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From our executive chairman

Sustainability is an issue that affects all of us.

The impact that our society is having on the environment is clear for everyone to see. Investing time and effort into changing the way we operate not just as a business, but also on an individual level, is crucial to any significant change being made. The fast paced nature of this topic can make it difficult to keep up to date, deterring people from engaging as they wait for more final solutions to be implemented. However, without widespread engagement we will not have the input that we need to ensure we can make significant change. It is our job to ensure that we prevent further damage to the diversity and overall health of our environment for future generations to enjoy.

Reporting on our efforts in this area is key to ensuring we are achieving our goals as well as confidently planning for the future. I am pleased to present Autex's first sustainability report with details across all of our sustainability based projects. For many years now we have put in a considerable amount of effort towards developing our sustainably related activities with even bigger projects on the horizon. We are proud to show you what we have achieved and our plans for both the short and long term.

Mark Robinson
Executive Chairman





Our purpose

We create an environment where success happens.



Our vision

Recognised globally, we bring ingenuity alive, in a sustainable way, to create products that inspire spaces where people come together.



Our sustainability mission

To positively impact our environment, our people, and the next generation.



Our direction

Over the course of our sustainability journey we have progressed in leaps and bounds towards making more environmentally friendly products through efficient processes, strategic decisions, innovation and R&D. Our sustainability strategy provides the foundation and direction for our sustainability mission and goals. We have structured our sustainability strategy into five pillars, illustrated below. This report has been structured according to these pillars and each section includes the goals, actions we have embarked on, and our strategic focus for the future.

We believe the built environment has an important role in achieving the UN's Sustainable Development Goals. We have aligned our sustainability strategy with the Sustainable Development Goals (SDGs) and have identified six SDGs with which our strategy is closely connected. As a sustainable business with a global reach, Autex is committed to helping achieve these global goals.



Climate action

We aim to maintain our position as a net-zero carbon organisation and offer carbon neutral products.

Responsible consumption and production

We aim to increase the uptake of product stewardship in the construction industry and expand our product takeback schemes to help build a circular economy.



Decent work and economic growth

We aim to eliminate any unethical practices in our supply chain to encourage good working conditions throughout our supplier network.



Good health and wellbeing

We aim to ensure all current and future Autex products contain no harmful chemicals.



Partnerships for the goals and Sustainable cities and communities

Our goal is to positively impact our environment, our people, and the next generation.



Sustainability pillars

The five pillars of our sustainability strategy define all aspects of our operations and the products we offer.

01



Climate change demands climate action We are carbon neutral in everything we do.

02



Closing the loop We are advocates for closing the loop on waste. We contribute by using recycled material through to creating recyclable products.

03



Sustainable supply chain We carefully select responsible suppliers to eliminate unethical practices and encourage good working conditions.

04

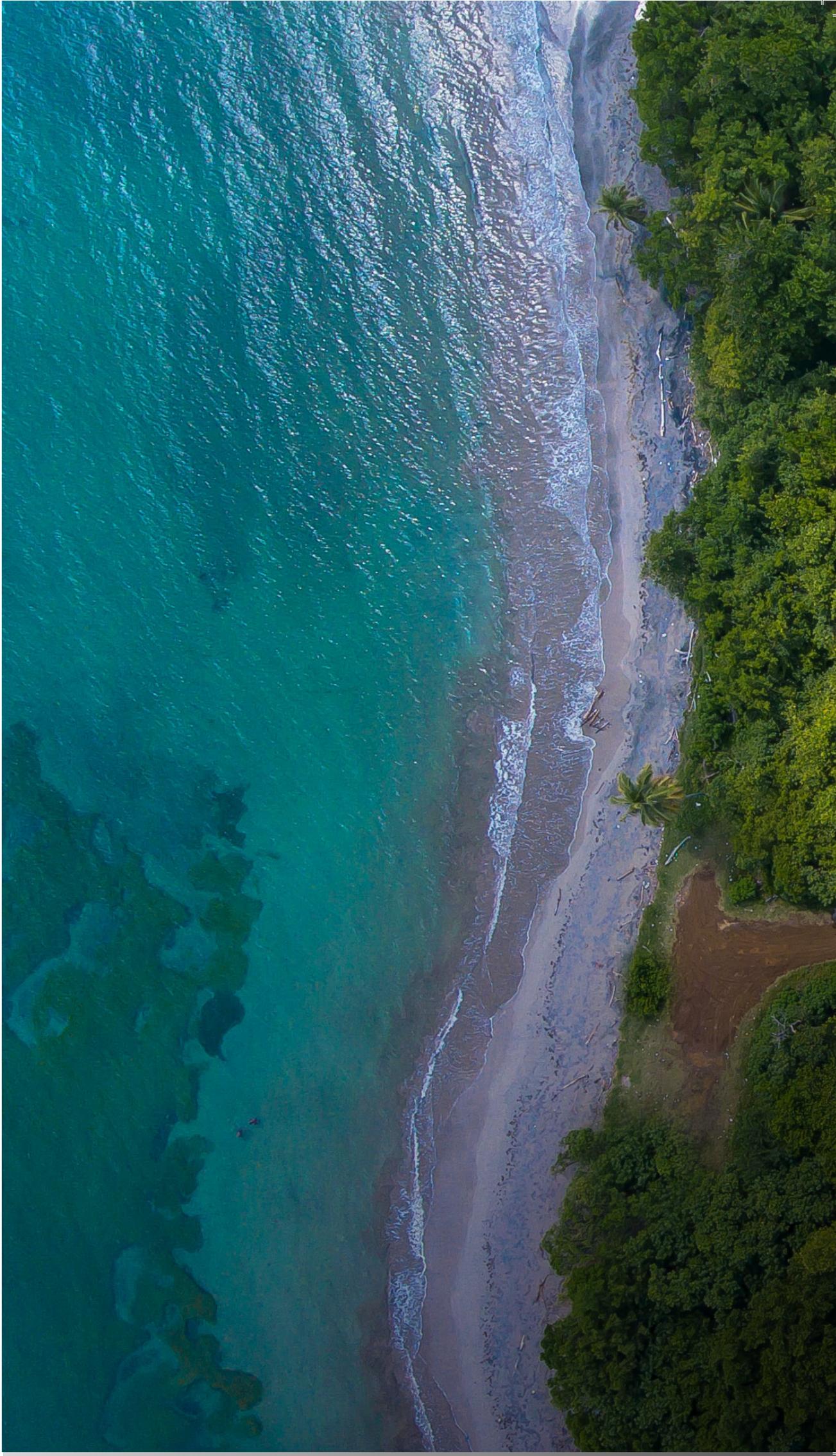


Supporting wellbeing in buildings All our products are made using only safe materials. No harmful chemicals are used in any stage of our process.

05



Operating a business for purpose and profit We strive to have a positive impact on our environment, our people, and the next generation.





Climate change

We actively monitor our carbon emissions and are committed to being a net-zero carbon organisation.



Our goal

We aim to maintain our position as a net-zero carbon organisation and offer carbon neutral products.

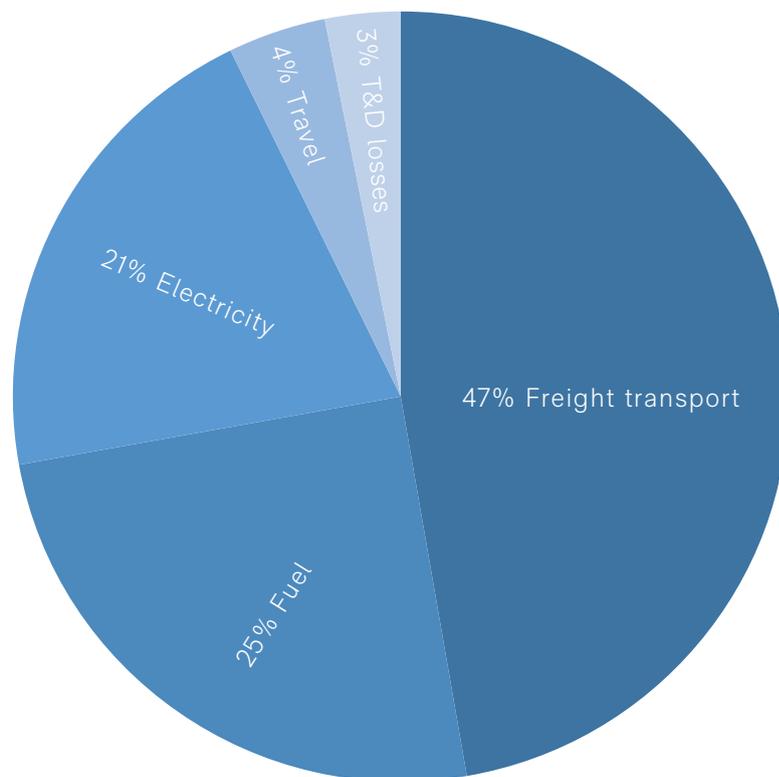
Our actions

Greenhouse gas emissions (GHG)

In 2021, Autex joined other leading organisations operating with net-zero carbon emissions. Autex maintains a robust programme of investment in certified carbon credits issued by the United Nations.

Autex began carbon accounting of its core manufacturing facility in 2017, and we continue to measure and monitor our GHG emissions. Our operational footprint is global, so in 2019 we extended the scope of our carbon accounting efforts to all global operations. Our current GHG emission profile is 8,955 tCO₂e. This is the equivalent annual emissions of 1,767 passenger vehicles (source: EPA GHG Calculator).

Autex GHG emission profile in 2019/20



We have implemented a number of carbon reduction initiatives within our operations. These include increasing the energy efficiency of our plant and equipment by commissioning more efficient manufacturing lines, upgrading all lighting across our core manufacturing sites to LED, and upgrading the Variable Speed Drives (VSDs) on all auxiliary equipment.

At our core manufacturing facility, we have made the strategic choice to support an energy provider that generates electricity through 100% renewable sources: wind, water and solar. We are proud supporters of renewable energy generation and continue to explore other opportunities.

Now that we have baseline data of our global carbon footprint, we will be working across the business to establish carbon reduction plans to help further reduce our carbon emissions in 2022.

Strategic focus

- Create a GHG emissions reduction plan

Carbon neutral products

In 2020 we began supporting our customers in their goals to take climate action by offering carbon neutral products with offset emissions through certified carbon credits. We consider this an investment in present and future generations and simply a cost of doing business. It also encourages best practices and sets the bar high as a product supplier in the building industry.

We are the first business in our industry to include the cost of carbon in our products. This is an opportunity to educate and lead a transition to a lower carbon building industry.

To give our customers assurance that the calculations and carbon credit process of carbon neutral claims are honest and accurate, we have our calculator audited and verified by independent experts. Independent verification is conducted by EKOS Kamahi Ltd to ensure the quality and accuracy of the calculation, including the offsetting and retiring of carbon credits on the appropriate registry.

We have a long history of exploring the carbon impact of our products. We commissioned our first ever lifecycle assessment over twenty years ago at a time when the practice was not mainstream. Since then, we have continued to monitor the embodied carbon of our products and reported the results through Environmental Product Declarations (EPDs). Recently we have commissioned a new lifecycle assessment of our product range by independent experts. This will use the latest EPD standard for the construction sector.







THIS BAG IS MADE
FROM OVER 168
RECYCLED BOTTLES



THIS BAG IS MADE
FROM OVER 168
RECYCLED BOTTLES



Closing the loop

It is a well established expectation in the construction industry that product manufacturers are the stewards of their products. We wholeheartedly believe that we have a responsibility to ensure our products are as sustainable as possible throughout their lifecycle, and have developed processes and policies to support that belief.

Our products are made from highly durable polyester which can be recycled several times in its lifecycle. We view unused materials as resources, not waste, which is why our products are largely made from recycled bottle flake, and why we also reuse the majority of offcuts from our manufacturing lines.



Our goal

We aim to increase the uptake of product stewardship in the construction industry and expand our product takeback schemes to help build a circular economy.

Our actions

Maximise use of recycled materials

At Autex we use as much recycled material as possible before product quality is compromised. For some products this means a composition of 80% recycled content, while for others that figure is closer to 60%. Our sustainability team calculate the amount of recycled polyester used each year. This calculation is also independently verified under ISO 14021 so our customers can be sure that no greenwashing or false claims occur.

In addition to having our sustainability claims independently verified, we recognise that to the average consumer it's not always clear what recycled materials are used in production, where they are used, or how. Given our commitment to recycled material, we aim to make this information freely available to anyone who needs it. This information is available upon request.

We use data from our production management system to accurately calculate the volume of recycled material used to make our products. We can calculate down to the project level and use this information to help our customers understand the direct impact their choices have in closing the waste loop.

Underpinning all of our sustainability claims is an internal commitment to avoid misleading claims. Many products in the market state maximum, average, or 'up to' recycled content levels. By contrast, we claim minimum, which represents a worst-case scenario. This avoids any greenwash, and ensures peace of mind for our customers that any Autex products they specify are contributing to the sustainability outcomes they claim.

In 2020 we identified that one coloured fibre within our Cube™ product range had a low recycled content, which reduced the minimum recycled content of our range to 40%. Based on this finding, we switched to a new fibre supplier with a higher recycled content, and this lifted the minimum recycled content of our Cube range to 60%.

Manufacturing waste

Autex strives to create a manufacturing process that minimises product rejection, produces high-quality product, and recovers rejected material for reuse. Our manufacturing process creates roughly 200,000 - 300,000 kg of waste materials in the form of trims and cuts each year. We recover as many of those materials as possible, and aim to establish all production lines as zero-waste lines.

To recycle waste material, recovery and shredding units are attached to our manufacturing lines. These units re-process the material so that it can be fed into the beginning of our manufacturing lines again. Each year we turn 194,800 kg of waste trimmings into new products and 38,000 kg of waste trimmings is reused by other local manufacturers. Those trimmings that cannot be used in Autex's own production, and are reused by other manufacturers, are repurposed into PET fibres.

Those 38,000 kg of waste trimmings amount to almost 26 million 500 ml PET water bottles that are diverted from landfill each year. As a large manufacturer, there are other waste streams which are yet to be addressed. We have identified a significant waste stream and we are currently exploring ways to process the waste so that it can be recycled and used to make the next generation of product by other manufacturers.

Strategic focus

- Identify an end user for waste product
- Develop equipment and processes to re-purpose our waste product

Packaging waste

Packaging is a necessary part of ensuring our products are received intact and undamaged by our customers. We take great care to ensure that our packaging options are as sustainable as possible. Our Autex Acoustics® products are packaged in cardboard boxes that can be readily recycled at their destination. Any packaging waste generated within our manufacturing facilities is recycled by a local provider.

Designed for disassembly

One of the issues that can arise in recycling is the difficulty of breaking a product down into its component parts so that each material can be properly processed at the end of its life.

Each of our ceiling systems is designed for ease of recyclability at the end of the product life. The product is a single material and our accessories are designed for disassembly to allow the materials to be reused or recycled. Current waste management practices during the deconstruction of building interiors pose a challenge, as contractors often take the low-cost, low-effort option of sending waste to landfill. As a sector, the construction industry must disrupt the flow of low-value material to landfill and divert the material for re-use or recycling. As a manufacturer, Autex aims to facilitate this change by designing products for re-use as well as creating ways to recycle the products.

Strategic focus

- Research more sustainable ways to install and disassemble products for re-use or recycling







Sustainable supply chain

Our product supply chain is global, and while this brings positive impact to many workers and their families, it also brings risk. We acknowledge this risk and aim to eliminate any unethical working practices in our supply chain. We carefully select the best suppliers to ensure we deliver quality products that have a responsible social and environmental track record.





Our goal

We aim to eliminate any unethical practices in our supply chain to encourage good working conditions throughout our supplier network.

Our actions

Supplier screening

Autex carefully selects the best suppliers to ensure we deliver quality products that have a responsible social and environmental track record. We have a robust internal screening process managed by our procurement team, with strict criteria that must be satisfied before we begin partnerships with any suppliers. Our supply chain is independently assessed for material toxicity, ecological toxicity, and worker safety every three years. Expert consultants assess environmental hazards and how they are managed by suppliers. They also assess and evaluate safe work practices to check that the right controls are in place, and they are being appropriately enforced.

Guiding policies and principles

Autex's vision of sustainable business means that we maintain an active commitment to ensuring that supplier factories adhere to ethical practices throughout their production processes. As an organisation that relies on a global supply chain, we recognise the pressing—and ongoing—need to eliminate unethical practices within our own supply chain, particularly with regards to modern slavery. This umbrella term encapsulates illegal activity such as human trafficking, sale and exploitation of children, and forcing individuals to work illegally and against their will—all crimes Autex vehemently opposes.

We take this very seriously and hold ourselves and our partners accountable for fostering fair and ethical manufacturing procedures, offering the best quality products to our customers, and actively contributing to a fairer and more ethical world for all.

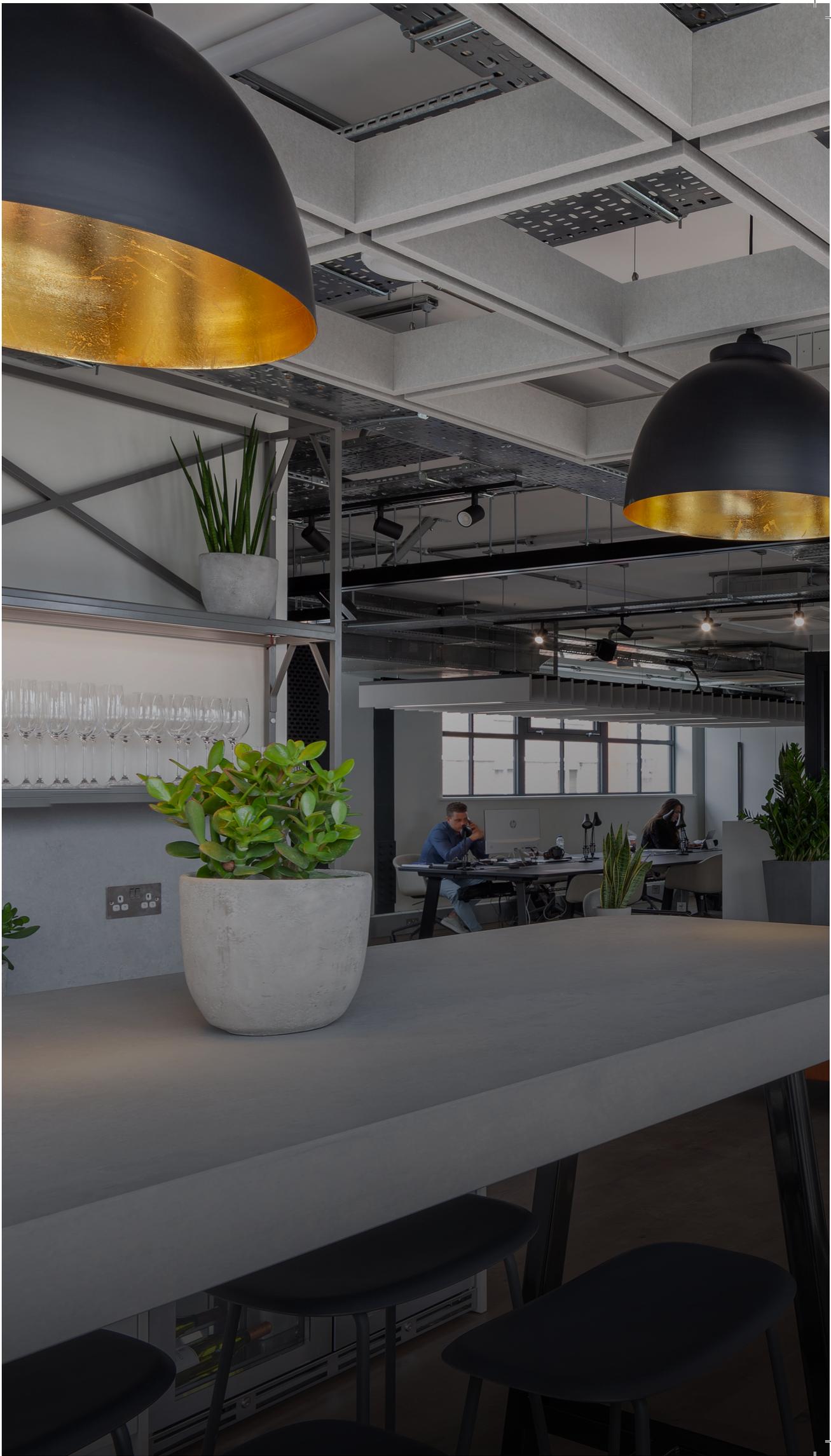
Our Supplier Code of Conduct and Anti-Modern Slavery Policies are the foundation of our sustainable supply chain and detail our expectations of our suppliers. These documents are available on request.

We undertake active and ongoing reviews of our supply chain in line with our guiding principles and policies. We provide relevant training to our own staff to ensure the appropriate decision makers within our business are aware of the risks and implications of unethical practices and any updates to the Modern Slavery & Ethical Sourcing are fed back into our business.

We have identified gaps in knowledge within our procurement team around screening for/identifying anti-modern slavery in our supply chain and are planning to develop and implement further staff training in this area.

Strategic focus

- Develop a training module to train all staff responsible for procurement on sustainable procurement
- Review our supplier screening tool





Supporting wellbeing in buildings

Indoor air quality can be affected by the materials that are used in building interiors. We are committed to maximising health and safety in any space that features our products.

A major contributor to reduced air quality are the Volatile Organic Compounds (VOCs) that can be emitted from paints, finishes and other materials. In some cases, VOC levels can be up to five times higher indoors than outdoors.

Our products are simple, and are designed without any toxic ingredients to support human and environmental health. They are all VOC tested to the high standards of the CDPH Standard Method and are within the allowable VOC limits for acceptable health impacts, even with prolonged exposure.



Our goal

We aim to ensure all current and future Autex products contain no harmful chemicals.

Our actions

To achieve this, we use independent tools and verification of our product ingredients.

Screening of raw material

All new materials are thoroughly screened for potentially harmful chemicals by our sustainability team before being accepted for use in our products.

We understand that in a world where sustainability is front of mind, designers and specifiers need exhaustive and reliable information to make informed, conscious and independent decisions. For this reason, we are open and transparent with the disclosure of the ingredients used in our products.

We have committed to highly detailed product certifications, listing all ingredients down to very low concentrations of 1%. This means that any specifiers of our products can do so with full confidence, knowing that the information they have is true and accurate.

Indoor noise

The primary purpose of Autex Acoustics products is to provide acoustic absorption to reduce and control reverberated noise and echo in interior spaces. Noise reduction is a significant contributor to wellbeing, and it is a proven fact that unwanted or excessive noise can have significant detrimental impacts on occupants of spaces.

From our high-performance Quietspace® panel, which is engineered to absorb a minimum of 85% of sound energy, to our lightweight Cube panels that absorb excess reverberation, our Autex Acoustics products have a profound impact on the acoustic environment of building interiors.

Independent assessment

Autex currently uses third party organisations to independently assess and verify that our products contain no harmful chemicals. These are listed below.

We are the first business in Australia and New Zealand to have the accuracy of our Declare labels independently verified by a third-party, which provides conscious consumers with an added level of confidence in using Autex products.

Third party certification	Guarantees
 <p>The ingredients in our products have been reviewed against the Living Future Challenge Red List and achieve a Third-Party Verified 'Red List Free' status. This certification considers the origin of the product, the materials it's made from and its future end of life potential.</p>	<ul style="list-style-type: none"> • Products contain no chemicals considered harmful by the Living Future Building Institute.
 <p>A Health Product Declaration has been generated for each of our products which reports any health effects associated with the chemicals used in each product.</p>	<ul style="list-style-type: none"> • Any known health effects associated with the substances within the product are reported.
 <p>CDPH Standard Method (CA Section 01350) is a widely used standard to evaluate building products for low volatile organic chemicals (VOC) and formaldehyde emissions.</p>	<ul style="list-style-type: none"> • Concentrations of VOCs in a typical office room and classroom are estimated from product testing. • All Autex products meet the limits set by CDPH and the LEED building rating scheme.

Guide on low VOC installs

Autex is aware that some adhesives used to install our wallcovering products could be a potential source of VOC emissions that could impact the indoor air quality of a building. The choice of adhesive used during install is a decision that is made by the install contractor, and sits outside of Autex's direct remit.

Wherever possible, we encourage installers to use low VOC adhesives, and to this end we are producing a low VOC adhesives guide to further educate install contractors on the range of low VOC products in the market, as well as their extensive benefits.

Strategic focus

- Develop and publish an Autex recommended adhesive guide that includes only low VOC products.





Balancing purpose and profit

Throughout our operations we endeavour to make the most sustainable decisions and support sustainable development at every opportunity. In saying that, we acknowledge that trading products and services does have negative environmental impacts that cannot be avoided completely. To help positively impact our environment and our communities we fund dedicated environmental and social programmes from the profits of selling our products. We partner with community-led social and environmental initiatives and work together to achieve restorative change.





Our goal

Our goal is to positively impact our environment, our people, and the next generation.

Our actions

Autex has committed a fund to support restorative social and environmental programmes. A committee that includes a diverse range of internal stakeholders oversees the management of this fund and the accurate reporting of outcomes. The scope of the fund includes:

- Social – addressing needs of under-served communities and the personal empowerment of youth
- Environmental – ecological restoration and environmental pollution
- New Zealand sports

Now that we have established a framework for delivery of this pillar in New Zealand we are in a position to support similar initiatives across the global business. Our footprint is global and our goal is to positively impact our environment and people in every country we operate.

Strategic focus

- Extend support of restorative social and environmental programmes by establishing sponsorship committees in the USA, UK and Australia.



Our stories of purpose

Environmental

Archey's Frog

Archey's frog is the world's most evolutionarily distinct and globally endangered amphibian species. Described as a 'living fossil', it is almost indistinguishable from the fossilised remains of frogs that lived 150 million years ago. The Archey's frog is threatened by invasive species such as rats and mice, as well as mining, logging, and wood plantations. Mist Preservation Society Incorporateds (MPSI) mission is to be the guardians of this endangered frog and its habitat.

The Whau River Catchment Trust

The Whau River Catchment Trust have been working since the year 2000 through community participation and kaitiakitanga to achieve a healthier Whau River Catchment ecosystem. It is committed to progressively reduce the environmental impact of communities in the catchment and use contemporary expressions of kaitiakitanga.

Social

Big Buddy New Zealand

Founded on the simple philosophy that boys develop more confidence and resilience when they have a positive male role model to look up to, Big Buddy aims to better the lives of boys whose dads are absent by giving them a trusted mentor to spend time with.



There's A Better Way

There's a Better Way is a community initiative that empowers youth through basketball, encouraging them to leave gang culture behind by creating a pathway towards a better future.

Crescendo Trust

Crescendo Trust of Aotearoa (CTOA) empowers Kiwi rangatahi to pursue careers in the arts through mentorship and hands on, practical experience. With a team of industry professionals as tutors and mentors, CTOA creates space for Kiwi youth to explore the world of music, radio, film, and photography both in a classroom and real-world environment.

Trade Up Collective

Inspire and motivate students and educators alike to consider employment in trades. The key message of this initiative is that with a good attitude towards work and life, and a trade under your belt, the world is truly your oyster.

Sporting

Point Chevalier Pirates Rugby League Club

Formed in 1919, the Point Chevalier Pirates have been a staple in the local community for just over 100 years. Holding a special place in the heart of the Autex family (Mark Robinson played for the team in the 80's and 90's) we are committed to helping the club thrive.

Rugby League – Vodafone Warriors

Based at Mount Smart Stadium, the Vodafone Warriors came to life on Friday, March 10, 1995, and stands alone as New Zealand's biggest and oldest professional sporting franchise. As owners, sponsors, and life-long league fans, we're passionate about seeing the team succeed.



In everything we do

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