



Sustainable

- Aggregate Industries is part of the Holcim Group, the world's largest cement manufacturer and a major supplier of aggregates and ready mixed concrete



- 2006 Turnover £10 billion
- Operating Profit £2.44 billion
- 90,000 Employees
- Operates in over 75 countries worldwide



AI's CSR/SD Approach

Corporate Social Responsibility is defined by the World Business Council for Sustainable Development as:

"the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large."

The Brundtland Commission Defines Sustainable Development as:

"development that meets the needs of the present generation without compromising the ability of future generations to meet their own needs."

Aggregate Industries, thus includes the following when referring to CSR:

- *Community Engagement*
- *Sustainability*
- *Sustainable Construction*
- *Workplace/Workforce*

CSR & Sustainable Development

- **Our Commitment:** To be the most Sustainable and Respected Company in our Sector
- **Our Strategy:** To develop and implement programming that both provides the company with a competitive advantage and ensures improved sustainability and social responsibility
- **Our Promise:** To provide our customers and the communities in which we live and work with the best possible efforts to ensure that we are delivering the best products in the most sustainable and socially responsible manner.

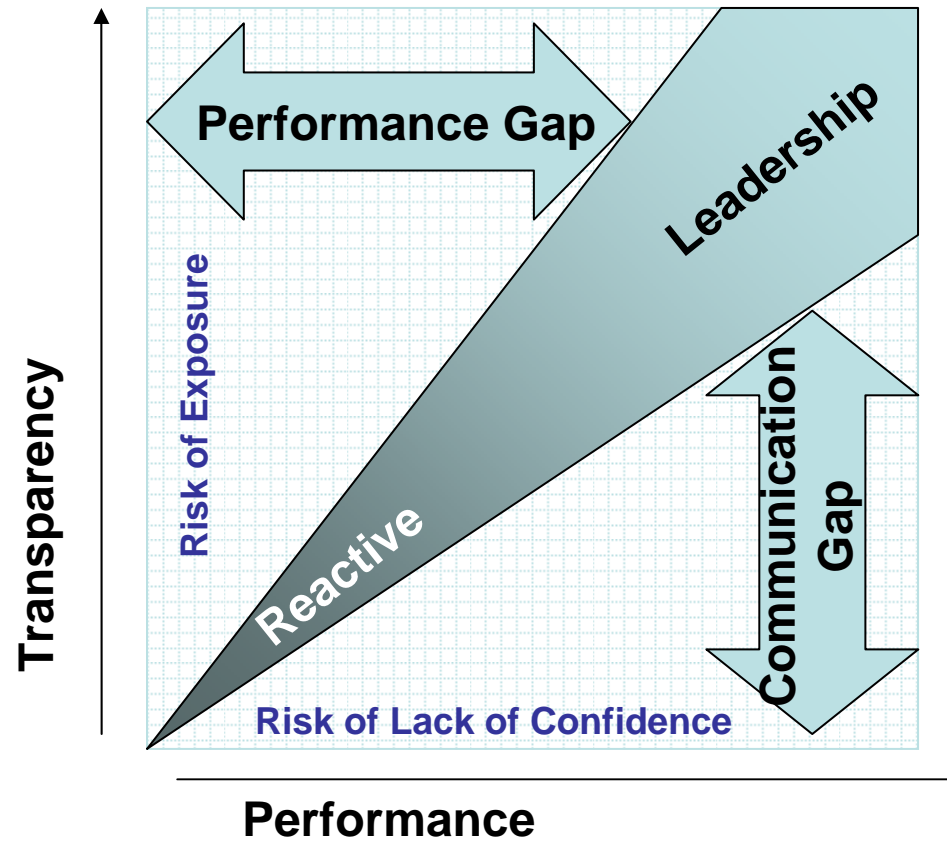
AI Mission and Vision

- Vision: To position Aggregate Industries as the most respected industry leader in the field of CSR.
- Mission: Aggregate Industries will grow and align the CSR culture both nationally and regionally.
 - *Aggregate Industries will deliver value added benefits to all stakeholders – internally and externally.*

CSR/SD – Definitions and Business Case

<u>Issue</u>	<u>Definition</u>	<u>Business Case</u>
Corporate Social Responsibility	CSR, as defined by Holcim, is our commitment to work as partners with all our stakeholders to effectively improve the quality of life of the members of our workforce, their families, and the communities around our operations.	<ul style="list-style-type: none"> • Improved financial performance • Reduced operating costs • Enhanced brand image and reputation • Increased sales and customer loyalty • Increased productivity and quality • Increased ability to attract and retain employees • Reduced regulatory oversight • Access to capital

Developing Trust



Our Communities/Our Livelihoods





Community Engagement, AI at Work

- North Central: Annual barge ride every August.
- Mid-Atlantic: Restoration of Hayfield Manor and development of scholarship for historic preservation and Mary Washington College.
- Meyer Materials: Leader of McHenry County Gravel Advisory Council
- West Central: Sponsorship of Morrison Museum of Natural History.

Climate Change and the New Paradigm

- ✓ “There will be a large creation and re-distribution of shareholder value in the transition to a low-carbon economy – there will be winners and losers at sector level, and within sectors at company level. **The winners are more likely to be those businesses that take the time to understand and address this complex area.**” *Tom Delay, Chief Executive, The Carbon Trust, Climate Change and Shareholder Value Report.*

The Climate Paradigm

- Global warming and climate change have become issues of business significance and smart companies are proactively addressing them.
- Federal and state regulatory action is imminent and it is important to be prepared for such action.
- The Building Sector has been identified as a significant contributor to global warming, but is also one that has the potential to provide real solution.
 - **Therefore these issues present business opportunities.**
- Consumers (both commercial and residential) are becoming more aware of and interested in purchasing from companies who have taken steps to mitigate their Greenhouse Gases.

AI and Climate Change

- Transportation
 - *Fuel Efficiency Pilots*
 - *Fuel Catalyst*
 - *Oil Filtration Systems*
 - *Idling Policy*
- Renewable Fuels
 - *Biodiesel Fuels*
- Carbon Trading/Offsets
 - *Cool Climate Concrete*
- Emissions Reduction Technologies
 - *Burner Controls for Asphalt*

Climate Change Impact Task Force

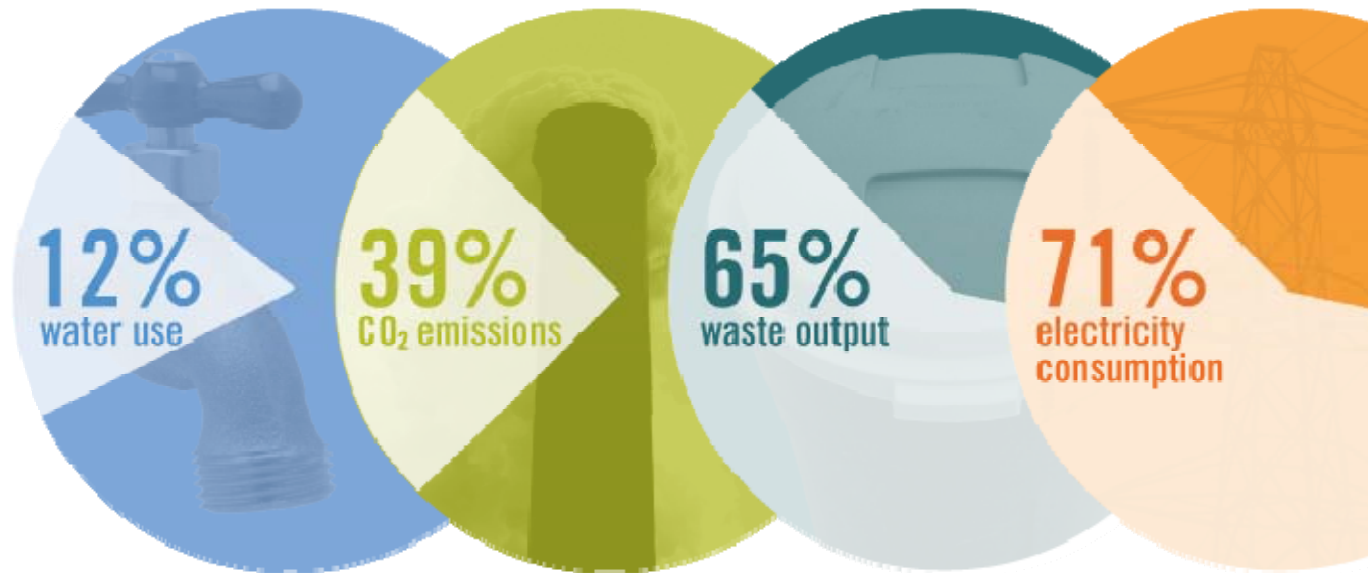
- NSSGA has decided to develop and launch a single task force to aid in the creation of policy and programs surrounding the issue of climate change.
- That task force will be called the Climate Impact Task force.
- The single task force approach will allow for a streamlined and more effective means of developing and managing the issue for NSSGA.
- The Task Force will provide counsel and recommendations to the NSSGA CEO and department heads and well as aid in the management of programs that benefit the aggregates industry.

Sustainable Construction

- In this fast-rising environment, green building is becoming less the exception than the norm, embraced by sectors ranging from hotels to health care to housing. **Nearly 80 percent of workplace and corporate real estate executives say being more environmentally sustainable is a major issue for today's businesses**, and they are willing to pay a premium to achieve it, according to a survey from CoreNet Global and Jones Lang LaSalle. More than half of corporate respondents in the study said they now own, manage, or lease a green property, according to a survey published in *Real Estate Investor* and *Retail Traffic* magazines.
- Where will all this go? A report from market researcher SBI found that **the booming green building market will continue its rapid expansion through 2011, more than doubling in size to \$4.7 billion in the next four years**. The report predicted that the market for green building materials, which has been growing at a rate of 23 percent annually through 2006, will slow slightly, to a “mere” 17 percent, still at ear-popping heights.
- Sustainable Construction is, unquestionably the future of our industry.

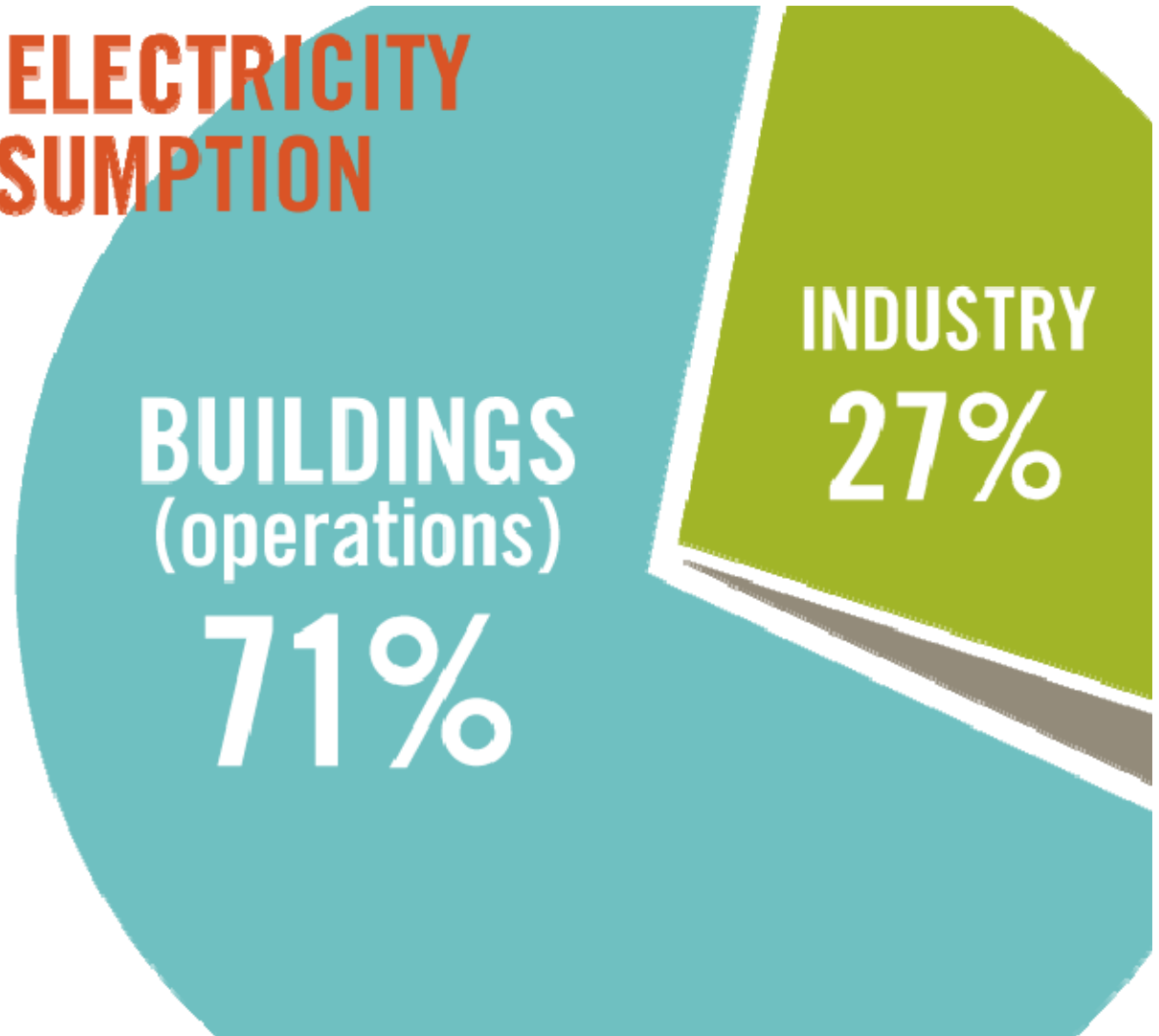
Why Build Green – Sustainable Construction

U.S. Building Impacts:



Why Build Green – Sustainable Construction

U.S. ELECTRICITY CONSUMPTION



Why Build Green – Sustainable Construction

U.S. BUILDINGS IMPACTS ON RESOURCES

39% of total energy consumption

71% of electricity consumption

39% CO₂ emissions

30% of raw materials use

30% of waste output

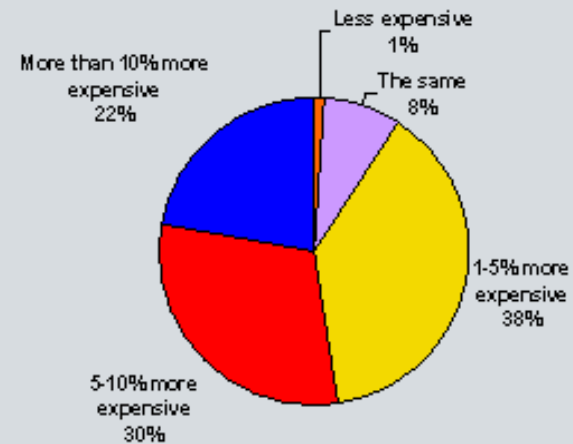
12% of potable water consumption

Does Sustainability Cost More?

- 38% respondents expect sustainable design to cost between 1-5% more.
- 30% believe sustainable design to cost between 5-10% more.
- 22% believe sustainable design will cost more than 10%.

Sustainability has a perceived cost premium

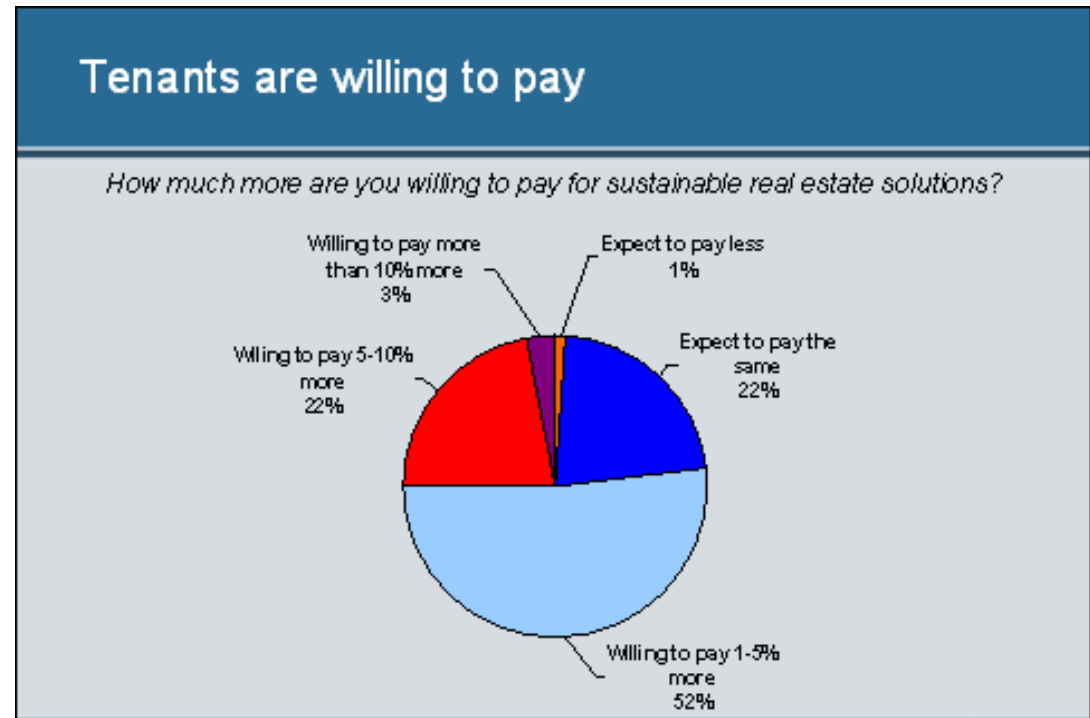
How much more do you think it costs to design, build and certify a new sustainable building?



Survey done by Jones Lang LaSalle and CoreNet Global

Are People Willing to Pay More?

- 1-5% are willing to pay more.
- 5-10% are willing to pay more.
- 10% are willing to pay more.



Survey done by Jones Lang LaSalle and CoreNet Global

The Future

- Climate Change is here to stay and companies must address it in order to remain competitive and ***financially viable***.
- Developing and implementing policies that improve sustainability will ***improve competitive advantage*** and help to increase market share.
- We cannot survive without the support of our communities and community engagement ***HAS*** to be more than just the desire to obtain a permit.
- Sustainable construction represents a ***tremendous market opportunity*** and both from a regulatory perspective and a climate perspective, those companies who develop green products and position themselves properly now will benefit later.



Sustainable