in the Climate and Environment section on [page 44](#).

The health and safety of our customers — and employees — is paramount. Where possible we avoid using raw materials that are harmful and would therefore require specific labelling requirements for safe use. Our objective is always to ensure our products are not harmful and can be handled safely.

We are switching to form release products that use water-based emulsion or vegetable oil instead of mineral oil. We have also reformulated several emulsions with a new type of biocide to avoid using skin-sensitive chemicals, and we continue researching biocide substitutes.

Master Builders Solutions' products and developments do not incorporate nanotechnology, in the sense that the size of the material is essential to its function or requires manipulation and control of the material at nanoscale. Should we investigate nanotechnology for product innovation purposes, our policy will be to conduct a risk assessment to understand safety parameters, including toxicity, exposure pathways, environmental effects, and bioaccumulation, in accordance with current directives.

Similar to all our processes, we also emphasise safety as a key priority during the product development process with all staff mandated to adjourn work in an unsafe environment. Further further information on employee and contractor health and safety please refer to [page 61](#).





Our supply chain

Our suppliers are essential partners in the development and delivery of our products and services to our customers. We work with approximately 13,000 suppliers worldwide.

We expect all our suppliers to work to protect the environment and support human rights, adhere to labour and social standards, and implement anti-discrimination and anti-corruption policies. We firmly demand they apply these standards to their own suppliers and contractors.

We ensure the quality of our suppliers through stringent risk identification, vendor selection and evaluation processes, and by requiring suppliers to commit to our Supplier Code of Conduct. More than 72% of relevant suppliers have signed our Supplier Code of Conduct and expect to achieve 100% in 2023.¹ When awarding contracts we consider the sustainability performance of a potential supplier, and our buyers are responsible for managing the sustainability risks of the suppliers they work with by adhering to the terms of our Supplier Code of Conduct. This includes instigating corrective action, or initiating a re-evaluation if a supplier fails to meet our standards.

¹ We classify "relevant suppliers" as suppliers of critical materials and services representing more than 4% of our total supplier spend. In 2023, we will revisit our approach to include both risk and spend as prioritisation choice-points.





In 2022, we contracted the use of the Verisk Maplecroft Supply Chain Management Tool™, which our operations team uses to evaluate political, economic, social, environmental and natural hazardous risks for our own sites and individual suppliers based on their exact geographic location and the product or service. Risk assessments across our supply chain will be similarly completed in 2023 and used to prioritise our supplier self-assessment and audit efforts. We also developed a training module on human rights due diligence, and we require 100% of our procurement team to complete it in 2023. Read more about our approach to human rights and due diligence on [page 69](#).

Preparing for the German Supply Chain Due Diligence Act, which will apply to our business from January 2024, has helped us identify potential human rights and environmental risks, and improve our processes. In the coming years, we plan to assess the diversity of our supply chain and work towards a more inclusive supplier base.

Over the last two years we have addressed several challenges with the availability of raw materials. For example, industrywide shortages of low-clinker cement prototypes due to low availability of materials such as slag and fly ash extended the certification process for our new superplasticiser technology. We are excited to launch this new product in June 2023 and will continue to innovate and develop novel admixtures for low-clinker cements using calcinated clay, which is becoming increasingly available in France, Italy, and Spain.





4. Climate and environment

Improving our environmental footprint	44
Environmental management	45
Greenhouse gas emissions	46
Waste and the circular economy	49
Water and chemicals	53
Biodiversity	56





Climate and environment

Improving our environmental footprint

While our products enable others in the construction industry to reduce their effects on the environment, we recognise the requirement to reduce our own ecological footprint from our operations, production processes, and services. In line with external legislation and major environmental initiatives such as the European Green Deal, we focus on minimising our greenhouse gas emissions, waste, water consumption, and on supporting biodiversity. Reducing greenhouse gas emissions across our value chain (Scope 3) is a growing priority — read more on our approach to mitigating reducing emissions on [page 46](#).

Key targets and progress

Our baseline year remains 2020 despite the carve-out from MBCC Group, and data have been recalculated to be specific to Master Builders Solutions. Due to low data quality in 2020, we have re-defined our baseline for non-hazardous waste – the baseline for non-hazardous waste is now 2021.

Topic	Target	2022 progress
Climate and emissions	15% reduction in CO ₂ emissions per ton produced by 2025 (2020 baseline).	<p>On track: 12% reduction per produced ton (2020 baseline)</p> <p>TARGET 15% ACHIEVED 12% ▼</p>
Resource protection and the circular economy	15% reduction in non-hazardous waste (2021 baseline) and wastewater per ton produced by 2025 (2020 baseline).	<p>On track: 9% reduction in non-hazardous waste and 35% in wastewater per produced ton</p> <p>TARGET 15% ACHIEVED 9% ▼</p> <p>TARGET 15% ACHIEVED 35% ▼</p>





Environmental management

Data on emissions, waste, and wastewater is collected via our global Environment, Health, and Safety (EHS) database, which all employees can access. To help minimise our environmental footprint, we manage our facilities in accordance with ISO 14001 guidelines, and 25% of our sites are today certified. We are evaluating the potential for implementing energy management systems according to ISO 50001 at our sites in Germany and the UK.

In 2022, we started individual site assessments to identify measures that improve energy efficiency and reduce waste and wastewater. Our goal is to review all sites by 2025. The sites we are currently focusing on are those in regions with high risk of water scarcity. We developed a roadmap to increase energy savings and reduce CO₂ emissions, while minimising waste and wastewater, in line with our 2025 goals.

Our Environment, Health, Safety, and Quality Assurance (EHSQ) function implemented a guideline on waste management best practice, which follows the waste hierarchy: reduce, reuse, recycle, and dispose. We are working with our research and development, and operations teams on lowering our water consumption and production. As waste and wastewater are site-specific topics

— due to various differential factors such as the types of products, production volumes, legal requirements, and availabilities and costs of waste treatment options — a single structural approach to mitigation is not feasible today. Hence we will focus on implementing site-specific waste and wastewater reduction measures across all our sites.

We have begun to assess climate-related risks and opportunities related to our business as part of our wider risk assessment process. Read more on [page 42](#).





Greenhouse gas emissions

Reducing greenhouse gas emissions and ensuring robust, accurate emissions data is essential to mitigating climate change, complying with external legislation and initiatives, and meeting stakeholder expectations. Significant energy usage is required for our operations. We are working to improve energy efficiency and reduce greenhouse gas emissions across our business and have started working to measure emissions across our value chain.

The use of electricity accounts for around 70% of all our Scope 1 and 2 emissions. Depending on the operations at each site, electric motors in mixers, bagging, and packaging machines tend to dominate the energy budget, followed by compressed air and lighting.

We rolled out energy efficiency measures in 2021, such as replacing defective electric motors with energy-efficient ones. Further energy efficiency measures were implemented in 2022:

- We installed an electricity measurement system at our five biggest sites, which tracks consumption online. An external partner will use this system to identify improvement areas. We specifically expect that this system helps

us to identify machines that are consuming energy outside the production times and find abnormalities in our compressed air systems. In our production processes, electric motors and air compressors are the main electric energy consumers.

- All our sites are required to limit heating temperatures to 19°C in the offices and to 16°C in production areas.
- We have been assessing the potential for LED installation at our sites to ensure efficient lighting systems. Due to the fact that lighting is in operation during the whole production time, at all revised sites it makes sense to install energy efficient LED lighting systems. To increase the energy efficiency of compressed air production, we have also been assessing the potential installation of frequency-driven compressors that match air supply with demand. Heat recovery is prioritised where possible, and we continually assess all sites for further energy efficiency measures.





- A training video on electricity reduction measures in the workplace was broadcast to employees to help them implement practical energy saving measures. It can be accessed by all employees in the internal learning portal.

We began assessing sites in 2022, to further explore energy efficiency and greenhouse gas emissions reduction initiatives, which is an ongoing project in 2023. Initial findings suggest that photovoltaic (PV) installation onsite lead to greater emissions reductions than energy efficiency measures. Future focus will be on using renewable sources for electricity generation whenever possible and feasible, either onsite or via physical or virtual Power Purchase Agreements (PPAs).

To reduce greenhouse gas emissions resulting from employee travel, we prioritise train journeys over flights and spend our airline miles on sustainable aviation fuel (SAF). In 2022, we implemented software systems to track greenhouse gas emissions for all individual trips, which will be used to assess and roll out further emissions reduction measures in 2023.

Renewable electricity

We will derive 60% of our electricity from renewable sources by 2025, including 12% from solar power. A PV installation programme was launched in 2021, and sites were assessed on the potential for PV installation in 2022. We also developed a training video to support site managers with the process for installing onsite PV.

Systems have been approved for our two sites in Italy, which will be implemented in 2023. An initiative to purchase our total electricity demand in Spain from renewable sources has also recently been approved. In Romania, Norway, Austria and Switzerland, we already purchase 100% of our electricity from renewable sources.





Calculating our emissions

We monitor Scope 1 and 2 emissions at all our offices and production sites.

- Scope 1 emissions include all natural gas and liquid fuels consumed on-site. The CO₂ emission factors of natural gas and liquid fuels are calculated based on an average calorific value for these fuels.
- Scope 2 emissions include all emissions from our electricity consumption. Country-specific CO₂ emission factors are used for our calculations and based on data from external consultants.
- Scope 3 emissions include all other indirect emissions from our value chain.

Read more about our emissions data and calculations in Further information on [page 81](#).

Emissions data

Our CO₂ emissions per produced ton decreased by 12% in 2022, compared to a 2020 baseline. This was primarily achieved through conversion from liquid fuels to natural gas and increased use of renewable electricity sources at our production sites.

We are partnering with external consultants in 2023 to re-baseline our greenhouse gas inventory, including our Scope 1, 2, and 3 emissions. Our future focus will be to form a robust Scope 3 emissions reduction strategy. We expect the bulk of our Scope 3 emissions to stem from material purchases and have developed training for our procurement team to understand and prioritise the emissions drivers and how to communicate with key suppliers on this topic. Our objective is to empower our procurement personnel to effectively engage a prioritised subset of suppliers as we identify our largest sources of Scope 3 emissions.





Waste and the circular economy

Waste reduction is essential to reducing greenhouse gas emissions, improving our environmental footprint, and enabling our business to transition to a more circular model. We strive to prevent, reuse, and recycle production waste where possible, while continually working to discover new techniques and technologies to reduce waste further.

Our goal is to reduce waste per ton produced by 15% by 2025 (compared to the 2020 baseline). We will complete an assessment of waste production at all sites by 2025.

Hazardous waste

We produce significantly less hazardous waste following the split from MBCC Group, with hazardous waste currently comprising 25.9% of our total waste. We have been increasing the proportion of non-hazardous materials used in our products, which also provides cost benefits. 25% of our sites generate a significant amount of hazardous waste; 50% produce none.

In 2022, we produced a total of 1724.61 metric tons of hazardous waste — a 46% reduction compared to 2020.

Non-hazardous waste

The main type of waste generated is non-hazardous "off-spec" (out of specification) — final products that do not fulfil the quality requirements. This can be due to faulty production processes or expired organic products. We are working to minimise off-spec waste by improving our production methods and partnering with companies to re-process the materials, enabling them to be reused in production. A site-specific approach must be taken, as products differ at each site.

The remaining non-hazardous waste we produce is packaging material. To reduce this, we focus on bulk deliveries with no packaging and on re-using delivery materials where possible. To enable bulk shipping with no packaging, tanker trucks deliver products to customers and pump our products directly into their storage silos. In some cases, we can collect raw materials for the return leg — see [page 30](#). This is a long-term initiative that helps us avoid packaging and associated emissions.





For the products that are packaged, our primary packaging types are wooden pallets and intermediate bulk containers (IBCs), the main components of which are steel and HDPE (high density polyethylene). As stated in the Environment, Health, Safety, and Quality (EHSQ) waste management guideline, pallets and IBCs are reused where possible. IBCs are repaired and washed before reuse, often with the help of external organisations. Pallets can typically be reused several times before being repurposed; we influence our customers to accept finish goods on second-hand pallets, repair broken pallets if feasible, and sell unnecessary pallets instead of disposing them.

We progressed on our pallet return systems project in 2022, in which we collect pallets from our customers via service providers, check their quality and reuse them. We have assessed the potential for pallet return systems at all our sites and engaged with the relevant operations and procurement teams. The roll-out of this initiative is an ongoing focus.

Our initiative to use rebottled containers — a combination of new and old containers — instead of IBCs was put on hold in 2022 due to uncertainties resulting from the Master Builders Solutions spin-off. This project is continuing in 2023.

In 2022, we reduced our non-hazardous waste per produced ton by 9%, compared to 2021. The volume of non-hazardous waste produced in 2022 is higher than in 2020, due to corrections to our 2020 data.





Supporting a circular construction industry

We provide solutions for aggregates that enable our customers to produce high-quality recycled concrete aggregates from concrete waste. This helps drive progress towards a circular construction industry.

- **MasterSuna RCT** admixtures convert unused returned concrete into recycled concrete aggregates that can either replace virgin aggregates in concrete or be used as secondary materials in other applications such as building roads and construction backfilling. It provides a cost-effective solution for treating returned concrete and avoids the requirement for on-site concrete crushing, avoiding greenhouse gas emissions and improving safety.
- Our **Green Sense Concrete**[®] technology is an advanced concrete mixture, which uses less cement per unit of concrete produced by replacing a certain percentage of cement with by-product materials of other industries (SCMs).
- **MasterSuna SBS** concrete admixtures enable the use of local sand deposits in concrete production — the usage of which has been previously challenging due to the high content of fine particles in manufactures sands or clay impurities. These admixtures reduce the requirement for washing local sand, transport of more suitable sand from other locations, and the development of new sandpits — all improving the environmental footprint of concrete.

Our site near Madrid, Spain makes use of byproducts from other industries, including:

- Non-cyclic sugars are byproducts from some specific processes of the pharmaceutical industry. We discovered the potential of its use as a raw material via a circularity marketplace organised by the Catalonia government in Spain. We partnered with a pharmaceutical company to isolate their waste stream of non-cyclic sugars, avoiding the requirement for them to pay for its waste treatment. We purchase 100% of the volume produced (approximately 7,600 metric tons per year) for use in products such as MasterPozzolith and MasterEase admixtures. Master Builders Solutions is the only company making use of these kinds of sugars in this way.





- Lignosulfonates — a byproduct of the paper industry that would otherwise be incinerated — have been used to make concrete admixtures since the 1950s. We use 9,000 tons per year to produce MasterPozzoloth, a water-reducing plasticiser admixture for the day-to-day concrete. The tanker trucks we use to deliver MasterPozzoloth to our customers pick up the lignosulfonates at the producer's site in round-trip, enabling an efficient transportation and avoiding the need to wash trucks between journeys, since the finished product and raw material can be transported in one and the same container.
- Glycerin is a byproduct of the biodiesel industry and is commonly used by admixtures producers. We make use of 1,000 metric tons per year to produce MasterCem grinding aids, alongside utilising more than 700 metric tons per year of glycols from industrial processes. Approximately 90% of MasterCem products are based on byproducts such as glycerin and glycols.

Using byproducts from other industries also offers significant cost savings. Such savings typically range from four to ten times cheaper than market prices for the virgin materials referenced above.





Water and chemicals

We use water primarily as an ingredient in our products, and also as a coolant, a solvent, and in our cleaning processes. Water is an increasingly scarce and valuable resource, and we strive to reduce water consumption as much as possible. Our focus is to re-circulate used water wherever feasible.

Our goals to reduce water consumption are:

- To reduce wastewater by 15% per ton produced by 2025 (compared to 2020 baseline)
- To reuse 75% of water for admixture production by 2025
- To have completed an assessment of wastewater production at all sites by 2025

As stated in the Environment, Health, Safety, and Quality (EHSQ) guidelines on waste management best practice, we require all our sites to reuse the cleaning water for raw material containers in the manufacturing of products that contain this raw material. Our sites are also instructed to reuse cooling water in production, use high-pressure washers wherever possible to reduce the amount

of water used during washing, and to introduce a wastewater treatment plant onsite. We are continuing to use treated wastewater rather than freshwater at one of our sites in Italy and are currently assessing whether the same process is applicable at a similar site in Australia.

We are investigating measures to reduce the water concentration of some of our products, which could both reduce water consumption and also may result in reduced shipments and associated carbon emissions, as well as reduced waste generation. This is a long-term project with several challenges, as the technical feasibility is today still work in progress. We must align planning tools to support potential changes in order fulfillment and educate customers on new product use. We will focus on conducting feasibility studies, to develop a targeted reduction plan.

In 2022, we reduced water usage by 35%, a significant improvement due to the reuse of cooling water at our large site in Italy. Read more on [page 55](#). Please see further information on our wastewater data on [page 84](#). Initial learnings from our 2022 site assessments suggest that we must take account of differing local conditions to ensure effective wastewater reduction.





In 2023, we will focus on implementing and enhancing our EHSQ waste management guideline, and hold regular workshops between sites to share knowledge and best practice approaches for water treatment.

We have prioritised water-focused projects for capital expenditure based on a combination of water scarcity risk assessment and local knowledge and experience — for example see [page 55](#).

— Reusing washing water at our site in Lancaster, Texas, USA

In 2022, our admixture production site in Lancaster proposed an initiative to reduce wastewater by reusing washing water for admixture product trucks. This facility is the second largest production site by volume in our network: it produced 18 million litres of water and shipped 1,352 bulk trucks in 2022.

These tank trucks, which must be washed between loads, were previously sent to a third-party cleaning service, located ~56 kilometers from the site, and the wash water subsequently disposed of. Water reuse measures we had implemented in many other sites — where each product has its own container to capture the cleaning water, which is then added back into subsequent batches of the same product — was not a viable solution at this facility due to space constraints.

Our team developed a site specific solution, and as of 2023 the tank trucks are washed on-site in the production loading bays, and the water is stored in separate tanks with different types of wash water, to then be reused for further washing or treated for use in our products. As a result, we expect to reuse 90% of wash water at the site as a result.

It reduces both water consumption and CO₂ emissions associated with truck transportation, and results in increased cost savings and facility efficiency, since both transportation and washing time is reduced.

This project — to be used as a model for other sites — is estimated to avoid around 84,000 litres of water use and 162,300 kilograms of CO₂ emissions per year.





— Reducing wastewater at our site in Treviso, Italy

Our site in Treviso, Italy, produces polymers, admixtures, and premixed mortars. The site introduced measures to reduce waste water in 2021 that also continued contributing to significant water savings in 2022.

Cooling water is recirculated, both to enable further cooling and for use in our products — 30% of cooling water is used in final products from the site. The site invested in an advanced cooling system that only discharges water when its cooling capacity has been reached. Wastewater from the site has been reduced from 450,000 cubic metres in 2020 to 293,000 cubic metres in 2022 — a 35% decrease, albeit increased production levels. To further increase cooling capacity of the water and generate additional savings, the team is investigating the implementation of a cooling tower, which would rely on ambient temperature to cool the water.

The Treviso plant has also implemented a wastewater distillation facility, which collects wastewater from a pit sludge and treats it for reuse in production. This initiative saved 888 cubic metres of water in 2022. This approach also led to significant financial savings, as treating wastewater for regular discharge can carry a significant cost.





Biodiversity

We recognise the requirement to foster biodiversity and protect the world's ecosystems, which are exposed to climate change, habitat loss and degradation, pollution, and over-exploitation of natural resources.

Our site risk assessment process indicates a fairly low risk to biodiversity loss due to our own operations. In 2023, we will expand that risk assessment to include our supply chain.

Biodiversity threat is a significant risk for the concrete industry overall, as aggregate sourcing can imbalance sensitive ecosystems. Some of our products present a potential solution to lessening this effect, by helping constructors reduce their use of aggregates and limit the associated biodiversity effects. Others can make local or reclaimed materials more usable for concrete production, in turn reducing long-distance travel and in some cases the exploitation of sand from other areas.

We take a cautious approach to investing in bio-based solutions due to the uncertainties and trade-offs associated with their development — including potential effects on biodiversity. Read more on [page 30](#).





5. People

Attracting and retaining talent	58
Diversity, equity, and inclusion	60
Workforce health, safety, and wellbeing	61
Respect for employee rights	63
Workforce development and engagement	63
Fostering sustainability awareness	65





Our people

Attracting and retaining talent

Master Builders Solutions employs 1,586 people in 36 countries. We strive to attract and retain a diverse and talented workforce, prioritising their health and wellbeing and staying closely engaged with their requirements. Our close relationships with universities across the world helps us to recruit the best science, technology, engineering and, mathematics (STEM) students for our key positions. We retain talent through employee benefits and fair remuneration, and by creating a supportive working environment with transparent opportunities for advancement. We strive to hire internally where possible, supporting our people with ongoing career development and training opportunities.

This year we focused on retaining key talents during a time of transition. We focused on maintaining morale and keeping our teams together, despite the prevailing change. While we did experience a slightly higher rate of attrition, we have also welcomed fresh faces and new perspectives into our company.

Key targets and progress

Topic	Target	2022 progress
Health and safety	Reduce lost time injury rate (LTIR) to <0.51 by 2025	Our lost time injury rate (LTIR) increased from 1.1 to 1.2. Read more on page 61.
Diversity, equity and inclusion (DE&I)	DE&I initiatives to secure equal opportunity and pay for all employees. KPIs will be determined by 2025. Have the number of female employees, at all hierarchy levels, correspond to the percentage of women in our workforce.	% female employees: <ul style="list-style-type: none"> Total: 25% Board: 0% Leadership: 10%



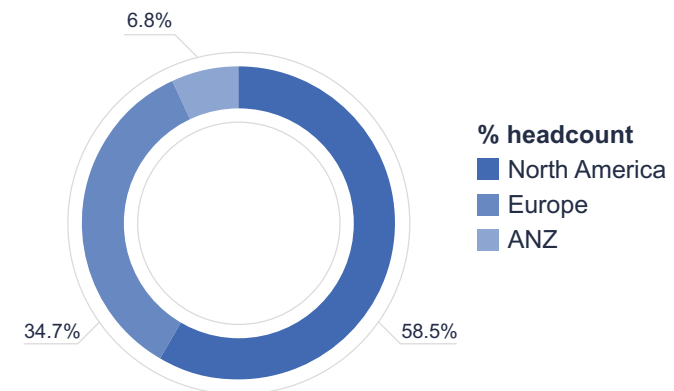
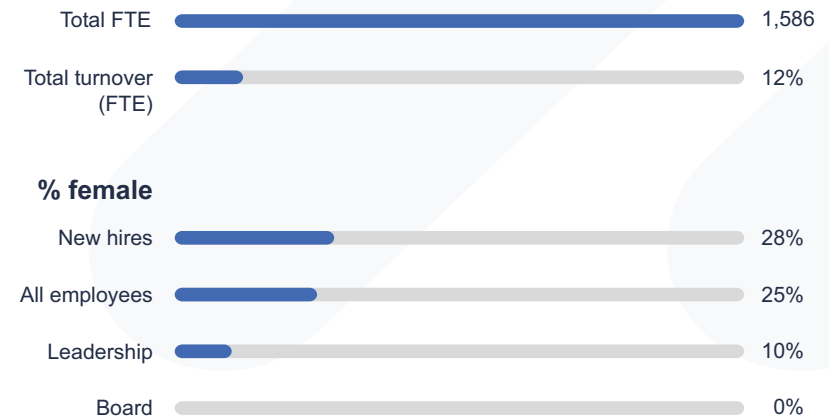


In many countries, we offer a strong pension programme, with our part-time and full-time employees receiving the same benefits, with local variations. For example:

- In Germany, our employees can put aside a portion of their bonus into a time value account to enable earlier retirement. We offer sponsored bike leasing and public transport tickets, as well as mobile working opportunities. Access to the corporate benefits website enables employees to access offers and discounts. In the Mannheim office, we have set up a gym room with the opportunity to book a personal trainer without additional costs to our employees.
- In the USA, we offer a variety of health and wellness benefits for our employees to choose from, as well as a world-class company-sponsored employee retirement account. Additionally, depending on the type of job, we offer a flexible work policy where appropriate.

“Employees have access to some of the most robust benefit offerings that I have experienced in my many years of working in HR.”

Heidi Klein, Compensation and Benefits Manager, North America





Diversity, equity, and inclusion

Diversity of age, background, education, gender and thought drives innovation and is key to our ongoing success. To reap the benefits of diverse perspectives and experiences, we nurture an inclusive environment where everyone flourishes.

Across the construction industry there is a shortage of women and other under-represented groups, particularly in leadership roles. We address this by regularly assessing our gender pay gap and linking compensation to job titles across our company to ensure jobs of comparable value are compensated the same. We have also set targets for implementing more part time positions and including at least one female member of staff in recruiting teams. Our recruiting team is advised to ensure to have at least one female and one male member in the recruiting process for new hires. We offer part time positions with identical benefits.

We postponed the launch of our diversity, equity and inclusion programme, Women Pulse, during the company's transitional phase. The core Women Pulse team never the less continued to meet on a monthly basis to define and establish a detailed program for the time following the separation from MBCC Group. Planned activities include a Networking Channel, regional LeanIn Circles, and *Pulse of a Leader* interviews with women in key positions in our





industry. The core team believes that local LeanIn Circles will be a vehicle for support and mentorship for our female employees and employees from other underrepresented groups.

Gender pay gap

We remain committed to closing our gender pay gap across all job grades. We undertook a detailed analysis in 2022, first assessing the median and mean gender pay gap for all employees based on annual basic salary and total target cash (annual salary plus variable bonus assuming 100% of target achievement). This analysis provided us with a figure of between 99.9% and 100.5% for female employees' pay, compared to equivalent pay for male employees.

To ensure our analysis accurately reflected the reality for the majority of employees, we also chose to repeat the process to take account of “outlier” data points — for example long-staying employees in a single role receiving significantly higher pay than equivalent employees. We undertook the same analysis removing these outliers, which gave a figure of between 99.2% and 99.7%. We believe this to be a more accurate representation of our current situation with respect to gender pay gap.

See [page 85](#) for more detailed data, including a breakdown by job level and region.

Workforce health, safety, and wellbeing

We take very seriously our responsibilities to provide a safe working environment and to support the health and wellbeing of all those working for Master Builders Solutions. Safety communication and training paired with sharing best practices are the most important tools at our disposal to keep our health and safety standards high.

Employees and contractors worldwide who work on our sites are covered by our internal health and safety system, based on ISO 45001 occupational health and safety standard.

We require training for all employees at our sites and we use a tracking system to monitor compliance. We also conduct risk assessments at all our workplaces and safety data sheets and personal protection equipment are available for all employees. In 2022, we conducted 9 audits by globally independent experts, and all sites audited scored 85% or higher — with the exception of our Fabpro site in Kingman, Kansas, USA, which scored 63%.

Regrettably, a fatal accident occurred at a USA site within our organisation in 2022, prompting us to reevaluate our safety protocols and reinforce our





commitment to fostering a culture of safety. Due to this fatality, our lost time injury rate (LTIR) increased from 1.1 to 1.2. The number of lost time injuries (LTI) remains the same as in 2021 (3 LTI). Our goal is to get to a ≤ 0.51 Lost Time Injury Rate (LTR) by 2025 with zero fatalities.

We themed our annual safety day “Work safely today and everyday.” In the opening speech, our regional president explained why safety should always be a top priority and called on employees to remember serious incident tragedies and to never be complacent about safety at work, at home or on business trips. Our employees also practiced activities such as safety presentation, plant inspection, emergency drills, and more. We follow a ‘chronic unease’ when it comes to safety and wellbeing.

After identifying potential major safety concerns, we implemented activities in 2022 on topics such as forklift safety management and inspecting big bag hoisting. To involve all employees in safety improvement and prevention, reporting near misses and looking out for hazards is mandatory. In 2022, all our employees reported at least one near miss and hazard identification case, and the best near miss reports were evaluated and awarded.





Respect for employee rights

We believe the right to freedom of association and collective bargaining are essential for constructive social dialogue and for building up trust within an organisation. We are committed to globally recognised International Labor and Social Standards (ILSS). In 2022, 44% of our employees worldwide were covered by collective bargaining agreements, ranging from 0% in some countries to 100% in others. See [page 88](#) for more detailed data by region.

Our Code of Conduct commits us to protect the rights of all employees regardless of whether they are covered by a collective bargaining agreement. In countries where the rights of freedom of association and collective bargaining are restricted under law, we look to open communication within the framework of national law and local circumstances. Employees receive 24 hours rest within a seven day time frame. There may be local variations based on specific shift models at certain plants.

Workforce development and engagement

We strive to provide a globally consistent approach to talent management and training. We help our employees advance in their careers by providing individual reviews and opportunities for e-learning.

Our digital Learning Management System provides voluntary training sessions for our workforce on technical topics and more. During the acquisition process we focused on maintaining our preexisting training programme and provided any important external trainings in-house. In 2022, our employees globally spent an average of 1.9 hours in training sessions, including one hour of compliance training and approximately 45 minutes of IT security and data training.¹ See [page 91](#) for more detailed data.

We assess talent through a globally consistent framework to ensure a standardised approach to rate and the reward employees in line with our business priorities. Managers can recommend employees for talent development based on year-end evaluations and employee potential. We have a globally consistent individual performance appraisal process with standard

¹ This number applies to the 72% of our employees who have access to a computer.



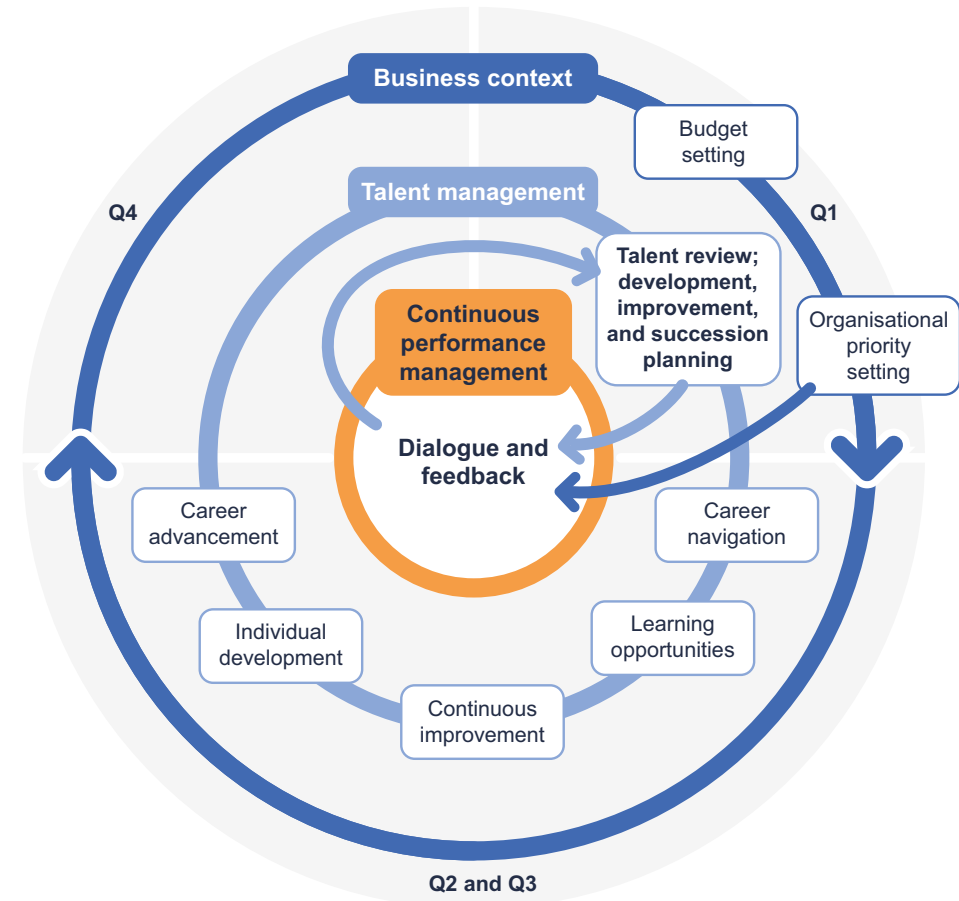


guidelines to assess individuals' performance, based on the success of agreed projects / activities and on the behaviour related to our company values.

Providing feedback is key to nurturing talent. We provide our employees with personalised feedback on behaviour related to our company values, on activity status and project success, career aspirations, and career development in quarterly defined sessions, to help them progress on their chosen career path.

This global talent management process has not yet been implemented in Germany, Austria, Australia, or New Zealand.

Talent management – annual cycle





Fostering sustainability awareness

Our goal is to educate our employees about key sustainability topics and the latest trends in our industry. In 2022, we scheduled five SustainableNOW talks to share knowledge on topics such as sustainable mine backfill, quantifying emissions, and Environment, Health, Safety, and Quality (EHSQ) sustainable data collection and validation. The talks were attended by up to 150 employees and tailored to different groups within our organisation.

We regularly share and discuss sustainability news, articles, and videos on our channels. We also provide online webinars and individual trainings about sustainable construction and sustainability tools such as lifecycle assessments (LCAs) and Environmental Product Declarations (EPDs) when requested by specific teams.





6. Business integrity

Protecting and supporting human rights	67
Due diligence across our operations and supply chain	69
Our approach to ethics and compliance	70
Standards, codes, and policies	73
Our approach to tax	75
Training	76
Reporting concerns	78





Business integrity

Protecting and supporting human rights

We recognise that human rights and environmental issues are deeply interlinked, with the same practices that cause human rights abuses also contributing to ecosystem imbalances and greenhouse gas emissions.

Master Builders Solutions is committed to protecting the human rights of everyone across our value chain, as this is the inherent responsibility of every business. We are particularly committed to the elimination of all forms of child and forced labour, human trafficking, the principle of non-discrimination, the recognition of the freedom to associate, collective bargaining and social partnership, fair compensation and benefits based on local market conditions, entitlement to adequate working hours and paid leave, as well as ensuring reasonable disciplinary measures and security.

We seek to ensure that all our employees conduct themselves in accordance with international human rights standards, including core labour and social standards. These include the Universal Declaration of Human Rights, the

Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, and the International Labor Organization (ILO) Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy.

Our Code of Conduct, Supplier Code of Conduct, Human Resources policies, and Data Protection Policy all explicitly promote human rights due diligence. We plan to train all buyers and procurement managers on human rights due diligence in 2023.





Alignment with external frameworks and principles

Guiding principles

United Nations Guiding Principles on Business and Human Rights

Universal Declaration of Human Rights

International Labor Organization (ILO) Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy

Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises

Reporting frameworks

Global Reporting Initiative (GRI)

We have zero reported cases of child or forced labour in our operations, in line with our codes and policies. Local management is responsible for ensuring employees do not work beyond their agreed hours. Our Supplier Code of Conduct helps ensure there are no cases of child or forced labour in our supply chain, and the majority of our suppliers are in low-risk regions. Our supplier self-assessment questionnaire, developed in 2022 and planned for launch in 2023, includes questions on modern slavery, which further strengthen our human rights due diligence. We will initially prioritise suppliers based on spend and those our supply chain risk assessment found to be at increased risk.

Key targets and progress

Topic	Target	2022 progress
Business ethics	≥95% of target employees have access to, receive, and complete ethics and compliance training	<p>> 85% of employees had completed their training by the end of 2022</p>
Transparency	UNGC communication of progress reporting	We annually publish a UNGC Communication on Progress.





Due diligence across our operations and supply chain

We take a rigorous approach to due diligence, to minimise environmental, social, and governance (ESG) risks across our operations and supply chain. We consider both the risks of our business to the environment and society, and vice versa.

Numerous policies and training initiatives ensure that our business and all our employees are held to the highest ethical standards. Read more in Standards, code and policies on [page 73](#), and Training on [page 76](#). All our operations have been assessed for risks related to corruption, as this was part of our initial risk assessment covering every department in 2021.

Our Supply Chain Policy acts as a framework for identifying and mitigating key environmental and social risks. Our Supplier Code of Conduct is available to all our suppliers and includes a broad range of requirements to protect human rights and the environment. In 2022, our procurement function requested all our suppliers of critical materials and services representing more than 4% of our total supplier spend sign our Supplier Code of Conduct. By the end of 2022, 72% have signed the commitment. In 2022, all purchase orders issued included reference to our Supplier Code of Conduct in the Terms and Conditions — we

expect all our suppliers to accept and adhere to the code of conduct. Read more on our approach to supply chain due diligence in our supply chain on [page 41](#).

In 2022, We partnered with [Verisk Maplecroft](#) — a third-party intelligence organisation specialising in sustainability-related risks — to provide an analysis of environmental and human rights risks in our operations and supply chain on a regional basis. The risk indicators we have assessed cover: environment, climate physical and transition risk, human rights and development, and business ethics.

Water scarcity was identified as a risk at some of our sites. Here are some examples of risk mitigation measures:

- At our site in Lancaster, Texas, USA, identified as being in an area at risk of water-scarcity, we implemented a water efficiency measure that reuses washing water for admixture product trucks instead of consuming fresh water — for more information see [page 54](#).





- Our site in Mejordada, Spain, was also identified as being in an area at risk of water scarcity: we implemented a water treatment and reclamation project, returning wash water back into production — see [page 55](#).
- Having dedicated sustainable procurement personnel is crucial to ensuring a holistic, effective approach to ensuring supply chain due diligence. We will focus on identifying our top suppliers by spend and risk, and carry out supplier self-assessments and site visits as necessary to perform in-person audits and engage in dialogue to assess each supplier's key risks and mitigation approach.

Conflict minerals due diligence

Our products do not contain conflict minerals (defined as tungsten, tin, tantalum, or gold) or their derivatives. Should designated conflict minerals become part of our portfolio as technology and / or our business evolves, we will comply with all applicable regulations, such as the US Dodd-Frank and EU Conflict Minerals Regulation (EU Regulation 2017/821). We will also align with industry-accepted initiatives, such as the Responsible Minerals Initiative, to ensure that our supply chain is free of human rights risks. In our indirect procurement spend, for example, computing hardware, electronics, and solar power systems, we rely on established ecolabels to ensure that our purchased equipment is conflict-free.

Our approach to ethics and compliance

Our integrity as a company and as individuals is of utmost importance. We are strictly committed to high standards of legal compliance and business ethics in all regions of operation. We expect all employees to adhere to these standards, recognising that each individual is an ambassador for our company.

We adhere to the same ethics and compliance policies that we followed as part of MBCC Group, including Human Resources policies, the IT Security Policy, Global Tax Compliance, Finance Policy, and Procurement Guidelines, as well as guidance documents, such as the Environment, Health and Safety (EHS) Management Handbook. We will focus on evolving these to be specific to Master Builders Solutions. Our compliance programme includes an anti-trust compliance framework that is binding for all employees, and our compliance with anti-trust law applies to all dealings with customers, competitors, distributors of, and suppliers to our company.





In 2022, anti-trust compliance was of particular focus on all management levels given the transaction the company was undergoing. We organised tailored, one-off trainings for all employees to ensure we comply with anti-trust law in project specific aspects with Sika. Our CEO and the Group General Counsel shared several communications on this topic internally.

The risk of corruption is relatively high in the construction industry, due to issues of transparency regarding local practices and potential concealment of corruption through project costs. We operate a zero tolerance policy in relation to corruption. Anti-corruption is covered in two of our global policies: Information on the Acceptance of Personal Benefits, and Payments & Services rendered to Business Partners. Anti-corruption is also covered in our basic ethics and compliance employee training, and in our Global Code of Conduct and the Supplier Code of Conduct.

To protect the ethical standards and compliance commitment of all our employees, we continuously work to provide guidance and training. Having developed a series of training measures as well as internal and external grievance reporting methods, our 2021 goal was to train 95% of employees on basic ethics and compliance by 2023. By the end of 2022, over 85% of employees had completed their training. This is a significant achievement as not

all employees have access to a suitable device to complete the online training. We will continue working towards our goal of 95%.

In 2022, we had zero reported instances of non-compliance with laws or regulations, significant fines or other sanctions. This includes zero instances of corruption, anti-competitive behavior, anti-trust, monopoly practices, and discrimination.

We developed our first compliance report in 2022, which provides an overview of the compliance management system, including details of the compliance organisation (see page 73), training initiatives, and SpeakUp cases, as well as risk mitigation measures. We also improved our compliance communication channels in 2022, with monthly meetings now taking place between Human Resources, Compliance and Audit. This helps ensure that functions are regularly informed of compliance measures.

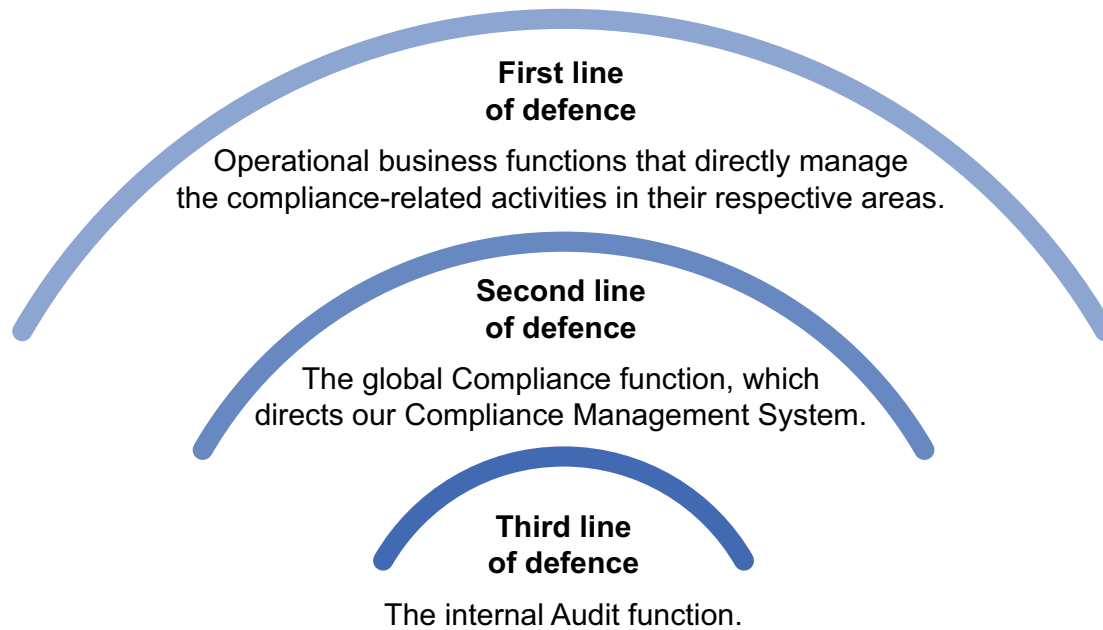
In 2023, we will focus on re-structuring our compliance programme to be fully aligned with our new owner, re-working our policies to be more succinct, and digitising our framework to make compliance information more readily available to all employees. Further responsibility will be given to regional legal entities, to enable the implementation of more effective measures in each country.





Three lines of defence model

The customary three lines of defence model is used for our compliance organisation:



The Compliance function is part of the Legal function, and compliance-related activities are managed by respective legal teams. The new MBCC Global Compliance Officer, appointed in January 2022, organised and wrote our first compliance report, initiated regular communications with regional managers, and provided more documentation and smoother processes around the SpeakUp channel. Following the split from MBCC Group we will reassess and resource our compliance function specific to Master Builders Solutions.

United Nations Global Compact commitment

We provide external transparency regarding ethics and compliance initiatives, being responsible to and held accountable by our stakeholders. We became a signatory to the United Nations Global Compact (UNGC) — a global corporate sustainability initiative — in 2021, as part of our commitment to ethical business conduct and to sustainability more broadly. To improve transparency, we annually publish a UNGC Communication on Progress, which is available on the UNGC homepage and details our ESG performance.





Standards, codes, and policies

Our Code of Conduct, Supplier Code of Conduct, and policies help ensure our employees and suppliers are held to high ethical standards, and that we as a company always conduct business with integrity.

The global [Code of Conduct](#) forms the basis of our ethics and compliance standards and enables our commitments to be embedded throughout our entire organisation. It provides guidelines for employees, agents and other parties acting on our behalf on how to act in accordance with our corporate values. It is binding for all employees and summarises important laws and corporate policies that govern their behavior in dealings with other employees, business partners, and society, guiding us all to make the right choices. The Code is supported by adjacent policies, including global regulations on payments and services delivered to business partners, in addition to guidance on receiving personal benefits.

Our Supplier Code of Conduct applies our ethics and compliance standards to our suppliers. As a key part of our purchase orders, it conveys our purchasing guidelines and expectations around protecting the environment, complying with human rights, labour and social standards, and implementing anti-discrimination and anti-corruption policies. Read more in [Our supply chain on page 41](#).

Internal policies provide guidance on conducting business in accordance with international requirements and principles.

We follow a systematic process to ensure our policies are embedded across the business: the Global Legal and Compliance function oversees the entire process; departments and business units are responsible for specific policies and standards, with business units in control of rolling out policies and training employees; Global Audit validates implementation; and the executive team approves all policies.

We encourage employees to seek advice on how to apply and implement policies. The main channels of contact are the owner of a particular policy or the relevant business function, who will respond to any requests for information, or Global Legal and Compliance.

We will focus on aligning our standards, codes, and policies with Cinven in 2023.





Key ethics and compliance policies and guidelines

- United Nations Guiding Principles on Business and Human Rights
- Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
- United Nations Global Compact
- Universal Declaration of Human Rights
- Core Labour Standards of the International Labor Organization
- Employee Code of Conduct
- Supplier Code of Conduct
- Procurement Guidelines
- Anti-trust compliance
- Information on the acceptance of personal benefits
- Payments and services rendered to business partners
- Business partner due diligence
- Data Protection Policy
- IT Security Policy and IT Security User Policy
- Human Resources policies, including policies on talent management bonus and base pay, job evaluation, mobility, recruiting, data governance, business travel





Our approach to tax

Compliance with tax laws and regulations

We are committed to complying with all tax laws and regulations in the territories within which we operate, and maintaining open and constructive relationships with tax authorities. Compliance for Master Builders Solutions means paying tax in the amount, in the place and at the time, and making disclosures to the tax authorities, as required by applicable tax laws and regulations, while also claiming reliefs and incentives where available under law. We file our tax returns and make all required disclosures in tax returns, reports, and documents in due time. In some cases, tax law may be subject to interpretation – we interpret applicable law with due consideration. We source external tax advice when necessary to ensure that tax positions taken are grounded in prevailing opinions and relevant jurisprudence.

Responsibility for the tax principles, supporting governance, and control framework and management of tax risks

Responsibility for the tax function has been delegated to the Global Head of Tax. The Chief Financial Officer of Master Builders Solutions is regularly informed by the Global Head of Tax about all significant tax issues and their current and future effect on the company's financial figures.

Master Builders Solutions has enrolled an internal Tax Compliance Management System (TCMS) to ensure tax compliance and tax risk management within the organisation. As part of the TCMS, Master Builders Solutions has enrolled tax guidelines and requirements to ensure compliance, reliability, effectiveness and efficiency of the tax function. These tax compliance guidelines provide the basis for the day-to-day work of all our employees who deal with tax matters and are binding for all Master Builders Solutions' employees. Regular trainings are provided to raise awareness of the importance of tax compliance.

Relationship with tax authorities

We collaborate with tax authorities with honesty, integrity, respect and fairness. Regarding our tax affairs and significant transactions, we are open and transparent.





Training

Our training initiatives are part of an ongoing process to protect and enhance the ethics and compliance standards of all employees. Employees receive guidance and training on our compliance and corporate governance policies through our intranet, manuals, online and in-person training programmes, and emails. Centralised compliance messaging is also conveyed in our town hall meetings. The Global Compliance Officer runs a compliance email channel promoting our compliance procedures, Code of Conduct, and SpeakUp channel, as well as answering questions and addressing issues related to compliance. Engagement with this channel was successful in 2022, with employees using it to ask questions and report incidents of concern.

All new employees and interns are trained on our compliance standards early in their employment. At least one hour of compliance training is provided to all employees every two years, which includes anti-corruption and anti-discrimination training. All employees located in the Americas, Canada and Europe must complete training on data privacy and data protection. Compliance training specific to each function is also mandatory. Leadership-specific training is given in-person to managers.





The majority of compliance trainings are provided via Master Builders Solutions Academy, our e-learning platform and are available in all relevant local languages. These include basic compliance, anti-corruption, and anti-discrimination among others. Global Legal and Compliance is responsible for the e-learning content; business units are responsible for ensuring that employees successfully complete their training. We keep a record of employee participation.

Site managers conduct on-site and in-person compliance training for all front-line employees at least every two years. Global Legal and Compliance is responsible for training the site managers and preparing the content.

In 2021, we rolled out Part 1 of our Business Ethics and Compliance Training Initiative, covering basic compliance, including the Code of Conduct, anti-corruption, and equal treatment. In 2022, we launched Part 2 of this initiative, which targets specific business functions and topics, such as anti-money laundering (AML), anti-trust law, trade secrets, trade control, embargos, data protection, and data privacy.

We will train all buyers and procurement managers on human rights due diligence in 2023. In 2021, we planned for 95% of employees to complete ethics and compliance training by 2023. Over 85% were trained by the end of 2022 — a significant achievement as not every employee has access to a suitable device needed to do the online course. We will continue working to achieve the goal of 95% completion in 2023.





Reporting concerns

It is vital our employees know how to identify, manage and seek further assistance on problematic situations that may arise in the workplace. Should they believe there is a violation of the Code of Conduct (see [page 79](#)), we encourage them to report concerns directly to a designate, such as a manager, department head, Global Compliance Officer, Global Head of Audit, Global Head of Human Resources, or the CEO.

We also have an anonymous reporting line, SpeakUp, should employees not feel comfortable reporting concerns directly to someone in the organisation. SpeakUp guarantees strict confidentiality and is available 24/7 in all local languages of operation. SpeakUp procedures are also available to external stakeholders — read more in [Our supply chain on page 41](#).

The Global Compliance Officer reviews every compliance report and is responsible for communicating it to the relevant colleagues and ensuring it is followed-up on. All internal compliance topics are also reviewed by the internal

Audit department. In 2022, our Global Compliance Officer arranged monthly meetings to ensure regular, direct communication on investigating incidents between compliance and audit. The Head of Global Compliance is responsible for informing the senior management of vital concerns in a timely manner.





Vital concerns are substantiated allegations of a violation of our Code of Conduct, which includes:

- Anti-competitive practices
- Conflicts of interest
- Corruption/bribery
- Data breach event posing a high risk to individuals involved
- Deficiencies affecting workplace safety and the life and health of employees
- Discrimination and harassment
- Embezzlement
- Environmental violations
- Information security breaches
- Money laundering, banking and financial crimes
- Retaliation for reporting workplace concerns
- Trade control violations
- Violations of fundamental human rights

Our compliance-related risk reduced as a result of the spin-off from MBCC Group, since regions covered by our business now have a lower risk profile for issues such as corruption. Master Builders Solutions received zero reports of compliance-related concerns via SpeakUp in 2022. Other types of concerns were raised, such as HR issues, which were all followed up with and rectified by local HR personnel and line managers.





7. Further information

About this report	81
Data annex	82





Further information

About this report

This is the first standalone Master Builders Solutions Sustainability Report, following the company's spin-off from MBCC Group during 2022 and 2023 and acquisition by Cinven in May 2023. The scope covers Master Builders Solutions as an independent company in 2022. The legal entities covered in the report are listed on [page 103](#). The publication date is 8 June 2023.

We report in line with the updated 2021 [GRI Standards](#). There is no external audit.

Where historic data are reported, these have been recalculated from original MBCC Group figures to account for Master Builders Solutions' activity.

If you have questions regarding this report, please contact john.ortiz@masterbuilders.com.





Data annex

Economic performance

	2021 (Master Builders Solutions)	2022 (Master Builders Solutions)
Net sales in € million	813	921

Products

	2022	Goal
% sales from products that enable sustainable construction ¹	48.0%	>45% by 2025
% R&D budget allocated for projects that support sustainable construction	42.3%	>40% by 2023
% R&D spend allocated for projects that support sustainable construction	37.5%	-
% suppliers agree and sign the terms of our Supplier Code of Conduct	>72.0%	All relevant suppliers by 2023 ²

¹ Products that enable sustainable construction are those that can be used potentially to reduce embodied carbon of (reinforced) concrete, preserve water resources, improve early strength, replace/reduce thermal curing, improve durability and longevity of concrete structures, allow self-healing of concrete, enhance cement strength, increase the dosage of (recycled) difficult aggregates in concrete recipes, and recycle return concrete. Other products include admixtures for geopolymer, repair mortars, and wind turbine grouts.

² We classify "relevant suppliers" as suppliers of critical materials and services representing more than 4% of our total supplier spend. In 2023, we will revisit our approach to include both risk and spend as prioritisation choice-points.





	2020	2021	2022	Change from 2021	Change from 2020	Goal 2025
Energy						
Consumed natural gas [m ³]	1,523,669	1,739,705	1,532,712	-11.9%	0.6%	
Consumed liquid fuel [m ³]	262	248	232	-6.4%	-11.3%	
Scope 1 CO ₂ emissions [t CO ₂]	5,010	5,553	4,937	-11.1%	-1.5%	
Consumed electricity [kWh]	32,642,004	34,620,152	34,579,806	-0.1%	5.9%	
Produced renewable electricity onsite [kWh]			260,610			
Purchased green electricity [kWh]			2,249,884			
Scope 2 CO ₂ emissions [t CO ₂]	11,240	11,650	11,958	2.6%	6.4%	
Scope 1+2 CO ₂ emissions [t CO ₂]	16,250	17,203	16,895	-1.8%	4.0%	
CO₂ emissions Scope 1+2 per produced ton [kgCO₂/t]	24.1	21.9	21.1	-3.6%	-12.5%	-15% (2020 baseline)





	2020	2021	2022	Change from 2021	Change from 2020	Goal 2025
Waste						
Non-hazardous waste [t]	3,547	5,321	4,932	-7.3%	39.0%	
Hazardous waste [t]	2,969	3,168	1,724	-45.6%	-41.9%	
Non-hazardous waste per produced ton [kg/t]	5.3	6.8	6.2	-8.8%	17.0%	-15% (2021 baseline)
Water						
Waste water [t]	112,070	104,788	85,843	-18.1%	-23.4%	
Water usage [m ³]	826,835	846,346	585,383	-30.8%	-29.2%	
Waste water per produced ton [kg/t]	166.5	133.5	107.3	-19.6%	-35.6%	-15% (2020 baseline)



**Workforce by region¹**

Region	Full-time employees	Part-time employees	Total	%
Europe	876	52	928	58.5%
North America	551	0	551	34.7%
ANZ	106	1	107	6.7%
Total	1,533	53	1,586	100.0%

¹ Data as of 31 December 2022, full-time equivalents.

Workforce by age¹

Age	Full-time employees	Part-time employees	Total	%
<18	3	0	3	0.2%
20-29	108	6	114	7.2%
30-39	312	13	325	20.5%
40-49	403	21	424	26.7%
50-59	417	10	427	26.9%
60+	162	3	165	10.4%
N/A	128	0	128	8.1%
Total	1,533	53	1,586	100.0%

¹ Data as of 31 December 2022, full-time equivalents.

Full-time and part-time employees by gender¹

Gender	Full-time employees	Part-time employees	Total	%
Female	354	42	396	25.0%
Male	1,179	11	1,190	75.0%
Total	1,533	53	1,586	100.0%

¹ Data as of 31 December 2022, full-time equivalents.

Workforce by region and gender¹

Region	Female	Male	Total
Europe	271	657	928
North America	103	448	551
ANZ	22	85	107
Total	396	1,190	1,586

¹ Data as of 31 December 2022, full-time equivalents.



**Total number and rate of new employee hires, by region, gender and age group¹**

Region	Sum of headcount	%
Europe	85	56.7%
North America	52	34.7%
ANZ	13	8.7%
Total	150	100.0%
Gender	Sum of headcount	%
Female	42	28.0%
Male	108	72.0%
Total	150	100.0%
Age group	Sum of headcount	%
<18	2	1.3%
20-29	40	26.7%
30-39	45	30.0%
40-49	33	22.0%
50-59	25	16.7%
60+	5	3.3%
Total	150	100.0%

¹ Data as of 31 December 2022, full-time equivalents.

Total number and rate of employee turnover, by region, gender and age group¹

Region	Sum of headcount	%
Europe	83	56.7%
North America	104	34.7%
ANZ	22	8.7%
Total	209	100.0%
Gender	Sum of headcount	%
Female	56	28.0%
Male	153	72.0%
Total	209	100.0%
Age group	Sum of headcount	%
<18	0	0.0%
20-29	27	12.9%
30-39	41	19.6%
40-49	30	14.3%
50-59	28	13.4%
60+	24	11.5%
N/A	59	28.2%
Total	150	100.0%

¹ Data as of 31 December 2022.



**Governance bodies and employees, Level 1, by region, gender and age group¹**

Level 1		
Region	Sum of headcount	%
Europe	2	50%
North America	1	25%
ANZ	1	25%
Total	4	100%
Gender	Sum of headcount	%
Female	0	0%
Male	4	100%
Total	4	100%
Age group	Sum of headcount	%
40-49	1	25%
50-59	3	75%
Total	4	100%

¹ Data as of 31 December 2022.**Governance bodies and employees, Level 2, by region, gender and age group¹**

Level 2		
Region	Sum of headcount	%
Europe	14	70%
North America	5	25%
ANZ	1	5%
Total	20	100%
Gender	Sum of headcount	%
Female	2	10%
Male	18	90%
Total	20	100%
Age group	Sum of headcount	%
30-39	1	5%
40-49	6	30%
50-59	12	60%
60+	1	5%
Total	20	100%

¹ Data as of 31 December 2022.

**Employees covered by collective bargaining agreements, by region¹**

Region	% employees covered by collective bargaining agreements
Australia	11%
Austria	91%
Belgium	100%
Canada	0%
Czech Republic	0%
Denmark	42%
Finland	100%
France	99%
Germany	99% ²
Italy	93%
Netherlands	0%
New Zealand	0%

Region	% employees covered by collective bargaining agreements
Norway	47%
Poland	0%
Romania	0%
Slovakia	0%
Spain	97%
Sweden	100%
Switzerland	82%
United Kingdom	0%
United States	0%
Total	44%

¹ Except leasing employees, employees on unpaid leave, and those for whom a different compensation logic is applied (leasing employees and senior executives).

² Includes exempt employees.



Salary distribution by gender and region¹

Calculation method ²	Annual basic salary of females/males per job grade (median)		Annual basic salary of females/males per job grade (average)		Total target cash of females/males per job grade (median)		Total target cash of females/males per job grade (average)	
	Method 1	Method 2	Method 1	Method 2	Method 1	Method 2	Method 1	Method 2
Europe (total)	101.3%	100.0%	101.0%	99.8%	100.9%	100.1%	100.3%	99.4%
1.1*	-	-	-	-	-	-	-	-
1.2	-	-	-	-	-	-	-	-
2.1	97.1%	97.1%	98.1%	98.1%	94.9%	94.9%	93.8%	93.8%
2.2	99.1%	99.1%	99.6%	99.6%	98.6%	98.6%	99.2%	99.2%
3.1	102.9%	102.9%	102.3%	102.3%	102.5%	102.5%	102.2%	102.2%
3.2	106.2%	102.2%	105.9%	101.9%	106.2%	103.0%	104.4%	101.0%
4.1	102.8%	99.7%	103.2%	100.3%	102.1%	99.1%	102.0%	99.0%
4.2	98.0%	98.4%	95.9%	96.7%	95.8%	97.8%	94.1%	95.8%
5.1	101.0%	101.0%	105.7%	105.7%	102.5%	102.5%	107.0%	107.0%
5.2	100.4%	100.4%	95.1%	95.1%	101.6%	101.6%	96.7%	96.7%
6.1	96.8%	96.8%	95.2%	95.2%	97.4%	97.4%	96.0%	96.0%
6.2	109.3%	94.4%	110.2%	94.4%	108.5%	95.6%	108.8%	95.6%
7.1	-	-	-	-	-	-	-	-
7.2	89.7%	89.7%	93.2%	93.2%	93.0%	93.0%	93.6%	93.6%
Tariff	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Calculation method ²	Annual basic salary of females/males per job grade (median)		Annual basic salary of females/males per job grade (average)		Total target cash of females/males per job grade (median)		Total target cash of females/males per job grade (average)	
	Method 1	Method 2	Method 1	Method 2	Method 1	Method 2	Method 1	Method 2
North America (total)	98.4%	97.3%	99.1%	97.5%	99.0%	96.6%	100.2%	97.3%
1.1*	-	-	-	-	-	-	-	-
1.2	-	-	-	-	-	-	-	-
2.1	-	-	-	-	-	-	-	-
2.2	-	-	-	-	-	-	-	-
3.1	-	-	-	-	-	-	-	-
3.2	108.3%	100.2%	109.2%	98.6%	106.0%	95.6%	109.7%	95.9%
4.1	104.5%	86.8%	107.8%	91.0%	105.7%	89.0%	108.4%	91.5%
4.2	92.2%	92.2%	91.9%	91.9%	90.0%	90.0%	90.5%	90.5%
5.1	106.4%	91.5%	106.7%	92.0%	114.0%	91.5%	115.2%	93.7%
5.2	110.4%	110.4%	109.5%	109.5%	110.4%	110.4%	110.9%	110.9%
6.1	72.8%	-	75.2%	-	72.8%	-	75.2%	-
6.2	-	-	-	-	-	-	-	-
7.1	-	-	-	-	-	-	-	-
7.2	70.1%	-	70.1%	-	70.1%	-	70.1%	-
Tariff	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

¹ Leasing employees, external contractors, employees on unpaid leave, Senior Executives for which is either a different compensation logic applied or employees that are not on payroll are not included.

² Method 1 assesses the median and mean gender pay gap for all employees based on annual basic salary and total target cash (annual salary plus variable bonus assuming 100% of target achievement). To ensure our analysis accurately reflected the reality for the majority of employees, we also chose to repeat the process to take account of "outlier" data points — for example long-staying employees in a single role receiving significantly higher pay than equivalent employees. We undertook the same analysis removing these outliers, with results shown in the Method 2 columns.

* Salary band/Career level: 1.1 = Support staff; 1.2 = Support staff; 2.1 = Support staff/ Assistant; 2.2 = Lab Assistant; 3.1 = Officer; 3.2 = Supervisor; 4.1 = Specialist; 4.2 = Team Leader; 5.1 = Senior Specialist; 5.2 = Manager; 6.1 = Expert/ Head of; 6.2 = Director; 7.1 = Vice President; 7.2 = Senior Vice President



Salary distribution by gender and region¹ (continued)

Calculation method ²	Annual basic salary of females/males per job grade (median)		Annual basic salary of females/males per job grade (average)		Total target cash of females/males per job grade (median)		Total target cash of females/males per job grade (average)	
	Method 1	Method 2	Method 1	Method 2	Method 1	Method 2	Method 1	Method 2
ANZ (total)	98.1%	99.8%	98.1%	99.6%	98.2%	100.7%	97.5%	99.7%
1.1*	-	-	-	-	-	-	-	-
1.2	-	-	-	-	-	-	-	-
2.1	-	-	-	-	-	-	-	-
2.2	97.1%	97.1%	99.7%	99.7%	97.1%	97.1%	99.7%	99.7%
3.1	103.3%	103.3%	104.2%	104.2%	103.3%	103.3%	104.2%	104.2%
3.2	101.0%	101.0%	104.3%	104.3%	101.0%	101.0%	104.3%	104.3%
4.1	95.3%	95.3%	91.5%	91.5%	95.7%	95.7%	91.9%	91.9%
4.2	116.0%	116.0%	116.4%	116.4%	125.8%	125.8%	118.5%	118.5%
5.1	-	-	-	-	-	-	-	-
5.2	93.8%	93.8%	93.2%	93.2%	90.7%	90.7%	90.9%	90.9%
6.1	83.1%	-	84.3%	-	76.4%	-	77.2%	-
6.2	-	-	-	-	-	-	-	-
7.1	-	-	-	-	-	-	-	-
7.2	-	-	-	-	-	-	-	-
Tariff	-	-	-	-	-	-	-	-

Calculation method ²	Annual basic salary of females/males per job grade (median)		Annual basic salary of females/males per job grade (average)		Total target cash of females/males per job grade (median)		Total target cash of females/males per job grade (average)	
	Method 1	Method 2	Method 1	Method 2	Method 1	Method 2	Method 1	Method 2
Global (total)	100.5%	99.7%	100.3%	99.4%	100.3%	99.7%	99.9%	99.2%
1.1*	-	-	-	-	-	-	-	-
1.2	-	-	-	-	-	-	-	-
2.1	97.1%	97.1%	98.1%	98.1%	94.9%	94.9%	93.8%	93.8%
2.2	98.7%	98.7%	99.6%	99.6%	98.4%	98.4%	99.3%	99.3%
3.1	102.9%	102.9%	102.4%	102.4%	102.6%	102.6%	102.3%	102.3%
3.2	105.7%	101.8%	106.2%	102.1%	105.3%	101.8%	105.3%	101.2%
4.1	101.5%	97.3%	101.5%	97.0%	101.3%	97.3%	100.8%	96.4%
4.2	98.5%	98.9%	96.9%	97.6%	97.2%	98.9%	95.4%	96.9%
5.1	103.2%	98.6%	106.1%	102.3%	107.1%	99.7%	110.3%	103.7%
5.2	100.9%	100.9%	97.2%	97.2%	101.2%	101.2%	98.1%	98.1%
6.1	84.3%	96.8%	84.9%	95.2%	82.2%	97.4%	82.8%	96.0%
6.2	109.3%	94.4%	110.2%	94.4%	108.5%	95.6%	108.8%	95.6%
7.1	-	-	-	-	-	-	-	-
7.2	83.1%	89.7%	85.5%	93.2%	85.4%	93.0%	85.8%	93.6%
Tariff	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

¹ Leasing employees, external contractors, employees on unpaid leave, Senior Executives for which is either a different compensation logic applied or employees that are not on payroll are not included.

² Method 1 assesses the median and mean gender pay gap for all employees based on annual basic salary and total target cash (annual salary plus variable bonus assuming 100% of target achievement). To ensure our analysis accurately reflected the reality for the majority of employees, we also chose to repeat the process to take account of "outlier" data points — for example long-staying employees in a single role receiving significantly higher pay than equivalent employees. We undertook the same analysis removing these outliers, with results shown in the Method 2 columns.

* **Salary band/Career level:** 1.1 = Support staff; 1.2 = Support staff; 2.1 = Support staff/ Assistant; 2.2 = Lab Assistant; 3.1 = Officer; 3.2 = Supervisor; 4.1 = Specialist; 4.2 = Team Leader; 5.1 = Senior Specialist; 5.2 = Manager; 6.1 = Expert/ Head of; 6.2 = Director; 7.1 = Vice President; 7.2 = Senior Vice President



**Business ethics training**

	2022	Goal
% target employees who have access to, receive, and complete ethics and compliance training	> 85%	≥95%

Training courses completed

Type of training	Number of courses completed
Antitrust and competition laws (USA)	35
Complaints and Investigations for Managers (USA)	4
Compliance Advanced	1,164
Compliance Anti Money Laundering	141
Compliance Basics	239
Compliance: Umgang mit Geschäftsgeheimnissen	30
Data Protection Basics	291
Ethics and Code of Conduct (USA)	41

Type of training	Number of courses completed
Industrial Property Rights: Identifying Potential Patent Infringements	8
Mandatory USA: Antibribery and Corruption	121
Mandatory USA: Confidential Information and IP	122
Mandatory USA: Diversity and Inclusion Training	130
Mandatory USA: Global Data Privacy	124
Mandatory USA: Social Media	130
Mandatory: Claims Training – Admixtures	271
Mandatory: Effective Internal Controls	8
Mandatory: HIPAA for Employee Medical Privacy (USA)	8
Mandatory: Trade Control Awareness Training	652
Onboarding for new HR employees (APAC)	1
Workplace Harassment (USA)	42
Total	3,562





Employee training hours

Type of training	Sum of training hours completed
Career and skills development	995
Career development	185
Finance	23
Job related	748
Procurement	39
Compliance, ethics, and DE&I	1,506
Diversity, equity and inclusion (DE&I)	138
Ethics	1,368
Environment, health and safety	487
Environment, health and safety (EHS)	120
Safety	367
Total	2,988





UN Global Compact

We submit our UN Global Compact (UNGC) Communication on Progress via the UNGC online portal.


Mapping SDGs to the value chain

Increasing positive effects


12 RESPONSIBLE CONSUMPTION AND PRODUCTION
 Use of byproducts and reuse of building materials

8 DECENT WORK AND ECONOMIC GROWTH
 Supplier code of conduct

9 INDUSTRY INNOVATION AND INFRASTRUCTURE
 Increase R&D for innovation

11 SUSTAINABLE CITIES AND COMMUNITIES
 Innovate for more sustainable buildings, local materials

9 INDUSTRY INNOVATION AND INFRASTRUCTURE
 Innovate for more sustainable infrastructure

12 RESPONSIBLE CONSUMPTION AND PRODUCTION
 Circular economy and waste reduction



Reducing negative effects

12 RESPONSIBLE CONSUMPTION AND PRODUCTION
 Optimise transport, reuse packaging

8 DECENT WORK AND ECONOMIC GROWTH
 Equal pay, materials footprint

11 SUSTAINABLE CITIES AND COMMUNITIES
 Reduce waste, particulate matter

12 RESPONSIBLE CONSUMPTION AND PRODUCTION
 Materials footprint, waste reduction, safe chemicals

13 CLIMATE ACTION
 Emissions and resource reduction

12 RESPONSIBLE CONSUMPTION AND PRODUCTION
 Optimise transport, reuse packaging

13 CLIMATE ACTION
 Resilient, lower carbon structures, awareness, lifecycle assessments





Global Reporting Initiative (GRI) index

Disclosure	Notes
GRI 1: FOUNDATION	
Statement of use	Master Builders Solutions has reported in reference to the GRI Standards for the period 1 Jan 2022 to 31 Dec 2022.
GRI 1 used	GRI 1: Foundation 2021.
Applicable GRI sector standard(s)	None

GRI standard	Disclosure	Location	Notes and omissions
GRI 2: GENERAL DISCLOSURES			
2-1	Organizational Profile	About Master Builders Solutions: Who we are, A year of change, Our business model	
2-2	Entities included in the organization's sustainability reporting	Further information: About this report, Entities covered by this report	
2-3	Reporting period, frequency and contact point	Further information: About this report	
2-4	Restatements of Information	Further information: Data annex	
2-5	External assurance	Further information: About this report	

GRI standard	Disclosure	Location	Notes and omissions
2-6	Activities, value chain, and other business relationships	About Master Builders Solutions: all sections Sustainability: Regulatory trends, Stakeholder engagement Products: Our supply chain	
2-7	Employees	People: Attracting and retaining talent Further information: Data annex	
2-8	Workers who are not employees		Omitted. Information incomplete.
2-9	Governance structure and composition	Sustainability: Sustainability governance	
2-10	Nomination and selection of the highest governing body	Sustainability: Sustainability governance	
2-11	Chair of the highest governing body	Sustainability: Sustainability governance	
2-12	Role of the highest governing body in overseeing the management of impacts	Sustainability: Sustainability governance	
2-13	Delegation of responsibility for managing impacts	Sustainability: Sustainability governance	
2-14	Role of the highest governing body in sustainability reporting	Sustainability: Sustainability governance	





GRI standard	Disclosure	Location	Notes and omissions
2-15	Conflicts of interest	MBCC Group 2021 Annual Report	Due to the business transition in 2022, we did not release an annual report. We will publish a Master Builders Solutions annual report for 2023.
2-16	Communication of critical concerns	Business integrity: Our approach to ethics and compliance, Reporting concerns	
2-17	Collective knowledge of the highest governance body	MBCC Group 2021 Annual Report	Due to the business transition in 2022, we did not release an annual report. We will publish a Master Builders Solutions annual report for 2023.
2-18	Evaluation of the performance of the highest governance body	MBCC Group 2021 Annual Report	Due to the business transition in 2022, we did not release an annual report. We will publish a Master Builders Solutions annual report for 2023.
2-19	Remuneration policies	MBCC Group 2021 Annual Report	Due to the business transition in 2022, we did not release an annual report. We will publish a Master Builders Solutions annual report for 2023.

GRI standard	Disclosure	Location	Notes and omissions
2-20	Process to determine remuneration	MBCC Group 2021 Annual Report	Due to the business transition in 2022, we did not release an annual report. We will publish a Master Builders Solutions annual report for 2023.
2-21	Annual total compensation ratio	101%	
2-22	Statement on sustainable development strategy	Message from our CEO	
2-23	Policy commitments	Products: Our supply chain Business integrity: Protecting and supporting human rights, Due diligence across our operations and supply chain, Our approach to ethics and compliance, Standards, codes and policies	
2-24	Embedding policy commitments	Products: Our supply chain Business integrity: Protecting and supporting human rights, Due diligence across our operations and supply chain, Our approach to ethics and compliance, Standards, codes and policies, Training	
2-25	Processes to remediate negative impacts	Business integrity: Reporting concerns	





GRI standard	Disclosure	Location	Notes and omissions
2-26	Mechanisms for seeking advice and raising concerns	Business integrity: Our approach to ethics and compliance, Reporting concerns	
2-27	Compliance with laws and regulations	Business integrity: Our approach to ethics and compliance	
2-28	Membership associations	About Master Builders Solutions: Our business model	
2-29	Approach to stakeholder engagement	Sustainability: Stakeholder engagement, Key sustainability parameters	
2-30	Collective bargaining agreements	People: Respect for employee rights Further information: Data annex	
GRI 3: MATERIAL TOPICS			
3-1	Process to determine material topics	Sustainability: Key sustainability parameters	
3-2	List of material topics	Sustainability: Key sustainability parameters	
RESPONSIBLE PRODUCTS			
3-3	Management of material topics	Products: Enabling better construction	
MBS KPI	Sustainable products' share of core portfolio	Products: Enabling better construction	
MBS KPI	R&D budget share for sustainably advanced products	Products: Enabling better construction Further information: Data annex	

GRI standard	Disclosure	Location	Notes and omissions
MBS KPI	Supplier commitment to Supplier Code of Conduct	Products: Enabling better construction, Our supply chain Business integrity: Due diligence across our operations and supply chain	
201: ECONOMIC PERFORMANCE			
3-3	Management approach	About Master Builders Solutions	
201-1	Direct economic value generated and distributed	About Master Builders Solutions: 2022 business performance	
204: PROCUREMENT PRACTICES			
3-3	Management approach	Products: Our supply chain Business integrity: Due diligence across our operations and supply chain	
204-1	Proportion of spending on local suppliers		Omitted: information incomplete
205: ANTI-CORRUPTION			
3-3	Management approach	Business integrity: Due diligence across our operations and supply chain, Our approach to ethics and compliance	
205-1	Operations assessed for risks related to corruption	Business integrity: Due diligence across our operations and supply chain	





GRI standard	Disclosure	Location	Notes and omissions
205-2	Communication and training about anti-corruption policies and procedures	Business integrity: Our approach to ethics and compliance, Training	
205-3	Confirmed incidents of corruption and actions taken	Business integrity: Our approach to ethics and compliance	
206: ANTI-COMPETITIVE BEHAVIOR			
3-3	Management approach	Business integrity: Our approach to ethics and compliance	
206-1	Legal actions for anti-competitive behavior, anti-trust, and anti-monopoly practices	None	Regulatory authorities reviewed and approved our business transition in 2022
301: MATERIALS			
3-3	Management approach	Products: Enabling better construction – Bio-based products Climate and environment: Waste and the circular economy	
301-1	Materials used by weight or volume	Climate and environment: Waste and the circular economy	Partial inclusion
301-2	Recycled input materials used	Climate and environment: Waste and the circular economy	Partial inclusion
301-3	Reclaimed products and their packaging materials	Climate and environment: Waste and the circular economy	Partial inclusion

GRI standard	Disclosure	Location	Notes and omissions
302: ENERGY			
3-3	Management approach	Climate and environment: Environmental management, Greenhouse gas emissions	
302-1	Energy consumption within the organization	Further information: Data annex	
302-2	Energy consumption outside of the organization		Omitted
302-3	Energy intensity		Omitted
302-4	Reduction of energy consumption	Further information: Data annex	
302-5	Reductions in energy requirements of products and services		Omitted – see emissions per produced ton KPI below
303: WATER AND EFFLUENTS			
3-3	Management approach	Climate and environment: Environmental management, Water and chemicals	
303-1	Interactions with water as a shared resource	Products: Enabling better construction Climate and environment: Environmental management, Water and chemicals	
303-2	Management of water discharge-related impacts	Climate and environment: Environmental management, Water and chemicals	





GRI standard	Disclosure	Location	Notes and omissions
303-3	Water withdrawal	Climate and environment: Water and chemicals Further information: Data annex	
303-4	Water discharge	Further information: Data annex	
303-5	Water consumption	Further information: Data annex	
MBS KPI	Wastewater reduction per t of products produced	Climate and environment: Improving our environmental footprint Further information: Data annex	
304: BIODIVERSITY			
3-3	Management approach	Climate and environment: Biodiversity	
304-2	Significant impacts of activities, products and services on biodiversity	Climate and environment: Biodiversity	
305: EMISSIONS			
3-3	Management approach	Climate and environment: Improving our environmental footprint, Environmental management, Greenhouse gas emissions	
305-1	Direct (Scope 1) GHG emissions	Climate and the environment: Greenhouse gas emissions Further information: Data annex	

GRI standard	Disclosure	Location	Notes and omissions
305-2	Energy indirect (Scope 2) GHG emissions	Climate and the environment: Greenhouse gas emissions Further information: Data annex	
305-3	Other indirect (Scope 3) GHG emissions		We are partnering with external consultants in 2023 to re-baseline our greenhouse gas inventory, including our Scope 1, 2, and 3 emissions. Our future focus will be to form a robust Scope 3 emissions reduction strategy. We expect the bulk of our Scope 3 emissions to stem from material purchases and have developed training for our procurement team to understand and prioritise the emissions drivers and how to communicate with key suppliers on this topic. Our objective is to empower our procurement personnel to effectively engage a prioritised subset of suppliers as we identify our largest sources of Scope 3 emissions.





GRI standard	Disclosure	Location	Notes and omissions
305-4	GHG emissions intensity	Climate and environment: Improving our environmental footprint, Greenhouse gas emissions Further information: Data annex	
305-5	Reduction of GHG emissions	Further information: Data annex	
MBS KPI	CO2 emissions reduction per t of products produced	Climate and environment: Improving our environmental footprint, Greenhouse gas emissions Further information: Data annex	
306: WASTE			
3-3	Management approach	Climate and environment: Improving our environmental footprint, Environmental management, Waste and the circular economy	
306-1	Waste generation and significant waste-related impacts	Climate and environment: Waste and the circular economy	
306-2	Management of significant waste-related impacts	Climate and environment: Waste and the circular economy	
306-3	Waste generated	Climate and environment: Waste and the circular economy Further information: Data annex	

GRI standard	Disclosure	Location	Notes and omissions
306-4	Waste diverted from disposal	Climate and environment: Waste and the circular economy	Partial inclusion
306-5	Waste directed to disposal	Climate and environment: Waste and the circular economy	Partial inclusion
MBS KPI	Waste reduction per t of products produced	Climate and environment: Improving our environmental footprint, Waste and the circular economy Further information: Data annex	
308: SUPPLIER ENVIRONMENTAL ASSESSMENT			
3-3	Management approach	Products: Our supply chain	
308-1	New suppliers that were screened using environmental criteria		100%
308-2	Negative environmental impacts in the supply chain and actions taken	Business integrity: Protecting and supporting human rights, Due diligence across our operations and supply chain	
401: EMPLOYMENT			
3-3	Management approach	People: Attracting and retaining talent	
401-1	New employee hires and employee turnover	Further information: Data annex	





GRI standard	Disclosure	Location	Notes and omissions
403: OCCUPATIONAL HEALTH AND SAFETY			
3-3	Management approach	Sustainability: Sustainability governance Products: Product safety People: Workforce health, safety, and wellbeing	
403-1	Occupational health and safety management system	People: Workforce health, safety, and wellbeing	
403-2	Hazard identification, risk assessment, and incident investigation	People: Workforce health, safety, and wellbeing	
403-3	Occupational health services	People: Workforce health, safety, and wellbeing	
403-4	Worker participation, consultation, and communication on occupational health and safety	People: Workforce health, safety, and wellbeing	
403-5	Worker training on occupational health and safety	People: Workforce health, safety, and wellbeing	
403-6	Promotion of worker health	People: Attracting and retaining talent	

GRI standard	Disclosure	Location	Notes and omissions
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Products: Product safety	
403-8	Workers covered by an occupational health and safety management system	People: Workforce health, safety, and wellbeing	
403-9	Work-related injuries (including LTIR)	People: Attracting and retaining talent, Workforce health, safety, and wellbeing	
403-10	Work-related ill-health		Omitted: information incomplete
404: TRAINING AND EDUCATION			
3-3	Management approach	People: Workforce development and engagement	
404-1	Average hours of training per year per employee	People: Workforce development and engagement	
404-2	Programs for upgrading employee skills and transition assistance programs	People: Workforce development and engagement	
404-3	Percentage of employees receiving regular performance and career development reviews		82%





GRI standard	Disclosure	Location	Notes and omissions
405: DIVERSITY AND EQUAL OPPORTUNITY			
3-3	Management approach	Products: Our supply chain People: Attracting and retaining talent, Diversity, equity, and inclusion	
405-1	Diversity of governance bodies and employees	People: Diversity, equity, and inclusion Further information: Data annex	
405-2	Ratio of basic salary and remuneration of women to men	People: Diversity, equity, and inclusion Further information: Data annex	
MBS KPI	Equal opportunity and pay to all employees	People: Attracting and retaining talent, Diversity, equity, and inclusion Further information: Data annex	
406: NON-DISCRIMINATION			
3-3	Management approach	Products: Our supply chain Business integrity: Protecting and supporting human rights, Our approach to ethics and compliance, Standards, codes and policies, Training	
406-1	Incidents of discrimination and corrective actions taken	Business integrity: Our approach to ethics and compliance	

GRI standard	Disclosure	Location	Notes and omissions
407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING			
3-3	Management approach	People: Respect for employee rights Business integrity: Protecting and supporting human rights	
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		We have done an initial risk assessment and will report in further detail next year.
408: CHILD LABOR			
3-3	Management approach	Business integrity: Protecting and supporting human rights	
408-1	Operations and suppliers at significant risk for incidents of child labor	Business integrity: Protecting and supporting human rights	
409: FORCED OR COMPULSORY LABOR			
3-3	Management approach	Business integrity: Protecting and supporting human rights	
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Business integrity: Protecting and supporting human rights	





GRI standard	Disclosure	Location	Notes and omissions
414: SUPPLIER SOCIAL ASSESSMENT			
3-3	Management approach	Products: Our supply chain Business integrity: Protecting and supporting human rights, Due diligence across our operations and supply chain	
414-1	New suppliers that were screened using social criteria		100%
414-2	Negative social impacts in the supply chain and actions taken	Business integrity: Protecting and supporting human rights, Due diligence across our operations and supply chain	
416: CUSTOMER HEALTH AND SAFETY			
3-3	Management approach	Products: Product safety	
416-1	Assessment of the health and safety impacts of product and service categories		100%
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		None

GRI standard	Disclosure	Location	Notes and omissions
417: MARKETING AND LABELING			
3-3	Management approach	Products: Enabling better construction: Data-focused services	
417-1	Requirements for product and service information and labeling		All of our labeling complies with relevant legal requirements.
417-2	Incidents of non-compliance concerning product and service information and labeling		None
417-3	Incidents of non-compliance concerning marketing communications		None
BUSINESS INTEGRITY			
3-3	Management of material topics	Business integrity: all sections	
MBS KPI	Ethics and compliance trainings	Business integrity: Our approach to ethics and compliance, Training	
MBS KPI	UNGC Communication on Progress	Business integrity: Protecting and supporting human rights Further information: UNGC	





Entities covered by this report

Name	Location
Construction Research & Technology GmbH	Trostberg, Germany
Master Builders Solutions Deutschland GmbH	Trostberg, Germany
Master Builders Solutions GmbH	Krieglach, Austria
Master Builders Solutions Admixtures Systems Belgium B.V.	Zaventem, Belgium
Master Builders Solutions GmbH, Podružnica Ljubljana	Ljubljana, Slovenia
Master Builders Solutions GmbH, Podružnica Zagreb za trgovinu	Zagreb, Croatia
LSF11 Skyscraper France BidCo SAS	Paris, France
Master Builders Solutions France SAS	Evry cedex, France
Master Builders Solutions España S.L.	Cornella de Llobregat, Spain
Master Builders Solutions España S.L. SUCURSAL EM PORTUGAL	Carnaxide e Queijas, Portugal
Master Builders Solutions Norway AS	Oslo, Norway
Master Builders Solutions Italia S.p.A.	Treviso, Italy
Master Builders Solutions UK Ltd.	Manchester, United Kingdom
Master Builders Solutions UK Ltd. - Ireland Branch	Dublin, Ireland
Master Builders Solutions Schweiz AG	Holderbank, Switzerland
Master Builders Solutions Nederland B.V.	Oosterhout, Netherlands
Master Builders Solutions Finland Oy	Helsinki, Finland

Name	Location
Master Builders Solutions Romania SRL	Judet Prahova, Romania
Master Builders Solutions Romania SRL - Bulgaria Branch	Sofia, Bulgaria
Master Builders Solutions Canada Inc.	Montreal, Canada
MB Solutions Australia Pty. Ltd.	Seven Hills, Australia
MB Solutions New Zealand Ltd.	Auckland, New Zealand
Master Builders Solutions Denmark A/S	Rodekro, Denmark
Master Builders Solutions Sverige AB	Rosersberg, Sweden
Master Builders Solutions GmbH, organizačná zložka Slovensko	Bratislava, Slovak Republic
MBS CZ-SK s.r.o., organizačná zložka Slovensko	Bratislava, Slovak Republic
Master Builders Solutions Polska Sp.z o.o.	MYŚLENICE, Poland
Master Builders Solutions Polska Sp.z o.o. - nuolatine buveine	Garliava, Lithuania
Master Builders Solutions Admixtures US, LLC	Wilmington, Delaware, New Castle County, USA
MBS AS Holding US, Inc.	Wilmington, Delaware, New Castle County, USA
Great Lakes Polymer Technologies, LLC	Wilmington, Delaware, New Castle County, USA
Bluey Technologies Pty. Ltd.	Brisbane, Australia
Master Builders Solutions CZ s.r.o.	Chrudim, Czech Republic





Master Builders Solutions 2022 Sustainability Report

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