UK CEMENT INDUSTRY
National Stakeholder Forum 2008

Notes from the breakout groups discussion session

GROUP A

Denis Higgins
James Formosa
Phil Richards
Bill Pearce
Chris Dury
Mike Gilbert
Stefania Rosso

Question 1. What are your views and impressions of our objectives and priorities?

Objectives – cement or concrete? Need clarity:

- Confusion between cement EA sector plan and concrete common KPI's
- Too many objectives – 14?
- Concrete objectives had been prioritized but werent' listed in any order.
- Not clear about what are the objectives and priorities.
- Disparity between concrete/cement targets and objectives.
- Graphs showed progress clearly, but there were too many of them.
- Predominantly industry members – perception of industry talking to industry in industry language. Difficult to follow.

'New Co' alignment is a good start - how will it work?

- A start – we need to get our messages 'out' downstream – Construct mentioned;
- Proposed merger as an 'overload' organization an impressive step forward – but need to address environmental problems associated with individual operates;
- Not clear, who has been involved in setting O&P and what was outside industry involvement;
- Positive – the industry has a plan out, how to review who is responsible for achievement;

Social value – still missing?

- H&S and employment should be recognized key objectives;
- Still not really getting our 'Social Value' message out.

Question 2. What do we perceive to be the challenges and opportunities for the industry now and in the future?

<u>Communication & stakeholder dialogue:</u>

- Challenge is to improve communication;
- The communications policy must be re-thought. It is too inward looking and needs to focus on key issues that users see as important;
- People's perception of industry – polluters;
- Need to improve public sector consultation before proposals are brought forward;

<u>Provide responsible sourcing and LCA data:</u>

- Demands for responsible sourcing evidence;
- Greater demand from organizations and customers for verification of data;
- Maintain a responsible cement manufacturing in UK;
- Provide LCA data;
- Security adequate supplies of materials for alternate fuels and feed;

<u>Climate change and CO2</u>

- Challenge remains climate change, in the context of EU ETS but not only
- CO2 and carbon leakage has to be given much higher profile;
- CO2 emissions and EU ETS;
- CRC emissions trading capturing new areas;
- Economic downturn in short term how affects plans in long term;

GROUP B

Ian Holton
Iain Walpole
Andy Spencer
Alex Amato
Jim Rushworth
Joanne Turner

Question 1. What are your views and impressions of our objectives and priorities?

- Impressive progress, but not engaging right stakeholders, designers/specifiers;
- Identify 'smart' products and make them work for you / reuse / durability;
- Need data (hard and specific) for LCA models for whole life performance of buildings, not only materials;
- Ensure LCA/Green Guide data is accurate;
- Reuse of whole products not just breakup/recycle/extend life;
- Need clear information and statistics for upstream/downstream;

<u>Priorities should be:</u>

- Cement sector needs a consistent message and data set that provides information in format needed by stakeholders, e.g. LCA;
- Joined up thinking;

Question 2. What do we perceive to be the challenges and opportunities for the industry now and in the future?

<u>Industry Challenges:</u>

- Gluing it all together – industry strategy;
- 'Myth bushing' – cradle to gate analysis. Definitions;
- Need to ask market what its wish list is for info/data and supply it;
- Emphasize local nature of industry – less than 10% of imports – low transport impact;
- Find market differentiation – responsible sourcing, local markets, etc., and sell it;
- Demonstrate avoidance of landfill form using alternative fuels – what percentage is it?
- Engage with Government on carbon capture and storage;

GROUP C

Richard Gill
Martin Crow
Jessica Johnson
Alan Cooper
Lorna Pelly
Lindon Sear
David Pocklington

Question 1. What are your views and impressions of our objectives and priorities?

- Industry has made a very good progress against sector plan commitments and ensuring real environmental improvements, but more needs to be done;
- Overall an excellent track record on sustainability;
- Cement and Concrete and QPA are certainly current leaders in sustainability thinking;
- Are we delivering messages clearly and just enough?
- Need to dialogue with external and possibly critical stakeholders more;
- Specialist trade concrete contractors are invisible in this debate;
- Need to be communicated more;

Question 2. What do we perceive to be the challenges and opportunities for the industry now and in the future?

<u>Climate change - challenging, but generally political understanding:</u>

- EU ETS Phase III – clarity, direction;
- What's plan B, if you didn't get a satisfactory outcome on ETS?
- Carbon capture: implications, technology, practicality;
- Energy costs: pass through, mitigation;
- Very long term – concrete buildings in tropical climates often unpleasant. UK climate 2050?
- Ensuring cement/concrete can contribute constructively to zero carbon emissions agenda;
- UK cement production and imports;

<u>Communicate what we have been doing – media:</u>

- Need to get articles about progress into general media, e.g. airline magazines, interior design; QPA showcase, an article in RSPB magazine 'Birds' on quarries and diversity cases mentioning cement industry's environmental track record;
- Supply chain – communicate more effectively – driving sustainability;
- Re-sustainable Buildings – for some types, concrete may not be the best – honourable retreat or what?
- Messages down the chain – solutions;
- In excess of 60% of supply chain cannot meet basic criteria;
- Current Objectives KPIs are too loose;

- EA Objectives – responsible material sourcing will be a driving influence from 2009;

Make more use of third parties:

- Alignment – opportunity to integrate all under TCC;
- The sustainability agenda is at least in the top 3 objectives in most companies;
- Engagement with British precast essential;
- Understand the supply chain better;
- Still need to engage more with purchasers;
- A separate event in London for potentially hostile stakeholders, e.g. DEFRA?

GROUP D

Keiron Hall
Nigel MacKay
Simon Buxton
Denis Walker
Haydn Jones
Dwight Demorais

Question 1. What are your views and impressions of our objectives and priorities?

<u>'New Co' Alignment:</u>

- What is the aim of integrating 3 trade bodies? Economy? Sector dominance?
- Objectives and Priorities – linking to the strategy goals;
- Good impression so far but look forward to the final consolidation;

<u>Targets:</u>

- The objectives are landable – but they are complex for the consumer to take in;
- Objectives clear in the main Good 'Suite' Appropriate. Targets perhaps not as challenging as could be;
- Good story watered down by weak targets;
- Engagement in a wider sustainability context;
- Targets could be more ambitious;
- Targets clearly need a review and publishing – currently gives message that improvement is a pushover;
- Good clarification and good to see more focus;

Question 2. What do we perceive to be the challenges and opportunities for the industry now and in the future?

<u>Mitigation of impacts and market adaptation:</u>

- Challenge – to figure out how to work within environmental limits;
- How do we improve the link between cement and the final product (concrete) and structure (e.g. building);
- Challenge of a changing market, credit crunch, rise of oil price;
- Changing market demands, e.g. need to refurbish buildings in addition to build new ones;

<u>Communication:</u>

- Challenge – communicate clearly and effectively. Encourage wider diversity of these meetings;
- Challenge – communication – how to engage audience that is not cement-centered;
- Have the foundations to getting the message out through this dialogue but need to engage more widely. Press opportunities? Without cement you're doomed!!
- Good news / bad news sector. Pollution, injuries grab headlines, not positives that have been achieved;

- Improve communication with all stakeholders;

<u>Climate change and CO2</u>

- Challenge – avoid increased import of cement as a result of EU ETS Phase III;
- Challenge – to impress that sustainability is a global not EU or GN problem and UK should not be penalized risking high imports;
- Embrace potential imported cement data and not to allow imports as an easy way out;
- Opportunity to develop and EU (or worldwide) sustainability scheme;
- Opportunity for the industry to take leadership role in Europe, the world;
- Adaptation to climate change and the benefits of concrete;

Jeremy Sumeray summary from the plenary session

PLENARY SESSION

Question 1. What are your views and impressions of our objectives and priorities?

- Good performance – but more data needed;
- Targets – ambitions?
- Alignment – purpose?
- Objectives/principles – clarity;
- Differentiator(s) LCA;
- Communication challenge.

Question 2. What do we perceive to be the challenges and opportunities for the industry now and in the future?

- Sector case for emissions trading;
- Carbon Capture Storage;
- More effective communication - R&D;
- Stakeholder engagement – widen market conditions;
- Supply chain engagement;
- Waste – resource efficiency;
- Avoidance to landfill – resources;
- Etcetera.

STAKEHOLDERS FEEDBACK ON THE EVENT

- Full day meeting and site visit?
- More time for discussion
- Widen stakeholder group – users, architects involvement
- Interactive session – more dialogue.

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List of final attendees

Mr	Alex	Amato	Davis Langdon LLP
Mr	Simon	Buxton	Tarmac Buxton Lime and Cement
Dr	Pal	Chana	British Cement Association
Mr	Alan	Cooper	Laing O'Rourke
Mr	Martin	Crow	Hanson Building Products Ltd
Mr	Dwight	Demorais	British Cement Association
Mr	Chris	Drury	Peak District National Park Authority
Mr	Mike	Gilbert	British Cement Association
Mr	Richard	Gill	BERR
Mr	James	Formosa	Aggregate Industries UK Ltd
Mr	Kieron	Hall	Lafarge Cement UK
Mr	Denis	Higgins	Cementitious Slag Makers Association
Mr	Ian	Holton	British Pre-cast Concrete Federation
Mr	Clive	James	MD Tarmac Buxton Lime Cement, BCA Chairman
Ms	Jessica	Johnson	CEMBUREAU
Mr	Haydn	Jones	Environment Agency
Dr	Martyn	Kenny	Tarmac Buxton Lime and Cement
Mr	Nigel	MacKay	Bovis Lend Lease
Mrs	Melanie	Osler	British Cement Association
Dr	Bill	Pearce	Environmental Protection UK & Mansfield DC
Miss	Lorna	Pelly	Forum for the Future
Dr	David	Pocklington	British Cement Association
Mr	Phil	Richards	Tarmac Buxton Lime and Cement
Dr	Stefania	Rosso	British Cement Association
Mr	Jim	Rushworth	Lafarge Cement UK
Mr	Lindon	Sear	Quality Ash Association
Mr	Andrew	Spencer	CEMEX
Mr	Jeremy	Sumeray	Facilitator
Ms	Jane	Thornback	Construction Products Association
Ms	Joanne	Turner	The Concrete Centre
Mr	Denis	Walker	BERR
Mr	Iain	Walpole	Castle Cement Ltd