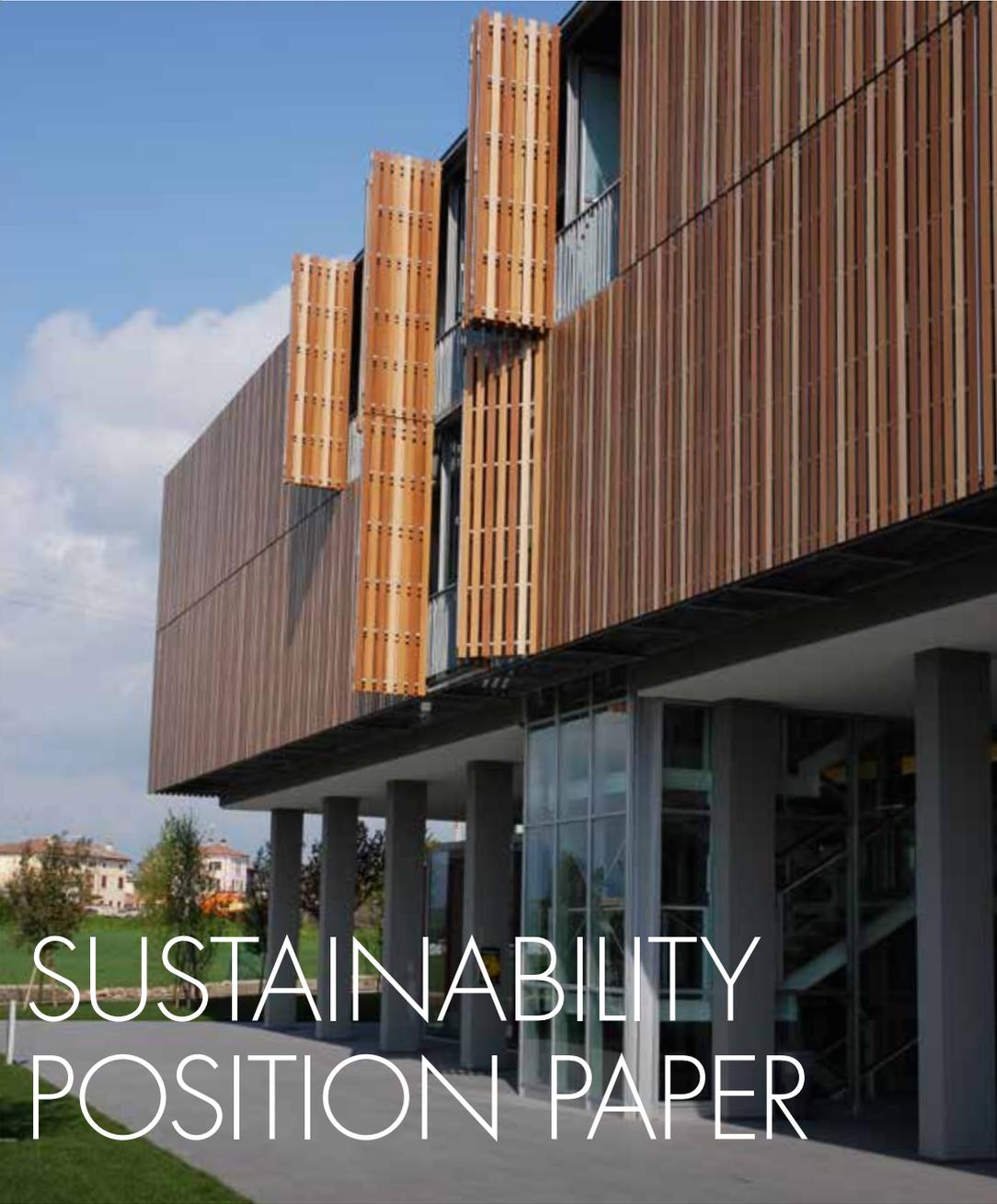


A FACT BASED DRIVE FOR LASTING IMPACT



**SUSTAINABILITY
POSITION PAPER**

Think Trespa

TRESPA®

INTRODUCTION

TRESPA IS A LEADING MANUFACTURER OF PANELS FOR EXTERIOR FAÇADE CLADDING APPLICATIONS AROUND THE GLOBE.

Trespa's management and employees put License to Operate (LTO) first in their strategic priorities. LTO includes:

- The Health and Safety of employees and the local community
- Product compliance to meet all regulatory requirements
- Transparent reporting and appropriate behaviour by employees
- Sustainability and the preservation of the Environment

Whilst LTO is ultimately the responsibility of top management at Trespa, the commitment of all employees is also required to ensure that these issues are properly addressed. Sustainability became part of Trespa's LTO strategy in

2010 following an initial survey of the environmental impact of the production site. This paper consists of 5 chapters:

- 1 Philosophy and Beliefs
- 2 Sustainability Policy
- 3 Progress
- 4 Measuring environmental impact
- 5 Improvement initiatives and targets

As an anchor and guideline to our efforts on sustainability, we have referred to the ISO 26000 norm, Guidance on Social Responsibility. Many of the topics that we consider to be our LTO priorities are already incorporated in this ISO 26000 norm under one of the six so-called core subjects, ranging from "Human Rights" to "Community Involvement and

Development”.¹ We have selected “The Environment” as a starting point for our sustainability efforts, which contains the following four topics:

- Prevention of pollution
- Sustainable resource use
- Climate change mitigation and adaptation
- Protection and restoration of the natural environment

This paper is the second position paper produced and published by Trespa and describes the initial results and sets the next targets on the journey to improve sustainability performance. During the last two years significant achievements have been made at improving the accuracy of data

and at reducing waste and energy.

To assess the impact of these achievements, a new LCA (Life Cycle Assessment) has been performed by PE International in the first months of 2012. Trespa decided to communicate the conclusions of this second LCA, progress achieved so far and a new set of targets in this second position paper. As new results or more information becomes available, Trespa will restate its position again and accordingly issue a new version of this position paper. In doing so, Trespa will clearly outline its progress as well as the change in its priorities.

¹ For more information about the ISO 26000 norm, see Appendix 1 and <http://www.iso.org/iso/home/standards/iso26000.htm>

1 PHILOSOPHY AND BELIEFS

SUSTAINABLE DEVELOPMENT PROVIDES TRESPA WITH CHALLENGES AS WELL AS NEW OPPORTUNITIES.

COMMON SENSE

As in many of its business decisions Trespas will use common sense in addressing the topic of sustainable development. This implies avoidance of philosophies and dogmas and choosing to base the sustainability strategy on measurement of environmental impacts.

OBJECTIVE AND FACT BASED

Trespas believes in objective and fact based analysis and has performed an LCA to map its environmental footprint along the entire value chain. Though many different methods exist, Trespas believes that the LCA, as described in ISO 14040 and ISO 14044, is currently the most objective and fact based method to measure its environmental footprint that is available. This is supported by an increasing number of certifications relying on this methodology. Although it will pursue certification, this is not the backbone of Trespas's sustainability policy. The LCA for Trespas has been performed and

validated by one of the leading consultants in the area of sustainable development, and will form the basis for all of Trespas's improvement initiatives. However, Trespas will continue to monitor alternative available methodologies and adopt ones that are understandable, transparent and standardized and that promote lasting improvements.

INTEGRAL PART OF BUSINESS PLANNING AND REVIEW CYCLE

To achieve change Trespas will set priorities based on its LCA and agree to realistic but challenging targets. In line with other License to Operate topics, Trespas has integrated all sustainability issues into its rolling business planning and review cycle. This cycle consists of annual target setting in the budgeting round, a monthly management review of progress against KPIs and inclusion of sustainability in the annual report.

2 SUSTAINABILITY POLICY

THE BASIS OF TRESPA'S SUSTAINABILITY POLICY IS A STRONG BELIEF THAT ANY CHANGE SHOULD START WITH THE COMPANY ITSELF. TRESPA'S APPROACH TO SUSTAINABLE DEVELOPMENT IS FRAMED BY THREE BASIC PRINCIPLES:

DO NO HARM

Trespa's first task is to comply with the safety, product and sustainability regulations and guidelines set by the countries in which it operates.

In addition, Trespa is looking for opportunities to minimize the impact of its operations and products.

DO GOOD

The second element of Trespa's policy is that it strives to help its suppliers and customers realize their sustainability challenges. This means that Trespa looks for opportunities to maximize the sustainability contribution of its products in the value chain, including their end-use, e.g. façade cladding.

Moreover, Trespa will continue to look for opportunities and initiatives to support and promote longer term sustainable development beyond the direct scope of its current operations.

DO BETTER

Finally, Trespa believes that investing in sustainable development should be beneficial to the long term position of the company. Many sustainability challenges constitute opportunities that make good business sense today and will allow the company to continue to grow.



3 PROGRESS

IMPROVING INFORMATION FROM 2009 TO 2011 LIFE CYCLE ASSESSMENT.

The 2009 LCA led to three clear focal points for Trespas sustainability efforts. For each of those focal points, Trespas communicated targets in the previous position paper.

The focal points were:

- 1.** Upstream contributions from raw material production and transport
- 2.** Onsite emissions originating from resin production and impregnation
- 3.** Primary energy use for Trespas own production processes

In performing the 2009 LCA Trespas came to the conclusion that it needed more detailed information on each of these topics in order to successfully address them. For this reason, Trespas started a dialogue with its Kraft paper suppliers to get more detailed information on material and energy usage during the Kraft paper production process. While the process of gathering more data is still on-going, detailed information has been received from some major suppliers, which shows the original assumptions to be poor. These new, more specific data have been incorporated in the 2011 LCA.

Internally, Trespas put a lot of effort in improving the accuracy of the mass and energy balances. This led to an improved insight into material usage and waste reduction opportunities. As a result, the relative waste production has been reduced by more than 10% during the first half of 2012.

Although no targets have been set for onsite emissions, new information enabled Trespas to improve its environmental profile.

As a specific action, acetone as a solvent was removed from the production process. Furthermore, all refrigeration and cooling equipment containing the R22 cooling agent has been replaced.

Regarding the third focal point, a detailed energy balance was established for the Trespas manufacturing process, including a monthly electricity and gas consumption overview. This led to improved insight in energy usage and consequently, the relative energy consumption has been reduced by more than 3% since the previous position paper.

As a specific action, high energy consuming computers in the plant have been replaced by low energy satellites and a high energy consuming server has been switched off.

Also regarding steam consumption, more detailed, equipment specific, information was gathered and tracked on a monthly basis. This led to a plan to install high efficiency steam boilers and increase

the recovery of off gas heat from the impregnation off gas burner, which will be executed in the near future. The next chart shows the trend of the relative electricity consumption, gas consumption and waste generated. Finally, the PEFC chain-of-custody certificate has been achieved, which is part of Trespa's responsible sourcing strategy.



4 MEASURING ENVIRONMENTAL IMPACT

A second LCA of Trespa, based on full year 2011 data, has been carried out in the first months of 2012 with the help of PE International, a leading consultant in this area.

The LCA has been performed from a ‘cradle-to-gate’ perspective that basically looks at the total impact of the manufacturing footprint including the extraction and processing of raw materials as well as transport to the manufacturing site for all products produced by Trespa. The results are presented in the table below. The units are based on the production of 1 ton of Trespa HPL. The analysis excludes the effects during the use and end of life phase which have to be analysed on a specific product level.

Six key environmental indicators commonly agreed to as most relevant were selected by PE International based on their inclusion in Environmental Product Declarations (EPDs). EPD’s are the leading documents to publish sustainability results. Based on the 2009 LCA results, Trespa is finalizing EPDs according to the French (FDES), German (IBU) and British (BREEAM) standard. The LCA parameters included in EPDs cover emissions of substances with a negative impact on the environment (air, water and soil), emissions of greenhouse gases that contribute to climate change and depletion of energy resources both non-renewable and renewable. These indicators are listed and explained in Appendix 2.

Per ton HPL	ENVIRONMENTAL IMPACT DIMENSIONS	UNITS	TOTAL 2009 LCA	TOTAL 2011 LCA	RAW MATERIAL CONTRIBUTION	TRESPA CONTRIBUTION
EMISSIONS TO AIR, WATER AND SOIL	Acidification (AP)	Kg SO ₂ -Equiv.	5.6	10	85%	15%
	Eutrophication (EP)	Kg P-Equiv.	0.88	1.10	75%	25%
	Ozone Depletion Potential (ODP)	Kg R11-Equiv.	8.5E-05	8.9E-05	99%	1%
	Photochemical Ozone creation (POCP)	Kg Ethene-Equiv.	0.85	1.02	72%	28%
PRIMARY ENERGY CONSUMPTION AND CARBON FOOTPRINT	Total Primary Energy	GJ	65	73.3	63%	37%
	Carbon footprint (GWP)	Kg CO ₂ -Equiv.	900	1560	39%	61%
	Renewable energy share	%	29	27	97%	3%

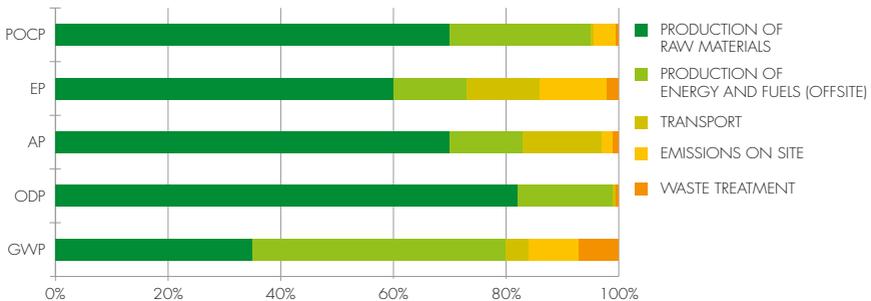
The 2011 LCA is updated with more accurate information on the environmental profile of the paper used in the manufacture of Trespa HPL. The generic Kraft paper data used previously was replaced with the saturated Kraft core paper data from a leading supplier to Trespa. This paper was found to have a significant higher environmental impact than the Kraft liner paper values used in the 2009 LCA, as can be concluded from the abovementioned table. Trespa is expecting to receive Kraft paper data from other suppliers at the end of 2012 as well, after which the 2011 LCA results will be updated accordingly.

In the following diagram the relative contribution of the different steps from cradle to gate is presented.

Based on these results, PE International made the following recommendations:

- Complete the data collection from Kraft paper suppliers; utilize the data to make a more sustainable paper choice and to engage Kraft paper suppliers into environmental improvement actions.
- Shift the core material from paper to wood chips. Initiate a discussion with chips supplier to potentially collect data from them.

PE's recommendations have been taken into account when Trespa set the new improvement initiatives outlined in the next paragraph.



Cradle to gate

5 IMPROVEMENT INITIATIVES 2013 - 2015

REDUCTION OF UPSTREAM CONTRIBUTIONS AND PRIMARY ENERGY CONSUMPTION.

As the 2012 LCA clearly indicates, the impact of the raw materials on Trespa's environmental profile increased significantly. The second biggest factor is and remains the use of primary energy on site. Therefore, the improvement initiatives 2013-2015 are aimed at:

- Upstream contributions from raw material production and transport.
- Primary energy use for Trespa's own production processes.

To ensure progress and positive impact on Trespa's environmental profile and thus LCA, Trespa has added the following list of targets to its business planning:

REDUCTION OF UPSTREAM CONTRIBUTIONS:

- Reduction of the relative amount of waste (in kg/ton Trespa HPL) by 15% at the end of 2015 compared to end of 2011.
- Further detail the specific contributions of Kraft paper with Trespa's suppliers and get into dialogue to reduce their environmental impact.

- Detail the specific contributions of chemicals and of woodchips with Trespa's suppliers.

REDUCTION OF PRIMARY ENERGY CONSUMPTION:

- In line with the Multiyear agreement of the Dutch government with the industry, Trespa aims at reducing the relative energy consumption (in GJ/ton Trespa HPL) by 8% at the end of 2015 compared to end of 2011. Amongst others, this includes replacing all lights in the factory and in the offices by LED lights.

In addition to these operational targets, Trespa will focus on implementing the proper certification required in the market, such as FSC or PEFC certification.

To assess the impact of these initiatives and to include new information, Trespa intends to perform a new LCA in 2014, based on full year 2013 data.

APPENDIX 1
ISO 26000 INFORMATION

SOCIAL RESPONSIBILITY: **7** CORE SUBJECTS



*The figure denote the corresponding clause numbers in ISO 26000

GUIDANCE ON SOCIAL RESPONSIBILITY FROM ISO 26000 INCLUDING THE PRIORITY AREAS.

CORE SUBJECTS AND ISSUES	ADDRESSED IN SUB-CLAUSE
CORE SUBJECT: ORGANIZATIONAL GOVERNANCE	6.2
Decision-making processes and structures	6.2.3
CORE SUBJECT: HUMAN RIGHTS	6.2
Issue 1: Due diligence	6.3.3
Issue 2: Human rights risk situations	6.3.4
Issue 3: Avoidance of complicity	6.3.5
Issue 4: Resolving grievances	6.3.6
Issue 5: Discrimination and vulnerable groups	6.3.7
Issue 6: Civil and political rights	6.3.8
Issue 7: Economic, social and cultural rights	6.3.9
Issue 8: Fundamental rights at work	6.3.10
CORE SUBJECT: LABOUR PRACTICES	6.4
Issue 1: Employment and employment relationships	6.4.3
Issue 2: Conditions of work and social protection	6.4.4
Issue 3: Social dialogue	6.4.5
Issue 4: Health and safety at work	6.4.6
Issue 5: Human development and training in the workplace	6.4.7
CORE SUBJECT: THE ENVIRONMENT	6.5
Issue 1: Prevention of pollution	6.5.3
Issue 2: Sustainable resource use	6.5.4
Issue 3: Climate change mitigation and adaptation	6.5.5
Issue 4: Protection and restoration of the natural environment	6.5.6

CORE SUBJECT: FAIR OPERATING PRACTICES	6.6
Issue 1: Anti–corruption	6.6.3
Issue 2: Responsible political involvement	6.6.4
Issue 3: Fair competition	6.6.5
Issue 4: Promoting social responsibility in the sphere of influence	6.6.6
Issue 5: Respect for property rights	6.6.7
CORE SUBJECT: CONSUMER ISSUES	6.7
Issue 1: Fair marketing, information and contractual practices	6.7.3
Issue 2: Protecting consumers' health and safety	6.7.4
Issue 3: Sustainable consumption	6.7.5
Issue 4: Consumer service, support, and dispute resolution	6.7.6
Issue 5: Consumer data protection and privacy	6.7.7
Issue 6: Access to essential services	6.7.8
Issue 7: Education and awareness	6.7.9
CORE SUBJECT: COMMUNITY INVOLVEMENT AND DEVELOPMENT	6.8
Issue 1: Community involvement	6.8.3
Issue 2: Education and culture	6.8.4
Issue 3: Employment creation and skills development	6.8.5
Issue 4: Technology development	6.8.6
Issue 5: Wealth and income creation	6.8.7
Issue 6: Health	6.8.8
Issue 7: Social investment	6.8.9

APPENDIX 2

LCA ENVIRONMENTAL INDICATORS

EMISSIONS PARAMETERS

Acidification Potential (AP) gauging the effect of releasing acids into environment ultimately leading to phenomena like acid rain

Eutrophication Potential (EP) measuring the effect of releasing excessive amounts of nutrients into surface water which reduces the oxygen content in the water and kills aquatic life.

Ozone Depletion Potential (ODP) measuring the effects of gas emissions ultimately leading to breaks in the earth's protective ozone layer with all the associated detrimental effects on life. Well-known but fortunately banned contributors to ozone depletion are CFC gasses.

Photochemical Ozone Creation Potential (POCP) gauging the emissions of gasses with negative impact on the local environment resulting in the buildup of summer smog.

CLIMATE CHANGE PARAMETERS

Global Warming Potential (GWP) is the emission of greenhouse gasses leading to climate change. This dimension is also known as the carbon footprint and is measured in equivalent emission of carbon dioxide. Burning fossil fuels is the major source of GWP, but carbon capture in raw materials such as wood can off-set these emissions.

RESOURCE DEPLETION PARAMETERS

Primary energy usage is the energy required to produce one unit of product.

Share of renewable energy providing the share of energy coming from renewable sources like sun and wind.

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QUESTIONS

Should you have any questions or comments, please do not hesitate to contact Trespa.

CONTACT US

TRESPA INTERNATIONAL B.V.

P.O. Box 110, 6000 AC Weert
Wetering 20, 6002 SM Weert
The Netherlands
www.trespa.com

CUSTOMER SERVICE DESK EMEA EXPORT

Tel: +31 (0) 495 458 359 / 573
Fax: +31 (0) 495 458 383
Info.Export@Trespa.com

CUSTOMER SERVICE DESK

The Netherlands
Tel: +31 (0) 495 458 850
Fax: +31 (0) 495 540 535
Info.Nederland@Trespa.com

TRESPA BELGIUM BVBA/SPRL

H. van Veldekesingel 150 B. 19
3500 Hasselt
Belgium
Tel: 0800 15501
Fax: 0800 15503
Info.Belgium@Trespa.com
Grand Duché de Luxembourg
Tel: +31 (0) 495 458 308

TRESPA DEUTSCHLAND GMBH

Niederkaßeler Lohweg 18
40547 Düsseldorf
Deutschland
Tel: 0800 186 04 22
Fax: 0800 186 07 33
Info.Deutschland@Trespa.com

TRESPA UK LTD.

35 Calthorpe Road
Edgbaston
Birmingham, B15 1TS
United Kingdom
Tel: 0808-2340268
Fax: 0808-2341377
Info.UK@Trespa.com

TRESPA FRANCE S.A.R.L.

14 Place Georges Pompidou
78180 Montigny-le Bretonneux
France
Tel: +33 (0) 1 34 98 16 67
Fax: +33 (0) 1 34 98 16 68
Info.France@Trespa.com

TRESPA IBERIA

Calle Ribera 5,
08003 Barcelona
Spain
Tel: +34 (0) 93 315 04 47
Fax: +34 (0) 93 516 02 12
Info.Iberia@Trespa.com

TRESPA NORTH AMERICA LTD.

62 Greene Street (Ground Floor)
New York, NY 10012
United States of America
Tel: +1 800 487 3772
Fax: +1 866 298 3499
Info.NorthAmerica@Trespa.com

TRESPA CHILE LTDA.

Eliodoro Yáñez 2831
Torre A - Local 1
Providencia, Santiago
Chile
Tel: +56 2 4069990
Info.Chile@Trespa.com

HIGH QUALITY PANELS S. DE R.L DE C.V.

Avenida Pablo Neruda 2278,
Colonia Providencia
Guadalajara, Jalisco
México CP 44630
Tel: +52 (33) 12020189 /
12020250
Fax: +52 (33) 12020189
info@highqualitypanels.com

TRESPA CHINA CO. LTD.

Room 2604-05, HuaiHai Plaza
No. 1045 HuaiHai Road (central)
ShangHai 200031
P.R. China
Tel: +86 (0) 21 6288 1299
Fax: +86 (0) 21 6288 1296
Info.China@Trespa.com

CUSTOMER SERVICE DESK ASIA/PACIFIC

Tel: +86 (0) 21 5465 8388
Fax: +86 (0) 21 5465 6989
Info.APAC@Trespa.com

VISIT US

TRESPA DESIGN CENTRE NEW YORK

62 Greene Street (Ground Floor)
New York, NY 10012
United States of America
Tel: +1 212 334 6888
Fax: +1 866 298 3499
TDC.NewYork@Trespa.com
www.trespa.com/tdc

TRESPA DESIGN CENTRE WEERT

Wetering 20
6002 SM Weert
The Netherlands
Tel: +31 (0) 495 458 845
TDC.Weert@Trespa.com
www.trespa.com/tdc

TRESPA DESIGN CENTRE BARCELONA

Calle Ribera 5,
08003 Barcelona
Spain
Tel: +34 (0) 93 295 4193
Fax: +34 (0) 93 116 3300
TDC.Barcelona@Trespa.com
www.trespa.com/tdc

TRESPA DESIGN CENTRE SANTIAGO

Eliodoro Yáñez 2831
Torre A - Local 1
Providencia, Santiago
Chile
Tel: +56 2 4069990
TDC.Santiago@Trespa.com
www.trespa.com/tdc