



# Avon Metals



THE QUEEN'S AWARDS  
FOR ENTERPRISE:  
SUSTAINABLE DEVELOPMENT  
2009

*"Our 20/20 Vision"*  
2010 Sustainability Report



<b>INTRODUCTION</b>	PAGES 3 - 4
<b>ENVIRONMENTAL DIMENSION</b>	
SDI 1 REDUCTION OF GREENHOUSE GASES	PAGES 5 - 9
SDI 2 REDUCTION IN ELECTRICAL ENERGY	PAGE 10
SDI 3 TRANSPORT MANAGEMENT	PAGE 10
SDI 4 ENVIRONMENTAL MANAGEMENT SYSTEM	PAGE 11
SDI 5 IMPLIMENTATION OF REACH REGULATION	PAGE 11
SDI 6 SOURCING OF SUSTAINABLE RAW MATERIALS	PAGE 12
SDI 7 NOISE REDUCTION	PAGE 12
SDI 8 REDUCTION IN THE AMOUNT OF PACKAGING WASTE GOING TO LANDFILL	PAGE 13
SDI 9 DEVELOPING A RECYCLING STRATEGY (INCLUDING SAFE DISPOSAL OR RE-USE OF WASTE PRODUCTS)	PAGE 14
SDI 10 PROTECTION OF LOCAL WILDLIFE & PROMOTION OF BIODIVERSITY	PAGE 15
SDI 11 REDUCTION OF FRESHWATER CONSUMPTION PER TONNE OF ALUMINIUM PRODUCED & RAINWATER CAPTURE (INCLUDING UNITED NATIONS WATER COP)	PAGES 16 - 22
<b>SOCIAL DIMENSION</b>	
SDI 12 HEALTH 7 SAFETY – REDUCTION IN WORKPLACE INJURIES	PAGES 23 – 27
SDI 13 STAFF TRAINING AND PERSONAL DEVELOPMENT	PAGES 28 – 30
SDI 14 IMPROVEMENT & DEVELOPMENT OF COMMUNITY RELATIONS	PAGES 31 – 33
SDI 15 UNITED NATIONS GLOBAL COMPACT SIGNATORY	PAGES 34 – 38
SDI 16 HUMAN RIGHTS (INCLUDING DEVELOPING AN ANTI-BRIBERY AND ANTI CORRUPTION INITIATIVE)	PAGES 39 – 42
<b>ECONOMIC DIMENSION</b>	
SDI 17 PRODUCT STEWARDSHIP (INCLUDING PRODUCT LIFE CYCLE ASSESSMENT)	PAGES 43 - 46
SDI 18 FINANCIAL CONTRIBUTION TO THE LOCAL ECONOMY	PAGE 47
SDI 19 RESEARCH & DEVELOPMENT	PAGE 48
SDI 20 GLOBAL REPORTING INITIATIVE	PAGES 49 - 70
<b>MANAGEMENT &amp; LEADERSHIP</b>	PAGE 71
STAKEHOLDER ENGAGEMENT – BRIDGING THE GAP	PAGES 72- 74
KEY FACTS & FIGURES	PAGE 75
AWARDS & ACCREDITATIONS	PAGE 76
ORGANISATIONAL CHART	PAGE 77
CONTACT DETAILS	PAGE 78
GRI APPLICATION LEVEL CHECK STATEMENT	PAGE 79



## EXECUTIVE SUMMARY

Avon Metals is a metals recycling company whose main activity is the production of 10,000 metric tonnes per annum of primary and secondary (scrap) based aluminium alloys in ingot form. These ingots are used by producers of aluminium products to ultimately make a wide range of everyday products. These include; beverage cans; pie case foil; car engines & wheels; aircraft engines and landing gear; building products - such as door and window frame extrusions and curtain walling.

The Company is also an important physical trader of various other primary, secondary (scrap) and specialty minor metals (including titanium and tungsten).

Following a major restructuring and an increase in international trade, the company has prospered into a dynamic, forward thinking business that has been recognised in local and national business awards, including a Queen's Award for Enterprise in Sustainable Development in 2009, and 2 Major Commendations in the 2010 BCE Environmental Leadership Awards & EEF Future Manufacturing Awards.

Avon Metals has demonstrated that a pragmatic approach to investing in our people, and protecting the environment through sustainable development, can be commercially viable.

Our 20/20 Vision Sustainability Report aims to deepen our Stakeholders' understanding about Avon Metals Corporate Social Responsibility Activities.

## MISSION STATEMENT

**"Our mission is to be recognised as the best metal recycling company in the world. We strive to provide consistently attractive returns to our shareholders through best available techniques, sustainable development and good corporate citizenship."**







## INTRODUCTION TO OUR SUSTAINABILITY PHILOSOPHY

Sustainability, or sustainable development, is often defined as acting in a manner that meets the needs of today without hindering future generations.

Back in 2006, Avon Metals made a conscious decision to embark on a pioneering journey towards implementing, measuring and reporting sustainability.

Sustainability is more than just an initiative for Avon Metals - it is a philosophy that permeates right through the company influencing every single activity and decision. Avon Metals is committed to this philosophy and to continuous improvement on our road towards total sustainability.

We seek to create a world class brand that will motivate customers, employees, suppliers and communities to partner with us for mutual long term benefit.

To achieve this, Avon has developed an all-encompassing, innovative Management and Leadership System entitled "Our 20/20 Vision". This initiative is based around 20 voluntary, quantitative Sustainable Development Indicators (SDI), covering the company's key performance in all three pillars of sustainable development – social well-being, economic prosperity and environmental stewardship - to be systematically measured and transparently reported to our stakeholders.

In its pursuits to achieve sustainability, Avon has cultivated new markets and forged new partnerships in a diverse array of market sectors ranging from aerospace and automotive, to alternative renewable energy sources and commercial applications for our process residues.

Progress is benchmarked against realistic internal and external business targets. Reliable measurement is essential to guarantee continued monitoring, careful evaluation, committed implementation and tangible results. These are the cornerstone principles behind Avon Metals SDI reporting and we are determined to grow in ways that ensure a sustainable future for generations to come.

Continuous improvement is our aim, and to this end we have adopted a Kaizen philosophy. Input from stakeholders & shareholders alike will be actively sought and encouraged to ensure that we continue to implement best practices. We strive to exceed stakeholder expectations and improve the quality of life through our products and actions, and we will communicate transparently our vision, objectives and performance.

Steven Munnoch,, Managing  
Director

January 2011



## SUSTAINABLE DEVELOPMENT INDICATOR (SDI) 1

### REDUCTION OF GREENHOUSE GASES

Avon Metals has invested over £500k in plant and equipment to protect the environment. A state-of-the-art fume arrestment plant has made significant reductions to carbon emissions. It is our aim to become Carbon Neutral by 2020 and the company is working with the Carbon Neutral Company to achieve this. Whenever Company representatives travel overseas, we select to offset our carbon emissions when booking flights.

The Company is an active member of the Climate Change Levy scheme operated by the DTI. Through investment in new, more energy efficient plant and equipment we have reduced our CO<sub>2</sub> emissions by an estimated 93% our Carbon Monoxide emissions by 39% in the reporting period 2006-2010. Our other Air Emission levels are well below the statutory levels imposed under our Permit to Operate. The table below details our Gas Emission Levels.

Gas Emission	Direct Greenhouse Gas / Indirect Greenhouse Gas / Other Air Emission	2006 Emissions (mg/m3)	2007 Emissions (mg/m3)	2008 Emissions (mg/m3)	2009 Emissions (mg/m3)	2010 Emissions (mg/m3)
Carbon Dioxide (CO <sub>2</sub> )	Direct	31	15.8	2.38	2.38	2.38
Methane Hydrofluorocarbons (HFCs) Petrofluorocarbons (PFCs) Sulphur Hexafluoride (SF <sub>6</sub> )	Direct	Avon Metals is not a significant generator of these Direct Greenhouse Gases				
Nitrogen Oxide (NO <sub>x</sub> )	Direct	31	<5	2.28	2.28	2.28
Sulphur Dioxide (SO <sub>x</sub> )	Direct	Data collection started in 2007	4.1	2.9	2.9	2.9
Carbon Monoxide (CO)	Indirect	Data collection started in 2007	3.9	2.38	2.38	2.38
Non-methane volatile organic compounds (NMVOCs)	Indirect	Avon Metals is not a significant generator of these Indirect Greenhouse Gases				
Cadmium and its compounds	Other	Data collection started in 2007	0.007	0.015	0.015	0.015
Lead and its compounds – permissible max. limit = 1 mg/m <sup>3</sup>	Other	0.10	0.018	0.010	0.010	0.010
Chloride (as HCl) – permissible max. limit = 5 mg/m <sup>3</sup>	Other	2.19	1.08	1.38	1.38	1.38
Fluoride (as HF) – permissible max. limit = 5 mg/m <sup>3</sup>	Other	0.23	0.14	0.430	0.430	0.430
Total particulate matter – permissible max. limit 20 mg/m <sup>3</sup>	Other	9.47	2.62	3.605	3.605	3.605
Chlorofluorocarbons (CFCs)	Other	Avon Metals is not a significant generator of these other ozone depleting substances.				



## SDI 2

### REDUCTION OF GREENHOUSE GASES CONTINUED...

#### Avon Metals Corporate Carbon Neutral Strategy

Avon Metals is a forward thinking, environmentally conscious company, and we have made a pledge to reduce our carbon footprint an ultimate target of becoming "carbon neutral".

Following the recent economic downturn, our carbon neutral target has been revised to 2020. A planned power correction upgrade at a cost of £130k plus installation costs has been rescheduled for 2012, and will save in excess of 1000 tonnes per annum of CO<sup>2</sup> emissions alone.

Being carbon neutral involves calculating the total climate-damaging carbon emissions, reducing them where possible, and then balancing the remaining emissions, often by purchasing a carbon offset e.g. paying to plant new trees or investing in "green" technologies such as solar and wind power.

Our strategy therefore involves the implementation of three basic steps –

#### *Measure, Reduce, Offset.*

##### 1 - MEASURE

Measure Avon's footprint by inventorying the greenhouse gas emissions we generate Avon Metals uses the post-Kyoto agreement Greenhouse Gas Protocol (GHG Protocol) accounting framework to understand, quantify, and manage our emissions to the environment.

In 2006-2009, Avon Metals average annual carbon footprint was calculated at 5,070.64 tonnes of Carbon Dioxide per annum, broken down as follows: -

• Electricity	3,222 tonnes CO <sup>2</sup>
• Gas	1,632 tonnes CO <sup>2</sup>
• Heating Oil	120.63 tonnes CO <sup>2</sup>
• Company Owned Vehicles	31.82 tonnes CO <sup>2</sup>
• Business Travel	15.96 tonnes CO <sup>2</sup>
• Commuting	6.94 tonnes CO <sup>2</sup>





## SDI 1

### REDUCTION OF GREENHOUSE GASES CONTINUED...

#### 2 - REDUCE

Develop targeted goals and strategies for Reducing those emissions.

#### *Setting the boundaries for measurement*

There are three categories of emissions generated in the course of conducting business. These delineations referred to in the GHG Protocol were developed in order to avoid future double counting.

#### *Scope 1 (Direct Emissions)*

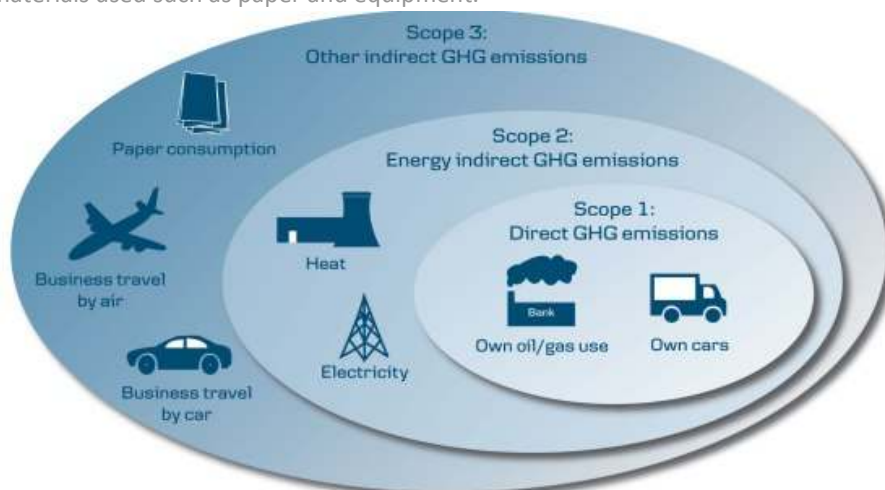
Those emissions that are generated from on-site production or direct combustion of fossil fuels through Avon-owned facilities, vehicles and equipment.

#### *Scope 2 (Indirect Emissions – electricity consumption)*

Those emissions that are generated through the consumption of electricity (kWh) to light and power offices and operations.

#### *Scope 3 (Other Indirect Emissions)*

Includes all the other activities that move products or services to market or the community. This list of indirect emissions includes business travel, employee commuting, outsourced activities (shipping, printing) and third party produced materials used such as paper and equipment.



A survey conducted by the Carbon Trust highlighted areas of improvements to reduce our Carbon Footprint and the Avon Metals has already implemented many of the recommendations made (see table to the left). This survey has helped us prioritise known savings as well as identifying new opportunities.



## SDI 1

## REDUCTION OF GREENHOUSE GASES CONTINUED...

## AVON METALS CARBON BALANCE

Carbon Footprint	Tonnes CO2	Totals
Electricity	3222	
Gas	1632	
Oil (heating and plant)	120	
Waste	41	
Business travel	16	
Company Vehicles	32	
Commuting	7	
<b>Total Current Carbon Footprint</b>		<b>5070</b>

Actions Implemented to reduce above		
Raw material savings 50% as some indirect	1416	
Burner Efficiency	300	
Monitoring and efficiency of energy use	234	
Switch off lights	3	
Replacing floodlights	4	
Repaired air leaks	15	
Passive IR light controls	2	
Idle casting tracks	14	
Extractor fan variable speed drives	52	
Local sourcing	5	
Consolidated transport fleet	5	
Environmental/energy bonuses	1	
Office and works recycling	1	
Aluminium pallets to replace wooden	56	
Flight offsetting	6	
Tree Planting work through Alupro	10	
<b>Total current Carbon Reductions</b>		<b>2124</b>

Future Plans		
Power correction	1000	
Conference calls	2	
Car sharing	1	
WWT carbon sink	500	
Installing Energy Star Equipment	130	
Biomass boiler	150	
Glos wildlife and other Biodiversity actions	100	
Carbon Trust extra savings	200	
<b>Projected Future Carbon Savings</b>		<b>2083</b>
<b>Nett Carbon to Offset</b>		<b>863</b>





## SDI 1

### REDUCTION OF GREENHOUSE GASES CONTINUED...

#### 3 – OFFSET

Net to zero the remaining annual emissions generated by purchasing Offsets, when there is no other viable way of reducing.

Offsetting provides a mechanism to reduce GHG emissions in the most cost-effective and economically-efficient manner. Offsetting plays a vital role in combating climate change, but it is not alone, the solution.

Avon Metals belief is that climate change will only be addressed if each and every one of us takes responsible steps to REDUCE our CO<sub>2</sub> emissions as much as possible and offset the remaining unavoidable emissions.

We will mitigate our surplus carbon dioxide emissions by investing in projects that avoid or absorb an equivalent amount of greenhouse gases from entering the atmosphere.

There are three types of carbon offset projects:

- **Renewable energy Projects** - (wind, solar, geothermal, small hydro and biomass) that avoid future carbon emissions by displacing fossil fuels.
- **Energy efficiency Projects** - that reduce demand through low energy lighting, retrofits, green buildings and industrial energy efficiencies.
- **Carbon Sequestration Projects** – which protect or increase capacity of forest ecosystems by avoiding deforestation, restoration and reforestation.

Avon Metals may choose to take a “portfolio” approach: invest in one or all of these projects. We will continue to partner with Slimbridge Wildfowl and Wetlands Trust on various projects aimed at protecting and nurturing Wetland areas which act as a natural “carbon sink” and help to offset our carbon emissions; reed beds naturally detoxify sewage water before it enters local river systems, wetlands help combat flooding –the risk being demonstrated by the 2007 Gloucestershire floods; many other “ecosystem services” and anthropocentric benefits that are often not readily visible, including: -natural regulation of air quality, pollination and biological pest control.

When we have completed our plans and feel that we can do no more – then, and only then – will we resort to buying carbon credits to offset the remainder.



## SDI 2

### REDUCTION IN ELECTRICAL ENERGY

The commissioning of a new gas fired reverberatory furnace that uses organic material, such as paint and plastic backing, as a catalyst to fuel the melting process, has helped reduce our total energy consumption by 0.08 Mwh per tonne of finished product - a 5% overall decrease within the application period.

Every year Avon Metals trades a large amount of Silicon metal into the photovoltaics industry for the production of silicon wafers for solar panels - a renewable energy source, and one which we intend to fully exploit.

Future plans also include looking at the possibility of harnessing the heat generated by our furnace chimney stack via a turbine system to power the heating system in our office block.

## SDI 3

### TRANSPORT MANAGEMENT

Avon delivers finished ingots to UK customers and operates a skip collection service for industrial generators of aluminium scrap. These movements have always required the use of three vehicles – a curtain-side lorry and two skip wagons. By investing in a new truck with an innovative, versatile loading system that can incorporate both finished product and loose scrap, we have been able to consolidate our transport from 3 vehicles into 1. Not only does this reduce our internal transport costs per tonne, it also makes for more effective route planning by maximising payloads and therefore reduces our Carbon Footprint through conserved fuel and lower emissions. Unfortunately, the recent hike in fuel prices has meant that this positive initiative on our behalf has been somewhat negated.





#### SDI 4

##### ENVIRONMENTAL MANAGEMENT SYSTEM

The Company is accredited to the Environmental Management System (EMS) ISO 14001. The following is controlled under this Standard: -

- ✓ Monitoring emissions to the atmosphere from chimney stacks.
- ✓ Monitoring noise levels – to neighbouring businesses, residential areas and also to our workforce.
- ✓ Recycling of aluminium packaging waste.
- ✓ Waste minimisation and appropriate disposal for recycling/reprocessing and reprocessing of waste by products such as dross, wood, building materials, toner cartridges, mobile phones, paper, cardboard & plastics.
- ✓ Safe management and disposal of effluents.

#### SDI 5

##### IMPLEMENTATION OF REACH REGULATION

We support REACH, the pan-European legislation for the Registration, Evaluation and Authorisation of Chemicals. The aim of REACH is to protect people's health and the environment through a risk assessment of chemicals produced in the European Community. We see REACH not as a threat but as a business opportunity and we have pre-registered all eligible substances we handle .

We are a Gold Member of Reach Ready – a wholly owned subsidiary of the Chemicals Industries Association







## SDI 6

### SOURCING OF SUSTAINABLE RAW MATERIALS

A large proportion of the aluminium alloys that Avon manufactures involve the use of high purity (99.5% min) aluminium. This has predominantly been achieved by re-melting virgin aluminium ingots produced from alumina (bauxite). Through extensive overseas travel, Avon identified new sources of scrap with similar chemistry to primary ingots, but with an associated cost advantage to us. One good example of this type of scrap is heat shields that are normally destined for car engines. Material has been successfully bought on long term contracts from South Africa, Spain and the Antipodes. In 2006 -2010, we replaced over 2500 metric tonnes per annum of primary ingot with new production scrap, reducing the need to buy material mined directly from ore and saving 95% of the energy required to refine the ore into primary ingots. The associated cost saving to the business over these two years is estimated at £430k. Our overall recycling input materials rate increased from 70% to 76% in the period of reporting.

## SDI 7

### NOISE REDUCTION

During the period of application, Avon installed louvered windows at high level in the foundry to cut down on noise emissions from plant and equipment. Noisy oxygen enrichment equipment was de-commissioned and replaced with quieter burner systems. The height of our boundary tree screening was also increased to further dampen noise pollution and to promote the nesting of birds and other important wildlife.







## SDI 8

### REDUCTION IN THE AMOUNT OF PACKAGING WASTE GOING TO LANDFILL

Aluminium packaging waste is sourced on a local and national scale. Recent investment in plant and equipment through revenue gained from the sale of Packaging Recovery Notes (PRN) has enabled the Company to widen the range of aluminium scrap it handles and the amount of packaging waste it reprocesses. Two 1.5 tonne induction furnaces, which were commissioned at the start of 2006, have made it possible for Avon to take in, melt and recycle a more diverse range of raw materials, including foils. The company has also invested in a fume extraction plant for the melting of decorated and lacquered aluminium - toothpaste tubes, for example – which emit more smoke due to the organic content. In 2006 we received an award from the Compliance Scheme - Valpak - for Best Investment of PRN Revenue

In the period 2006-2010 we recycled 3237 tonnes of aluminium packaging waste into new useful products, that would otherwise have gone down the landfill or incineration routes.

Our corporate membership of Alupro (the non-profit Aluminium Packaging Recycling Organisation) encourages charity groups based in and around Gloucestershire to sort aluminium foil from waste streams and bring to Avon for remelting. These groups (such as the Fairtime Centre in Lydney, the Cheltenham Integrated Recycling Project and the Oakley Adult Opportunity Centre in Whaddon) provide meaningful voluntary work for severely disabled people who sort the foil. These schemes help disabled people build self-esteem and realise their true potential. As a result, the community is challenged to change their perceptions about disabled people. Income generated from the sale of the foil to is reinvested into the project which has full involvement of Alupro and support from Vision 21 (Cheltenham) and Cheltenham Centre for Change.





## SDI 9

**DEVELOPING A RECYCLING STRATEGY (INCLUDING SAFE DISPOSAL OR RE-USE OF WASTE PRODUCTS)**

Avon Metals is ultimately an aluminium recycling company. Aluminium can, with just cause, be described as the “green” metal. Aluminium meets the complex ecological and technological requirements of our environmentally conscious society, and is a considerable ally in the fight against waste, energy consumption and environmental damage. The aluminium economy is a circular economy. For most aluminium products, the metal is not actually consumed during the product's lifetime, but simply used with the potential to be used again through recycling. Aluminium can be recycled again and again without any loss of its inherent properties, since its atomic structure is not altered during melting. Therefore, the life cycle of an aluminium product is not the traditional "cradle-to-grave" sequence, but rather a renewable "cradle-to-cradle". In all of its activities Avon Metals, and indeed the aluminium industry per se, aims towards a position of sustainability in environmental and social terms.

The high value of aluminium scrap is a key incentive and major economic impetus for recycling, independent of any legislative or political initiatives to encourage recycling. Aluminium scrap has considerable market value because most of the energy required for the production of primary aluminium is embodied in the metal itself and, consequently, in the scrap.

Therefore, the energy needed to melt aluminium scrap is only a fraction of that required for primary aluminium production. Recycling of aluminium products needs only 5% of the energy needed for primary aluminium production.

Avon Metals promotes other forms of recycling on site and has segregated collection points for the following office consumables: -

- ✓ Printer & toner cartridges
- ✓ Plastic vending cups / bottles
- ✓ Redundant mobile / office telephones
- ✓ Paper & Cardboard
- ✓ Aluminium & steel beverage cans
- ✓ Glass bottles
- ✓ Electrical & electronic equipment
- ✓ Newspaper & magazines





## SDI 10

### PROTECTION OF LOCAL WILDLIFE & PROMOTION OF BIODIVERSITY

Gloucestershire Wildlife Trust is the county's leading conservation charity dedicated to wildlife and Avon Metals is proud to be an active Corporate Sponsor, extending our commitment to our environment and helping to save some of the last remaining habitats for wildlife in our County. Partnership is available to companies committed to reducing their environmental impact. We feel honoured to help play a direct part in looking after Gloucestershire's natural heritage.

Avon is also a Slimbridge Wildfowl and Wetlands Trust Corporate Partner. With over 60 years experience of wetland conservation, WWT create and restore wetlands to help reverse the loss of these important areas throughout the world. In the UK, 2,000 hectares of wetland wildlife reserves provide winter refuge for more than 150,000 waterbirds.

The work Slimbridge carries out compliments Avon Metals' present and future business plan to become totally sustainable. Conservation of UK wetlands helps sustainability in several ways: -

- ✓ Wetlands act as a natural "carbon sink" and help to offset our carbon emissions.
- ✓ Reed beds naturally detoxify sewage water before it enters local river systems.
- ✓ Wetlands help combat flooding – the risk being demonstrated by the 2007 Gloucestershire floods.
- ✓ Many other "ecosystem services" and anthropocentric benefits that are often not readily visible, including: - natural regulation of air quality, pollination and biological pest control.

Slimbridge is home to an astounding array of wildlife including the world's largest collection of swans, geese, and ducks amongst others. In 2008 Avon Metals funded a "dragonfly pond" project at Slimbridge to encourage dragonflies to the site. Additionally, this will promote other pond wildlife such as frogs, newts and toads.

In 2009 Avon sponsored a schools competition by in conjunction with WWT, Alupro and Gloucester City Council for all Gloucestershire schools to design and make a dragonfly sculpture (as an homage to the pond) out of recycled aluminium foil and drinks cans. This amalgamated several important themes for us – recycling, carbon reduction, education, nature, art, & biodiversity.





#### SDI 11

##### **REDUCTION OF FRESHWATER CONSUMPTION PER TONNE OF ALUMINIUM PRODUCED & RAINWATER CAPTURE (INCLUDING WATER COP)**

As part of our "20/20 Vision" initiative, Avon Metals has made strides to reduce our water use. We have set ourselves a target to reduce our water use by 5% per annum.

Our policy includes: -

- ✓ Carrying out a survey to locate all areas of water use on site
- ✓ Identifying areas to reduce water waste.
- ✓ Installation of meters to regularly monitor water use
- ✓ Implementing a water saving campaign
- ✓ Staff training to ensure awareness of products can be washed down the drain.
- ✓ Checking the integrity of on site containers
- ✓ Avoiding leakages and spills
- ✓ Fitting of flow restrictors and automatic cut-off devices

Avon Metals has purchased approved water saving devices on the Water Technology List (WTL), including flow restrictors and automatic shut-off devices.

Avon Metals is registered with the Envirowise Rippleffect - a 3 stage initiative involving data collection, development and implementation an action plan and measuring savings.

Data has been collected using the Global Water Tool developed by the World Business Council of Sustainable Development (WBCSD). In the year July 2007 - June 2008 we reduced our water consumption by 0.02 cubic metres per tonne of finished product, representing a 4% decrease.

The roofs of our factory buildings make good collectors of rainwater. Avon Metals intends to capture the runoff rainwater in storage tanks, filter particles through a mesh and then re-use this water to cool our ingots.



# UN GLOBAL COMPACT CEO WATER MANDATE COP

## SDI 11 CONTINUED – WATER COP



## The CEO Water Mandate

### THE CEO WATER MANDATE

On July 5th, 2007, the chief executive officers of bottled water giants Coca Cola and Nestlé joined four other multinational corporations, including water privateers Suez and Läckeby Water Group, to announce a new “water mandate” within the United Nations Global Compact.

The CEO Water Mandate is an initiative developed in partnership between the United Nations Global Compact, the Government of Sweden and a group of committed companies and specialized organizations dealing with the problems of water scarcity and sanitation. It is designed as a private-public initiative with a focus on developing strategies and solutions to contribute positively to the emerging global water crisis. The CEO Water Mandate seeks to engage a critical mass of companies from around the world, willing to undertake serious efforts, in partnership with other stakeholders, to address this challenge. Whenever possible, this initiative will coordinate efforts and work with existing water programs -- both global and local -- in order to maximize impact.

As a signatory to the United Nations Global Compact (UNGC), Avon Metals’ CEO, Steven Munnoch, has endorsed the CEO Water Mandate. As estimated by the UNGC, more than 1 billion people do not have access to clean water, while 2.6 billion people lack access to adequate sanitation. Water scarcity is linked to poor education, poverty, disease, and increasingly, conflict. Companies have a role to play in advancing water management.

### MISSION STATEMENT

The CEO Water Mandate seeks to make a positive impact with respect to the emerging global water crisis by mobilizing a critical mass of business leaders to advance water sustainability solutions – in partnership with the United Nations, civil society organizations, governments, and other stakeholders.

As a special initiative of the UN Secretary-General, The CEO Water Mandate offers a unique action platform to share best and emerging practices and to forge multi-stakeholder partnerships to address the problems of access to water and sanitation. The CEO Water Mandate covers six areas: Direct Operations; Supply Chain and Watershed Management; Collective Action; Public Policy; Community Engagement; and Transparency.

Endorsers of The CEO Water Mandate recognize that through individual and collective action they can contribute to the vision of the UN Global Compact and the realization of the Millennium Development Goals.

# UN GLOBAL COMPACT CEO WATER MANDATE COP

## SDI 11 CONTINUED – WATER COP



### The CEO Water Mandate

#### STATEMENT OF CONTINUED SUPPORT FOR THE UN GLOBAL COMPACT'S CEO WATER MANDATE

Water is essential for sustaining life. However, this valuable resource is distributed unevenly throughout the world and is also often used wastefully and polluted. This is resulting in severe ecological damage, disease, food shortages and violent conflicts. By developing and promoting solutions to support efficient and responsible consumption of water, Bayer is committed to conserving one of the most crucial of all raw materials.

A commitment to protecting water quality and reducing water consumption has long been part of Bayer company policy." Drinking water is a resource in scarce supply. A mere 2.5 percent of all the water on Earth is freshwater – and most of that is either contained in ice, or is present as groundwater and therefore difficult to access. According to estimates by the United Nations, water shortages will assume critical levels in numerous regions over the course of the next few decades. Today, over a billion people already have no access to clean water. As the world's population continues to grow and consumption habits change, the amount of drinking water needed, and the volume required for sanitary and hygienic purposes and especially for food production, will continue to increase. Increased urbanization is intensifying the pressure on local water resources and, particularly in the emerging countries, water pollution is on the increase. In some areas, climate change will exacerbate the situation still further due to decreased precipitation and rising sea levels.

Efficient water usage and water pollution control are key issues when it comes to sustainable development. Agriculture has a crucial role to play in this respect, as the majority of the water consumed in the world (around 70 percent) is used in the cultivation of foodstuffs.

As an active UNGC signatory, Avon Metals are also part of the CEO Water Mandate which focuses on achieving more sustainable consumption of this essential resource. By joining the CEO Water Mandate, Avon Metals commits to setting meaningful water reduction targets and tracking and reporting water usage, and has indicated its commitment to adhere to a comprehensive approach to water management. The Mandate is broken into six key areas: direct operations; supply chain and watershed management; collective action; public policy; community engagement; and transparency. Each key area concludes with a pledge for signers to commit to a number of related actions.

# UN GLOBAL COMPACT CEO WATER MANDATE COP

## SDI 11 CONTINUED - COP



### The CEO Water Mandate

*Description of policies and practical actions that Avon Metals have taken to implement the CEO Water Mandate elements.*

Our policies include: -

- Carrying out a survey to locate all areas of water use on site
- Identifying areas to reduce water waste.
- Installation of meters to regularly monitor water use
- Implementing a water saving campaign
- Staff training to ensure they are aware if what products can be washed down the drain.
- Checking the integrity of on site containers
- Avoiding leakages and spills
- Fitting of flow restrictors and automatic cut-off devices

#### 1. Direct Operations

Avon Metals understands our water use and have integrated robust water management processes. We have used the GEMI Water Sustainability Tool to build awareness about the plant's relationship to water and have purchased approved water saving devices on the Water Technology List (WTL), including flow restrictors and automatic shut-off devices.

#### 2. Supply Chain and Watershed Management

Avon Metals does have supplier guidelines but we are not yet working with suppliers to build capacity and reduce their water footprint. In the future we intend to encourage our suppliers to improve their water conservation, quality monitoring, waste-water treatment, and recycling practices by: -Building capacities to analyze and respond to watershed risk.; Encouraging and facilitating suppliers in conducting assessments of water usage and impacts.; Sharing water sustainability practices – established and emerging –with suppliers.; Encourage major suppliers to report regularly on progress achieved related to goals.



# UN GLOBAL COMPACT CEO WATER MANDATE COP

## SDI 11 CONTINUED – WATER COP



The CEO Water Mandate

### 3. Collective Action

Avon Metals fosters a partnership approach with a variety of organisations, including suppliers and local businesses at a regional and local level. In addition, we are members of, or work in partnership with, a range of organisations, including the United Nations and GRI.

### 4. Public Policy

Avon Metals are committed to making a positive contribution on water through our business activities, and as part of the CEO Water Mandate we are working alongside members on water-related supply chain issues; collective action; public policy; and community engagement. We believe that we can play a powerful role in helping to advance key public policy issues related to our business by using our corporate voice.

### 5. Community Engagement

Avon Metals is a Corporate Partner of Gloucestershire Wildlife Trust and Slimbridge Wildfowl and Wetlands Trust, promoting bio-diversity in the region. WWT create and restore wetlands to help reverse the loss of these important areas throughout the world. In the UK, 2,000 hectares of wetland wildlife reserves provide winter refuge for more than 150,000 waterbirds. The work Slimbridge carries out compliments Avon Metals' present and future business plan to become totally sustainable. Conservation of UK wetlands helps sustainability in several ways; wetlands act as a natural "carbon sink" and help to offset our carbon emissions; reed beds naturally detoxify sewage water before it enters local river systems, wetlands help combat flooding –the risk being demonstrated by the 2007 Gloucestershire floods; many other "ecosystem services" and anthropocentric benefits that are often not readily visible, including: - natural regulation of air quality, pollination and biological pest control. Slimbridge is home to an astounding array of wildlife including the world's largest collection of swans, geese, and ducks. Other important wildlife includes kingfisher, flamingos, water voles, beavers, redshank, brown hares, dragonflies, wild otters, grass snakes and wild orchids. In 2008 Avon Metals funded an environmental ecosystem project at Slimbridge to encourage dragonflies to the site. Additionally, this will promote other pond wildlife such as frogs, newts and toads. We plan to follow up on our successful 2007/2008 schools competition by running an event in 2009 in conjunction with WWT, Alupro and Gloucester City Council for all Gloucestershire schools to design and make a dragonfly sculpture out of recycled aluminium foil and drinks cans. Slimbridge have kindly agreed to exhibit the winning entries. This will tie in several important themes for us –recycling, carbon reduction, education, nature, art, & biodiversity



# UN GLOBAL COMPACT CEO WATER MANDATE COP

## SDI 11 CONTINUED – WATER COP



The CEO Water Mandate

### 6. Transparency

Avon Metals openly publish our targets, results and activities in accordance with the GRI (G3) guidelines and report on progress against our commitments such as the CEO Water Mandate. This information is made public through our Sustainability Report published on our corporate website [www.avonmetals.com](http://www.avonmetals.com), the UN Global Compact site [www.globalcompact.org](http://www.globalcompact.org), and also [www.corporateregister.com](http://www.corporateregister.com)—a leading CSR information portal. Avon Metals is also a member of the World Economic Forum's Partnership Against Corruption (PACI) initiative, galvanising our commitment to transparency and fair play.

### Measurement of Outcomes

Avon Metals uses the GRI G3 Guidelines to measure qualitative/quantitative outcomes, or future expected outcomes, related to the CEO Water Mandate elements. We spotlight our direct water consumption in "Our 20/20 Vision" Sustainability Report, and to understand water and other environmental issues in our supply chain, we conduct annual engagement surveys with key suppliers. Data has been collected using the Global Water Tool developed by the World Business Council of Sustainable Development (WBCSD). Outcomes are reported in "Our 20/20 Vision" Sustainability Report.

### GRI G3 guidelines currently reported:

#### EN8 Total water withdrawal by source

Source of Withdrawn Water	2006 M <sup>3</sup>	2007 M <sup>3</sup>	2008 M <sup>3</sup>	2009 M <sup>3</sup>	2010 M <sup>3</sup>
Surface water, including water from wetlands, rivers, lakes, and oceans	N/A	N/A	N/A	N/A	N/A
Ground water	N/A	N/A	N/A	N/A	N/A
Rainwater collected directly and stored by the reporting organisation	N/A	N/A	N/A	N/A	N/A
Waste water from another organization	N/A	N/A	N/A	N/A	N/A
Municipal water supplies or other water utilities	3747	4907	4755	4130	5321
<b>TOTAL WATER WITHDRAWAL</b>	<b>3747</b>	<b>4907</b>	<b>4755</b>	<b>4130</b>	<b>5321</b>

# UN GLOBAL COMPACT CEO WATER MANDATE COP

## SDI 11 CONTINUED – WATER COP



The CEO Water Mandate

**EN10** Percentage and total volume of water recycled and reused.

The roofs of our factory buildings make good collectors of rainwater. Avon Metals intends to capture the runoff rainwater in storage tanks, filter particles through a mesh and then re-use this water to cool our ingots. The roofs of our factory buildings make good collectors of rainwater. Avon Metals intends to capture the runoff rainwater in storage tanks, filter particles through a mesh and then re-use this water to cool our ingots. This initiative has been started and completion is aimed for 2012. When considering the average rainfall figures published by the Met Office, our runoff co-efficient and the size of our roof area, we anticipate capturing 250,000 litres per annum of renewable water.

**EN 21** *Total water discharge by quality and destination*

Avon Metals is dedicated to implementing innovative ways to conserve water, including rainwater capture, and identifying by-product synergy opportunities to reuse the water for beneficial purposes. A large proportion (70%) of the water we use on site is for cooling down molten metal and this water evaporates into the atmosphere. The remaining 30% passes through our interceptor tanks to remove any solid matter or oils before being discharged into the foul sewers. Severn Trent Water have assessed our site and have confirmed that the water we discharge is 100% safe to return to the water course and we receive a 90% reduction on our sewage levy as an incentive to maintain this process.

### Water Discharges (estimated)

Water exiting Avon Metals' site	2006 M <sup>3</sup>	2007 M <sup>3</sup>	2008 M <sup>3</sup>	2009 M <sup>3</sup>	2010 M <sup>3</sup>
Water evaporated through molten metal cooling process	2631	3181	3527	2891	3725
Water passing through interceptors and into foul sewer	1127	1363	1512	1239	1596
Freshwater consumption M <sup>3</sup> /t of finished product	0.39	0.48	0.46	0.45	0.44

GRI G3guidelines that we intend to report on in the future:

**EN 9** *Water sources significantly affected by water*





## SDI 12

### HEALTH & SAFETY - REDUCTION IN WORKPLACE INJURIES

The Directors of Avon Metals recognise that Health & Safety is of paramount importance to us and is taken into account in every management decision we make and every process we carry out.

Avon Metals has started the process to attain the Occupational Health & Safety standard OHSAS 18001. This will be in place by 2012 and will integrate seamlessly with our existing ISO 9001 Quality and ISO 14001 Environmental Management Systems. An aluminium foundry and non-ferrous scrap yard can be a dangerous place with many potential hazards – heat, airborne dust contaminants, dust and fumes from molten metal, vibration, noise, manual handling and plant operation.

Our entire workforce – from senior management to shop floor – has a focus on fundamental safety systems and are made aware such hazards and of their responsibility within their own area. We promote good practice on a day-to day basis and have a 3 stage HSE strategy, in line with the Health & Safety At Work Act 1974: -

- 1) Identification of hazards & potential risks
- 2) Take action to prevent & control risks
- 3) Keep control measures under regular review assessment.

Avon Metals is involved in several industry specific Health & Safety Initiatives including The Cast Metals Federation SHIFT (Safety & Health Foundry Targets Initiative), designed to share best practice through quarterly meetings at the National Metalforming Centre which generally focus on specific areas, such as Hand/Arm vibration, Manual Handling or Workplace Transport; and through the Aluminium Federations' AIMS (Aluminium Industry Made Safer) initiative, whose target is to achieve a 10% reduction in Lost Time Incident (LTI) rate over a 3 year period.

We pride ourselves on our "zero fatalities rate" throughout the history of the company - much lower than our industry norm. Our Lost Time Incident Rates and Total Recordable Incident Rates are slightly higher than average for our industry. Our "Target Zero" aim is to reduce this rate in 2011 and beyond.

The rate of RIDDOR reportable accidents amongst SHIFT group members has reduced from 4,214 / 100,000 employees in 2002 to 1,777 / 100,000 in 2007 - a 58% reduction. In 2010, Avon Metals only had 1 RIDDOR reportable accident.





## SDI 12 CONTINUED....

### HEALTH & SAFETY - REDUCTION IN WORKPLACE INJURIES

The company conducts annual health screenings, including monitoring of hearing levels, lung function, bi-annual personal air monitoring and night workers assessment.

An independent H & S consultant visits on a monthly basis to carry out “completely independent” risk assessment surveys. A written report stating action required is produced. Listed in this Sustainability Report are some of the daily Health & Safety issues we face and how we tackle them effectively: -

#### HEAT

The furnaces and molten metal in a foundry create a hot working environment. Dehydration, heat cramps, heat exhaustion and heat stroke are some of the health effects foundry workers can experience from exposure to excessive heat.

We combat this by using fans and flues to reduce the air temperature, giving regular work breaks in cool areas, job sharing and rotation, and using personal protective equipment such as eye wear, heat reflective clothing, gloves and footwear

#### DUST & FUMES

Foundry operations create dusty conditions exposing workers to various health risks. Foundry workers may be exposed to various types of dust, including nuisance dust, wood dust, metal dust and airborne RSC (Respirable Crystalline Silica) dust. Specific illnesses have been linked with exposure to certain types of dust. Fumes generated from melting of molten metal may irritate the lungs.

We deal with dust and fumes in various ways – extraction canopy hoods over the furnaces, DISA Airmaster state-of-the-art dust extraction plant, training in safe work practices and use and maintenance of personal protective equipment (PPE) and respiratory protective equipment (RPE), respirators with organic vapour filters for organic vapours. When relining furnaces, operatives use air fed RPE with an assigned protection factor (APF) of minimum 40 and we use a permit-to-work system for access. When cleaning up metal dust we use a type H vacuum cleaner fitted with a HEPA filter, instead of a brush. Dross is sent for reprocessing almost as quickly as it is generated, reducing the chance of it getting wet and emitting gases. We ensure that workers shower and change after every work session and use a contract laundry company to wash work clothing.



**SDI 12 CONTINUED....****HEALTH & SAFETY - REDUCTION IN WORKPLACE INJURIES****MOLTEN METAL**

Serious burns may result from splashes of molten metal and radiant heat at any time in the melting and pouring areas. Sparks from molten metal may also damage the eyes. Exposure to infrared and ultraviolet radiation may result in eye damage including cataracts. There are many practices which may increase the risk of hot metal splashes: charging a furnace with contaminated or moist scrap metal and alloys; using moist tools, moulds or other material when contacting molten metal.

Our control methods for molten metal include: - maintaining a safe working distance, ensuring that all raw material ladles and other equipment that may come in contact with molten metal must be completely dry; restricting unauthorised access to the furnace area by barriers and signage, restricting visitors and workers from wearing synthetic clothing, including undergarments when entering the furnace and pouring areas; keeping the melting and pouring areas free of combustible material and volatile liquids; provide training in safe work practices and the use and maintenance of personal protective equipment including full faceguards. Fire extinguishers of all types are close to hand throughout the facility.

**HAND ARM VIBRATION (HAV)**

Although a very low risk, at times our foundry workers may be exposed to whole-body vibration and hand-arm vibration from hammering ingots and cleaning furnaces with pneumatic drills. The health effects of vibration can include blood pressure and heart problems, nervous disorders, and blanching and numbness in the fingers.

Our control measures for vibration include: using tools with vibration dampers, monitoring and limiting the use of vibrating equipment, providing protective gloves.

**NOISE**

Avon employees are subjected to a variety of noise sources, such as induction furnaces, casting track hammers; fettling and scrap handling are capable of causing damage to hearing.

Where high levels of noise are present, workers wear personal hearing protectors.



#### **SDI 12 CONTINUED....**

#### **HEALTH & SAFETY - REDUCTION IN WORKPLACE INJURIES**

To control noise we have installed a new improved ingot mould design to aid ingot discharge and minimise the need for fettling on most of our casting tracks that has drastically reduced the amount of excess metal to be removed after casting. This in turn removes or reduces the need for fettling.

#### **PLANT & MACHINERY**

Avon Metals uses a wide range of metal processing equipment Including fork lift trucks, balers, shears, croppers, and furnaces. Burns, cuts and lacerations and amputations are some of the injuries that can result from poor maintenance, repair and guarding and use of such plant and machinery.

We deal with such risks by: - enclosing or guarding dangerous machines; neutralising potential energy sources during maintenance and repairs, full operator training and provision of personal protective equipment.

Visitors and workers with medical implants, joints, plates or similar objects are kept away from our induction furnaces as the magnetic fields involved in the melting process can induce a charge in the metallic implant. Personnel with cardiac pace makers are particularly at risk and are restricted from approaching the induction equipment.

#### **COSHH**

All laboratory substances (including acids) and paints for identifying finished product are controlled under COSHH (Control of Substances Hazardous to Health) regulations and are kept in secure, fire-proof cabinets.

#### **MANUAL HANDLING**

Workers in most areas within Avon are required to perform manual tasks including lifting, driving vehicles, tool use, dressing off, ingot stacking, which could lead to musculoskeletal or repetitive strain disorders.

We have reduced manual handling risks by redesigning equipment or work practices. A good example of this is ingot stacking. We have invested in spring loaded tables which maintain a constant, comfortable working height for the operative, thus avoiding the need to bend over all the time and strain the back. Wherever possible, lifting is mechanically assisted through the use of forklifts, grabs and hoists. .

## SDI 12 CONTINUED....

## HEALTH &amp; SAFETY - REDUCTION IN WORKPLACE INJURIES

## WORKPLACE TRANSPORT

Every year in UK industry people are killed or seriously injured in workplace transport related accidents. Commonly accidents involve people being hit or run over by vehicles such as forklift trucks, cars, lorries, vans etc.

At Avon Metals, we control the risk of this happening by ensuring that: -

- i) the design and layout of the workplace enables us to separate vehicles and pedestrians as much as possible;
- ii) loading and unloading operations are carried out in areas away from passing traffic and pedestrians;
- iii) our vehicles are fitted with horns, lights, reflectors, reversing lights;
- iv) suitable designated parking areas are provided for work related vehicles (both permanent and visiting);
- v) there are safe systems of work for activities such as coupling/uncoupling trailers, covering and uncovering vehicle loads and accessing the top of vehicles;
- vi) we provide traffic control features such as clearly marked pedestrian crossing points, mirrors at blind corners, and pedestrian barriers (especially at exits onto traffic routes)
- vii) provision of high visibility vests for staff and visitors – be seen, be safe.

## SLIP TRIPS

We promote good housekeeping to ensure that loose lumpy or granular metals are kept in proper storage and that any spills of metal or liquids are cleaned up quickly.

Skin creams are available to help prevent dermatitis.

## FIRST AID

Several Avon managers and foreman are fully trained First Aiders and first aid kits are readily available throughout our factory and office complexes.

Avon Metals Health & Safety Statistics	2005	2006	2007	2008	2009	2010	Aluminium Industry Average
Lost Time Incident (LTI) Rate	4.8	5.6	6.5	14.65	4.96	13.84	5.6
Total Recordable Incident (TRI) Rate	15.5	10.31	20.8	29.3	27.3	16.92	12.1
Fatalities	0	0	0	0	0	0	3

$$\text{LTI RATE} = \frac{\text{Number of Lost Time Incidents}}{\text{Number of Employee Hrs Worked}}$$

$$\text{TRI RATE} = \frac{\text{Number of Recordable Incidents}}{\text{Number of Employee Hrs Worked}}$$





### SDI 13

#### STAFF TRAINING AND PERSONAL DEVELOPMENT

Avon Metals believes that our people are our most valuable asset and encourages a healthy work-life balance that ensures that the workplace is clean, safe and healthy at all times.. The company operates a no smoking policy. Our staff turnover was affected by unfortunate, but necessary redundancies in 2009 due to the decline in the global economic climate, but since then we have returned to pre-credit crunch staffing levels and our productivity has increased,

The Company provides staff with a generous remuneration and incentives programme including death in service benefit, generous annual leave per year, flexible retirement plans and help towards achieving work-related qualifications. When two long serving employees suffered from long-term illness, we were delighted to help them meet their ongoing living costs.

The Company operates an employee development review process, which provides an opportunity for all team members to work with their line manager to plan their development for the coming year. This may include formal training, gaining experience in new areas, and/or mentoring. This allows us to identify and create relevant career pathways for our workforce. Wherever possible we endeavour to “promote from within”.

Our training courses for employees include: - Effective Leader Management; Forklift / heavy plant operation; Health & Safety; First Aid at Work; Business Improvement Techniques; Technical courses; REACH (Registration, Evaluation and Assessment of Chemicals) Avon utilises the skills and assets of a multinational workforce. Avon Metals current language resources include Chinese Mandarin and Polish as a mother tongue and many European languages as a secondary asset. The Company organises regular scheduled ESOL (English for Speakers of Other Languages) for the foreign workers it employs.

Performance reviews are also conducted annually, creating the opportunity to identify specific objectives for each team member, to review progress against previous objectives. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far possible, be identical with that of other employees.

Staff are encouraged to develop their skills, and these will be furthered and honed under our impending Investors In People (IIP) implementation.

Wage levels are above average for the industry, and financial incentives are in place for production levels , skill level & night shift work. We also introduced Environmental and Health & Safety related bonuses in 2009-2010.



## SDI 13

## STAFF TRAINING AND PERSONAL DEVELOPMENT

## AVON METALS TRAINING DAYS

Subject	Department	Attendees	Days	Total
MAS Lean Mfg	Foundry	6	8	48
OHS	All departments	55	1	55
HR	Administration	2	6	12
First Aid	Foundry	6	3	18
Aluminium Applications	Administration	2	1	2
BERR Export Docs	Administration	1	1	1
Health & Safety	Foundry	2	3	6
<b>Totals</b>				<b>142</b>
<b>Total Employees</b>				<b>57</b>
<b>Days per Employee</b>				<b>2.49</b>



## SDI 13

## STAFF TRAINING AND PERSONAL DEVELOPMENT

	Y/E 31.7.09	Y/E 31.7.10
Total Number of Avon Employees	38	57
Percentage of Full-Time Employees	100 %	100 %
Percentage of Part-Time Employees	NIL	NIL
Percentage of Permanent Staff	100 %	100 %
Percentage of Temporary Staff	NIL	NIL
Percentage of Staff Employed in Gloucester	100 %	100 %
Percentage of Male Employees	93 %	93 %
Percentage of Female Employees	7 %	7 %
Percentage of Minority Employees	40 %	49 %
Percentage of Non-Minority Employees	60 %	51 %
Percentage of Employees aged below 30	28 %	31 %
Percentage of Employees aged 30 to 50	34 %	42 %
Percentage of Employees aged over 50	38%	27 %
Average Male Base Salary Per Annum	£21,735	£22,000
Average Female Base Salary Per Annum	£17,850	£19,000
Ratio of Male to Female Average Base Salary	1.22 : 1	1.16 : 1





## SDI 14

**IMPROVEMENT & DEVELOPMENT OF COMMUNITY RELATIONS**

In both 2007 & 2009 Avon Metals, in conjunction with Alupro and Gloucestershire County Council, co-ordinated 2 competitions for Gloucestershire schools.

In 2007 over 40 participating schools had to design and build a tree sculpture using recycled aluminium foil and drinks cans. The winning entries received top-of the-range camcorders, and the overall winning tree is proudly displayed in our reception area. Runners up prizes included £100 for second place and £50 for third place. All of the schools who took part in the competition received a native fruit tree of their choice, to plant in their school grounds.



*2007 Winning Entry*

This idea of tree planting is further echoed through our corporate support and membership fees to Alupro. Alupro's Tree Campaign focuses on tackling deforestation in Africa whilst at the same time providing the means and know-how to develop small businesses in rural communities in Malawi. A tree will be grown for every tonne of aluminium cans and foil recycled in the UK. The fruit tree, will provide good food as well as the basis for fruit drying and juicing enterprises, adding value to the crop as the trees mature and promoting biodiversity in the region.

In November 2007, Avon Metals won the Book Check Cup for outstanding work in the region at the Gloucestershire Ambassadors Millennium Dinner and Gloucestershire First were involved in the judging of our tree competition for Gloucestershire schools. In 2010, the Directors of Avon were invited by Slimbridge Trust to Buckingham Palace to meet the Duke of Edinburgh, following our collaboration with them on various environmental projects.

Avon Metals have a good relationship with the local Police force and we work closely with them in an attempt to eradicate local crime particularly thefts of valuable metals both from other local companies and at our own facility. The funds generated by such crime is often used to fund drug habits.

Avon supports our staff in their endeavours and activities outside the workplace and has sponsored the football team of one of our employees – Tuffley Rovers. The Company has also made financial contributions to a successful Gloucester school rugby team, with many players filtering into Gloucester Rugby Club and England Juniors.



## SDI 14

IMPROVEMENT & DEVELOPMENT OF  
COMMUNITY RELATIONS CONTINUED.....

## "WASTE TO WILDLIFE" COMPETITION 2009



In 2009, the competition "From Waste to Wildlife" was jointly organised by Gloucestershire County Council's Waste Unit and WWT Slimbridge, supported by The Aluminum Packaging Recycling Organisation (Alupro) and the British Dragonfly Society. The competition and the creation of the new dragonfly pond at Slimbridge was sponsored by Avon Metals Ltd Gloucester, who donated a £400 first prize.

The official launch of the competition took place on Tuesday 24 February at the Slimbridge Wetland Centre and pupils from Slimbridge Primary School took part in workshops on recycling and the lifecycle of dragonflies.

Veronica Morriss, centre manager at WWT Slimbridge, said: "This is a fantastic opportunity for Slimbridge to work with Avon Metals and Gloucestershire County Council to promote both wildlife and recycling in a fun and creative competition. This is an imaginative competition and one in which we can celebrate both the numerous species of dragonfly we have here and our new dragonfly pond, kindly funded by Avon Metals. We look forward to seeing some inspired creations from our local schools and are honoured to be hosting what will be a wonderful exhibition."

Hannah Gray, Waste Education Officer for Gloucestershire County Council said: "I think the competition will capture children's imagination, and I am looking forward to seeing the end results. I also believe that youngsters will learn about the importance of the 3Rs- Reduce, Reuse and Recycle. This competition should help them make the link between protecting our environment and throwing away less materials.

All 350 schools in Gloucestershire were invited to create a sculpture of a dragonfly (or swarm of dragonflies) made out of aluminum foil and many entries were suspended from the ceiling in Slimbridge visitors centre in a magical aerial display





#### SDI 14

#### IMPROVEMENT & DEVELOPMENT OF COMMUNITY RELATIONS CONTINUED....

##### Second Life Metals

In 2010 Avon Metals will partner with the Association of Private Cemeteries & Crematoria (APCC) to recover metals from privately owned crematoria in the UK.

New Government legislation means that metals left over from the cremation process are not allowed to be buried in the ground.

Avon was approached by APCC in 2009 to see if we could assist. Metals recycled will include Cobalt Chrome alloys, Titanium (orthopedic joints) & Steel (coffin nails).

Avon will provide this sensitive service to private crematoria throughout the UK, and the money that is generated from the recovery of these valuable metals will be used to fund bereavement charities nominated by APCC.

It is a poignant thought to know that metals that would otherwise have gone to landfill can now find a second life and be respectfully recycled in to new products, saving the environment and helping provide a new income stream to support worthwhile charities.



[www.apcandc.co.uk](http://www.apcandc.co.uk)





## SDI 15

### UNITED NATIONS GLOBAL COMPACT SIGNATORY

Avon Metals is a participant in the United Nations Global Compact. Launched by Kofi Annan in 1999, the Global Compact initiative is a network of UN agencies, corporations, NGOs, labour, and academic institutions that endorse a set of principles on human rights (derived from the Universal Declaration of Human Rights), labour, the environment and anti-corruption.

### THE 10 PRINCIPLES OF THE GLOBAL COMPACT

#### HUMAN RIGHTS

**PRINCIPLE 1:** Businesses should support and respect the protection of internationally proclaimed human rights; and

**PRINCIPLE 2:** make sure that they are not complicit in human rights abuses.

#### LABOUR STANDARDS

**PRINCIPLE 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

**PRINCIPLE 4:** the elimination of all forms of forced and compulsory labour;

**PRINCIPLE 5:** the effective abolition of child labour; and

**PRINCIPLE 6:** the elimination of discrimination in respect of employment and occupation.

#### ENVIRONMENT

**PRINCIPLE 7:** Businesses should support a precautionary approach to environmental challenges;

**PRINCIPLE 8:** undertake initiatives to promote greater environmental responsibility; and

**PRINCIPLE 9:** encourage the development and diffusion of environmentally friendly technologies.

#### ANTI-CORRUPTION

**PRINCIPLE 10:** Businesses should work against corruption in all its forms, including extortion and bribery.

*Ban Ki Moon, Un Secretary General***SDI 15****UNITED NATIONS GLOBAL COMPACT SIGNATORY****STATEMENT OF CONTINUING SUPPORT FOR THE UN GLOBAL COMPACT**

Avon Metals has been a signatory to the United Nations Global Compact since 2007, and we continue to align our operations and strategies with its ten principles in the four key areas of Human Rights, Labour Environment and Anti-corruption.

Signing the Global Compact affirms our long-standing commitment to strive to conduct business responsibly, and where possible, we actively encourage our business partners and other key stakeholders to join the initiative.

Our Communication on Progress (COP) is made available to stakeholders through the UN Global Compact website ([www.unglobalcompact.org](http://www.unglobalcompact.org)) and our own corporate internet site ([www.avonmetals.com](http://www.avonmetals.com)).

In 2008/2009 – 10th December 2008 CEO Statement 60th Anniversary of the Universal Declaration of Human Rights, CEO Water Mandate, Caring for Climate, Seal the Deal.

**MEASURES AND PRACTICE ACTIONS****PRINCIPLES 1 & 2**

- Avon Metals works with suppliers who share our commitment to human rights.
- Avon Metals Supplier Code of Conduct, required of all third party suppliers, encourages engagement with key human rights issues such as child labour, discrimination and working conditions throughout the Supply Chain.
- OHSAS 18001 Standard & Investors In People Standards are in progress

**PRINCIPLES 3,4,5 & 6**

- All employees made aware of our zero tolerance stance towards discrimination of any kind.
- Developed Employee Code of Conduct Manual
- English lessons provided for speakers of other languages





## SDI 15

### UNITED NATIONS GLOBAL COMPACT SIGNATORY

#### STATEMENT OF CONTINUING SUPPORT FOR THE UN GLOBAL COMPACT

##### PRINCIPLES 7,8 & 9

- Avon Metals certified to ISO 14001 Standard
- Corporate sponsor of 2 wildlife organisations
- Reduction of carbon dioxide and other Greenhouse Gas emissions
- Reduction in water consumption
- Set 2020 target to become Carbon Neutral

##### PRINCIPLES 10

- Anti-Corruption Policy developed and rolled out within the company
- Member of the World Economic Forum's partnership Against Corruption Initiative

##### FUTURE PLANS

- Engage in Global Compact Local Network events
- Attain OHSAS 18001 & Investors In People standards
- In contracts with Chinese suppliers, Avon metals will make reference to our membership of the Un Global Compact and we will analyse our suppliers policies on human rights and labour issues.
- Compliance with new UK Bribery Act







## SDI 15 CONTINUED...

### STATEMENT OF CONTINUING SUPPORT FOR THE UN GLOBAL COMPACT

#### CARING FOR CLIMATE

"Caring for Climate" is a voluntary and complementary action platform for UN Global Compact participants who seek to demonstrate leadership on the issue of climate change. CEOs who support the statement are prepared to set goals, develop and expand strategies and practices, and to publicly disclose emissions as part of their existing disclosure commitment within the UN Global Compact framework, that is, the Communication on Progress.

Caring for Climate is a unique initiative – a commitment to action by business and a call to governments, incorporating transparency. It offers an interface for business and governments at the global level, with the potential of rapidly becoming the leading platform for pragmatic business solutions -- transcending national interests and responding to the global nature of the issue at stake. Moreover, the broad geographical spread of its supporters, involving both leading actors from developed and emerging economies, reinforces the novel nature of this engagement platform

#### SEAL THE DEAL

Seal the Deal! was a UN campaign calling for a fair, balanced and effective post-Kyoto climate agreement at the UN Climate Change Conference (COP 15), held from 7-18 December 2009 in Copenhagen. In support of Seal the Deal!, The Global Compact is reached out to its participants to galvanize global business support for the campaign.

Avon Metals was proud to endorse "Seal the Deal" with the following CEO statement: -

"Climate Change is of paramount importance to Avon Metals. Changes in the climate over recent years, and those predicted over the next 100 years, are considered to be largely a result of modern human life, rather than Mother Nature following her course. The impacts of Climate Change will affect every living organism on the planet. To this end, we applaud the United Nation's Seal the Deal! Campaign calling for a fair, balanced and effective post-Kyoto climate agreement. As a recycling company, Avon Metals' mission is to become a totally sustainable company and our raison d'être to help preserve our precious environment for future generations. We are constantly pushing the envelope and challenging ourselves to investigate new technologies and renewable energy sources to reduce our greenhouse gas emissions and neutralise our carbon footprint. We look forward to standing shoulder to shoulder with the UN and tackling Climate Change head on together."

Steven Munnoch, Managing Director, Avon Metals Ltd.



## SDI 16

### HUMAN RIGHTS (INCLUDING DEVELOPING AN ANTI-BRIBERY AND ANTI CORRUPTION INITIATIVE)

#### HUMAN RIGHTS STATEMENT

*"Avon Metals prides itself on its reputation as a fair and ethically run business. We aim to earn the trust and respect of the businesses and people within our sphere of influence (see diagram), through our core values of transparency, accountability, integrity, solidarity, courage, justice & democracy."*

Our Human Rights Policy and Human Rights Statement reflect internationally recognised principles - including the United Nations Global Compact and the Universal Declaration of Human Rights and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work - to promote and protect human rights in the workplace. We abhor human right abuses and child labour and have a "zero tolerance" attitude to these issues.

#### OUR CORE VALUES

- Transparency
- Accountability
- Integrity
- Solidarity
- Courage
- Justice
- Democracy



#### EMPLOYEES

We treat our employees with fairness, respect and dignity. We adhere to all applicable domestic & international laws, include prohibiting child labour, forced labour, and discriminatory behavior (racial, age, gender, religion or other) as well as recognising and acknowledging the rights to freedom of association and collective bargaining. We prefer business partners that treat their employees similarly.



**SDI 16 CONTINUED.....****HUMAN RIGHTS (INCLUDING DEVELOPING AN ANTI-BRIBERY AND ANTI CORRUPTION INITIATIVE)****SUPPLIERS**

We endeavour to conduct our daily business in an ethical and responsible manner and select and engage business partners who share our good Corporate Social Responsibility values. We have developed an Anti-Bribery and Corruption policy in line with principles laid down by the World Economic Forum's Partnering Against Corruption Initiative.

Any company wishing to engage with Metals must satisfy the following human rights selection criteria: -

- 1) It does not employ engage or otherwise use any child labour in circumstances such that the tasks performed by any such child labour could reasonably be foreseen to cause either physical or emotional impairment to the development of such child;
- 2) It does not use forced labour in any form (prison, indentured, bonded or otherwise) and its employees are not required to lodge papers or deposits on starting work;
- 3) It provides a safe and healthy workplace, presenting no immediate hazards to its employees. Any housing provided by the Supplier to its employees is safe for habitation. The Supplier provides access to clean water, food, and emergency healthcare to its employees in the event of accidents or incidents at the Supplier's workplace;
- 4) It does not discriminate against any employees on any ground (including race, religion, disability or gender).  
it does not engage in or support the use of corporal punishment, mental, physical, sexual or verbal abuse and does not use cruel or abusive disciplinary practices in the workplace;
- 5) It pays each employee at least the minimum wage, or a fair representation of the prevailing industry wage, (whichever is the higher) and provides each employee with all legally mandated benefits;
- 6) It complies with the laws on working hours and employment rights in the countries in which it operates;
- 7) It is respectful of its employees right to join and form independent trade unions and freedom of association.
- 8) It is responsible for controlling its own supply chain and that it shall encourage compliance with ethical standards and human rights by any subsequent supplier of goods and services that are used by Supplier when performing its obligations to Avon Metals.

**LOCAL COMMUNITY**

We consult actively with a diverse range of knowledgeable stakeholders to build upon our understanding of the human rights issues present in our operating environments.



## SDI 16 CONTINUED.....

### HUMAN RIGHTS (INCLUDING DEVELOPING AN ANTI-BRIBERY AND ANTI-CORRUPTION INITIATIVE)

#### AVON METALS ANTI-BRIBERY POLICY STATEMENT

*"The company has a no tolerance policy towards bribery and corruption. This policy extends to all the company's business dealings and transactions in all countries in which it or its subsidiaries and associates operate. This policy is given force in a detailed anti-bribery Programme which is constantly revised to capture changes in law, reputational demands and changes in the business. All employees are required to comply with this policy."*

In an effort to combat global corruption, the World Economic Forum Partnering Against Corruption Initiative (PACI) was formally launched by CEOs from the Engineering & Construction, Energy and Metals and Mining industries in January 2004. The PACI brings together companies in multiple industries from all over the world, regardless of the size of their company. By signing the PACI Principles, signatory companies like Avon Metals commit to having a zero tolerance policy towards bribery and to developing and implementing an anti-corruption programme to guide the behaviour of our employees. The PACI's mission is to develop multi-industry principles and practices that will result in a competitive level playing field, based on integrity, fairness and ethical conduct.

Avon Metals has developed its Anti-Bribery Programme in conjunction with PACI, the International Business Leaders Forum, and a 6-step implementation plan laid down by Transparency International – see page 42.

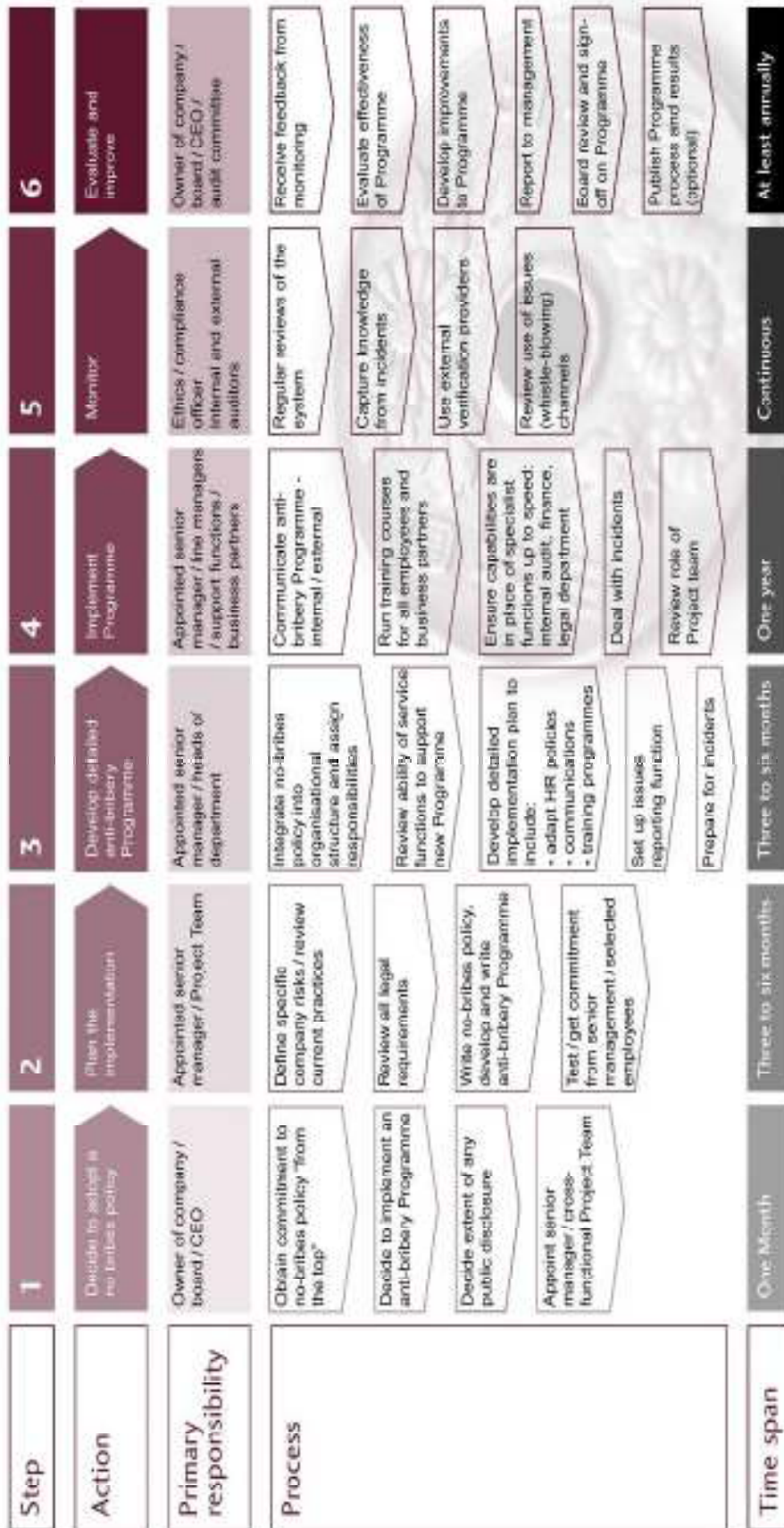


July 2011 sees the introduction of the new UK Bribery Act. To ensure we have adequate anti-bribery policies and procedures in place, Avon Metals has incorporated the following six principles laid down by the Ministry of Justice: -

- **Proportionality:** "The action you take should be proportionate to the risks you face and to the size of your business."
- **Top level commitment:** "Those at the top of an organisation are in the best position to ensure their organisation conducts business without bribery."
- **Risk assessment:** "Think about the bribery risks you might face."
- **Due diligence:** "Knowing exactly who you are dealing with can help to protect your organisation from taking on people who might be less than trustworthy."
- **Communication:** "Communicating your policies and procedures to staff and to others who will perform services for you enhances awareness and helps to deter bribery by making clear the basis on which your organisation does business."
- **Monitoring and review:** "The risks you face and the effectiveness of your procedures may change over time."

SDI 16 CONTINUED.....

HUMAN RIGHTS (INCLUDING DEVELOPING AN ANTI-BRIBERY AND ANTI-CORRUPTION INITIATIVE)







## SDI 17

### PRODUCT STEWARDSHIP(INCLUDING PRODUCT LIFE-CYCLE ASSESSMENT)

Avon Metals plays a vital role in developing and providing beneficial products, combating environmental degradation, conserving natural resources and ensuring safe workplaces.

Sustainable recycling is the company's raison d'être and our alloy products are used in a wide array of aluminium products in the automotive, architectural, packaging sectors. Aluminium offers lightweight solutions to design problems, allowing for products that use less raw material and energy.

In 2007 Avon won The Cast Metals Industry Awards supplier of the year awards. The Award is made for the foundry that has taken both itself and the castings industry forward during the past 12 months, through a combination of innovation, expansion, new technology & investment.

Some tangible examples of using our products are: -

### PACKAGING

Lightweight drinks cans require about half the amount of fuel for transportation compared with returnable glass bottles.

Avon Metals has designed and manufactured an aluminium pallet as an eco-friendly substitute for conventional timber pallets. Aluminium alloys in the form of ingots are stacked on the pallets making for a totally recyclable & sustainable packaging form - the pallet can either be re-used time and again, or if required it can become sacrificial as its composition is exactly the same as the customers bulk raw material feed. Recycling aluminum requires only 5% of the energy it takes to make new aluminum – and produces only 5% of the CO2 emissions. This route saves a massive 90% in energy costs, creating a huge positive knock on effect to the environment. Since invention, Avon has supplied over 6000 of its aluminium pallets into the industry. Their wooden counterparts would have required valuable natural raw materials and the appropriate disposal through landfill or incineration.

Avon recycles hundreds of tonnes of aluminium foil scrap every year that would otherwise end up in landfill.

Product Life Cycle analysis has shown that as much as 90% of the aluminium we have ever recycled is still in existence in some useful form..



#### **SDI 17 CONTINUED....**

#### **PRODUCT STEWARDSHIP (INCLUDING PRODUCT LIFE-CYCLE ASSESSMENT)**

##### **TRANSPORT**

The reduction in weight of a medium size car by 100 kgs through substituting steel with aluminium parts that contain Avon alloys would result in a saving of 900 litres of petrol during the vehicle's lifespan. This would also reduce emission of carbon dioxide by approximately 2 tonnes. There is also immense potential for replacing steel with aluminium in trains.

##### **BUILDING**

Aluminium building products, such as window frames and cladding, have good insulation properties and conserve heating energy. A large amount of waste building materials go to landfill, whereas Avon again recycles hundreds of tonnes per annum back into new products.

Avon Metals production of aluminium master alloys that use these elements therefore contributes to the sustainable use of silicon, copper, iron, magnesium, manganese, zinc and other elements. This effectively means that, at today's recycling rate of 4 million tonnes, 200,000 tonnes of alloying elements are simultaneously conserved by the aluminium industry in Europe every year.

##### **MINOR METALS**

Many of the minor metals that Avon trades in have applications that benefit the environment. Two good examples being 1) Rhenium – used at 3-6% in aircraft alloys in turbine engines to assist in leaner burning of fuel. Without Rhenium aircraft such as the Airbus A380 and Boeing Dreamliner would simply not be possible; 2) Silicon metal used in new photovoltaic and solar applications to develop sustainable greener energy resources.





#### SDI 17 CONTINUED....

### PRODUCT STEWARDSHIP (INCLUDING PRODUCT LIFE-CYCLE ASSESSMENT)

#### LIFE CYCLE ASSESSMENT

A Life Cycle Assessment (LCA) is a comprehensive scientific examination of both the positive and the negative environmental, social and economic effects of a product at every stage of its existence, from production to disposal, and beyond. It looks at the impacts of the 'product system', including: the mining/extraction of raw materials; fabrication; transportation; use; recycling/ disposal; energy and ancillary material supplies.

LCA of aluminium products may need to consider the production processes of bauxite mining (the first stage in aluminium production); production of alumina (where aluminium oxide is refined from bauxite) and the production of primary aluminium (using electrolysis).

Other steps in the aluminium product life cycle include: several semi-fabrication processes for the production of rolled products, extrusions, wire, tubes, forgings and castings; and concludes with the end-of-life operations (including the recycling of scrap materials and final treatment and disposal of waste and by-products).

Designing aluminium products with efficient production and recycling in mind helps to reduce their impact throughout their life cycle. LCA is used by the aluminium industry to assess and stimulate environmental improvement in production processes and product development, and this in turn can also lead to improvements in the production processes themselves.

For recyclable products such as aluminum, a “cradle-to-cradle” life cycle can be modeled, where recycled material can substitute primary material. Only the material that is lost at the various stages of the life cycle needs to be replaced by primary material as per the illustration.

The use of recycled aluminium further decreases energy consumption and greenhouse gas emissions, when compared to primary aluminium production. This adds further value to the basic reductions already achieved by using aluminium per se - such as in transportation applications.

A typical LCA consists of four main phases: - goal and scope; life cycle inventory; life cycle impact assessment; and interpretation of results and recommendations. the community at large.





#### SDI 17 CONTINUED....

#### PRODUCT STEWARDSHIP (INCLUDING PRODUCT LIFE-CYCLE ASSESSMENT)

Avon Metals uses its diligent approach to Product Stewardship to address and analyse all these activities with regard to risks, opportunities, and value creation in order to give a holistic overarching view and to find the best overall solutions. The process involves engaging internal decision-makers from R&D, production, marketing, or management, as well as external stakeholders such as suppliers, retailers, customers, consumers, and the general public.

Life cycle product stewardship encompasses a range of issues including best materials and process selection, safe consumer use of our products (Material Safety Data Sheets & REACH) and planning for the recovery or safe disposal of materials.

LCA enables Avon to implement positive sustainability initiatives that can bring about real tangible benefits from its products, such as the design and production of our unique "Alipallet" that replaces its wooden alternatives. These Avon initiatives contribute to our long-term profitability, protection and enhancement of the natural environment, and well-being of the community at large.





## SDI 18

**FINANCIAL CONTRIBUTION TO THE LOCAL ECONOMY**

Thousands of pounds worth of scrap metal is bought and recycled on a weekly basis from a wide array of local suppliers including plumbers, fabrication shops, small metal merchants etc.

We estimate that each year our door-trade ploughs £3 million pounds back into the Gloucestershire economy.

Our door-trade operations are regulated and audited by the Local Council under our Permit to Operate, and have a separate accounting schedule designated to business generated within the local community, and reflects our contribution to the local economy.

Wherever possible Avon Metals endeavours to support the local economy and employ the services of Gloucestershire based companies including haulage contractors, IT specialists, plant maintenance engineers & printers amongst others.

Avon Metals is a Corporate Partner of Gloucestershire Wildlife Trust and Slimbridge Wildfowl and Wetlands Trust , promoting bio-diversity in the region.

In addition to sponsoring Gloucester Rugby team at corporate events, the Company has made financial contributions to St. Peter's School Rugby Club and Tuffley Rovers Football Club.

In the past 5 years, St Peter's has supplied numerous players to the Gloucester Rugby Club Academy, from which Marcel Garvey and Adam Eustace have gone on to be part of a regular Gloucester first team.

The company is a member of the Gloucestershire First Ambassadors programme and promotes the county at every available opportunity.

AVON INPUT INTO GLOUCESTERSHIRE ECONOMY	2006	2007	2008	2009	2010
£ 000's	1890	2987	2761	1000	1647



## SDI 19

## RESEARCH AND DEVELOPMENT



Through our research and development activities, we are continuing to develop products which provide social and environmental benefits to our customers and society as a whole. A recent survey conducted by the Carbon Trust highlighted areas of improvements to reduce our Carbon Footprint and the Company has implemented many of the recommendations made (see table below).

Capital expenditure projects require full ROI (Return on Investment) analysis and associated positive and negative impacts on the environment. The Company is also an active member of the Climate Change Levy scheme operated by the DTI. Avon Metals works closely with academic groups to develop new innovative aluminium alloys. Several technical papers have been produced and published in major trade related journals and have been met with global critical acclaim.

The company has recently made improvements to the burner systems on its furnaces to ensure maximum yield recovery from raw material and improve fuel consumption.

Improvements made as a result of the Carbon Trust survey.	Rationale	Co2 savings (Tonnes per annum)	Energy savings (kWh per annum)	Cost Savings (£ per annum)
Constructed an action plan Formed an Energy Committee Conducted Regular Reviews Improved Staff Awareness Began an active poster campaign	Potential energy savings at the site were highlighted through the creation of a formal framework, increased awareness and improved the monitoring of the areas and levels of energy consumption.	234.3	806,370	£22,120
Began a lighting management awareness campaign	There were many instances when lights were being left on in offices and factory when no personnel were present. Switching of lights when not in use has helped reduce our power consumption.	3.0	6,928	£424
Repaired compressed air leaks around the site	Power from compressed air costs around 10 times the cost of the electricity from which it was made. Leaks found were tagged and repaired as part of our maintenance schedule.	15.2	35,476	£2,170
Fitted Passive Infra Red (PIR) controllers to turn lighting off when no personnel are present	Lighting office areas where there is sufficient daylight or when personnel are not present is wasteful. Fitting a controller that only allows light when personnel are present and daylight is insufficient has minimised our lighting costs.	1.7	3,905	£239
Replaced halogen floodlights with HP SON lamps in the ingots store	Incandescent filament lamps such as halogen floodlights are much less energy efficient for a given light output than sodium vapour discharge lamps.	3.8	8,938	£500
Investigated turning off casting tracks when not in use	Eliminating wasteful operations is a worthwhile saving	14.3	46,175	£1,847
Fitted Variable Speed Drives to main extractor fan motors	Variable speed drives allow motors to operate at less than full speed and save energy. If a motor can operate at a 10% reduction, then savings of 25% can be made.	51.5	119,700	£7,326
TOTAL SAVINGS MADE		323.8	1,027,492	£34,626





## SDI 20

### GLOBAL REPORTING INITIATIVE (GRI)



Avon Metals is a voluntary participant in the Global Reporting Initiative - the world's most widely used sustainability reporting framework. The G3 Guidelines (incorporating a Metals and Mining specific supplement developed by the International Council for Metals and Mining) have become the de facto global standard for reporting, and include financial, environmental and social dimensions relating to the company's activities, products and services. GRI collaborates with the United Nations Environment Programme (UNEP), and the United Nations Global Compact. Our Index Reporting is made available to stakeholders through our corporate website and hardcopy Annual Sustainability Report. In 2008, Avon Metals became an Organisational Stakeholder of the GRI, reinforcing our commitment to change.

"Our 20/20 Vision" Sustainability Report 2010 was developed with reference to the performance indicators listed as core elements in the Global Reporting Initiative (GRI) G3 Sustainability Reporting Guidelines (October 2006) and the GRI Mining and Metals Sector Supplement (Pilot Version 1.0, 2005). Here we have provided a summary index for our Sustainability against each of the GRI guidelines. We have self-declared our report as meeting the criteria for Application Level A and GRI have checked and agreed Level A status.

### GRI APPLICATION LEVEL

This Sustainability Report was prepared with reference to the Global Reporting Initiative 2002 Guidelines.

NOTE: NC indicates a non-core indicator. MM indicates Mining and Metals sector indicator.

## SDI 20

## GLOBAL REPORTING INITIATIVE (GRI)

GRI Section	GRI Description	ICMM Principle	Location
<b>Strategy and Analysis</b>			
1.1	Statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization and its strategy.	2	Page 4 of "Our 20/20 Vision" Sustainability Report.
1.2	Description of key impacts, risks, and opportunities.	4	<p><b>Description of key impacts, risks and opportunities</b></p> <p><b><u>Key impacts on sustainability</u></b></p> <p><b>Positives:</b> - Strong progression in developing recycling rates with Alupro and other associations. Major reduction in volumes to land fill and/ or incineration</p> <p><b>Negatives:</b> - Emissions to air, noise pollution, increase in energy costs, reprocessing of by –products, investment required</p> <p><b><u>Approach – Priorities</u></b> The need to continue to maximise stakeholder investment, continue working with other groups to insure progression in overall recycling rates, investment required in energy efficient processing and production burner equipment, although already very low – improve reusable/ recycling of industrial waste</p> <p><b><u>Conclusions on progress</u></b> Need to lobby stakeholders for more investment but balance against returns. Continue efficiency initiatives underpinned by on-going training by lean manufacturing specialists. Reasons for underperformance – capital expenditure, new legislation eg. REACH,</p> <p><b><u>Controls/ monitoring</u></b> Under new systems developed through lean manufacturing techniques, the mapping of critical issues are monitored, recorded and constantly worked on to drive a continuous improvement programme. In the medium to long term there is an opportunity to make more meaningful reductions in overall energy usage and improvements in efficiencies but this will require more commitment from stakeholders to allow the investment necessary.</p> <p><b><u>Risks &amp; Opportunities arising from sustainability trends</u></b></p> <p><b>Risks</b> – Rising energy costs. Rising transport costs. Increasing environmental controls and monitoring, increasing overheads and lowering profitability.</p> <p><b>Opportunities</b> - Development of Grant Funding</p>

## GLOBAL REPORTING INITIATIVE (GRI)

<b>Organisational Profile</b>			
2.1	Name of the organization.	10	Avon Metals Ltd
2.2	Primary brands, products, and/or services.	10	Aluminium ingots – brand “AVON”, non-ferrous scrap metal and specialty minor metals.
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	10	Avon Metals is 100% privately owned by The Remet Company and the Reid Family. See Page 77 of our “Our 20/20 Vision” Sustainability Report.
2.4	Location of organization’s headquarters.	10	Avon Metals Ltd, Ashville Road, Gloucester, GL2 5DA
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	10	1 – United Kingdom
2.6	Nature of ownership and legal form.	10	Privately owned by The Remet Company Ltd and the Reid Family. Established in 2001.
2.7	Markets served.	10	Aluminium casting companies, aluminium rolling mills and extruders, titanium producers, copper alloy producers, superalloy producers, steel and stainless steel producers, electronics industry, silicones industry, powder metallurgy
2.8	Scale of the reporting organization.	10	<p><b><u>Scale of reporting organisation as at 30.6.10: -</u></b></p> <p>Number of employees = 42  Net sales = £40,664,000</p> <p><b><i>Total capitalisation</i></b></p> <p>Debt = £4,955,000  Equity = £40,664,000</p> <p><b><i>Quantity of products provided</i></b></p> <p>Manufactured product – 11,268 tonnes  Traded products = 6,540 tonnes</p>
2.9	Significant changes during the reporting period regarding size, structure, or ownership	10	None.
2.10	Awards received in the reporting period.	10	Page 76 of “Our 20/20 Vision” Sustainability Report



## GLOBAL REPORTING INITIATIVE (GRI)

<i>Report Parameters</i>			
3.1	Reporting period.	10	Avon Metals' sustainability reporting is on a continuous basis. The Avon Sustainability Report highlights our 2006-2010 performance.
3.2	Date of most recent previous report.	10	2009
3.3	Reporting cycle.	10	Avon Metal's sustainability reporting is on a continuous basis. The Avon Sustainability Report covers our annual performance.
3.4	Contact point for questions regarding the report or its contents.	10	Steven Munnoch, Managing Director
3.5	Process for defining report content.	10	"Our 20/20 Vision" Sustainability Report includes data from financial years 2006-2010 .Many factors were considered in determining the contents of this report, including Avon's main sustainability impacts and opportunities, reporting activity within our own industry, and external guidelines such as the Global Reporting Initiative (GRI) G3 Sustainability Reporting Guidelines. Our stakeholders are the key groups of people who influence the success and development of our business and are detailed on pages 74-75 of our CSR Report.
3.6	Boundary of the report.	10	Data contained in this reporting is for Avon Metals' facility.
3.7	State any specific limitations on the scope or boundary of the report.	10	The reporting is for Avon Metals' facility.
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	10	There are no joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	10	Avon uses a variety of internal standards and data collection systems, as well as a rigorous internal and external audit process. In addition, we conform to external data reporting standards, such as British Standards, and comply with government bodies like the Environment Agency.
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement.	10	Completion date for Carbon Neutral target increased to 2020.
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	10	No significant changes from previous report.

## SDI 20

## GLOBAL REPORTING INITIATIVE (GRI)

3.12	Table identifying the location of the standard disclosures in the report.	10	The GRI Content Index can be found on Page 50 of "Our 20/20 Vision" Sustainability Report.
3.13	Policy and current practice with regard to seeking external assurance for the report.	10	"Our 20/20 Vision" Sustainability Report follows the guidelines set out by the GRI. All information contained has been reviewed at senior levels and by all departmental heads. undertakes a range of audit and assurance on activities including financial (auditors), packaging waste (Environment Agency), environmental & EHS (BSi management), customer performance audits.
<b>Governance, Commitments, and Engagement</b>			
4.1	Governance structure of the organization.	1	Page 77 "Our 20/20 Vision" Sustainability Report See flowchart "Corporate Structure"
4.2	Indicate whether the chair of the highest governance body is also an executive officer.	1	As of 2010, the chairman of the board is also an executive officer. The Chairman of the board is also an executive officer as he is the owner of the business and chooses to take an active role in the business which he owns and operates.
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	1	Avon Metals does not have a unitary board structure.
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	1	There are no formal mechanisms in place for employees to also provide guidance or recommendations to the highest governance body. All employees and minority shareholders are encouraged to communicate any concerns to Avon Metals' Board of Directors via the Managing Director, who would confer with the Chairman/Owner.
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the	1	See Pages 28-30 of "our 20/20 Vision" Sustainability Report. Directors & Managers are a paid bonus based on profitability but changing to reflect instability issues with regards to the 20/20 Vision. Key personnel are tied by long notice periods to ensure
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	1	Pages 28-30 of "Our Vision" Sustainability Report.
Whistle blowing Policy			

## GLOBAL REPORTING INITIATIVE (GRI)

4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	1	Mission Statement – Page 3 Intro to Sustainability Philosophy – Page 4 UN Global Compact Principles – Pages 34-35 Human Rights & Core Values– Page 39-40 Anti-Bribery – Page 41
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	1	Water Policies – Page 19 Global Compact Actions – Pages 35-36 Employees Rights – Page 40 Anti-Bribery – Page 42
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	1	Corporate Governance Governance Guidelines Governance and Nominating Committee GRI Verification UN Global Compact PACI Shift Initiative
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	2	Through our extensive management systems, we advocate a risk-based approach to our operations. At this stage, however, we do not formally address the precautionary principle in our sustainability reporting.
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	1	We subscribe to or endorse the following externally developed principles or initiatives: <ul style="list-style-type: none"> <li>• UN Global Compact (Page 34-38.</li> <li>• World Economic Forum Partnership Against Corruption Initiative (Pages 39-42).</li> <li>• International Aluminium Institute Sustainability Principles.</li> <li>• International Council on Mining &amp; Metals Principles</li> </ul>
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations.	1	<ul style="list-style-type: none"> <li>• Aluminium Federation (ALFED)</li> <li>• British Metals Recycling Association (BMRA)</li> <li>• Cast Metals Federation (CMF)</li> <li>• Minor Metals Trade Association (MMTA)</li> <li>• Aluminium Packaging Recycling Organisation (AluPRO)</li> <li>• International Titanium Association (ITA)</li> <li>• Beacon South West</li> <li>• Gloucestershire Wildlife Trust</li> <li>• Gloucestershire Ambassadors</li> <li>• Slimbridge Wildfowl &amp; Wetlands Trust</li> </ul>



## GLOBAL REPORTING INITIATIVE (GRI)

4.14	List of stakeholder groups engaged by the organization.	10	Pages 69-71 of "Our 20/20 Vision" Sustainability Report <ul style="list-style-type: none"> <li>• Customers</li> <li>• Raw material providers</li> <li>• Service providers</li> <li>• Members of staff</li> <li>• Aluminium Federation</li> <li>• Cast Metal Federation</li> <li>• Minor Metals Trade Association</li> <li>• ALUPRO</li> <li>• Beacon South West</li> <li>• Local Police Force</li> <li>• Local companies</li> </ul>
4.15	Basis for identification and selection of stakeholders with whom to engage.	10	Avon Metal engages with a wide range of stakeholders . Stakeholders were identified during the planning process for the publication of "Our 20/20 Vision" as those groups that may be significantly impacted, positively or negatively, by Avon Metals' products, services and activities. see Pages 73-75 of "Our 20/20 Vision" Sustainability Report
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	10	Pages 73-75 of "Our 20/20 Vision" Sustainability Report
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting.	10	Pages 69-71 of "Our 20/20 Vision" Sustainability Report

**Disclosure on Management Approach – Economic**

Goals & Performance	Goals related to the economic aspects are set and performance measured against company specific indicators tracking impacts to society and stakeholders.
Policy	Pages 43-48 of "Our 20/20 Vision" Sustainability Report
Organisational Responsibility	Our organizational structure is detailed on page 74 of our 20/20 Vision Sustainability Report
Training & Awareness	Encouraged 4 members of ICME + specific training
Monitoring and Follow-up	Clear reporting + Regular meetings
Additional Information	Key successes – doubling of profits year on year, Queens Award for International Trade in 2010, local door trade contributed £1.6 million per annum to Gloucestershire economy Risks – Declining demand for consumer goods in tough economic climate, stiff competition from cheaper aluminium producers such as China, India and eastern Europe.

## GLOBAL REPORTING INITIATIVE (GRI)

**Performance Indicators—Economic**

EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations, and other community investments, retained earnings, and payments to capital providers and governments.	9	Page 47 & 76 of "Our 20/20 Vision" Sustainability Report
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	9	Avon Metals' Senior Management is engaged in the implications and opportunities related to the issue of climate change. Avon Metals commits to investing a significant portion of its Research and Development budget to support and develop alternative energy and less carbon-intensive raw material sources, including solar photovoltaics. We are examining the way our products are made and constantly seeking opportunities to utilise new process technologies that substantially reduce the carbon consumed as energy inputs or that is released during the manufacture of our products. We have not yet quantified these risks and opportunities in detail, as we believe that the risks and opportunities to our business are currently too small to justify committing valuable management time and resources.
EC3	Coverage of the organization's defined benefit plan obligations.	9	The structure of retirement plans offered to employees are based on "other types of benefit". A stakeholder retirement scheme has been established providing benefits based upon individual accumulated funds. The employer contributes individually agreed amounts to the fund of each member. Employees are entitled to make undefined contributions to their fund, subject to the rules of the scheme. Only a few senior employees are known.
EC4	Significant financial assistance received from government.	9	None
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	9	Wherever possible Avon Metals endeavours to support the local economy and employ the services of Gloucestershire based companies including haulage contractors, IT specialists, plant maintenance engineers & printers amongst others, however we do not have a specific policy in place for preferring locally based suppliers. Our geographic definition of "local" means within 5 miles of our company. Factors that indicate our supplier selection include: cost, reputation, reliability, reduction of carbon footprint by using local companies, convenience, response time. Avon Metals source makes purchases from all over the world, directly from countries where the product is mined/extracted. Therefore, as a percentage of overall spend, our local purchases are minimal and account for less than 1% per annum.

## GLOBAL REPORTING INITIATIVE (GRI)

EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	9 The company does not have a global policy or common practices for granting preference to local residents when hiring in significant locations of operation. The proportion of senior management hired from the local community is currently 100%.
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	9 Pages 20 of "Our 20/20 Vision" Sustainability Report .
MM1	Identify those sites where the local economic contribution and development impact is of particular significance and interest to stakeholders and outline policies with respect to assessing this contribution.	9 Pages 73-75 of "Our 20/20 Vision" Sustainability Report

**Disclosure on Management Approach - Environmental****Goals & Performance**

Avon Metals are committed to minimizing the environmental impact of our operations and our products through the adoption of sustainable practices and continuous improvement in environmental performance. We manage our performance against clear and objective criteria, setting targets for improvement and then monitor, review and report against these targets. Sustainable Development Indicators (SDIs) have been developed with quantifiable targets to improve our regulatory compliance and environmental control procedures, to reduce our CO2 emissions per tonne of aluminium product, to reduce waste landfill and energy and water consumption, to increase recycling rates and to improve the environment within which we operate.

**Policy**

Our Environmental Policy is communicated online via our corporate website [www.avonmetals.com](http://www.avonmetals.com)

**Organisational Responsibility**

Our organizational structure is detailed on page 77 of "Our 20/20 Vision" Sustainability Report

**Training & Awareness**

Training is carried out within the guidelines and framework of our ISO 14001 Environmental Management System.

**Monitoring and Follow-up**

Avon Metals' operates an environmental management system certified to the ISO 14001 standard, with internal and external audits of compliance.

**Additional Information**

Key successes – implementation of ISO 14001, reduction in Greenhouse Gases, corporate sponsorship of Gloucestershire Wildlife Trust and Slimbridge Wildfowl & Wetlands Trust.  
Risks – REACH legislation, Climate Change  
A recent study by the Carbon Trust identified areas for improvement and these are detailed on page 48 of "Our 20/20 Vision" Sustainability Report



## GLOBAL REPORTING INITIATIVE (GRI)

**Performance Indicators—Environmental**

EN1	Materials used by weight or volume.	6	2010 tonnages:- <ul style="list-style-type: none"><li>Primary Aluminium = 1392 tonnes</li><li>Aluminium Scrap = 8359 tonnes</li><li>Aluminium packaging waste = 437 tonnes</li><li>Alloying elements = 1912 tonnes</li></ul>																										
EN2	Percentage of materials used that are recycled input materials.	6	2010 = 76%                      2007 = 74% 2009 = 76% 2008 = 74%																										
EN3	Direct energy consumption by primary energy source.	6	<u>Direct Non-Renewable Energy Sources</u> Coal = NIL Natural Gas = 36,000 Giga Joules per annum ----- <u>Direct Renewable Energy Sources</u> Biofuels = NIL Ethanol = NIL Hydrogen = NIL ----- Direct energy sources produced = NIL Direct energy sources sold = NIL Total direct energy consumption = 61,200 GJ per annum Total direct renewable energy consumption = NIL Total direct non-renewable direct energy consumption = 61,200 Gig Joule per annum																										
EN4	Indirect energy consumption by primary source.	6	Intermediate energy purchased and consumed from <b>non-renewable</b> energy sources: - <table><tr><td></td><td><u>Gigajoules</u></td></tr><tr><td>Electricity</td><td>25,200 per annum</td></tr><tr><td>Heating and Cooling</td><td>NIL</td></tr><tr><td>Steam</td><td>NIL</td></tr><tr><td>Nuclear Energy</td><td>NIL</td></tr><tr><td>Other forms of imported energy</td><td>NIL</td></tr></table> ----- --- Intermediate energy purchased and consumed from <b>renewable</b> energy sources: - <table><tr><td></td><td><u>Gigajoules</u></td></tr><tr><td>Solar</td><td>NIL</td></tr><tr><td>Wind</td><td>NIL</td></tr><tr><td>Geothermal</td><td>NIL</td></tr><tr><td>Hydro energy</td><td>NIL</td></tr><tr><td>Biomass -based</td><td>NIL</td></tr><tr><td>Hydrogen-based</td><td>NIL</td></tr></table>  The total amount of indirect energy used by indirect non-renewable sources and indirect renewable sources in terms of intermediate energy = 25,200 Gigajoules for 2010. From informal discussions with our electricity provider, we estimate that 1 Gigajoule of electrical energy requires 2.5 Gigajoules of primary energy. Therefore approx. 63,000 Gigajoules of primary energy are used to generate the intermediate energy we purchase – this excess is due to grid and efficiency losses when converting and transporting energy.		<u>Gigajoules</u>	Electricity	25,200 per annum	Heating and Cooling	NIL	Steam	NIL	Nuclear Energy	NIL	Other forms of imported energy	NIL		<u>Gigajoules</u>	Solar	NIL	Wind	NIL	Geothermal	NIL	Hydro energy	NIL	Biomass -based	NIL	Hydrogen-based	NIL
	<u>Gigajoules</u>																												
Electricity	25,200 per annum																												
Heating and Cooling	NIL																												
Steam	NIL																												
Nuclear Energy	NIL																												
Other forms of imported energy	NIL																												
	<u>Gigajoules</u>																												
Solar	NIL																												
Wind	NIL																												
Geothermal	NIL																												
Hydro energy	NIL																												
Biomass -based	NIL																												
Hydrogen-based	NIL																												

## SDI 20

## GLOBAL REPORTING INITIATIVE (GRI)

EN5 NC	Energy saved due to conservation and efficiency improvements.	6	Pages 16-22 of "Our 20/20 Vision" Sustainability Report
EN6 NC	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	6	Pages 16-22 of "Our 20/20 Vision" Sustainability Report
EN7 NC	Initiatives to reduce indirect energy consumption and reductions achieved.	6	See EN6 NC
EN8	Total water withdrawal by source.	6	Pages 21 of "Our 20/20 Vision" Sustainability Report
EN10 NC	Percentage and total volume of water recycled and reused.	6	Pages 16-22 of "Our 20/20 Vision" Sustainability Report
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	7	The company operations are not located in or near protected areas or areas of high biodiversity value. However, the company is keen to promote biodiversity and conservation of wildlife on a regional level and to this end we are corporate partners and sponsors of Slimbridge Wildfowl and Wetlands Trust and Gloucestershire Wildlife Trust. The work we engage in with these valued business partners is detailed in Page 15 of "Our 20/20 Vision" Sustainability Report.
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	7	The company is not aware of events in the period of reporting causing significant negative impacts on biodiversity in protected areas or areas of high biodiversity value.
EN13 NC	Habitats protected or restored.	7	Page 15 of "Our 20/20 Vision" Sustainability Report. Avon helps to protect and restore local habitats through our corporate membership of Gloucestershire Wildlife Trust.
EN14 NC	Strategies, current actions, and future plans for managing impacts on biodiversity.	7	Page 15 of "Our 20/20 Vision" Sustainability Report.

## GLOBAL REPORTING INITIATIVE (GRI)

EN15 NC	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	7	None.
EN16	Total direct and indirect greenhouse gas emissions by weight.	6	<p>Page 5 of "Our 20/20 Vision" Sustainability Report.</p> <p><b>Direct Greenhouse Gas (GHG) emissions</b></p> <p>Carbon Dioxide (CO<sub>2</sub>):</p> <ul style="list-style-type: none"> <li>• 2010 = 2.38 mg/m<sup>3</sup></li> <li>• 2009 = 2.38 mg/m<sup>3</sup></li> <li>• 2008 = 2.38 mg/m<sup>3</sup></li> <li>• 2007 = 15.8 mg/m<sup>3</sup></li> <li>• 2006 = 31 mg/m<sup>3</sup></li> </ul> <p>In the period of reporting we have reduced our Carbon Dioxide emissions by 92%.</p> <p>Avon Metals is not a significant generator of the direct Greenhouse gases Methane, Hydrofluorocarbons (HFCs), Perfluorocarbons (PFCs) or Sulphur hexafluoride (SF<sub>6</sub>).</p> <p><b>Indirect Greenhouse Gas (GHG) emissions</b></p> <p>Carbon Monoxide (CO):</p> <ul style="list-style-type: none"> <li>• 2010 = 2.38 mg/m<sup>3</sup></li> <li>• 2009 = 2.38 mg/m<sup>3</sup></li> <li>• 2008 = 2.38 mg/m<sup>3</sup></li> <li>• 2007 = 3.9 mg/m<sup>3</sup></li> </ul> <p>In the period of reporting we have reduced our Carbon Monoxide emissions by 39%.</p>
EN17	Other relevant indirect greenhouse gas emissions by weight.	6	<p>Page 5 of "Our 20/20 Vision" Sustainability Report. Sulphur Oxide and Nitrogen Oxide data is detailed in EN20. Carbon Monoxide data is detailed in EN16. Avon Metals is not a significant generator of other indirect greenhouse gases such as Non-methane volatile organic compounds (NMVOCs).</p>
EN19	Emissions of ozone-depleting substances by weight.	6	<p>Page 5 of "Our 20/20 Vision" Sustainability Report. Avon Metals is not a significant generator of ozone depleting CFC (chlorofluorocarbon) gases.</p>



## GLOBAL REPORTING INITIATIVE (GRI)

EN20	NO, SO, and other significant air emissions by type and weight.	6	<p>Page 5 of "Our 20/20 Vision" Sustainability Report. In the period of reporting 2006 – 2009 Avon Metals have reduced Nitrogen Oxide emissions by 93% and Sulphur Oxide emissions by 29%.</p> <p><b>Nitrogen Oxide Emissions (NOx):</b></p> <ul style="list-style-type: none"> <li>• 2010 = 2.28 mg/m3      2006 = 31 mg/m3</li> <li>• 2009 = 2.28 mg/m3</li> <li>• 2008 = 2.28 mg/m3</li> <li>• 2007 = &lt;5 mg/m3</li> </ul> <p><b>Sulphur Oxide Emissions (SOx):</b></p> <ul style="list-style-type: none"> <li>• 2010 = 2.9 mg/m3      2007 = 4.1 mg/m3</li> <li>• 2009 = 2.9 mg/m3</li> <li>• 2008 = 2.9 mg/m3</li> </ul> <p>In addition since we also report on the following other significant air emissions: -</p> <p><b>Cadmium and its compounds</b></p> <ul style="list-style-type: none"> <li>• 2010 = 0.015 mg/m3      2007 = 0.007 mg/m3</li> <li>• 2009 = 0.015 mg/m3</li> <li>• 2008 = 0.015 mg/m3</li> </ul> <p><b>Lead and its compounds – permissible max. limit = 1 mg/m3</b></p> <ul style="list-style-type: none"> <li>• 2010 = 0.010 mg/m3      2006 = 0.10 mg/m3</li> <li>• 2009 = 0.010 mg/m3</li> <li>• 2008 = 0.010 mg/m3</li> <li>• 2007 = 0.018 mg/m3</li> </ul> <p><b>Chloride (as HCl) – permissible max. limit = 5 mg/m3</b></p> <ul style="list-style-type: none"> <li>• 2009 = 1.38 mg/m3</li> <li>• 2008 = 1.38 mg/m3</li> <li>• 2007 = 1.08 mg/m3</li> <li>• 2006 = 2.19 mg/m3</li> </ul> <p><b>Fluoride (as HF) – permissible max. limit = 5 mg/m3</b></p> <ul style="list-style-type: none"> <li>• 2010 = 0.430 mg/m3      2006 = 0.23 mg/m3</li> <li>• 2009 = 0.430 mg/m3</li> <li>• 2008 = 0.430 mg/m3</li> <li>• 2007 = 0.14 mg/m3</li> </ul> <p><b>Total particulate matter – permissible max. limit = 209mg/m3</b></p> <ul style="list-style-type: none"> <li>• 2010 = 3.605 mg/m3      2006 = 9.47 mg/m3</li> <li>• 2009 = 3.605 mg/m3</li> <li>• 2008 = 3.605 mg/m3</li> <li>• 2007 = 2.62 mg/m3</li> </ul> <p>In most cases improvements have been made and our emissions our well below the statutory levels imposed under our Permit to Operate.</p>
EN21	Total water discharge by quality and destination.	6	<p>Avon Metals is dedicated to implementing innovative ways to conserve water, including rainwater capture, and identifying by-product synergy opportunities to reuse the water for beneficial purposes. A large proportion (70%) of the water we use on site is for cooling down molten metal and this water evaporates into the atmosphere. The remaining 30% passes through our interceptor tanks to remove any solid matter or oils before being discharged into the foul sewers. Severn Trent Water have assessed our site and have confirmed that the water we discharge is 100% safe to return to the water course and we receive a 90% reduction on our sewage levy as an incentive to maintain this process.</p> <p><b><u>Water Discharges (estimated)</u></b></p> <p><b>Evaporated water from cooling molten metal:</b></p> <ul style="list-style-type: none"> <li>• 2010 = 3725 m3      2006 = 2631 m3</li> <li>• 2009 = 2891 m3</li> <li>• 2008 = 3527 m3</li> <li>• 2007 = 3180 m3</li> </ul> <p><b>Water discharged into the foul sewer:</b></p> <ul style="list-style-type: none"> <li>• 2010 = 1596 m3      2006 = 1127 m3</li> <li>• 2009 = 1239 m3</li> <li>• 2008 = 1512 m3</li> <li>• 2007 = 1364 m3</li> </ul>

## GLOBAL REPORTING INITIATIVE (GRI)

EN22	Total weight of waste by type and disposal method.	6	Total weight of waste by type and disposal method for 2010. All the waste that Avon Metals generates is non hazardous. The method of disposal has been determined from information provided to us by our waste disposal contractor.																								
			<table><tr><th><u>Material</u></th><th><u>Weight (kgs)</u></th><th><u>Disposal</u></th></tr><tr><td>Dross</td><td>828,000</td><td>100% recycled</td></tr><tr><td>Concrete</td><td>32,940</td><td>100% recycled</td></tr><tr><td>Hardcore (rubble)</td><td>159,820</td><td>100% recycled</td></tr><tr><td>Road Dig</td><td>305,240</td><td>100% recycled</td></tr><tr><td>A Grade Packing Wood</td><td>99,940</td><td>100% recycled</td></tr><tr><td>Cardboard</td><td>2,070</td><td>100% recycled</td></tr><tr><td>General Waste</td><td>163,500</td><td>85% recycled</td></tr></table>	<u>Material</u>	<u>Weight (kgs)</u>	<u>Disposal</u>	Dross	828,000	100% recycled	Concrete	32,940	100% recycled	Hardcore (rubble)	159,820	100% recycled	Road Dig	305,240	100% recycled	A Grade Packing Wood	99,940	100% recycled	Cardboard	2,070	100% recycled	General Waste	163,500	85% recycled
<u>Material</u>	<u>Weight (kgs)</u>	<u>Disposal</u>																									
Dross	828,000	100% recycled																									
Concrete	32,940	100% recycled																									
Hardcore (rubble)	159,820	100% recycled																									
Road Dig	305,240	100% recycled																									
A Grade Packing Wood	99,940	100% recycled																									
Cardboard	2,070	100% recycled																									
General Waste	163,500	85% recycled																									
EN23	Total number and volume of significant spills.	6	No significant spills occurred within the reporting period.																								
EN24 NC	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	6	Avon Metals adheres to the strictest environmental standards and laws for the transport of hazardous waste. In the period of reporting we did not import/export any hazardous waste.																								
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	8	Pages 11, 42-45 of "Our 20/20 Vision" Sustainability Report																								
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	8	Data on the percentage of products sold and their packaging materials reclaimed by category is not available on a global level due to the varying availability of recycling programs and facilities in the countries in which we sell our products.																								
EN28	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.	6	Avon Metals' goal is 100% compliance with all environmental laws and regulations. There were no fines in the reporting period.																								
EN30 NC	Total environmental protection expenditures and investments by type.	6	DISA Airmaster to control stack emissions £100k. New furnaces to improve recycling recovery rates £500k																								

## SDI 20

## GLOBAL REPORTING INITIATIVE (GRI)

MM3	The number/percentage of sites identified as requiring biodiversity management plans, and the number/percentage of sites with plans in place. Also include criteria for deciding that a biodiversity management plan is required and the key components of a plan.	7	We do not have a specific biodiversity management plan. Biodiversity is controlled under our ISO 14001 Environmental Management System and our co-ordination with Gloucestershire Wildlife Trust and Slimbridge Wildfowl and Wetlands Trust.	
MM4	Percentage of product(s) derived from secondary materials.	8	2010 = 76% 2009 = 76% 2008 = 74%	2007 = 74%
MM5	Describe policies for assessing the eco-efficiency and sustainability attributes of products.	8	Page 43-46 of "Our 20/20 Vision" Sustainability Report	
MM6	Describe approach to management of overburden, rock, tailings, and sludges/residues.	7	The dross or skimming's that are created in our smelting process are sent away for refining at a specialist plant in Shropshire, where any useful metal content is extracted and machined in re-melttable metallic balls and the leftover salt cake is sold into the refractory and brickwork industries to make useful building and ceramic based products, due to the organic content. Page 8 of "Our 20/20 Vision" Sustainability Report	

Goals & Performance	Avon Metals wants to be a challenging work place based on trust, respect, inclusion, and with a healthy and safe working environment.
Policy	Our Health & Safety policy forms part of our statutory information given to all employees as part of their Employee Handbook and Terms & Conditions of Employment. United Nations Declaration of Human Rights. ILO Declaration on Fundamental Principles and Rights at Work of 1998 (core conventions)
Organisational Responsibility	Our organizational structure is detailed on page 77 of "Our 20/20 Vision" Sustainability Report
Training & Awareness	Training is carried out in line with OHSAS 18001 protocol including: - <ul style="list-style-type: none"> <li>• Work-life balance and lifelong learning</li> <li>• Individual development plans for all</li> <li>• Diversity in the workplace</li> <li>• Continuous focus on Occupational Health and Safety</li> </ul> Publishing of 20/20 Vision to stakeholders.
Monitoring and Follow-up	Procedures related to monitoring and corrective and preventative actions are carried out in line with OHSAS 18001 standard, to which we intend to be accredited to by British Standards in 2011 and will be audited accordingly.
Additional Information	Key successes – UN Global Compact signatory, Zero Fatality Rate. Risks – retaining competent staff.



## GLOBAL REPORTING INITIATIVE (GRI)

Disclosure on Management Approach – Labour practices and Decent Work			
Performance Indicators—Labor Practices and Decent Work			
LA1	Total workforce by employment type, employment contract, and region.	3	<p>Page 30 of "Our 20/20 Vision" Sustainability Report.</p> <p><b>Total Avon Workforce:</b> 52 employees at July 2010</p> <p><b>Breakdown by Employment Type:</b> 100% of all Avon employees are full time.</p> <p><b>Breakdown by Employment Contract:</b> 100% of Avon employees are permanently contracted.</p> <p><b>Region:</b> 100% employed in Gloucester, UK.</p>
LA2	Total number and rate of employee turnover by age group, gender, and region.	3	Avon Metals believes that its people are its most valuable asset and aims to create safe and sustainable employment conditions. Staff turnover is much lower than the local average at less than 5% per annum during the four year period of reporting. Avon does not release employee turnover data by age group, gender or region for proprietary and competitive reasons.
LA4	Percentage of employees covered by collective bargaining agreements.	3	Nil.
LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	3	Our practice is to give notice as early as possible and cooperate with the employee representatives. We have no collective agreements in place.
LA6 NC	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	5	Avon Metals has several trained health and safety representatives who participate in deployment of the location's proactive safety efforts.
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	5	<p>Page 27 of "Our 20/20 Vision" Sustainability Report.</p> <p>The occupational disease rate (ODR) for the period of reporting was zero.</p> <p>Absenteeism rate (AR) = the number of days of absence from work (excluding leaves for vacations, family reasons, study, and maternity or paternity) , which was 130 in 2010, compared to the total number of days worked, 14,250 and multiplied by 100 = 0.91%.</p>

## GLOBAL REPORTING INITIATIVE (GRI)

LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	5	Pages 23-29 of "Our 20/20 Vision" Sustainability Report
LA9 NC	Health and safety topics covered in formal agreements with trade unions.	2	Avon Metals has several trained health and safety representatives who participate in deployment of the location's proactive safety efforts.
LA10	Average hours of training per year per employee by employee category.	2	Training and education varies by job role and responsibilities. On average, there are approximately 50 hours of training per employee. Avon Metals has extensive training programs for employees involved in every job category. See Pages 28 and 29 of "Our 20/20 Vision" Sustainability Report.
LA11 NC	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	2	Pages 28-29 of "Our 20/20 Vision" Sustainability Report
LA12 NC	Percentage of employees receiving regular performance and career development reviews.	3	100%. Page 14 of "Our 20/20 Vision" Sustainability Report.
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	3	<p>Page 30 of "Our 20/20 Vision" Sustainability Report. Our company structure may be found on page 74 of "Our 20/20 Vision" Sustainability Report. Avon Metals' aims to create a diverse multi-national, multi-skilled workforce. Our workforce is displayed below by Diversity Indicators (gender,, minority, age):</p> <p>The following provides diversity indicators for the main employee population.</p> <p><b>By gender:</b></p> <ul style="list-style-type: none"> <li>• Male 93 %</li> <li>• Female 7 %</li> </ul> <p><b>By minority (ethnicity, disability etc):</b></p> <ul style="list-style-type: none"> <li>• Minority 49 %</li> <li>• Non-minority 51 %</li> </ul> <p><b>By age:</b></p> <ul style="list-style-type: none"> <li>• Less than 30: 31 %</li> <li>• 30 to 50: 42 %</li> <li>• Older than 50: 27 %</li> </ul> <p>The following provides diversity indicators for the individuals within the organization's governance body: -</p> <p><b>By gender:</b></p> <ul style="list-style-type: none"> <li>• Male 100 %</li> <li>• Female 0 %</li> </ul> <p><b>By minority (ethnicity, disability etc):</b></p> <ul style="list-style-type: none"> <li>• Minority 0 %</li> <li>• Non-minority 100 %</li> </ul> <p><b>By age:</b></p> <ul style="list-style-type: none"> <li>• Less than 30: 0 %</li> <li>• 30 to 50: 40 %</li> <li>• Older than 50: 60 %</li> </ul>
LA14	Ratio of basic salary of men to women by employee category.	3	<p>Page 14 of "Our 20/20 Vision" Sustainability Report.</p> <p><b>The average base salary by gender:</b></p> <ul style="list-style-type: none"> <li>• Male £22,000 per annum</li> <li>• Female £19,000 per annum</li> </ul> <p>The ratio of male to female average base salary in 2010 was 1.16 : 1</p>

## GLOBAL REPORTING INITIATIVE (GRI)

**Disclosure on Management Approach – Human Rights**

Goals & Performance	Avon Metals prides itself on its reputation as a fair and ethically run business. We aim to earn the trust and respect of the businesses and people within our sphere of influence, through our core values of transparency, accountability, integrity, solidarity, courage, justice & democracy
Policy	Our Human Rights Policy and Human Rights Statement reflect internationally recognized principles – including the United Nations Global Compact and the Universal Declaration of Human Rights and the International Labor Organisation's Declaration on Fundamental Principles and Rights at Work – to promote and protect human rights in the workplace. We abhor human right abuses and child labour and have a "zero tolerance" attitude to these issues.
Organisational Responsibility	Our organizational structure is detailed on page 77 of "Our 20/20 Vision" Sustainability Report.
Training & Awareness	Training is given in line with guidelines laid down by the United Nations Global Compact and the Universal Declaration of Human Rights.
Monitoring & Follow-up	See United Nations Global Compact
Additional Information	<p>Key successes -Avon Metals is a signatory to the World Forums Partnering Against Corruption Initiative</p> <p>Risks – future suppliers in regions such as China may not have equivalent Human Rights standards.</p>

**Performance Indicators—Human Rights**

HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	3	Human rights screening is a part of our environmental and social impact assessments, which are conducted in the early phase of all major projects. During the period of reporting, there were no large investment agreements that included human rights clauses or that have required human rights screening.
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	3	100%. No actions were required to be taken.  Pages 39-42 of "Our 20/20 Vision" Sustainability Report.
HR4	Total number of incidents of discrimination and actions taken.	3	There were no incidents of discrimination during the reporting period.
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	3	Page 40 of "Our 20/20 Vision" Sustainability Report.

## GLOBAL REPORTING INITIATIVE (GRI)

HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	3	We have identified that our operation is not at risk of employing child labour.
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	3	Our single site operation has been identified as having zero significant risk for incidents of forced or compulsory labour.

**Disclosure on Management Approach - Social**

Goals & Performance	Avon Metals are committed to conducting our business in a way that ensures health and wellbeing of our employees, contractors and any person affected by our activities. We do not tolerate corrupt or fraudulent practices and expect transparency, integrity and honesty in all aspects of our business, from our employees, contractors and other business counterparts. We aim to play a positive role in the communities and societies within which we operate, promoting and encouraging economic, environmental, social and educational development where possible. Avon Metals wants to be a responsible corporate neighbour in the communities in which we operate. We strive to integrate this objective in the way we work, through all our business processes and our products. We operate on the basis of high business integrity standards and have clear guidelines for donations and influencing public policy.
Policy	Our Anti Bribery & Corruption Policy is detailed on pages 39-42 of "Our 20/20 Vision" Sustainability Report and follows guidelines laid down by the World Economic Forum's Partnership Against Corruption Initiative. UN Global Compact Whistleblowing Policy Harassment & Bullying Policy
Organisational Responsibility	Our organizational structure is detailed on page 74 of "Our 20/20 Vision" Sustainability Report.
Training & Awareness	Avon Metals' training & awareness measures have not been devised to correct bad behavior, but instead to further galvanise our values of accountability, responsibility and openness and honesty. As a means of ensuring effective implementation, we have developed training material and continue to train selected employee groups. Furthermore, all employees have access to guidance and a means to raise concern about possible breaches of our integrity principles anonymously.
Monitoring and Follow-up	Confidential mechanisms for employees to report issues of concern are in place. A formal investigative process is in place to respond to reports of corruption. Managed by the Managing Director, the Chairman and a senior representative from the relevant department.



## GLOBAL REPORTING INITIATIVE (GRI)

**Additional Information** Key successes – becoming a signatory to the UN Global Compact and PACI Initiatives. Introduction of Whistleblowing & Harassment & Bullying Policies. Risks - our governing policies and procedures relating to the social issues covered in this section provide us with assurances to minimise risks in these

**Performance Indicators—Society**

SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programmes.	2, 4	Total number of operations = 1. Environmental impact assessments and ongoing monitoring are carried out in line with ISO 9001 and ISO 14001 standards. See pages 31-33 Improvement of Community Relations and pages 72-74 Stakeholder Engagement.  We believe in giving something back to the many communities we work in: building links with local businesses, supporting our people in their own neighbourhoods and reinforcing our reputation as a responsible company. We give our skills and our time, as well as money to supporting people volunteering and fundraising projects. See pages 95 & 30-32 of "Our 20/20 Vision" Sustainability Report
SO2	Percentage and total number of business units analysed for risks related to corruption.	1	100% . Our Anti Bribery and Corruption policy has been developed and disseminated in accordance with the World Economic Partnership's PACI Initiative. See pages 39-42.
SO3	Percentage of employees trained in organisation's anti-corruption policies and procedures.	1	100% of our 52 employees (5 management and 47 non-management employees) have received anti-corruption training during the reporting period.
SO4	Actions taken in response to incidents of anti-corruption.	1	There were no incidents of anti-corruption within the reporting period, and therefore no action was required to be taken in response. There were no incidents when contracts with business partners were not renewed due to violations related to corruption. There were no legal cases regarding corrupt practices brought against the company or its employees during the reporting period.
SO5	Public policy positions and participation in public policy development and lobbying.	1	Avon Metals' senior Management has developed relationships with key government stakeholders, policy influencers, NGOs and trade and business associations who impact Avon's interests and business concerns. We have therefore been indirectly involved in lobbying on topics such as Climate Change, REACH legislation through our membership of trade associations such as the Aluminium Federation and the Minor Metals Trade Association.
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	1	Zero
SO7	Total number of legal actions for anti-competitive behaviour and anti-trust, and monopoly practices and their outcomes.	1	Zero
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations,	1	Zero

## SDI 20

## GLOBAL REPORTING INITIATIVE (GRI)

	Describe program in which the reporting organization has been involved that addressed artisanal and small-scale mining (ASM) within company areas of operation.	9	N/A. There is no artisanal or small scale mining conducted within our area of operation.
	Describe resettlement policies and activities.	3	N/A
MM10	Number or percentage of operations with closure plans, covering social—including labor transition—environmental and economic aspects. Describe company policy, stakeholder engagement processes, frequency of plan review, and amount and type of financial provisions for closure.	2	N/A
MM11	Describe process for identifying local communities' land and customary rights, including those of indigenous peoples, and grievance mechanisms used to resolve any disputes.	3	During 2006-2010 inclusive there were no reports of violations involving rights of indigenous people received in relation to Avon Metals' operations.
MM12	Describe approach to identifying, preparing for, and responding to emergency situations affecting employees, communities, or the environment.	4	Emergency management is part of our management systems that require all operations to have emergency response plans, and to conduct ongoing skills training and exercises to assess their workers' readiness to respond to actual emergencies. The primary response techniques and training are for such things as molten metal splashes, handling hazardous materials, firefighting and providing agreed-upon local aid.
MM13	Number of new cases of occupational disease by type. Describe programs to prevent occupational disease.	5	Avon Metals believes that our employees are our most valuable asset and we aim to create clean, safe and sustainable working conditions. There were no reports of occupational disease in the reporting period. The Company promotes a healthy work-life balance and annual health screenings are conducted including monitoring of hearing levels, lung function and night workers assessment. The company operates a no smoking policy.

## SDI 20

## GLOBAL REPORTING INITIATIVE (GRI)

**Disclosure on Management Approach – Product Responsibility**

Goals & Performance	Our goal is to make successful value added metal products in a sustainable manner, without harming anyone or the environment.
Policy	ISO 9001 Quality Management System ISO 14001 Environmental Management System OHSAS 18001 Health & Safety system – process started
Organisational Responsibility	Our organisational structure is detailed on page 73 of “Our 20/20 Vision” Sustainability Report.
Training & Awareness	All training is carried out in line with ISO 9001, ISO 14001 and OHSAS 18001 standards.
Monitoring and Follow-up	Audits are carried out in line with our Quality, Environmental and Health & Safety Standard systems.
Additional Information	Key successes – Cast Metals Federation Supplier of the Year 2007 Risks – REACH legislation, Climate change

**Performance Indicators—Product Responsibility**

PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	8	Pages 43-46 of “Our 20/20 Vision” Sustainability Report.
PR3	Type of product and service information required by procedures, percentage of significant products and services subject to such information requirements.	8	Adequate information is given to customers. Avon Metals does not produce end-consumer products. Material Safety Data Sheets are supplied with all our products.
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	1	Avon Metals is not targeting end-consumers in our marketing.
PR7 NC	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	1	Zero.
PR9	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services.	1	No significant fines for noncompliance with laws and regulations concerning the provision and use of products and services.

*Some GRI descriptions are edited for length.*

*For the complete Sustainability Reporting Guidelines, please visit*

[www.globalreporting.org](http://www.globalreporting.org).



## MANAGEMENT

Avon Metals' Directors and Management inspire our people and control resources in line with our established Quality, H&S and Environmental standards.

The Management is responsible for planning what products to sell and make in the future, organising the materials and resources necessary to carry out these plans, motivating others to play an effective part in achieving these plans and monitoring the progress of these plans to ensure they have been implemented correctly.

The Management Team has a combined industry experience of over a century, and works closely with our local Business Link and makes full use of their corporate services such as "the Bridge Process" - a strategic management programme designed to ensure that as a management group there is involvement, clarity, visibility and agreement in the direction that the business is travelling.

The company is either accredited or working towards Management Systems for Quality (ISO 9001), Environment (ISO 14001) and Health & Safety (OHSAS 18001) and is currently conducting a feasibility study on the potential integration of LEAN and Six Sigma techniques into our manufacturing processes.

## LEADERSHIP

Avon Metals' mantra is "leadership through performance and accountability".

The direction and vision of the company is spearheaded by the Managing Director, Steven Munnoch. In 2007 he was made a Director and Chairman of the Contracts Committee of the MMTA (Minor Metals Trade Association) and he won the Young Business Person of the Year at the 2007 Citizen & Echo Gloucestershire Business Awards.

Our rules for leadership: -

- Have an open mind a love for travel
- Good leaders listen as much as they talk
- Good leaders have a positive attitude and inspire people
- Good leaders invest in their mind and body
- A good leader is a student for life
- A good leader respects and values people at all levels
- A good leader builds the entire team
- Good leaders know how to have fun





### STAKEHOLDER ENGAGEMENT – BRIDGING THE GAP

Avon Metals acknowledges our responsibility to contribute to sustainable development. This requires the company to have a clear understanding of relevant opportunities where it can make a positive contribution. Where appropriate, this includes contribution through assuming a sense of leadership. Our stakeholder engagement works in tandem with our consultation with local communities and considers the wider, not just neighbouring, communities with which we interact.

In particular, the issues which our stakeholders indicate to be of greatest importance are:

- Occupational health and safety
- Economic and social sustainability
- Environmental and product stewardship
- Governance and ethics
- Climate change

### HOW WE ENGAGE OUR STAKEHOLDERS

In the period of reporting, Avon Metals has continued to communicate with a wide range of stakeholders – we believe that active civil society engagement is fundamental to the success of our business. Working in partnership with others in civil society means we can tackle problems and seek solutions acceptable to all parties. Skills and resources can be pooled to achieve outcomes none of us could achieve on our own.

We play an active role within the Minor Metals Trade Association (MMTA) and hold positions on the Executive Committee. We have also continued to play a leading advisory role through participation in a number of sector trade associations and government bodies, including the Aluminium Federation (AlFed); The Institute of Materials, Minerals & Mining; International Titanium Association; Aluminium Packaging Recycling Organisation (AluPRO); Cast Metals Federation (CMF); the British Metals Recycling Association; Gloucester City Council; Gloucester County Council; Beacon South West and the South West Manufacturing Network.

Avon Metals sponsors the Gloucestershire Wildlife Trust and Slimbridge Wildfowl and Wetlands Trust on bio-diversity and wildlife projects.

The company is involved in a number of sustainability and corporate governance initiatives including the UN Global Compact; Global Reporting Initiative & the World Economic Forum's Partnership Against Corruption Initiative.



## STAKEHOLDER ENGAGEMENT – BRIDGING THE GAP

### CONTINUED....

We engage our stakeholders through: -

- **One to one dialogue** (meeting stakeholders individually)
- **Open exchange** (round tables with other Beacon companies)
- **Open doors** (site visits to customer sites)
- **Partnerships**

Stakeholder engagement at Avon Metals is carried out throughout the year and is integrated into business decision making processes.

Complementing our stakeholder meetings, Avon Metals' Directors also meet regularly with our major shareholders regularly.

At these meetings we discuss matters relating to corporate social responsibility and sustainability, together with the performance and development of the business.



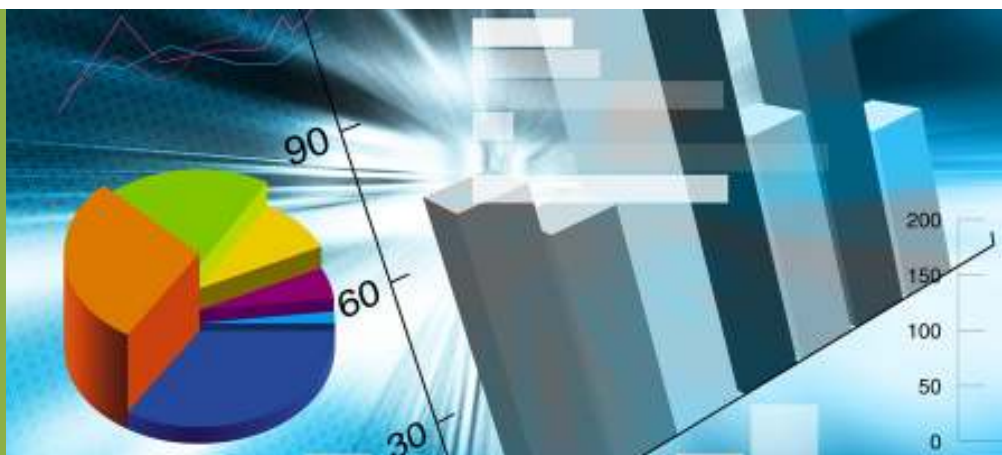


## STAKEHOLDER ENGAGEMENT – BRIDGING THE GAP

### CONTINUED....

Stakeholder Group	Engagement method	Engagement frequency	Key topics and concerns	Response	Reporting method
Customers	Verbal Electronic Face to face Questionnaires	Daily	Quality Environmental Legislation Commercial	Regular updates	One to one
Raw material suppliers	Verbal Electronic	Daily	Commercial Environmental Sustainability	Quality claims Contracts	One to one Mentoring
Service providers	Partnership	As required Ad hoc dialogue	Stability	Improvement in service	Report to Directors
Trade Associations	Partnership Open exchange Open doors Lobbying	As required Ad hoc dialogue	Legislation Membership	Compliance	Update reports Minutes Open days
Police	Partnership	Weekly	Stolen Goods Crime prevention	Robust Systems Report Suspensions	Direct
Initiatives	Partnership Open exchange Open doors	Quarterly	PACI Global Compact Reach	Continuous monitoring	Update reports Minutes
Shareholders	Verbal	Weekly	Profit & loss Cap-Ex Finance	Assistance where required	Weekly management meetings
Environment Agency	Email Verbal Site visits	Monthly	Emissions Packaging waste	Compliance with legislation	Open site
Workforce	Open Forum Works Council Feedback logs	Daily	H&S Training Welfare	Continuous improvement	Published actions Cascade communication
Management	Review meeting	Daily	Raw materials Future sales Trading Production Operations Finance	Continuous improvement	Minutes





## KEY FACTS &amp; FIGURES

ENVIRONMENTAL DIMENSION	SDI	2006	2007	2008	2009	2010	2011 TARGET
Reduction of Carbon Dioxide (mg/m <sup>3</sup> )	SDI 1	31	15.8	2.38	2.38	2.38	< 2
Reduction of Nitrogen Oxide (NOx)	SDI 1	31	< 5	2.28	2.28	2.28	< 2
Reduction of Sulphur Oxide (mg/m <sup>3</sup> )	SDI 1	N/A	4.1	2.9	2.9	2.9	2.5
Energy consumption Mwh/t of finished product	SDI 2	1.61	1.59	1.53	1.48	1.47	< 1.45
Transport cost per tonne delivered product £/t	SDI 3	25	27	32	38	37	< 30
ISO 14001 Environmental Management System	SDI 4	No	Yes	Yes	Yes	Yes	Yes
Implementation of REACH regulation	SDI 5	N/A	N/A	Yes	Yes	Yes	Yes
Noise Reduction	SDI 6	See page 7 for our noise reduction initiatives					
Amount of raw material input that is recycled material	SDI 7	70%	75%	74%	76%	76%	75%
Amount of packaging waste recycled (Tonnes)	SDI 8	905	666	743	488	435	800
Amount of dross recycled (tonnes)	SDI 9	942	1030	1172	654	828	1000
Corporate Partner of Gloucestershire Wildlife Trust & Slimbridge Wildfowl & Wetlands Trust	SDI 10	No	No	Yes	Yes	Yes	Yes
Freshwater consumption M <sup>3</sup> /t of finished product	SDI 11	0.39	0.48	0.46	0.45	0.71	0.40
SOCIAL DIMENSION	SDI	2006	2007	2008	2009	2010	2011 TARGET
OHSAS 18001 Standard commenced	SDI 12	No	No	Yes	Yes	Yes	Yes
Number of fatalities	SDI 12	0	0	0	0	0	0
Investors In People process started	SDI 13	No	No	Yes	Yes	Yes	Yes
Staff Turnover	SDI 13	12%	7%	4%	19%	21%	< 10%
Employee costs and benefits £ '000s	SDI 13	1469	1517	1700	1644	2145	2200
Gloucestershire Ambassadors	SDI 14	Yes	Yes	Yes	Yes	Yes	Yes
Beacon South West member	SDI 14	No	Yes	Yes	Yes	Yes	Yes
AluPRO member	SDI 14	Yes	Yes	Yes	Yes	Yes	Yes
Sponsorship of local sports teams	SDI 14	No	Yes	Yes	Yes	Yes	Yes
Global Compact Signatory	SDI 15	No	Yes	Yes	Yes	Yes	Yes
Partnership Against Corruption Signatory	SDI 16	No	No	Yes	Yes	Yes	Yes
ECONOMIC DIMENSION	SDI	2006	2007	2008	2009	2010	2011 TARGET
Defects (products that require re-working)	SDI 17	1.80%	1.60%	0.80%	0.78%	0.76%	0.50%
ISO 9001 Quality Management System	SDI 17	Yes	Yes	Yes	Yes	Yes	Yes
Financial contribution to the local economy £ '000s	SDI 18	1890	2987	2761	1000	1647	3000
Research & Development	SDI 19	See page 23 for savings made through R & D.					
Global Reporting Initiative Signatory	SDI 20	No	No	Yes	Yes	Yes	Yes
MANAGEMENT & LEADERSHIP DIMENSION	SDI	2006	2007	2008	2009	2010	2011 TARGET
Awards & Accreditations Received	M & L	1	7	2	8	3	3





## AWARDS & ACCREDITATIONS

Avon Metals is an entrepreneurial forward thinking company, and as such we rarely get chance to reflect on the past.

However, it is always nice to have success acknowledged by our peers and over the past few years we have received a plethora of prestigious environmental, social & economical awards in recognition of our achievements.

### 2010

- Major Commendation: BCE Environmental Leadership Awards
- Highly Commended: Environmental Efficiency , EEF Future Manufacturing Awards
- Runner-up: Innovative People Practices, EEF Future Manufacturing Awards

### 2009

- Winner: The Queen's Awards for Enterprise: Sustainable Development
- Finalist : ITV / Price Waterhouse Coopers West of England Business Awards
- Finalist : Business of the Year, Gloucestershire Business Awards
- Finalist : Corporate Social Responsibility, Gloucestershire Business Awards
- Finalist : SME Manufacturer of the Year, The Manufacturer Awards
- Finalist : Sustainable Manufacturing, The Manufacturer Awards
- Finalist : Business Growth Award, EEF Future Manufacturing Awards
- Finalist : Environmental Achievement Award, EEF Future Manufacturing Awards

### 2008

- Finalist : Best SME in "The Manufacturer Awards" – winner announced October 2008
- Finalist : Best Company in the Gloucestershire Business Awards
- Finalist : ITV / Price Waterhouse Coopers West of England Business Awards

### 2007

- Winner : The Queen's Award for Enterprise: International Trade.
- Winner : International Trade Award in the Gloucestershire Business Awards
- Winner : Steven Munnoch, Young Business Person of the Year in the Gloucestershire Business Awards
- Winner : Cast Metals Federation Supplier of the Year
- Winner : Gloucestershire Ambassador's Book Check Cup for outstanding contribution to the region
- Accredited : ISO 14001 Environmental Management System
- Accredited : Beacon South West Status

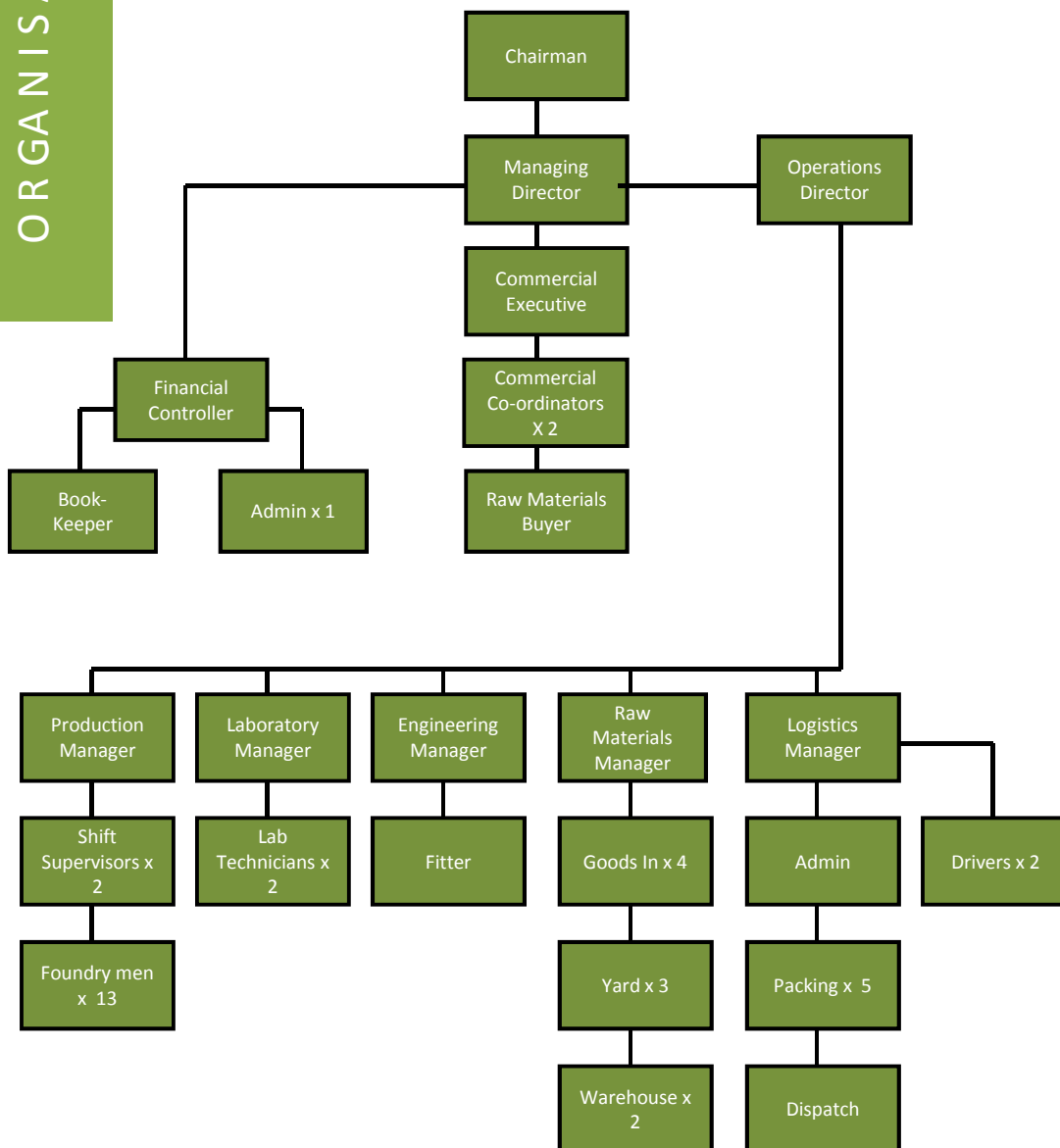
### 2006

- Runner Up : Valpak Awards, Best Investment of PRN Revenue
- Avon Metals is also proud to have featured in the top half of the Top 100 companies in Gloucestershire in 2007 & 2008.



## ORGANISATIONAL STRUCTURE

Avon Metals believes that every single one of our employees is central to the delivery of our sustainability strategy.



**CONTACT US****MAILING ADDRESS**

Avon Metals Ltd  
Ashville Works  
Ashville Road  
Gloucester  
GL2 5DA  
England

**TELEPHONE**

+ 44 (0) 1452 529696

**FACSIMILE**

+ 44 (0) 1452 300624

**E-MAIL**

[sustainability@avonmetals.com](mailto:sustainability@avonmetals.com)

Thank you for sharing in "Our 20/20 Vision."

Stakeholder feedback is very important to us, and we welcome comments, questions and suggestions to be sent to us via the above contact details.



[www.avonmetals.com](http://www.avonmetals.com)





## Statement GRI Application Level Check

GRI hereby states that **Avon Metals Ltd** has presented its report "Our 20/20 Vision" (2010) to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level A.

GRI Application Levels communicate the extent to which the content of the G3 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3 Guidelines.

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 28 June 2011

A handwritten signature in blue ink, appearing to read "Nelmaria Arbex".

Nelmaria Arbex  
Deputy Chief Executive  
Global Reporting Initiative



*The Global Reporting Initiative (GRI) is a network-based organisation that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organisations can use to measure and report their economic, environmental, and social performance. [www.globalreporting.org](http://www.globalreporting.org)*

*Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 23 May 2011. GRI explicitly excludes the statement being applied to any later changes to such material.*