



# SCOTASH

A Lafarge ScottishPower Joint Venture

Sustainability Review 2010

## INTRODUCTION

Welcome to ScotAsh's Sustainability Review 2010. The Review summarises our responsible and sustainable approach to business and reports on our performance against key performance indicators covering the areas of Environment, Workplace, Communities and Marketplace.



ScotAsh Director Allan Everett

**Market conditions remained challenging throughout 2010 but our sustainable products continued to be in demand for projects such as schools, roads and hospitals and the construction of windfarms across Scotland.**

We continued to supply materials to a number of high-profile projects, including the M74 extension and the Glasgow 2014 Commonwealth Games.

We also supplied cement for the construction of several windfarms, including Griffin, Markhill and Arecleoch, as well as tunnel refurbishment work at the Cowal Hydro-electric Scheme.

With the construction sector showing little signs of growth during 2010, it was heartening to see an upturn in demand for our stabilisation products which were used in groundworks for new schools, health centres and factories and for sustainable road repairs in various Scottish local authority areas, including Stirling and Dumfries and Galloway.

During the year we continued our excellent health and safety performance, achieving in November the major milestone of an eight-year run without a Lost Time Incident.

In September, our ongoing commitment to safety was recognised when we received our fourth consecutive Gold Award from the Royal Society for the Prevention of Accidents (RoSPA).

In addition, we were short-listed in two categories of the 2010 Fife Business Awards – Success Through Sustainability and Outstanding Business Achievement. We were also short-listed in the Sustainable Business of the Year category in the 2010 Environment and Energy Awards.

We continued to invest in our production facilities throughout 2010. Among the projects completed was the demolition and replacement of a 500-tonne storage silo and

“ We were delighted to welcome some high-profile visitors to our site during the year ”

the installation of a new pin mixer for the production of conditioned fly ash.

We were delighted to welcome some high-profile visitors to our site during the year, including His Royal Highness The Duke of Gloucester and Secretary of State for Scotland, Michael Moore. Both visited us in July, to learn more about our business.

We also continued to promote the sustainability benefits of ash by hosting visits to ScotAsh for groups such as the Institute of Directors and CBI Scotland and participating in conferences and events including the Eurocolash conference in Copenhagen, Denmark.

Once again in 2010, our sustainable approach to business as recognised when ScotAsh was featured as a case study in a report by Tomorrow's Company and the Department for Business Innovation and Skills entitled: "Running a Successful Business in the UK Low Carbon Economy."

Looking ahead we are hopeful of seeing some green shoots of recovery in the construction sector, and, with the completion of major environmental projects at Longannet Power Station, we should benefit from increased ash availability.

We will continue to run our business as responsibly and efficiently as possible and to educate customers and potential customers on the environmental benefits of our products, as the UK continues moving towards a low carbon economy.

**Allan Everett**  
ScotAsh Director



HRH The Duke of Gloucester meets Deputy Production Manager Ray Bellamy on his official visit in July



The Secretary of State for Scotland, Michael Moore MP, toured the ScotAsh site on a visit to Longannet

## WHO WE ARE

ScotAsh is a 50:50 joint venture between ScottishPower and Lafarge Cement UK.

Lafarge Cement UK is the UK's biggest cement manufacturer. ScottishPower is an energy utility and part of the IBERDROLA Group of Spain.

We are based at Longannet Power Station in Fife. Our Board of Directors comprises representatives from both parent companies.

## WHAT WE DO

We take ash produced at ScottishPower's coal-fired power stations, at Longannet and Cogenzie, and use it to manufacture sustainable construction products, including cements, grouts and stabilisation products.

We were the first ash processing business in the UK to use electrostatic technology to remove carbon from the ash, to ensure our core product is suitable for use in CE marked products.

Our products are manufactured under a Quality Management System certified to the standard ISO 9001.

We operate an Environmental Management System certified to ISO 14001 and a health and safety management system certified to OHSAS 18001. We are an Investors in People company.

## BASIS OF COMPILATION

This review has been compiled using Business in the Community's four pillars of corporate responsibility – Environment, Workplace, Communities and Marketplace.

The review has also adopted the environmental key performance indicators contained in DEFRA's "Reporting Guidelines for UK Business", as they apply to our business. Our reporting systems are audited externally by BSI to ensure compliance with ISO 14001 and OHSAS 18001.

## ENVIRONMENT

ScotAsh is an environmentally-sustainable business. By selling ash-based products to the construction industry we conserve primary aggregates, save CO<sub>2</sub> emissions and avoid the disposal of ash to landfill.

*\* Source: United Kingdom Quality Ash Association Technical Datasheet 8.1: Environment and Sustainability*

**ScotAsh has an Environmental Policy which is endorsed by the Board, reviewed annually and re-issued as necessary. It can be viewed or downloaded from our website, or a printed version is available on request.**

In addition, we maintain an Environmental Management System to the standard ISO 14001. This helps us to monitor our performance against Key Performance Indicators and identify areas where we could make improvements.

Our environmental pledges include:

- Setting environmental targets, monitoring performance quarterly and reporting on performance annually

- Striving to achieve ongoing improvements in environmental performance

- Engaging with employees, contractors, strategic partners and suppliers on environmental issues to ensure policies are understood and standards are met

- Meeting all legislative requirements as a minimum standard

- Maintaining our commitment to environmental training for employees

- Continuing our work with strategic partners, including universities, to develop new applications for ash-based products

- Engaging with government and regulators on forthcoming regulatory or legislative changes to offer constructive input.



A Lafarge tanker arrives to collect cement – we are optimising lorry movements to reduce CO<sub>2</sub> emissions



ScotAsh Sales & Quality Manager Chris Bennett examines another consignment of ash products

uses over 420 million tonnes of material resources. The factory gate carbon footprint of one tonne of aggregate is 21kg, while the cost of producing one tonne of Portland Cement is around 960kg.\*

Because we re-engineer a by-product, the cements, grouts and stabilisers we produce are sustainable. They save primary aggregates, divert hundreds of thousands of tonnes of ash from landfill and, because they replace carbon-intensive Portland Cement, they displace significant quantities of CO<sub>2</sub>.

In the 11 years since ScotAsh was formed we have sold nearly seven million tonnes of ash-based products resulting in a saving of some:

- Seven million tonnes of virgin aggregates
- 500,000 tonnes of CO<sub>2</sub> through its use in cementitious products. (One tonne of ash used in cementitious products can save approximately 960kg of CO<sub>2</sub> and 1.6 tonnes of virgin aggregates)

The environmental benefits we create were again recognised during 2010.

We were short-listed in two categories of the Fife Business Awards – Success Through Sustainability and Outstanding Business Achievement. In addition, we were short-listed in the Sustainable Business of the Year category in the 2010 Environment and Energy Awards.

ScotAsh was also featured as a case study in a report by Tomorrow's Company and the Department for Business Innovation and Skills entitled: "Running a Successful Business in the UK Low Carbon Economy."

## PERFORMANCE SUMMARY

During 2010, sales were lower than last year due to continued challenging conditions in the construction sector generally and reduced ash availability from Cockerzie Power Station.

In the 12 months to 31st December 2010, we sold a total of 276,919 tonnes of products, including 130,887 tonnes of cementitious products.

Every year the UK construction sector

“ ScotAsh has sold nearly 7m tonnes of ash-based products in the past 11 years ”

	Non Cementitious Sales	Cementitious Sales	Performance against target
2005	465,000 tonnes	80,000 tonnes	108%
2006	722,844 tonnes	90,444 tonnes	166%
2007	975,484 tonnes	149,148 tonnes	140%
2008	634,000 tonnes	163,000 tonnes	105%
2009	554,590 tonnes	134,874 tonnes	106%
2010	146,032 tonnes	130,887 tonnes	76%

TABLE 1: Sales performance, 2005-2010

## OUR CARBON FOOTPRINT

ScotAsh has been a signatory since 2008 to The Prince's May Day Network, a group of companies that are committed to taking action on climate change.

The programme is administered by Business in the Community and requires members to report their carbon footprint annually. As signatories to the May Day Network, ScotAsh made pledges to:

- Calculate our carbon footprint and

Carbon footprint	Carbon use (tonnes)
Air travel	4.8
Bus travel	0
Train travel	0
Car travel	17.0
Total travel	21.8
Electricity use	1106.9
Fuel oil	96.8
Total for energy use	1203.7
Total carbon footprint	1225.5

TABLE 2: Our Carbon Footprint 2010: Factors used were taken from DEFRA's Guidelines for Company Reporting on Greenhouse Gas Emissions

- report it publicly

- Set an absolute target and take action to reduce business emissions

- Encourage employees to reduce their carbon footprint at home and at work.

Our total carbon footprint for 2010 was 1,225.5 tonnes. This represents an increase of 4.2% on 2009.

This increase was mainly due to a rise in the volume of fuel oil used during the year.

This came about as during the year we started operating ash screening machinery on site to undertake a process that previously had been outsourced to contractors. All other sources of carbon, including electricity use and business travel, were lower than in 2009.

In 2008 we set a target to reduce our total carbon footprint by 5% by 2010,

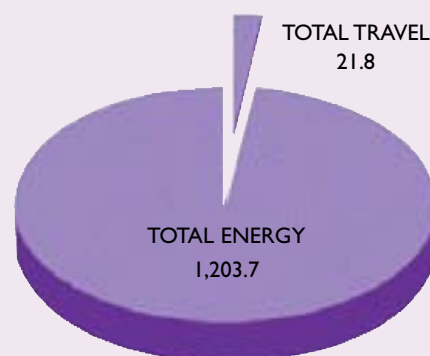


FIGURE 1: Total 2010 carbon footprint in tonnes

compared with 2007 figures, while achieving a 5% reduction by 2010 of our carbon footprint per tonne of product sold.

Our target reduction was not met, mainly as a result of an increase in the use of fuel oil, as explained above. Excluding this factor, there was an underlying reduction of 1.13% on 2007 levels.

We did not meet our target to reduce our carbon footprint per tonne of product sold by 5% by 2010, based on 2007 levels. This was due to proportionately lower sales of non-cementitious products and higher sales of cementitious products, which take more energy to produce.

We have revisited our carbon reduction targets, taking market and operating changes into account and now aim to achieve a 5% reduction in our carbon footprint and a 5% reduction in our carbon footprint per tonne of product sold by 2012, based on 2010 levels.

## MEASURES TAKEN TO REDUCE CARBON IN 2009

We continued to monitor our energy use during the year to identify potential areas for reduction. This resulted in improvements to the carbon separation process, which is outlined under Energy and Water Use, next page.

We continued to minimise business travel, where appropriate, and provide employees with environmental information through formal training and informal toolbox talks and quizzes.

A group of our employees continued to cycle to work, to improve their personal fitness and reduce their carbon footprint.

We continued to work with customers during the year, persuading them to use our products to reduce the carbon impact of construction. ScotAsh cements and grouts typically have a 25-30% lower carbon footprint than conventional materials.

Specific projects are outlined in the **Marketplace** section.

## ENVIRONMENT

ScotAsh is committed to reducing its use of resources, including energy and water, and recovering waste for re-use or recycling. Our employees receive regular training to improve their environmental awareness.



Recycling bins have been installed on site – in 2010 we recycled 80% of our total waste produced

### ENERGY AND WATER USE

During the year we continued to seek ways to further reduce our energy and water use per tonne of product.

Since 2003 we have reduced energy use per tonne of product output from 31 KWh to under 13.2 KWh per tonne in 2010. Only processed or manufactured products are included in this total.

Every member of the team is involved in identifying measures we can introduce to save energy and water, including changes to the way we operate equipment.

Energy saving measures we have adopted as a result of employee suggestions include the installation of an additional feed to the electrostatic separator that removes carbon from the ash. This enabled us to increase productivity and reduce energy use. We have also minimised the cycle times for the operation of compressed air, and reduced the running times of the filters in the product mixers to save energy.

When replacing plant, we seek to secure new items that are more energy efficient. We conduct environmental audits as part of our Environmental Management System, to help us identify improvements or pinpoint problems. We use very little water in our processes. In 2010 we replaced an old

Ash-tech mixer with a Pin Mixer, which uses significantly less water, as operators can control the amount of water released into the mixer.

The majority of the water we use on site is untreated “grey” water from a borehole near Longannet. Water from an aquifer is extracted and fed into a storage tank, ready for us to use. This saves around 12,000 m<sup>3</sup> of mains water annually and the energy that is associated with water treatment.

Our total water use in 2010 increased by around 35% to 14,979 m<sup>3</sup> as a result of moving our screening and loading operation from Cockenzie to Longannet.

This resulted in increased use of our wheel wash by our hauliers. ScottishPower’s use of our wheel wash also increased as a result of lagoon activity.

### WASTE AND RECYCLING

We produced 10.14 tonnes of waste on site during 2010, including 3.2 tonnes of metal, 5.94 tonnes of general waste and one tonne of wood waste.

All wood and metal and approximately 80% of the general waste produced was recovered for recycling. No special wastes were produced during the year.

Our key waste stream is the high-carbon by-product from electrostatic separation of the ash. The separation process produces a high-quality mineral ash that can be used in CE marked cements and the high-carbon by-product.

We have engaged in long-term discussions with the Scottish Environment Protection Agency (SEPA) in an attempt to secure authorisation for the re-use of the high carbon by-product – which is basically particles of unburned coal – as a fuel at Longannet Power Station.

At the end of 2010, authorisation had still not been granted. SEPA has deemed the material to be a waste, under the European Union’s definition of waste, although re-use of this material is permitted by the

	2005	2006	2007	2008	2009	2010 target	2010 achieved	2011 target
Water use (m <sup>3</sup> )	8,892	10,428	20,371	18,995	11,076	less than in 2008	14,979	less than in 2010
Electricity (KWh/tonne)	25	19	15.23	12.3	15.9	15.9	13.2	13
Fuel Use (litres)	4,300	8,495	5,285	2,240	2,656	maintain or reduce fuel usage	36,002	maintain or reduce fuel usage
Waste produced (tonnes)	50.1	39.8	9	115	16.93	less than in 2009	10.14	less than in 2010
Waste recycled (percentage)	88%	48%	36%	50%	50%	50%	80%	80%

TABLE 3: Inputs and outputs 2005-2010: NB – Fuel oil has historically been measured on deliveries – we moved to reporting on volumes actually used in 2007

Environment Agency in England and Wales.

In 2010, more than 31,000 tonnes of high carbon material was recovered. Most of this was re-used as a low value fill material.

Re-using the high carbon ash as a fuel would represent greater resource efficiency. The volume recovered in 2010 could have been used to generate electricity for the equivalent of 8,000 homes for a year.

## ENVIRONMENTAL COMPLIANCE & REPORTING

There were no reportable environmental incidents during 2010, no statutory environmental notices, and no unauthorised releases of dust.

We received no community complaints, although Vinci Construction Ltd (formerly Norwest Holst) issued a letter to all suppliers, including ScotAsh, stating that it had received complaints from residents in Dalkeith about the speed at which lorries arrived at and left its site. This is being investigated and there is no suggestion that ScotAsh's hauliers were to blame.

We have maintained an exemplary record of environmental compliance for 10 years.

BSI conducted environmental audits twice during the year to assess our compliance with our ISO 14001 Environmental Management System.

We maintained our IPPC Authorisation, Part B, and conducted a review of our Environmental Operating Plan.

## ENVIRONMENTAL EDUCATION & TRAINING

Seven Environmental Toolbox Talks were held covering oil handling, energy management, powder spillages and aspects of the PPC permit including operation of the production process, records and reporting of incidents.

In addition, all staff participated in an environmental quiz, based on the annual environmental plan. A prize was presented to the employee with the best score.

	2009	2010 target	2010 achieved	2011 target
Reportable incidents	None	None	None	None
Community complaints	None	None	None	None
Non-conformances identified internally	85	Same as 2009	48	No specific number set
Percentage resolved within four months	97.7%	90%	92	80% resolved in 6 weeks, 100% resolved in 8 weeks
Internal audits conducted	17	17	14	1 per month
CR Reporting	Sustainability Review published June 2010	Report on performance via Sustainability Review	Sustainability Review published October 2011	Report on performance via Sustainability Review

TABLE 4: Environmental Compliance & Reporting, targets and achievements

	2010 target	2010 achieved	2011 target
Environmental awareness course	Training for two members of staff	0	None planned
Environmental Quiz	2	1	None planned
Toolbox Talks	6	7	3 Toolbox Talks with assessment test

TABLE 5: Environmental Education & Training, targets and achievements

## BIODIVERSITY

The nature of our business on a highly industrialised site, with heavy vehicle movements, provides limited opportunities to undertake projects to enhance biodiversity.

Even limited tree planting is not possible due to the presence of underground cables and pipelines.

Ash itself can be a valuable habitat.

The ash banks at Valleyfield Lagoons, operated by Longannet Power Station, provide a valuable habitat for insect families, such as solitary bees and wasps,

bumblebees and hoverflies. Some of these invertebrates dig out burrows in the soft ash for their nests, as the ash banks closely resemble the species' natural nesting sites in sand dunes, which are rare in Fife region.

An ash bank at Longannet Power Station has been set aside as a nesting area for Sand Martins, which normally nest in areas such as steep, sandy river banks.

PFA from Cockenzie was also used in 2009 to create an artificial nesting bank for Sand Martins at Levenhall Links, at Musselburgh Lagoons.

## WORKPLACE

We are committed to providing an excellent working environment, looking after our staff and promoting personal and professional development. Investors in People has described the ScotAsh team as ‘inspirational’.

**ScotAsh is an Investors in People company. We first achieved IIP accreditation in 2005 and we remain committed to IIP principles and practices. These include:**

- Maintaining a safe and healthy working environment at all times for employees, customers, suppliers and visitors

- Abiding by ethical policies covering recruitment, equal opportunities, terms and conditions, health and well-being, education, training, data protection, grievances, discipline, smoking, drugs and alcohol. All of our policies are contained within an accessible staff handbook

- Providing effective performance management and opportunities for on-going employee development – resulting in certified qualifications, where possible

- Continuing to offer a performance-linked bonus and reward good, workable employee ideas, especially in the key areas of health, safety and environment

- Conducting employee attitude surveys at regular intervals and acting on the results, where appropriate.

### PERFORMANCE SUMMARY

ScotAsh is committed to ensuring high standards of employee health and welfare, equal opportunities and providing opportunities for ongoing employee development.

We received Investors in People re-accreditation in March 2008 and were delighted that in our feedback report, the company was described as “outstanding”. We were successfully re-accredited in Spring 2011, just outside the period covered by this report.

Our Investors in People assessment reports have described our people as: “inspirational – they are all so passionate about what they do,” while the leadership style was also defined as inspirational by the



Ross Cameron, a new recruit to the ScotAsh lab

Investors in People Profile, which is a framework of good practice.

Investors in People stated that this was: “Creating a motivated and committed workforce who share a common purpose and are driven to succeed.”

Among the specific strengths and good practice highlighted by IIP were:

- The clear sense of purpose and vision generated by the Board to drive the company forward

- The shared sense of purpose and vision within the workforce, which is leading to a highly-motivated team of people

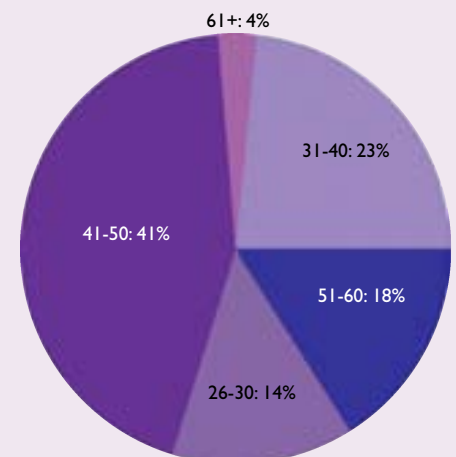


FIGURE 2: Breakdown of employees' ages – NB: no member of staff aged 25 years or younger

“ Our Investors in People reports have described our people as inspirational ”

The systematic way that training is identified, delivered and reviewed

The culture of continuous improvement

The combination of inspirational leadership with an empowered management style that is creating a highly skilled and dedicated workforce

The constant sharing of success and the fairness identified in the way people are treated and rewarded

Constant striving to improve the way people are managed as part of their drive to build in world-class standards.

## STAFF PROFILE

As at 31st December 2010 we employed 25 people. An age profile of the company shows that at 31st December 2010, we had no members of staff aged 25 years, or under.

The majority of staff – 41% – were aged between 41 and 50 years, with 23% aged between 31 and 40 years, 18% of staff aged 51-60 years and 4% aged 61 years or over. More than half of our employees have been with the company for six years or more.

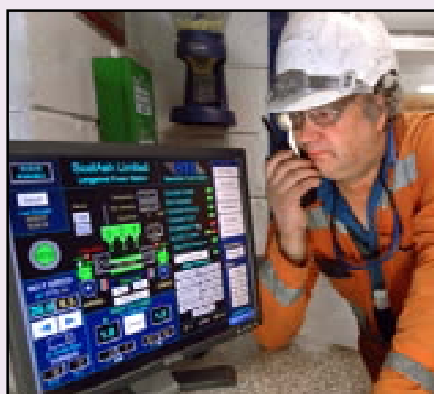
We operate progressive HR policies and recruit people on their ability to do the job, regardless of sex, race, marital status, disability or age.

Our offices have facilities designed for disabled people, including a wheelchair ramp and toilets, although currently no members of our staff have disabilities.

## EMPLOYEE WELFARE

ScotAsh employees have access to a wide range of occupational health services, which are provided by our parent companies, ScottishPower and Lafarge Cement.

The range of services available to staff include physiotherapy, health screening and access to a company medical adviser on request. Employees can be referred to a company medical adviser for any injury sustained due to an accident at work,



Monitoring output in the ScotAsh control room

outside work, or for any recurring problem.

Health screenings, via a mobile unit are conducted every two years and those who work night shift have health screens annually. We use a specialist external service to conduct mandatory tests, such as hearing, dust monitoring etc and hand-arm vibration testing.

Our last full-scale health surveillance visit took place in Spring 2011.

We are a powder technology company and although we use closed systems we ensure dust monitoring is conducted by the Institute of Occupational Medicine to check employees' exposure to dust, which is deemed to be a key area of risk.

In addition, all production staff are given lung function tests. A confidential counselling service is available to all staff

and we do all we can to help staff return to work after illness, offering restricted duties, alternative duties, flexible or restricted hours, as necessary.

## EMPLOYEE DEVELOPMENT

Training and development is organised in a systematic way. Each area of the plant has a list of competencies and staff are assessed against these competencies annually by team leaders.

If a member of staff does not meet the standard required for one or more competency, this is incorporated into their individual training plan.

To ensure we have a flexible and well-trained workforce, experienced staff are trained in more than one area of operation.

Training needs and the personal development aspirations of employees also emerge from the annual assessment process.

All employees receive an annual assessment and a mid-year review, covering areas of knowledge from health and safety to plant operation and products.

Our employees and their families have access to ScottishPower's Learning 4Work scheme, which offers hundreds of online courses, from technical learning programmes to IT to supervisory skills.

Study time is granted for work-based courses, otherwise staff study in their own time.

## EMPLOYEE TARGETS

Targets 2009	Performance 2010	Targets 2011
Maintain sickness absence rate of 2.5%	2.22% achieved	As 2010
Achieve average of five days' training per employee	Achieved average of 9 days' per employee	As 2010

TABLE 6: Targets relating to employees

## HEALTH AND SAFETY

We have a positive, dynamic health and safety culture and all employees participate in making ScotAsh a safe place to work. Staff are encouraged to look out for each other, report potential hazards and make suggestions to improve safety.



Production Manager Mark Stephen (left) and ScotAsh Director John O'Neil display the 2010 RoSPA Bowl

### On November 20th 2010 ScotAsh achieved eight years without an Employee Lost Time incident.

We operate a Health and Safety Management System, which is certified to OHSAS 18001. Elements of our approach to health and safety include:

- A well-communicated health and safety policy that is reviewed annually by the Board

- Documented health and safety practices
- Workplace health and safety audits, including behavioural safety audits and STOP! risk assessments. Action plans are drawn up to address any issues emerging

- We operate an uncompromising Drug and Alcohol policy

- We hold monthly health, safety, environment and quality meetings

- We hold regular Toolbox Talks on health and safety issues

- We have a lone worker alarm system, linked to the control room at Longannet Power Station. If the wearer does not move for 90 seconds, it sends an automatic distress signal

- We hold "time out for safety" events, to think, talk and learn more about safety

- In June 2010 we held a Safety Day that was attended by the majority of the workforce along with representatives from

“ ScotAsh received our fourth Gold Award for health and safety from RoSPA in September ”

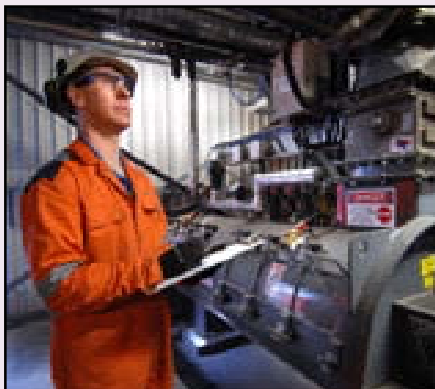


ScotAsh's first aiders Ross MacNicol and Stevie Clegg demonstrate CPR techniques at the 2010 Safety Day

Lafarge and ScottishPower. The day included the demonstration of a working at height rescue in the packing shed, a demonstration of the Lone Worker Alarm System and employees being put through their paces with different first aid scenarios. The event ended with a fire drill.

In September 2010, we received our fourth Gold Award for health and safety from the Royal Society for the Prevention of Accidents (RoSPA).

All staff, excluding the admin office, now hold NEBOSH or IOSH Certificates or the Safety Passport. Several employees have been trained in health & safety auditing to monitor our OHSAS HSMS and many more



Risk assessments are a critical part of every new job and more than 2,200 were conducted during 2010

Targets 2010	Performance 2010	Targets 2011
Zero lost time incidents	Achieved	As 2010
Minimise injuries requiring First Aid/Medical Treatment	One incident requiring first aid	As 2010
Zero HSE interventions	Achieved	As 2010
Close off 80% non conformances within 4 months (high risk NCs closed as quickly as possible)	94.5%	Close off 80% within two weeks unless High Risk

TABLE 7: Accidents, injuries and non-conformances (NCs) 2010

Targets 2010	Performance 2010	Targets 2011
Maintain OHSAS 18001 accreditation	Achieved	As 2010
Conduct monthly integrated health, safety, environment & quality audits	14 conducted	One per month
Conduct 48 safety inspections	Achieved	48 workplace inspections
Conduct 120 Visible Felt Leadership Audits	130 conducted	90 VFL Audits
Conduct 2,500 STOP! risk assessments	2,204 conducted	Conduct at least 2000 STOP! risk assessments
Near miss reporting: 12	Achieved 13 reported	No specific target set
Hazards – spot and correct 325	134 spotted and corrected	No specific target set

have received training in conducting STOP! risk assessments.

The results of risk assessments are held electronically on a database that employees are encouraged to access. We also have documented Safe Working Procedures for each key task on site.

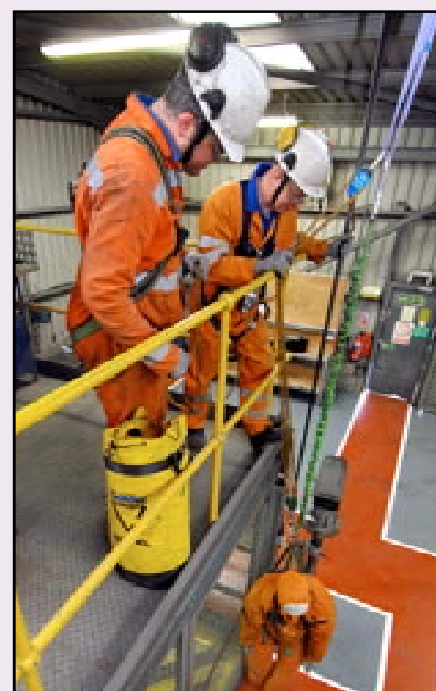
A significant proportion of the training budget is devoted to health and safety.

A total of xxx health and safety training days were conducted in 2010, covering topics from abrasive wheels and refresher forklift and First Aid training, to working at height, confined spaces, fire extinguisher and risk assessment training.

The results of risk assessments are held electronically on a database that employees are encouraged to access.

TABLE 8: Management and Measurement, 2010

Targets 2010	Performance 2010	Targets 2011
Conduct 12 health & safety Toolbox Talks	10 Conducted	12 Toolbox Talks with assessment tests
Enter First Aid Competition	Achieved	As 2010
Enter RoSPA Awards	Gold Award attained	As 2010
Hold H & S quiz	Achieved	H & S simulations planned for 2011
Maintain incentivised suggestion scheme	Achieved	As 2010
Conduct all essential training	Achieved: refresher inductions, first aid refresher, abrasive wheels, forklift refresher	As 2010
Additional training	Working at height, confined space training, fire extinguisher training, risk assessment training	Conduct new training in line with business needs



Ross MacNicol and Stevie Clegg carry out a safe working at height demonstration at the Safety Day

TABLE 9: Training and Employee Involvement, 2010

## MARKET PLACE

Despite a downturn in the construction industry in 2010, ScotAsh continued to report growing demand for sustainable products, and the company supplied various high-profile projects throughout the United Kingdom



ScotAsh provided products for use in ScottishPower Renewables wind power site at Arecleoch in Ayrshire



Bags on the move in the ScotAsh store – we are now using brown reusable bags for our bagged products



Construction work at the M74 extension in Glasgow – ScotAsh provided material for bridge abutments

### **ScotAsh is committed to ethical business practises in all our dealings with customers, suppliers and partners. Our commitments include:**

Endeavouring to always meet customer needs, delivering goods on time and responding promptly to requests for information

Considering environmental, ethical and quality issues in the selection of our suppliers, in addition to cost

Ensuring the fair and ethical treatment of suppliers, including the payment of invoices on time

Seeking out partners with similar values to our own, with a view to delivering innovative sustainable construction solutions

Sharing our knowledge and our commitment to responsible business with others by running seminars for customers and contributing to other organisations' publications and events

Wherever possible, purchasing goods and services locally. We operate a green purchasing policy and select suppliers who provide the best overall value – not necessarily the lowest cost.

Undertaking environmental audits of key suppliers and offering them constructive support in addressing any weak areas

Engaging on an ongoing basis with government, regulators, industry bodies, customers and academic institutions to promote understanding of our aims and to seek feedback and enhance our own knowledge.

During 2010, we continued our involvement with the UK Quality Ash Association, the UK Business Council Sustainable Development, the Scottish Council Development and Industry, IoD Scotland and CBI Scotland, among others.

In May, we presented a paper entitled: "Ash Beneficiation to Serve the Industrial Market", at the Eurocolash Conference in

Copenhagen. We also continued to Chair the Steering Group of Green Business Fife, a sustainability forum comprising Fife Council, Scottish Enterprise, local businesses and agencies.

During the year we hosted numerous visits from other ash businesses, coal plant operators and VIP guests.

Visitors to ScotAsh during 2010 included HRH The Duke of Gloucester, who visited our premises in July, accompanied by the Lord Lieutenant of Fife, Mrs Margaret Dean.

The Duke, who is a qualified architect, showed great interest in our products and processes. We were also pleased to welcome Secretary of State for Scotland, Michael Moore MP and Scottish Enterprise CEO Lena Wilson.

During the year we continued to improve the sustainability of our supply chain. After consulting with key customers, we changed from using bleached, white bags to unbleached brown paper sacks for our products. All bags are manufactured using wood from sustainably-managed forests.

Where possible we source goods and services locally, to minimise transport emissions. We use reusable pallets for bagged products and during 2010 we increased the weight of the pallets we use, so each lorry load can carry more products – an extra 175kg per pallet. For every 5,000 tonnes, this saves 400 pallets and reduces the number of journeys required.

In addition, we continued to work with our hauliers and our parent companies to optimise logistics.

For example, a lorry delivering ash to Lafarge's plant at Dunbar would generally bring back cement to us and a ScottishPower lorry delivering coal to the power station can collect ash from us to transport elsewhere. This helps minimise the number of journeys made by empty lorries.

We are participants in the UK Quality Ash Association's Responsibly Sourced Materials scheme, which is being trialled by UKQAA members. Further information is

## COMMUNITIES

ScotAsh continued in 2010 to support community events, charities and projects

### During 2010 we continued to support a range of community projects, events and charities.

Our principal community investment is the ongoing sponsorship of a community police vehicle, in association with Longannet Power Station and other partners.

We have co-sponsored the police vehicle since 2004 and, under a new agreement, will continue to fund the car until December 2011. It is used by community police officers patrolling the 15 villages of West Fife.

We also contributed to the wider community by hosting visits by local groups, including CBI Scotland and Chairing the Steering Group of Green Business Fife, a sustainability forum comprising Fife Council, Scottish Enterprise and local organisations. During the year we sponsored the Award for Best Newcomer in the Green Business Fife Awards 2010. The winner was Forth Dimension Displays, a leading manufacturer of high-resolution liquid crystal displays for the simulator and near-to-eye market.

We also supported fund-raising efforts by Tulliallan Primary School and provided £200 financial support to a staff member who completed a marathon in aid of Cystic Fibrosis.

Our community commitments are listed in our Corporate Social Responsibility policy, available at: [www.scotash.com](http://www.scotash.com)

### TARGETS FOR 2011

Continue our sponsorship of the West Fife Community Police Vehicle

Support local organisations, events or charities

Support employee volunteering

If our resources allow, contribute to at least one community project.



Hydraulic binders from ScotAsh are being increasingly used for sustainable road refurbishments and repairs

published on the UKQAA website.

During 2010, despite continued challenging market conditions, we continued to supply products to a range of interesting projects. We supplied materials to 50 separate grouting contracts during 2010 and our sustainable products continued to be in high demand for windfarms and ground stabilisation projects.

Grouting contracts included the supply of materials to Amco for tunnel refurbishment work at Scottish & Southern Energy's Cowal Hydro-electric Scheme, as well as stabilising sites for three schools and two health centres.

ScotAsh cement was used at Scottish & Southern Energy's Griffin windfarm, near Aberfeldy, ScottishPower's Arecleoch windfarm and Catamount Energy's Markhill windfarm, both in Ayrshire.

Our cements can reduce by one third the amount of Portland Cement required in wind turbine foundations, reducing the carbon intensity of construction.

They also offer strong performance benefits, including increased strength gain over time and reduce the risk of early age

thermal cracking. We also supplied our hydraulic and pozzolanic binders for various sustainable, road repair projects, including refurbishment works to the A76 near Dumfries.

Our binders enable road planings to be milled, stabilised and then reused, saving premium grade stone, avoiding landfill by reusing the material and saving CO<sub>2</sub> emissions and vehicle movements.

In addition, during 2010 we supplied some 24,000 tonnes of lightweight material for bridge abutments, as part of the final phase of the M74 extension.

We also supplied significant quantities of PFA and cement for a project to upgrade Rosyth Docks for the building of new aircraft carriers.

During the year we continued to supply products for projects associated with the Glasgow 2014 Commonwealth Games.

Following the use of ScotAsh products in ground stabilisation for the National Indoor Sports Arena and the Chris Hoy Velodrome, we supplied products to Forkers (Scotland) for the Aquatics Centre at Toll Cross.



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