



Carbon management plan

2009-2012

Policy on carbon management

Aggregate Industries recognises the body of evidence relating to the risk of climate change and the longer term threat to global energy security. All sectors and regions have a responsibility to improve manufacturing efficiency, developing products to reduce or limit emissions and energy consumption. Against this backdrop, population growth, socio-economic development and climate change adaptation will inevitably increase the demand for construction products with the extension of both infrastructure and the built environment.

Our commitment to minimise the amount of CO₂ generated by our processes is presented as Theme 1 within this plan. Whilst our goal is to reduce energy consumption, we also need to look at finding alternatives to fossil based fuels and manufacture products that have a lower use of CO₂ in their lifecycle. Theme 2 of this plan looks to address this. Theme 3 of this plan addresses the way in which we report on our carbon management performance,

Context of carbon management

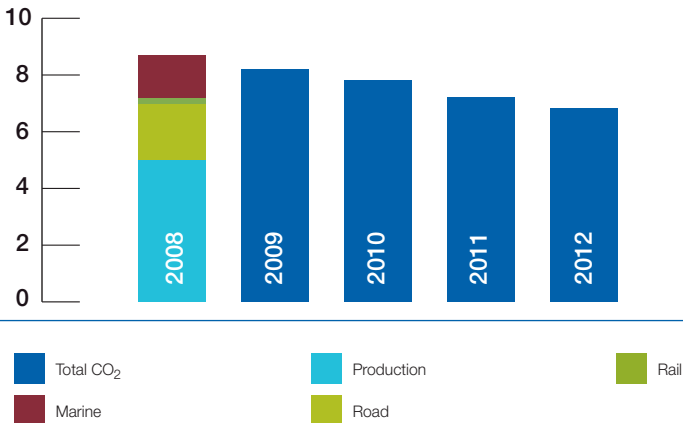
Over the past 20 years concern has grown over the impact of human dependence on fossil fuels and the resulting impact on climate (as shown in the graph on page 5). The acceleration in changes to the amount of CO₂ (and other greenhouse gases) in the atmosphere has been mirrored by the amount and nature of government policy. In the UK in particular, we have policy and legislation covering all parts of society, and potential sources of greenhouse gasses, designed to support the recent 'Climate Change Act'. Increasingly hard targets have been set by the UK government, the latest being an 80% reduction in CO₂ emissions by 2050.

Aggregate Industries was the first company in the UK heavy construction and building materials sector to publicly declare a target to reduce CO₂ emissions. We have set ourselves an ambitious target: a 20% reduction of CO₂ per tonne of product output from a 2008 baseline, to be achieved by 2012.

At Aggregate Industries we have challenged and modified our approach to carbon management to ensure we meet both our targets and the expectations of our stakeholders. Lessons have been learnt along this journey and this plan has been designed to show our long-term alignment with Government policy to achieve an 80% reduction in CO₂ by 2050.

Aggregate Industries' performance 2008-2012

CO₂ per tonne of production (kg)



Themes

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

To demonstrate our commitment for the future we have brought together our objectives into three themes. These themes will ensure that 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 reporting of performance to show positive contributions to the UK emissions reduction programme and our 2012 target.

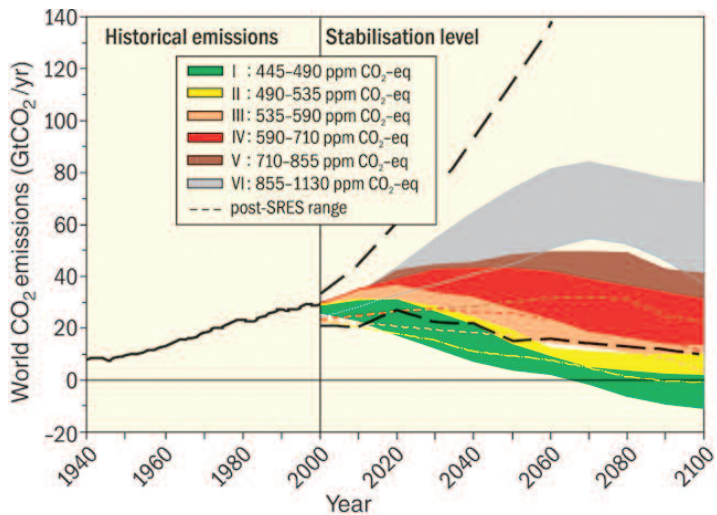
Theme 1: Minimise the amount of CO₂ generated by our processes

We continue to work towards an overarching reduction target that is driven by 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 2010. In order to develop 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 of product output by 20% by 2012 from the baseline year of 2008.

This represents a cut in emissions of 1.72 kg/CO₂/per tonne of product output. Placing into context, for 2008, this would have meant a fall of over 113,500 tonnes of CO₂ - or equivalent to the CO₂ emissions of a small town. In the context of the UK's total CO₂ emissions this only represents a small percentage, but if all organisations matched this contribution the combined effort would have a significant positive effect.





Source: IPCC, Fourth Assessment Report: Climate Change 2007 (www.ipcc.ch)

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

Objective 3: Be a leader in our sector under the Carbon Reduction Commitment (CRC) carbon trading scheme.

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

When considering a new product or service we will calculate 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
- The in-service performance

The results will influence our design and the installation and usage guidelines for the product. This will help to maximise reduction in CO₂ throughout its life-cycle. This approach will go towards ensuring future generations will be proud to inherit what we have produced.

Objective 4: By the end of 2010 all current products to be reviewed to identify opportunities to improve carbon performance.

Objective 5: Collaboration with nationally recognised bodies to formulate carbon labels for our products.

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 'very good' in the responsible sourcing of building materials.

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

Theme 3: Effective reporting of performance to show positive contributions to the UK emissions reduction programme and towards our 2012 target

To provide robust evidence that this plan is achieving its desired outcomes, we will develop key indicators in conjunction with the Carbon Trust, trade bodies and other stakeholders. Without accurate and clear data we will not only fail to show people what we have done, but also fail to understand 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 that verify 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.



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