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A member of the Holcim Group

Carbon management plan 2009-2012



Contents

Policy on carbon management	02
Context of carbon management	03
Introduction	04
Themes for the Aggregate Industries carbon management plan 2009-2012	06
Theme 1: Minimise the amount of CO ₂ generated by our processes	06
Theme 2: Development of both innovative products and leading-edge solutions	07
Theme 3: Effective monitoring and reporting of performance to show positive contributions to the UK emissions reduction programme and our year on year target	07

Policy on carbon management

Carbon management is a new discipline that recognises the environmental impact from burning fossil fuels, the principal source of energy in the world today. The resulting and increasing emission of carbon dioxide (CO₂) is changing the composition of the atmosphere which in turn drives climate change. In order that changes to the climate are minimised, it is everyone's responsibility to reduce the amount of energy consumed and to find alternative sources of energy.

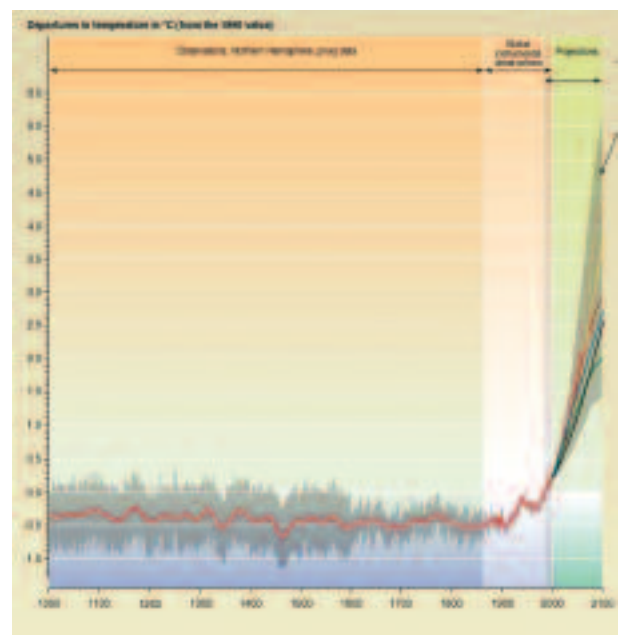
Aggregate Industries has long recognised the consequences of CO₂ emissions and how both the manufacture of our products and their use in the built environment contribute to climate change. In 2004, we committed to reduce the amount of CO₂ generated from the energy consumed by our manufacturing processes.

Our clear commitment has resulted in a series of reduction targets, which have been set and met. Our latest is presented as objective 1 within this plan. Although manufacturing process energy consumed and the choice of energy type remain, we are now, and in addition, turning our attention to our products.

Reducing energy consumption remains our goal. In reality we will need to use energy more efficiently, find alternatives to fossil fuels and produce products that minimise energy consumed through their life. Success will be shown by our reduction in CO₂ dialogue.

Context of carbon management

Over the past 20 years concern has grown over the impact of human dependence on fossil fuels and the resulting impact on climate (as shown). The acceleration in the changes to the amount of CO₂ (and other greenhouse gases) in the atmosphere has been mirrored by the amount and nature of government policy. In the UK in particular, we have policy and legislation covering all parts of society and all potential sources which is designed to support the UK Government's recent 'Climate Change Act'. Increasingly hard targets have been set, the latest being an 80% reduction in CO₂ emissions by 2050.



Northern hemisphere temperature projections
Source: The Carbon Trust



Aggregate Industries was the first in the construction and building materials sector to declare publicly a target to reduce CO₂ emissions. Our first target, set in 2004, of 12.5% CO₂ per tonne of production by 2010 was achieved in 2006. We have worked with the Carbon Trust since 2005 to produce a company wide carbon management plan which has identified areas for improvement and raises awareness of the need to change. Following the publication of the Governments Strategy for Sustainable Construction we introduced a new target of 20% reduction of CO₂ per tonne from a 2008 baseline, to be achieved by 2012. We have reported our performance annually in our sustainability reports since 2002.

Over the past seven years we have challenged and modified our approach to carbon management, to ensure we met both our targets and the expectations of our stakeholders. Lessons have been learnt along this journey, culminating into a three themed approach. These simple themes have been designed to begin our long-term alignment with Government policy to achieve an 80% reduction in CO₂ by 2050.

Performance against carbon management objectives 2003-2008

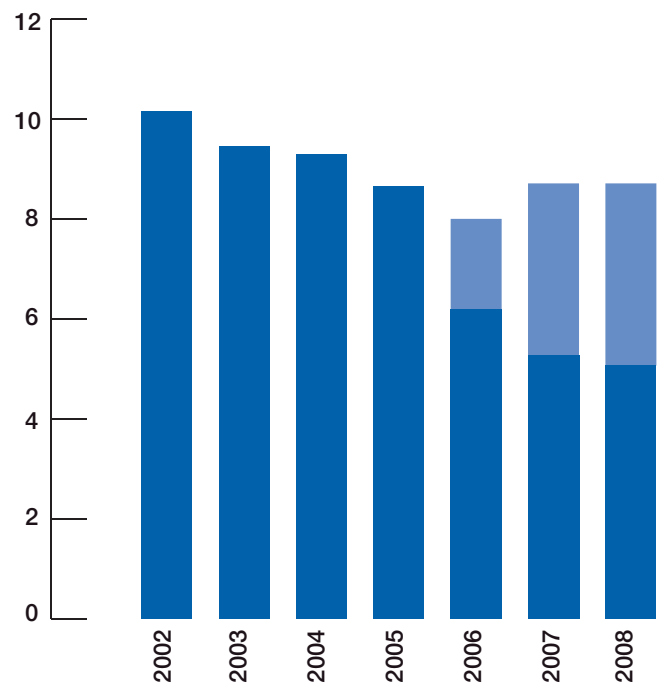
Overall the progress made since the start of the carbon management plan in 2002 has been wholly positive. The fact that we achieved our 20% reduction in CO₂ emissions per tonne five years ahead of time is testament to both commitment and delivery across the Organisation. In absolute terms on a like for like basis, this represents a reduction of over 106,000 Tonnes of CO₂ arising from our production processes during this period.

Much work is still to be done but increasingly Aggregate Industries is recognised for its work and recent highlights of this include:

- The Sunday Times Best Green Companies List.
- BSI's Most Innovative Organisation in November 2006
- Gold Leaf founding member of the UK Green Building Council
- Carbon Trust Carbon Standard

Aggregate Industries' performance 2002-2008

CO₂ per tonne of production (kg)*



* from 2006 the CO₂ per tonne has been split by production and transport. Scope has been extended to include marine transport from 2007



Themes for the Aggregate Industries' carbon management plan 2009-2012

In acknowledging that the business has achieved a 20% reduction in CO₂ emissions during the course of 2008, a more challenging target has been set. This is an additional 20% reduction per tonne of production from the new base year of 2008 performance by 2012. In absolute terms this means a reduction of 113,500 tonnes of CO₂ - equivalent to the carbon output of a small town.

Although in the context of the country's total CO₂ emissions this represents a small percentage, if all organisations matched this contribution, then the combined effort would have a significant positive effect.

At the heart of the carbon management plan lie three key themes which have been developed to aid the delivery and so ensure we are better positioned to make the most of the emerging low-carbon economy.

Theme 1: Minimise the amount of CO₂ generated by our processes.

Theme 2: Development of both innovative products and leading-edge solutions.

Theme 3: Effective monitoring and reporting of performance to show positive contributions to the UK emissions reduction programme and our year on year target.

Theme 1: Minimise the amount of CO₂ generated by our processes

Energy management has become carbon management as we seek to limit dependence on fossil fuels and reduce our emission of CO₂. We are continuing with an overarching reduction target that drives to the heart of energy and carbon efficiency. The target uses a measure of how much CO₂ is emitted per tonne of production output. This measure may well transform into an absolute reduction in CO₂ as the Carbon Reduction Commitment (CRC) comes into force.

In order to develop further and go beyond our earlier improvements, we must look at everything that can make us better at managing our carbon. Fossil fuels are the sources of man-made CO₂ so by moving to alternative, renewable or low carbon sources, we will further reduce our CO₂ emissions.

Objective 1: Reduce CO₂ emissions per tonne by 20% by 2012 from the baseline year of 2008.

Objective 2: Invest in people, processes and technologies to minimise our reliance on fossil fuels.

Objective 3: Be in a sector leading position under the Carbon Reduction Commitment (CRC) Energy Efficiency Scheme.

Theme 2: Development of both innovative products and leading-edge solutions

When considering a new product or service we will undertake the calculation of its carbon footprint. This will consider the three key stages of a product's life.

The nature and sources of all raw material, the means of manufacture and the in-service performance will all be assessed. The results will then inform our design and/or those that install and use the product or service so as to maximise reduction in CO₂ through the life-cycle of a product. This approach will go towards ensuring future generations will be proud to inherit what we have produced.

Objective 4: By the end 2009, all existing products to be reviewed to identify opportunities to improve carbon performance.

Objective 5: Collaboration with nationally recognised bodies to formulate carbon labelling for products, we will be the sector's responsible source.

Objective 6: Work with partners to develop solutions capturing energy generated from infrastructure.

Objective 7: Maximise the contribution of carbon management in achieving the business objective of 'excellent' as part of responsible sourcing.

Objective 8: Supported products and solutions with appropriate resources and information to ensure maximum in-use performance.

Theme 3: Effective monitoring and reporting of performance to show positive contributions to the UK emissions reduction programme and our year on year target

In order that we are able to provide robust evidence that this plan and other initiatives are achieving their desired outcomes, we will be developing a suite of key indicators in conjunction with the Carbon Trust, trade bodies and other stakeholders.

Without the right data, that is accurate and clear, we will not only fail to be able to show people what we have done but we will not know the most efficient and effective ways we can improve. Of growing importance is the need to hold ourselves accountable to others through the use of external audit and statements verifying that the data we present is accurate and covers the relevant details.

Objective 9: Re-certification to the Carbon Trust standard.

Objective 10: Report to the Global Reporting Initiative (GRI) G3 standard in relation to carbon disclosure.

