

# Sustainability at work

URSA Sustainability Report



Insulation for a better tomorrow





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# URSA SUSTAINABILITY REPORT – THE BIG PICTURE

## Sustainable development

Sustainable development means meeting the needs of the present without compromising the ability of future generations to meet their own needs. Why is sustainable development so important today?

For a long time it's been obvious that we couldn't keep focusing only on economic growth, enriching ourselves personally and exploiting nature. We have already paid a high price for our shortsightedness and we have to change.

This means acting in all the three dimensions of sustainability. Finding long-term development solutions that combine economic growth with environmental protection while enabling us to meet our social needs.

**At URSA, we are proud of our contribution to sustainable development and delighted to welcome you to our Sustainability Report 2012.**

### Why a sustainability report?

A sustainability report helps us define what we need to do to improve our products and the way we behave as a company. So we can contribute to sustainable development still further.

We demonstrate that our win-win solution – thermal insulation and energy efficiency – as well as acoustic comfort is a key tool in shifting towards sustainable development.

You have the confidence that comes with seeing we're transparent and consistent in our reporting on sustainability.

### Global Reporting Initiative (GRI) guidance and the future

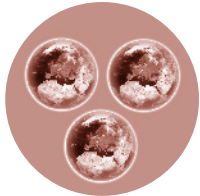
In preparing this sustainability report we have followed the guidelines of the Global Reporting Initiative (GRI).





## Earth. What happened?

Although we're all aware of the dangers we and our planet face, it's good to be reminded.



# 3

Is the number of planets we will need by 2030 to sustain us if we carry on as we are.



# 2°C

If global temperatures increase only this much due to higher CO<sub>2</sub> emissions, there will be irreversible consequences.



# 16<sup>TH</sup> OF SEPTEMBER 2012

The day when the ice surface at the northern pole hit a historic record low!



# 40%

Is the share of all energy used in Europe by buildings. High CO<sub>2</sub> emissions from wasted energy also cause the Green House Gas effect.



# 600

Is the number of times glass wool can save the amount of energy needed to produce it! It can also save 250 times the CO<sub>2</sub> emitted during production.



# 95%

The EU is committed to reducing greenhouse gas emissions to 80-95% below 1990 levels by 2050.



# 1%

New buildings as a percentage of total housing stock in most of European countries. Deep energy efficient renovation of existing housing stock is the key!

## About URSA

URSA key figures	2010	2011	2012
Revenues (Million Euros)	420	445	450
Markets where we are present	35	41	43

### A leading insulation provider

URSA is a leading European building insulation provider with headquarters in Madrid and around 450 Million Euros turnover. We focus on glass mineral wool and extruded polystyrene (XPS) to insulate residential and non-residential buildings, both new and being renovated.

URSA has 14 production sites in 9 countries and a commercial presence in around 40 markets in Europe, Russia, the Middle East and Northern Africa. We employ about 2,000 people in countries including Austria, Belgium, the Czech Republic, France, Germany, Italy, Poland, Russia, Slovenia, Spain, Turkey and the UK.

### Part of Uralita

URSA is part of Uralita, a Spanish construction material manufacturer with over 100 years of tradition.

A Spanish stock exchange listed company with a turnover of 621 Million Euros in 2012, Uralita has more than 3,000 employees, 34 production plants and sales in around 40 countries.

### 60 years of insulation expertise

URSA's history dates back to 1949, when POLIGLAS began producing insulation materials in Spain. In 1988 POLIGLAS was acquired by Uralita. The German firm Pfeiderer AG also entered the insulation business in 1991.

The lives of these two companies run parallel. POLIGLAS growing predominantly in Western Europe through the construction of new factories while Pfeiderer grew business particularly in Eastern Europe. In 2002, Uralita purchased Pfeiderer's insulation division. URSA was officially born in 2004 and since then we have not stopped expanding within Europe and beyond, launching innovative and award winning insulation products.

Since our beginning we have been entirely dedicated to the production and sales of building insulation materials that reduce energy consumption and CO<sub>2</sub> emissions while improving acoustic and thermal comfort.

Over the last decade we have engaged with sustainability on a different level and with a much higher intensity, making sure we are a partner to rely on in the long run. This has involved looking hard at our performance in the different areas of sustainability – social, economic and environmental.

Since 2006 we have implemented an action plan to reduce the level of accidents that has yielded very positive and promising results. We have improved the efficiency of our factories and reduced energy use and CO<sub>2</sub> emissions. Over the last decade we have significantly improved our products, reaching very low levels of thermal conductivity and higher thicknesses and enabling our customers to save more energy in their homes and offices.

But we know there is still a lot to be done.





**CHRISTIAN MICHEL**  
Managing Director,  
URSA Insulation

**EFRÉN DEL PINO**  
International Marketing Director,  
URSA Insulation

# CAN WE HOPE FOR A BETTER FUTURE?

For URSA's first sustainability report we spoke to Christian Michel, our CEO and Efrén del Pino, International Marketing Director. Christian is concerned with our overall corporate strategy and where sustainability fits with the direction we are taking for the future. Efrén is directly involved in sustainability actions, also caring about our perspectives on reaching the targets for 2050 and European energy efficiency in general.



Christian, let's start with you. What is your perspective on humanity's progress towards a more sensible attitude to sustainability?

We seem to be learning our lesson but doing it too slowly. 2012 was a frightening year. The nuclear power sector continues its downward spiral after the 2011 Fukushima disaster. Also, nature has pointed her finger at us a few times recently. Look at 'Sandy', a storm of historic dimensions, floods in Russia and worldwide and wildfires in Spain which stretched for hundreds of kilometres and were the worst on record.

Interestingly, one extraordinary fact seemed to go pretty much unnoticed. On August 26<sup>th</sup> 2012, the extent of sea ice reached its lowest level since records began. Then, on the September 16<sup>th</sup> it established a *new* record low.

At the same time, the financial crisis continues to wreak havoc around the globe, leaving millions jobless, sweeping away governments and creating instability.

Energy security is also fragile, wouldn't you say?

Recent events show just how fragile. Fukushima demonstrates yet again that nuclear power is very difficult to control and can be devastating in extreme



*There is a lot of work to be done in the next 40 years if we want our grand children to enjoy their life. And URSA is right there, in the front line.*







situations. We need to ask ourselves if we want such a constant dormant danger in our backyards, not to mention the issue of waste. Also, most of the global oil and gas reserves are located in areas with quite unstable political life and dynamic changes. Think about all the recent unrest caused by the Arab Spring, or areas with issues related with gas supplies.

Recent studies show that we apparently have reached what experts call 'peak oil'. The amount of oil can only go down and we should be desperately looking for alternatives. Yet securing energy supplies is not sufficient either. It's comparable to a drug-addicted person finding a warehouse full of drugs. Maybe healing the addiction would be better.

What do you think is the answer? Is then renewable energy the key?

Renewable energy is the kind of solution that could be an aim. Yet we should treat the subject with maximum responsibility and realism. There is only so much land on this planet. Renewable energy has its disadvantages. Some forms compete with food production and require considerable space. What is environmentally unsustainable today will become socially unsustainable in the near future. The real answer is energy efficiency.

So, Efrén, how do we achieve real energy efficiency?

URSA is obviously really concerned with buildings. Energy consumption in buildings equals 40% of all energy use in Europe. Buildings are the single biggest energy waster, and in order to reverse this we must reduce energy consumption in building stock by 80% by 2050.

This is only possible if we act in two ways. New buildings shall be constructed on a level of nearly zero energy building. But, every year new completions account for only around 1% of existing building stock. This means that an immense chunk of what will still be there by 2050 will have been built according to outdated (non-ambitious) building codes. To make savings, the existing building stock must be deeply renovated to a nearly zero energy standard.

How can governments promote deep renovation of existing building stock?

Let me give you a couple of examples. In Spain the Rehabilitation Working Group GTR (Grupo de Trabajo sobre Rehabilitación) has developed a roadmap and an action plan to renovate Spanish building stock to high energy efficiency standards between 2012–2050. URSA is proud to have been able to contribute to

the development of this roadmap and action plan. According to this plan the new housing sector will save up to €390 billion in energy efficiency by 2050, and deliver an 82% reduction in CO<sub>2</sub> emissions of homes through deep renovation. (\*)

Here's another example. Germany has probably been one of Europe's most successful countries in stimulating deep energy efficiency refurbishments. Programmes initiated by the state bank KfW were able to trigger a total public and private investment flow of €54 billion with just €6 billion of public funds. This funding has enabled the energy efficiency renovation of 1 million homes, the construction of 400,000 new highly efficient homes, and is credited with the creation of 240,000 new jobs per year in the building and building supply-related industries. (\*\*)

What is your own personal view of the future?

Obviously, the future of the planet looks worrying but I believe people have realised we can't go on like this and want to change. URSA and those of us who work for the company are committed to doing what we can in the area where we have real expertise: building insulation. And, it's clear that in this specific area we and our products can really make a difference.

\* GTR'S 2012 Report. A national perspective on Spain's building sector. Action plan for a new housing sector. Rehabilitation Working Group "GTR" (Grupo de Trabajo sobre Rehabilitación).

\*\* Financing Mechanisms for Europe's Buildings Renovation. Assessment and Structuring Recommendations for Funding European 2020 Retrofit Targets. Author: Peter Sweatman, CEO and Founder, Climate Strategy and Partners.



***KfW funding in Germany has enabled the energy efficiency renovation of 1 million homes, and the building of 400,000 new highly efficient homes, and is credited with the creation of 240,000 new jobs per year.***





# ENERGY AND CLIMATE – ACTION NEEDED

## Can we change the direction? We should, as there is no other option!

It is clear that things need to change. We must improve the way we act now and rectify what has been done wrongly in the past. The following facts reveal the current state of affairs is not sustainable:

- FACT #1** High levels of CO<sub>2</sub> emissions from extensive fossil fuel energy use cause the green house effect.
- FACT #2** Energy consumption in buildings equals to 40% of all energy use in Europe. Buildings are the single biggest energy waster.
- FACT #3** In order to reverse the trend we must reduce energy consumption in building stock by 80% by 2050.

This is only possible if we act in two ways:

- **New buildings:** Construct on a level of nearly zero energy building, making sure it consumes as little energy as possible.
- **Existing building stock:** Every year new completions account for only around 1% of existing building stock. This means that an immense chunk of what

will be there in 2050 will have been built according to outdated (non-ambitious) building codes. Due to its savings potential, existing building stock must be deeply renovated to a nearly zero energy standard.

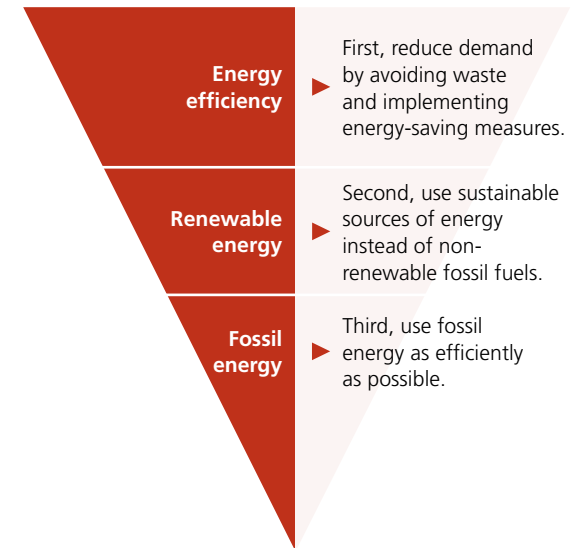
## Energy efficiency comes first

It's true that there are plenty of ways we could act to secure our future. But it's vital to set an order of priority for our actions.

The Trias Energetica concept is a way of dealing with energy to achieve savings, reduction of dependence and environmental benefits, while maintaining comfort and progress.

Applying this principle to building stock demonstrates that good insulation is essential for sustainable buildings.

## THE TRIAS ENERGETICA CONCEPT







**URSA**  
S.p.A.



# URSA PRODUCTS

## – HELPING CHANGE TO HAPPEN

### Products: Introduction

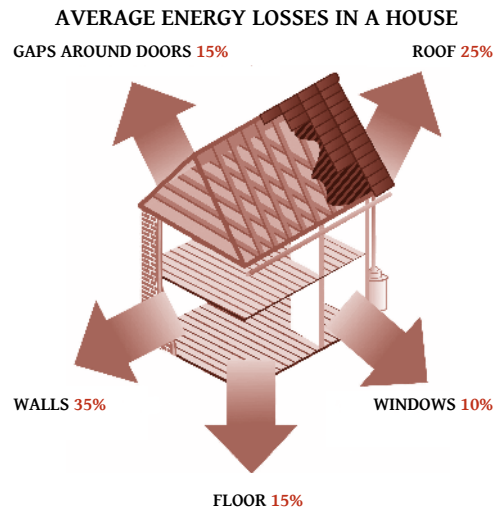
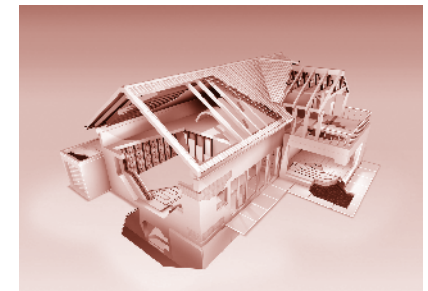
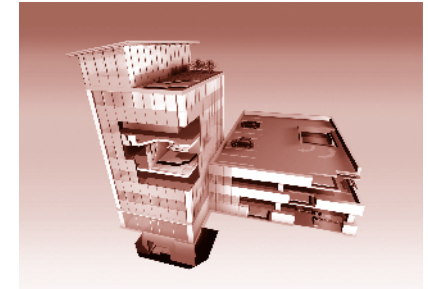
URSA is entirely dedicated to the production and commercialisation of glass mineral wool (GMW) and extruded polystyrene (XPS) as thermal and acoustic insulation materials for buildings.

#### GMW – Glass Mineral Wool

The main raw material of GMW is silica sand, one of the most abundant minerals on Earth. To produce GMW we also use a large percentage of recycled glass.

GMW combines a unique set of thermal, acoustic and fire retardant benefits. It also has a very positive environmental profile.

Life Cycle Assessment (LCA) of GMW shows that the energy needed for its production can be saved up to 600 times. Also, due to the inorganic origins of its main raw materials, GMW is naturally non-combustible and parasite-repellent without the need for additives. GMW rolls and panels are compressed up to 8 times, allowing for more efficient transportation, and reducing environmental impact.



#### XPS – Extruded Polystyrene

The main raw material of XPS is polystyrene. XPS reaches high levels of thermal resistance, making it a great thermal insulator. It also achieves unparalleled levels of compressive strength and water resistance. This makes it an ideal choice for technically challenging building insulation applications like flat roofs or foundations.

#### What are the main applications?

GMW and XPS are used mainly in residential and commercial buildings to prevent heat transfer and offer acoustic comfort.





## A strong portfolio for a good cause

URSA's strong and consistent brand portfolio more than meets the energy efficiency and acoustic comfort needs of our customers. Our wide portfolio also allows for a balance of different applications and segments.

### PureOne by URSA

Soft, formaldehyde free and durable PureOne by URSA is our premium brand and probably the best mineral wool product on the market.

PureOne glass mineral wool is high performance thermal and acoustic insulation which helps maintain indoor air quality.

### URSA GEO and URSA GLASSWOOL

This high-quality and cost-effective mineral wool has outstanding thermal and acoustic insulation properties. Fire resistant, it's ideal for safe thermal and sound insulation of pitched roofs, partitions, external walls and ceilings.

### URSA AIR

When it comes to energy efficient air conditioning, URSA AIR is a highly effective solution. The rigid and high-density panels of URSA AIR are specially designed for self-mounting insulation of air-conditioning shafts and ducts. Quicker and easier to install than traditional metal ducts, URSA AIR also has excellent acoustic properties, is easy to clean and resists microorganisms.

### URSA XPS

This product is ideal for technically demanding applications such as flat roofs or cellars, being able to resist high pressure loads and where resistance to moisture, water and acidic soils is required.

Bear in mind that our products may have different brand names in different markets.

## Our products and the three pillars

URSA is happy to demonstrate just how sustainable our products really are.

**Our insulation materials contribute to sustainable development on three levels and, most importantly, tackle climate change.**

### Resource efficiency

Thermal insulation in buildings generates substantial energy savings. 1 sq. m. of URSA glass mineral wool can save an equivalent of around 400 litres of oil during its life cycle. The same square meter of glass wool insulation could prevent emission of 343 kg of CO<sub>2</sub> during its life cycle. (\*)

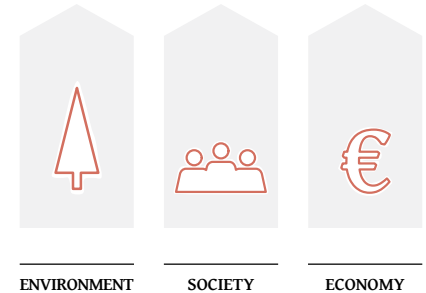
### Comfort and security

Our glass mineral wool products offer high levels of acoustic comfort as well as security in case of fire. Glass mineral wool and extruded polystyrene also help improve indoor thermal and air quality comfort.

Insulation – expenditure or investment?  
1 Euro invested – 7 saved!

Insulating a pitched roof of a residential building in a moderate climate would take an investment of €30 per sq. m of roof. The insulation provides the building with annual energy savings of €7.5 per sq. m of roof, per year, or €225 over a period of 30 years. This is a return of 7.5 Euro per Euro invested. If energy prices continue to rise, the return on investment will be even higher.

\* The reference product is 1sq. m of URSA GEO with lambda 0,032 W/(m·K) and thickness of 100mm.



**URSA's products help save up to 600 times the energy required for their production.**



## Products: Environment

### Our products – caring for the environment

#### Saving energy through thermal insulation

URSA's products help save up to 600 times the energy required in their production.

Our portfolio addresses the biggest energy waster of all - buildings - and helps tackle climate change by enabling more efficient use of energy.

#### Avoiding CO<sub>2</sub> emissions

During the lifetime of our products, CO<sub>2</sub> emissions are reduced because less energy is wasted.

CO<sub>2</sub> reductions are 250 times greater than the CO<sub>2</sub> generated during production and transportation.

#### Efficient use of raw materials and high recycled content use

The resources used in manufacturing our products are more than outweighed by a building's use phase, thanks to their unique way of saving energy.

A high amount of recycled content is used in producing both GMW and XPS. With GMW, recycled glass is used and damaged products are reused, minimising production waste. To make XPS we use a considerable amount of recycled polystyrene, and recycle products that didn't pass internal quality checks.

#### High compressibility

GMW, the lion's share of our offering, is highly compressible, which allows for significant benefits in terms of transportation. An unpacked roll can be compressed up to 8 times.

So, fewer trucks are necessary to transport more energy saving products and we can store more of our products on a warehouse floor than non-compressible materials.

Recycled content	2010	2011	2012
Recycled material in glass mineral wool (evolution in %, 2010 = 100%)	100%	103%	122%

## The big picture – Life Cycle

When analysing a product's impact it is important to take the whole life cycle into account.

Life Cycle Assessment (LCA) evaluates the effects a product has on the environment, society and economy over the entire period of its life. LCA is commonly referred to as a "cradle-to-grave" analysis.

For LCA we take into account different phases of the life cycle a product goes through: raw materials extraction, production, transportation, installation, use phase, end of life.

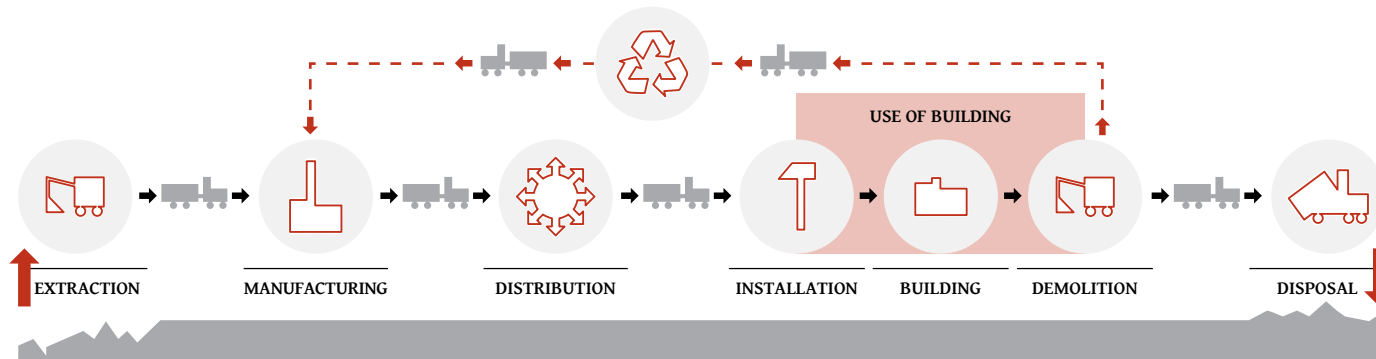
LCA's key elements are:

1. Identifying and quantifying the environmental loads involved – energy and raw materials consumed, emissions and waste generated during production, for instance.
2. Evaluating the potential environmental impacts of these loads.
3. Assessing the options available for reducing these environmental impacts.

Insulation materials offer great benefits in the buildings' use phase, since this is when energy savings occur. Less money is spent and higher levels of comfort are reached.



***Life Cycle Assessment evaluates the effects a product has on the environment, society and economy over the entire period of its life.***





*Life Cycle Assessment  
is the only way to really  
fully assess a product,  
taking into account  
all of its impacts  
on the environment.*



## **Can we measure how sustainable a product is?**

Increasingly, sustainability has become a subject of wide interest.

Three types of labels were developed to measure sustainability. But only one of these labels uses a Life Cycle Assessment approach.

URSA fully supports the use of Life Cycle Assessment to measure sustainability. We believe this is the only way to really fully assess a product, taking into account all of its impacts on the environment, and not focusing only on selected criteria where it might offer benefits.

Environmental Product Declaration is based on LCA. It includes information about the environmental impacts associated with a product or service, such as raw material acquisition, energy use and efficiency, content of materials and chemical substances, emissions to air, soil and water and waste generation.

## COMPARISON OF ECO-LABELS

	Eco-label Type I (ISO 14024)	Self Declaration Claim Type II (ISO 14021)	Environmental Product Declaration (EPD) Type III (ISO 14025)
<b>Objective</b>	To reach minimum requirements in a fixed criterion	To declare any environmental statement, written or spoken	Product environmental information based on Life Cycle Assessment (LCA)
<b>Target audience</b>	Consumers	Consumers/professional buyers	Professional buyers
<b>Quality check</b>	Verification of eco-labelling body	None	Third-party certification
<b>Advantages</b>	<ul style="list-style-type: none"> <li>• Credibility</li> <li>• Easy to understand for consumers</li> </ul>	Opportunity to cover indicators that are not addressed by either Eco-labels or Environmental Product Declarations	<ul style="list-style-type: none"> <li>• All products can obtain it</li> <li>• Adapted to non-final products</li> <li>• Highly informative</li> </ul>
<b>Disadvantages</b>	<ul style="list-style-type: none"> <li>• No coherence between labels</li> </ul>	<ul style="list-style-type: none"> <li>• Limited credibility</li> <li>• Not informative</li> </ul>	<ul style="list-style-type: none"> <li>• Difficult to interpret and use for communication purposes</li> </ul>

Environmental Product Declaration is based on Life Cycle Assessment and third party verification. It offers the most comprehensive information about a product possible.





## URSA products – leading in sustainability assessment

It is part of URSA's strategy to promote the use of Life Cycle Assessment (LCA) and the generation of Environmental Product Declarations (EPD). For this reason we have certified a large number of our products according to some EPD schemes in different markets. We will continue to do so, contributing to transparency in sustainability.

### The EcoMaterial Absolute award (Russia)

EcoMaterial is a voluntary standard in Russia. It has been developed combining the best practices of ISO 14024, international evaluation schemes such as DGNB, BREEAM and LEED.

EcoMaterial Absolute is the highest Ecostandard rank in Russia for environmentally friendly products. URSA has reached the top level of this very demanding certification, going beyond other competing manufacturers.

The award is based on a LCA. The certificate specifies that URSA's glass mineral wool products are highly recommended not only for housing construction and renovation, but also for the construction and renovation of buildings that require the lowest environmental impact, such as schools, hospitals and other medical institutions.

### European Environmental Product Declaration (Norm 15804) (Poland)

URSA is proud to be the first company to receive a European Environmental Product Declaration TYPE III according to the new EN 15804. This European norm aims to homogenise the field of sustainability assessments of products.

### Environmental Product Declarations (France)

Fiches de Déclaration Environnementales et Sanitaires (FDES) des Produits de Construction is a French scheme generating Environmental Product Declarations. A number of URSA products have been certified and corresponding documents are publicly available at [www.inies.fr](http://www.inies.fr).

### IBU and DAPc (Germany and Spain)

We have also made Environmental Product Declarations according to the German Institut Bauen und Umwelt (IBU) scheme and the Spanish Declaración Ambiental de Productos de Construcción (DAPc), two national schemes that standardise the generation of environmental product declarations.

## Products: Society

### Social benefits – comfort

#### **Insulation = thermal and acoustic comfort, health, safety and economic savings**

URSA products contribute significantly to sustainable development from a social perspective, offering comfort to people that covers thermal, acoustic and indoor air quality. They also save money spent on energy.

#### Indoor thermal comfort

Our products help maintain stable, desired indoor temperatures both in summer and winter. Properly installed insulation creates a comfortable indoor environment with no need for high energy use.

#### Acoustic comfort

GMW products uniquely combine thermal and acoustic properties that combat noise pollution. Thanks to GMW less undesired noise is heard from both indoor and outdoor sources.

#### A healthy indoor environment

URSA products contribute to a better quality of indoor air. Emissions of volatile organic compounds (VOCs) are far below the required levels. Correctly installed insulation, coupled with a proper ventilation, improves the quality of indoor air even more.

#### Comfort and safety

Because of their inorganic origins, glass mineral wool raw materials are non-combustible and fire resistant. Our products reach the highest fire classes: A1 and A2.



## International awards for quality and comfort

As a result of our strong commitment to the environment and the contribution our products have made to improve comfort and quality of life, URSA has been awarded a number of prizes and assigned eco-labels by well-known European institutions.



### Indoor air comfort – Blue Angel

URSA has been awarded the “Blauer Engel” certificate (“Blue Angel”), recognising our contribution to indoor air quality through very low emissions.

The Blue Angel, the first and oldest environment-related label for products and services in the world, was initiated by the German government and is awarded by an independent jury to products that are environmentally friendlier than others serving the same use.

### Indoor air comfort – Eurofins “Indoor Air Comfort”

Eurofins laboratories perform a wide range of tests. One of their specialties is environmental testing of building materials.

Eurofins “Indoor Air Comfort” product certification is an innovative tool for showing compliance with the strictest requirements in terms of Volatile Organic Compounds (VOC) emissions in all relevant European specifications. This certification has two levels.

A standard level “Indoor Air Comfort – certified product” shows compliance of product emissions with all legal specifications issued by authorities in the European

Union. Higher level “Indoor Air Comfort Gold” certified products show compliance of product emissions with the voluntary specifications issued by all relevant eco-labels and similar specifications in the EU.

URSA has obtained the Eurofins Indoor Air Comfort Gold certificate for most products.

### Consumer recognition – “Trophée de la Maison”

URSA is proud to hold the “Trophée de la Maison”, the first and only award evaluated by a panel of independent end-consumers under live tests and product use in the place where it is installed.

The organiser is a qualified consumer centre totally independent from press, distribution or professional organisations.

Carrying out over 30,000 tests per year, this is the first center of quality for consumers in France, one of the most demanding countries in terms of regulations and standards. Since 1997, it has given a voice to the most relevant audience.



## Products: Economy

### Insulation – expenditure or investment?

Our insulation products offer long lasting benefits for private individuals. Less energy is wasted and related expenditure is lower.

#### Insulation and families – lower energy bills, more comfort

When using insulation, families save money as they use less energy for better comfort at home, both thermal and acoustic. Each Euro invested in insulation will save you 7 Euros over a product lifetime as you use less energy and reduce CO<sub>2</sub> emissions.

Insulation has a minimal cost impact within a total energy efficient retrofit. Increasing the amount of insulation will lead to substantially increased energy and money savings. To give just one example, improving energy classification of a building from class D to class B costs only 2.6% more. The subsequent increase in energy savings will be 44%. (\*)

#### Less fuel poverty

Fuel poverty is a major social problem which requires action across a range of policy issues and at all political levels. The number of fuel-poor households in Europe

is expected to increase in the near future. Fuel poverty results from a combination of three key factors:

- Low household income
- Poor heating and insulation standards
- High energy prices

Between 50 million and 125 million people in Europe are estimated to be fuel poor. This number will inevitably increase in the future in line with rising energy prices and increased fuel bills. Poor housing conditions can have a serious negative impact on health and well-being.

This important social need is addressed by URSA's solutions. Our products help reduce the risk of fuel poverty by lowering energy consumption for heating and cooling and cutting energy bills significantly, while causing a positive effect on health.

The European Commission estimates that energy efficiency in buildings could save €600 per household by 2020.

\* PRECOST&E project – Analysis of construction cost and energy consumption depending on energy classification of dwellings. Madrid Polytechnic University, Research Group on Sustainability in Construction and Industry.



***Each Euro invested in insulation will save you over 7 Euros, as you use less energy. Also, less CO<sub>2</sub> is emitted.***



***Increased energy efficiency in buildings is the necessary economic stimulus in times of crisis.***



## **Insulation and energy efficiency, Europe's secret economic opportunity**

Entire countries and Europe in general will benefit from higher energy efficiency levels.

### **Economic stimulus**

Increased energy efficiency in buildings is always necessary, but it becomes a necessary economic stimulus in times of crisis:

- 760,000 to 1,480,000 new jobs could be created in these times of crisis if Europe rises to the challenge of renovating inefficient existing building stock to meet 2020 targets of energy efficiency and CO<sub>2</sub> emissions. (\*)
- It has been calculated that in the period 2012–2017, deep energy efficient renovation of buildings would increase economic activity by up to €291 billion. This would account for 2.3% of the EU's GDP.

### **Improved public health**

Less polluted air and improved indoor air quality due to lower CO<sub>2</sub> emissions will result in better public health, causing fewer hospitalisations and higher productivity at

work. It is estimated that, as a result, net revenues to public finances could go up by €40 billion in 2020.

### **Better public finances**

Up to €128 billion of increased public revenues could be generated in Europe due to more economic activity and greater employment, increased taxation and reduced unemployment benefits.

### **Energy security**

According to the European Commission over 60% of gas and 80% of oil consumed in the European Union is imported.

Recently, quite a number of the oil and gas exporting countries have been experiencing turmoil and going through difficult times, potentially endangering the world's oil supply. Reducing energy waste in buildings could bring down the EU's dependence on fossil fuels, improve its energy security and free public funds that could be used for investments.

\* Multiple benefits of investing in energy efficient renovation of buildings. Impact on public finances. By Copenhagen Economics. 2012.

## Products: Sustainability

### Sustainable building – a real possibility

Imagine a building constructed so that no external energy supplies are needed, great thermal and acoustic comfort is reached and air quality is high. One made efficiently using materials that don't harm the environment. This is possible and it is exactly how we should build our homes and offices. As sustainable buildings.

#### What is sustainable building?

A sustainable building, known sometimes as a green building, can be defined as a house or edifice whose structure and usage satisfies both the need of its end users and the society, is economically sound, environmentally friendly and that uses resources efficiently throughout its whole life cycle.

The main aspects of sustainable building occur at different phases of a building's life cycle:

- **Design phase** – a building's positioning and location are properly designed to, for instance, gain solar energy when needed. Also, shades are used to protect from overheating. In this phase appropriate building techniques are chosen. For example, high levels

of insulation are prescribed to assure high energy efficiency and comfort later on, during the use phase.

- **Construction** – elements like the relation of the building to the immediate environment, and an integrated approach between products and processes are taken into account. In this phase, URSA products offer real value.
- **Operation or use phase** – this is about comfort for users, as well as health protection through better quality of water and air. Also, efficient maintenance and management of energy, water and waste must be guaranteed.
- **Decommissioning** – the end of life of the building has to be considered so that more environmentally friendly techniques and products are used to guarantee easier demolition, reuse or recycling of materials.

At URSA we offer a product range that helps to bring sustainable building to life. Our products increase efficient energy use making buildings more economically viable, offer great levels of acoustic and thermal comfort and contribute to a higher quality of indoor air.



***At URSA we offer a product range that helps to bring sustainable building to life.***







# OUR APPROACH TRIPLE BOTTOM LINE

## Company: Introduction

Insulation is one of the factors which will help us tackle climate change and protect the environment. At the same time as providing effective insulation, URSA's products offer tangible economic benefits and satisfy essential social needs.

We are committed to making URSA as sustainable as possible. So, our approach towards all the three pillars of sustainability is clear.

### 1. Environment

We use a considerable amount of recycled content in GMW and XPS, significantly limiting use of virgin raw materials.

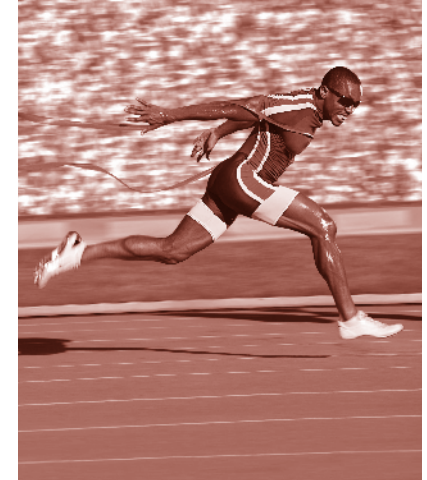
### 2. Society

At URSA we are a team of enthusiastic individuals united around the common objective of making this planet a better place and driving the company to prosper in future. We are committed to the well-being of the communities in which we operate and always act responsibly.

### 3. Economy

URSA represents a sustainable business model.

We create value for shareholders and our operations in local communities offer jobs, directly and indirectly.







## Company: Environment

### Environment

We do our best to make products as sustainably as possible and operate as an environmentally responsible company.

**A. Increasing recycled content.** We use a high amount of recycled content in the production process for both GMW (recycled glass) and XPS (recycled polystyrene). Our glass mineral wool factories in Novo Mesto (Slovenia) and Delitzsch (Germany) have reached an encouraging total of 73% and 85% of recycled content respectively. We aim to continue reducing the amount of virgin raw materials we use even more.

**B. Efficient use of water.** Water for production is used in a closed cycle, efficiently and with a minimum intake of fresh water.

**C. Efficient use of natural resources.** We constantly improve our products through the more efficient use of natural resources.

**D. Better compression and more efficient use of packaging.** We have increased the quantity of product in the same packaging, causing less environmental impact, including from transportation. Our products can be compressed up to 8 times.

	2010	2011	2012
Recycled material in glass mineral wool (evolution in %, 2010 = 100%)	100%	103%	122%
Total CO <sub>2</sub> emissions (tonnes/year)	325.0	332.4	327.3
Total energy consumption (MWh/year)	954.2	989.1	981.2
Energy use intensity evolution (change of MWh/tonne of product, 2010 = 100%)	100%	100%	95%
CO <sub>2</sub> emissions intensity (change of tonnes of CO <sub>2</sub> per tonne of product, 2010 = 100%)	100%	99%	94%

**E. Energy use.** Over the last few years we have significantly reduced the amount of energy used for production. This also has a positive effect on the resulting CO<sub>2</sub> emissions from our factories. In 2012 the reduction of CO<sub>2</sub> was 6% and we used 5% less energy per tonne of final product.

## Living efficiency – responsible and sustainable

Being efficient also improves the sustainability of our business: energy efficiency solutions from an energy efficient company.

- **Energy management.** In August 2012 URSA's glass mineral wool factory in Delitzsch (Germany), our extruded polystyrene production site in Queis (Germany) and our offices in Leipzig were certified for energy management according to ISO 50001.
- **Travel policy.** We have also introduced a responsible traveling policy. In 2011–2012 we increased the use of video-conferencing and web-conferencing to make sure we execute projects efficiently. But with much less environmental impacts caused by traveling.



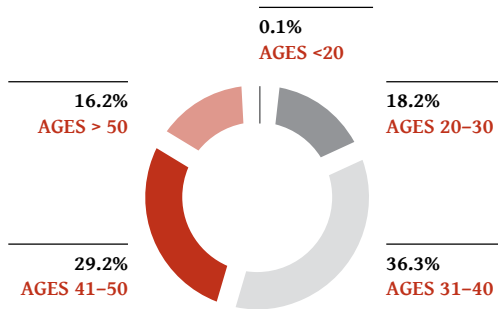
### Energy efficient factories. ISO 50001 certification

URSA works hard to positively impact on the environment and contribute to sustainable development. On the one hand we produce energy saving products and on the other we make our products as energy efficiently as possible. URSA is committed to increasing energy efficiency in our production sites even more in the future.

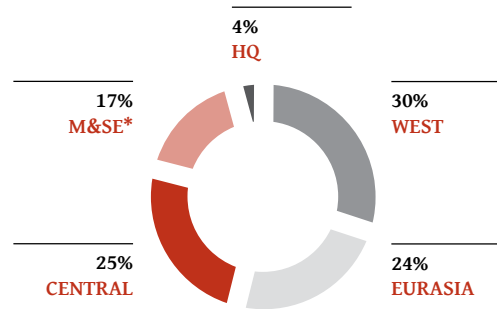
ISO 50001 specifies requirements for establishing, implementing, maintaining and improving an energy management system to enable an organisation to follow a systematic approach in achieving the continual improvement of energy performance including efficiency, security, use and consumption.



URSA'S TOTAL WORKFORCE SPLIT BY AGE



URSA'S TOTAL WORKFORCE SPLIT BY REGION

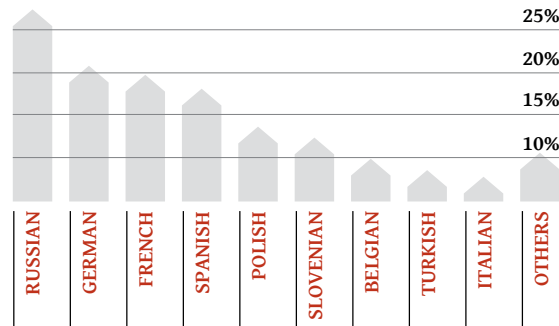


\* Mediterranean and South East

URSA'S TOTAL WORKFORCE SPLIT BY GENDER



URSA'S TOTAL WORKFORCE SPLIT BY NATIONALITY



## Company: Society

### URSA's people – one team

At URSA we are 100% sure our time is now. The next 40 years at least are key for humanity to make sure we and generations to come have a positive future.

URSA's team is spread over Europe, Russia, Asia and Africa. We are happy to be a multinational and cross-cultural team. It means we are the result of not just different countries but also cultures. Together, URSA's people make up a mosaic of the modern world.

One of the key objectives of URSA is to develop policies that make ours a good and sustainable place to work.

- **Development opportunities.** Through training programmes, growth possibilities and the delegation of responsibilities, we generate new development possibilities for our management and workers. In 2012 around 95% of our employees have been assessed and advised according to their personal development plans.
- **Internal promotions.** URSA has a clear strategy and many years of experience promoting people from within the organisation. In 2012, around 3% of URSA staff were promoted internally.

## Health and safety – what matters most

We operate a large number of factories across different countries: Russia, Turkey, Poland, Slovenia, Germany, France, Belgium and Spain. For us, it is essential that our team members are as safe as possible.

To prevent risks at work while achieving our high level of safety, we have different policies in place and a strong track record.



1. Since 2006, health and safety goals have been set up and closely tracked at top management level.
2. Every year a new safety programme is implemented at division level:
  - 2009 URSA Safety Standards
  - 2010 Top Five, a programme that implements and closely follows up the top five actions in different areas of health and safety
  - 2011 H&S Radar
  - 2012 Global Safety Action Plan
3. Since 2005, the number of accidents has been reduced by an impressive 80%.
4. During 2010 and 2011, 9 of 14 plants received URSA 500 and URSA 1000 awards for maintaining a zero level of accidents for 500/1000 consecutive days.
5. Recently, URSA's Serpukhov XPS factory has reached a milestone of 1,000,000 hours without accidents.

But our goal is not to dwell on what has been achieved. We strive for more.



*Since 2005, the number of accidents at our factories has been reduced by an impressive 80%.*





## Reducing our injury rate

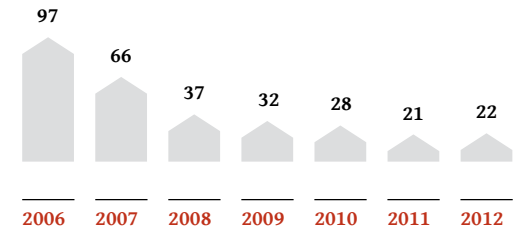
When it comes to implementing safety measures, we have focused particularly on reducing the rate of injuries.

Because the safety of our colleagues is our top priority, it's especially satisfying to look back and see how far we have come. Injuries were reduced almost fivefold from 97 in 2006 to 22 in 2012.

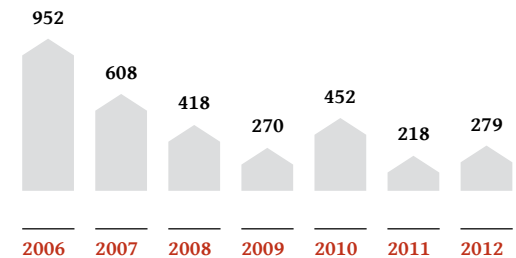
Our goal is an injury free working environment.



## INJURIES

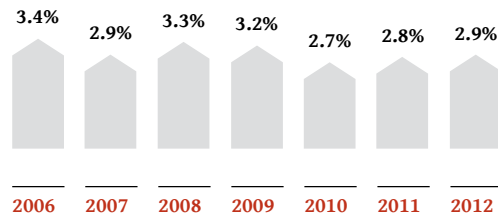


## ABSENCE RATE

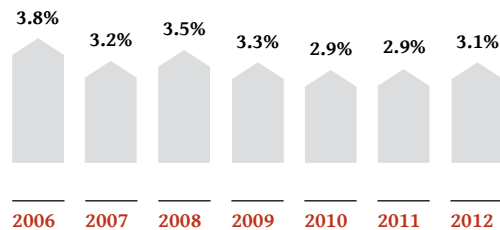


Becoming a better place to work

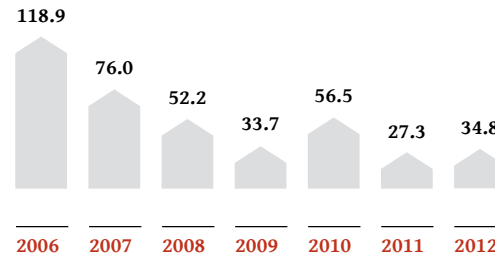
### SICKNESS ABSENTEEISM



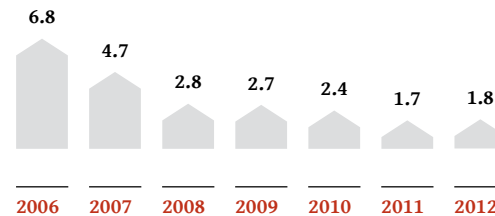
### TOTAL ABSENTEEISM



### LOST DAY RATE



### INJURY RATE



*During 2010 and 2011,  
9 of 14 plants received  
URSA 500 and URSA 1000  
awards for maintaining a  
zero level of accidents for  
500/1000 consecutive days.*



## Company: Economy

### URSA – looking positively into the future

We are convinced that the insulation business has a bright future. Energy efficiency is at the forefront of a modern world striving to find paths to sustainable development. Its position should be strengthened as it has the greatest potential to save energy and reduce emissions, positively impacting the environment.

There is a lot of work to be done over at least the next half a century.

Highly efficient new buildings and deep renovation of existing building stock

- **New buildings.** Beginning 2021 all new buildings in Europe will be constructed to a nearly zero energy building standard, meaning extremely low energy demand. One of the main required tools to be able to do so is to use high levels of insulation. URSA is preparing by developing products to satisfy the most challenging energy efficiency requirements.
- **Renovation of existing building stock.** In order to tackle climate change, we will have to cut energy consumption in existing buildings by 80% by 2050. Most of today's buildings have been constructed over the last decades following very low energy requirements, if any.



## Powerful regulation

- **Energy Performance of Buildings Directive (EPBD).** EPBD was recast in 2009, which has reinforced the role of energy efficiency in both new and existing buildings. This essential legislation has been set in place to make sure buildings contribute as much as possible to reduce the climate change. It is then transposed onto national legislations and building codes.
- **Energy Efficiency Directive (EED).** This piece of legislation is expected to have a strong impact on renovation of existing buildings, contributing to European targets. EED is vital if we are to reach our 2020 target of 20% increase in energy efficiency and reduction by 368 MTOE (Million Tons of Oil Equivalent).





## URSA – campaigning for sustainability

### One voice for energy efficiency

We believe that one strong voice for the causes of sustainability and energy efficiency is needed on the European level. URSA is active in a number of associations that promote both.

- **EURIMA – European Insulation Manufacturers Association.** EURIMA has long championed energy efficiency in Europe. Recently, EURIMA created a Sustainability Committee to make more of a contribution to sustainable development on a European scale. The main focus has been on promoting sustainability in construction. Efficient use of resources is also a key cornerstone. It is promoted through an active use of Environmental Product Declarations (EPDs) and Life Cycle Assessment approach.
- **EuroACE – European Alliance for Energy Efficiency in Buildings.** EuroACE's main focuses are: proper implementation of EPBD at a Member State level, common projects with other associations and driving the Renovate Europe campaign.
- **Renovate Europe campaign.** This is an ambitious roadmap to be drawn up on how to triple the annual renovation rate of EU building stock from the current rate of 1% to 3% by 2020. Also to ensure that the aggregate result of those renovations leads to an 80% reduction of the energy demand of building stock by 2050 compared to 2005. Renovate Europe is solution neutral. It recognises that each building has its own particular characteristics so policy makers should emphasise performance over specific technologies.
- **EXIBA – European Extruded Polystyrene Board Association.** It makes sure the energy efficiency benefits of XPS are understood on both political and general public levels.
- **GBCs – Green Building Councils.** GBCs drive sustainable construction at a national level. URSA contributes by developing studies on energy efficiency, including a plan for an energy efficient Spanish building sector by 2050.

## Insulation and energy efficiency – a win-win solution

### Benefits for governments

Energy efficiency in buildings is not just beneficial for end users, environment and society. European governments could harvest significant economic benefits by taking the matter of deep renovation of existing building stock seriously.

Proof of this comes from a recent study carried out for Renovate Europe by Copenhagen Economics on the multiple benefits of investing in energy efficient renovation of buildings.

Energy saving through deep renovation of existing European building stock is one of the most attractive and low cost options to lower emissions of CO<sub>2</sub> and potentially improve energy security by reducing imports of fossil fuels.

### Economic stimulus

The timing for deep renovations couldn't be better. In addition to the permanent benefits, it will also stimulate the European economy at a time of underperformance,

spare capacity and record low real interest rates in a number of countries.

### Additional co-benefits

Along with energy savings, co-benefits can be harvested. By reducing energy consumption and focusing on indoor climate issues when renovating, we can achieve reduced outlay on government subsidies, improved health due to less air pollution and a better indoor climate. These also lead to fewer hospitalisations and improved worker productivity.

### Significant financial benefits for society

The Copenhagen Economics study suggests a monetised permanent annual benefit to society of €104–175 billion in 2020 depending on the level of investments made between 2012 and 2020.

€52–75 billion could be saved from lower energy bills and at least €9–12 billion from the co-benefits of reduced outlay on subsidies and reduced air pollution from energy production. If health benefits from improved indoor climate are included, benefits increase by an additional €42–88 billion per year.



***The timing for deep renovations couldn't be better. In addition to the permanent benefits, it will also stimulate the European economy at a time of underperformance.***





# COMMITTED TO A SUSTAINABLE FUTURE

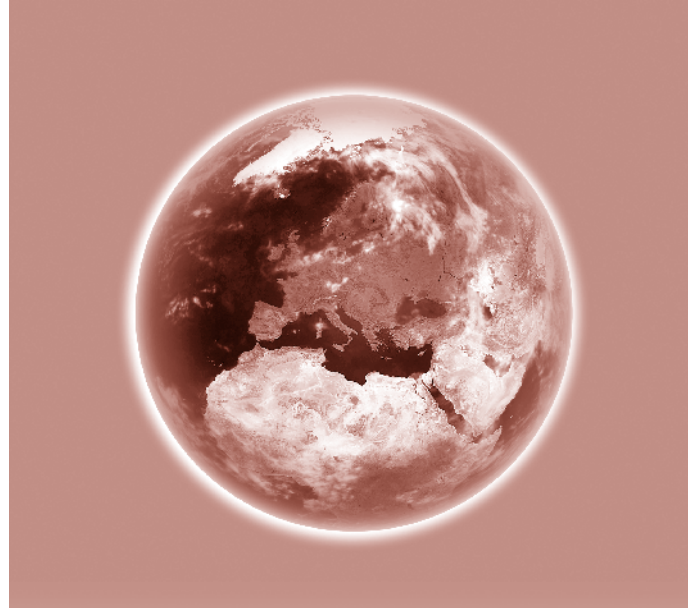
It is clear that many things have to be done in future to have a better one.

URSA is on the front line, offering what works best – insulation – for a sector that needs it most: buildings. Energy demand in buildings must be reduced by 80% by 2050 and insulation offers the best way to do this. New buildings will have to have almost zero energy levels. Renovation of existing building also stock offers considerable potential.

We are also working hard to make sure that we operate as sustainably as possible. For this reason, URSA commits to paying special attention to, and improving, our performance:

**Health and safety** – we aim to reduce the number of accidents to zero by 2020. A new health and safety programme is implemented each year for this reason.

**Energy efficiency** – in 2013 we plan to reduce total energy consumption by 2% as compared to 2012.





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For more information visit our corporate website:

[www.ursa-insulation.com](http://www.ursa-insulation.com)

JUNE 2013

