Supplementary Witness Statement: Paul Kevin Evans

I Paul Kevin Evans will say as follows:-

1 I am a former employee of Celotex, a Core Participant in the Grenfell Tower Inquiry (the “Inquiry”).

2 I have already provided one witness statement to the Inquiry dated 31st October 2018.

3 I have always maintained that the RS5000 project and product launch were part of a bigger picture. So in the light of the totality of the documentation that is now before the Inquiry I would like to assist further by providing a second statement which addresses two specific topics, lambda and the disciplinary proceedings I was involved in before I resigned from my employment with Celotex.

Lambda

4 Before we come to the disciplinary process I went through, I think the matter of lambda is deserving of some further detail.

5 Essentially the core function of an insulation company like Celotex (and any other insulation manufacturer) is to have products with the best performance (measured in lambda, but also known as thermal conductivity and measured in W/mK). Essentially the lower the lambda the better as it means heat transfers slower through the material.

6 Polyisocyanurate or PIR insulation (of which Celotex is one of 6/7 UK and Ireland manufacturers) is recognised as being the second-best product for thermal performance. Phenolic (essentially, at the time of my employment, only made by Kingspan) is the best.

7 When I joined Celotex in 2007, the company effectively had one product range. Its 3000 range (GA3000 etc) had a lambda of 0.023 (I will refer to this as 23 going forward). All other standard PIR products across the market were the same. Therefore there was little differentiation in product performance so to an extent it was viewed as a commodity. Kingspan also made PIR with its Therma range.

8 Kingspan’s phenolic range (known as Kooltherm) was its leading insulation range and was the focus of most of its marketing efforts. The company struggled to
promote PIR as its thermal performance was worse than phenolic and the price point of Phenolic was significantly higher (possibly up to or exceeding 50% more than PIR). Kooltherm was the specification brand for architects and Kingspan was the benchmark for Celotex in terms of its specification efforts. Celotex was an excellent trade brand, but was not set up sales wise to be strong at specification.

9 Celotex launched its 4000 series in April 2008 (less than a year after I joined). This had an improved lambda of 22 and Class 0 fire performance. It was the result of many years of development and allowed Celotex to have a strong alternative to Kooltherm within the specification market (e.g Architects). It is worth pointing out that the benefit of improved lambda is that for each one point of lambda improvement approximately 5-10mm less insulation is required to meet a targeted level of performance (U-value).

10 The challenge for Celotex came in 2009/2010. Kingspan improved its PIR thermal performance from 23 to 22. This created two main challenges for Celotex. The first was that Celotex’s main PIR competitor now offered a thermally improved ‘standard’ PIR solution. The second was that Kingspan’s ‘standard’ PIR solution now had the same thermal performance as Celotex’s premium PIR solution.

11 It is at this point I believe Celotex looked at how it could develop a solution better than 23 across its standard range as that range was most impacted by Kingspan’s Therma range moving to 22 lambda. The immediate focus was on improving from 23 to 22 lambda as this represented the vast majority of Celotex’s sales. An example of the challenge that this provided to the business was that distributors would now expect the price of Celotex to be noticeably cheaper than that of Kingspan Therma as the thermal performance was worse. Up until this point the price points were very similar and from memory Kingspan did not increase its price for a 22 lambda solution.

12 It is important to also remember that up until the acquisition by Saint-Gobain in 2012, Celotex was a venture capital/shareholder owned organisation. Maximising sales and profit whilst keeping costs down and maintaining a lean business were the priority. Outside of the Directors, people had little freedom to make decisions. The middle management team would carry out the work, but the big decisions were made by the senior management team (known as the MAG) and the Directors.
This changed after the acquisition by Saint-Gobain, after which many of the old directors left the business and the MAG became far less hands-on, but at the time of the lambda issue important decisions were taken at MAG level.

13 It is also important to remember that because Kooltherm was the primary Kingspan marketed product the company made little noise about the Therma range’s PIR improvement. Celotex had a chance to be seen as the first (even though it wasn’t) to move standard PIR to 22 lambda.

14 One memory that I have of the development of the 22 product was of a decision made at a PLCP meeting (I cannot recall the precise date but it would have been around late 2009/early 2010). Prior to the meeting the Operations/QC Department at Celotex had reviewed the standard of BS EN 13165 (which is the European norm for calculating lambda). It appeared that the process for calculating lambda was perhaps open to interpretation and the Operations/QC Department had decided that if a minimum of one thermal result was selected per day then that fell within the rules of the standard.

15 I recall that at this one PLCP meeting, Richard Pemberton, the Chief Executive at the time, had asked whether the approach being taken was permissible. I can’t recall who was present from the QC Department to respond, but it would likely have been either Ian Parker (QC manager) or John Arnold (Operations Director and Mr. Parker’s line manager), and they confirmed that it was. Mr. Pemberton seemed content with this answer and the approach was adopted within the company from then on. I had no reason to doubt the recommendation from the Operations/QC Department and simply treated the matter as having been finally resolved at the very highest level as the approach that the company was going to take. I don’t believe any external view or opinion was sought on this and from then on, the application of selective data in respect of lambda value was followed.

16 The product launched quickly as Part L of the Building Regulations was changing in October 2010. Therefore the tie in of improved lambda with regulations that usually requested more demanding energy targets was a good one.

17 I remember the time from development sign off to launch being a matter of weeks (when Celotex was ready to launch products it did so quickly – a cultural behaviour that in my opinion applied to the RS5000 project).

Paul Kevin Evans
In a way, a new system of working was created and from my side I had little if anything to do with lambda data collection. Selectivity became the recognised internal standard and I never recall lambda being a major talking point up until a MAG meeting, sometime I believe in 2013/2014, the details of which formed part of my disciplinary pack of documents. Craig Chambers, who took over from Richard Pemberton as Managing Director, was present at this meeting. I recall Joe Mahoney gave a presentation about the company getting close to not being able to declare its lambdas. The presentation inevitably referred openly to the manner in which lambda values were being selected at that time and, again, so far as I can remember nobody at the meeting challenged the approach being taken. The outcome was more testing to get the one result we needed. After this meeting, there did not appear to be any follow up discussions.

Importantly, the use of selective data was not the secret across the company that Celotex would now like to portray it as. I feel it is convenient for Celotex and Saint-Gobain to attempt to attribute blame for selective lambda to those who had been in the business a long time. Between May 2016 and June 2017, Celotex appointed three new members to its MAG team (Managing Director, Operations Director and HR Director). With the exception of myself and Joe Mahoney most other members of the MAG team had joined the MAG or company from 2014 onwards and therefore, whilst they may not have been aware of the process, this is more because it was embedded in how the product was tested rather than it being a secret. Many other people in the company at various levels were aware of it given how long it had been part of our processes.

Looking back on it now, it seems to me that the pace of a business trying to maximise value for exit, a major acquisition, a senior team leaving and then a new one coming on board just meant that the lambda processes became part of what we did and were never challenged nor did anyone think that they needed to be challenged. It also strikes me as strange that if there was an issue it wasn’t identified within the due diligence process at the time Celotex was sold.

Another point which I think is worth noting is that Celotex now seems keen to attribute blame to a select number of employees who had either already left the business or who left around the time of the lambda related disciplinary action. Yet,
as I have set out in Paragraphs 18, 19 and 20 the selective application of lambda data was not a secret in the business. I can give three examples:-

i) In the run up to my final few days at Celotex, it was clear the company was investigating lambda and had been doing so for a couple of weeks. I recall a conversation with Joe Mahoney at this time who stated that all his team (Development) were aware of the processes we went through. He even mentioned Scott Bridges, a current employee of Celotex in the Engineering team who used to work for a competitor, who had indicated that other PIR companies followed a similar process of applying data selectively.

ii) Testing and the recording of data fell within the ambit of the QC Department. As far as I am aware, however, only Ian Parker from that Department left Celotex after the fire at Grenfell Tower.

iii) Finally, during my final months at Celotex, the build of a second PIR factory for Celotex at Eggborough in Yorkshire was nearing completion. I recall in Q3 of 2017 the line was being tested and chemical was being poured. There was no reason why the product being made at Eggborough would have been any different to that being produced from the other production lines in Hadleigh so I can only conclude that the process for lambda calculation was integrated at both factories and that more than a small group of people would have been aware of it. Getting the line commissioned and supplying product was a top priority for the business (the factory cost [redacted]) so I am sure many others would have been keen to know how things were progressing.

Disciplinary processes

22 On 14th November 2017, five months after the fire, I held an all-day marketing meeting for our team to devise a marketing plan for the coming 12 months. This was a standard event in our marketing calendar with the whole team being present.

23 At lunchtime, I was approached by Dean O’Sullivan’s PA who mentioned that Dean would like to speak to me. I went into Dean’s office and shortly after the HR Director Andrea Huckett joined us. This instantly appeared to be a more formal meeting than I had expected. Dean then explained to me that during the lambda investigation they had identified a number of documents that contained my name
and as such they were commencing an investigation which could lead to disciplinary proceedings.

24 In truth, I was shocked and during his opening comments Dean made a point of telling me he was shaking inside at having to have this chat with me. Whilst this comment didn’t really register with me at the time, looking back I believe that Dean was less than comfortable having to conduct this process. Dean and I had generally got on well in the 18 months I had reported to him and he had often been complimentary of me in terms of my role and position in the company.

25 Dean mentioned that I had the option of leaving the building and returning the next day when a set of documents would be provided to me for comment. Dean also shared the fact that a few other colleagues were facing the same investigation and whilst Andrea did not want to divulge names, Dean was happy to tell me Rob Warren was also under investigation. Rob was called in after me.

26 I headed out for a quick walk to gather my thoughts and when I came back Rob was preparing to leave. His was noticeably irate and had decided to go home for the afternoon. I stayed and continued with the marketing meeting as I genuinely did not feel that disciplinary action involving me would be appropriate.

27 The next day I attended a meeting with Andrea and Dean off-site and was presented with a pack of approx. 20 documents which I was asked to read following a script which was read to me by Dean. I briefly read the documents and then had a short discussion before being sent home whilst the company decided upon its next steps.

28 I received a phone call the following day to tell me that the company was starting disciplinary action against me and that I would receive the documents I had been shown the previous day along with more information soon. The disciplinary pack appeared late afternoon the next day. The index to this pack has been made available to Core Participants. At this point (and as advised by Celotex) I began to seek legal advice, the detail of which is privileged.

29 Celotex seemed very keen to conclude matters quickly and I sensed a specific strategy to flush some people from the business before the company needed to announce the lambda issue to the market. At the time despite colleagues (including Chris King) attempting to call me and sending me messages of support I neither
spoke to nor replied to anybody. Chris King was the Marketing Director at Celotex prior to 2013 and my former line manager.

30 My disciplinary meeting took place on Friday 8th December 2017. At the hearing, I very much got the impression that the matter had been pre-determined. It is difficult to be specific about what gave this impression. It was things like the body language of those present and a feeling that the tribunal was just going through the motions and putting the case to me rather than being keen to listen to and explore my answers. As a result, it appeared obvious to me that I no longer had a future with the company I decided to offer my resignation. My offer was accepted.

31 It is for others to assess whether the disciplinary processes were also orchestrated to remove senior members of the business out of Celotex before the Grenfell Inquiry commenced.

Responses to Opening Submissions and available Phase 2 transcripts

32 I feel it necessary to briefly comment on some of the initial statements made by Core Participants and those that have already given oral evidence to the Inquiry.

33 Starting with Celotex's submissions much of what the company says I stand by in terms of the expectation of knowledge that others in the design and supply chain and decision-making processes in respect of Grenfell Tower should have had.

34 I believe Celotex had a mind-set that with combustible insulation already in use in buildings over 18m high (Kooltherm K15) professionals would understand where and when the product could and could not be used. Certainly prior to having RS5000 and as far as I am aware, the company never received a complaint or claim in the event of the FR5000 or 4000 series products being used in buildings above 18m.

35 As I have previously mentioned, prior to the RS5000 product launch, it was stipulated in the Celotex literature for rainscreen cladding that the products were not suitable for use above 18m. I also recall some technical queries that Rob Warren made me aware of involving clients who had asked if they could use PIR up to 18m and a non-combustible solution above this height. The response was always clear and it was that this was not permissible in line with Regulations. I feel this was a responsible way of ensuring our product was not misused in the market.

Paul Kevin Evans
The latter parts of the Celotex statements are an attempt to distance the company from the launch and marketing of RS5000 and yet not only were Directors and other senior managers aware of the launch but also internal legal advice was sought at the time in relation to the marketing literature.

Those with knowledge included Mike Chaldecott, Craig Chambers and Dean O’Sullivan although looking back I would acknowledge that there was both a lack of direction and questioning “from above” which was probably hampered by the considerable number of personnel changes that occurred throughout the RS5000 project as well as the overall busy nature and fast paced environment of both Celotex and the Department at the time. In addition, too little thought was given by those at Director level to the actual experience, skills and expertise of those involved with the project.

On the advice front I fully accept that privilege is asserted by Celotex over the advice that was sought and obtained but I do not consider that the very fact of seeking advice is privileged.

 STATEMENT OF TRUTH

I believe that the facts stated in this witness statement are true.

I understand that proceedings for contempt may be brought against anyone who makes, or causes to be made, a false statement in a document verified by a statement of truth without an honest belief in its truth.

[Signature]

PAUL KEVIN EVANS

Date: 15th June 2020

Paul Kevin Evans