

### The Environment

Brammer recognises that it is part of a wider community of employees, shareholders, customers, suppliers and other stakeholders and recognises that group companies have a responsibility to act in a way that respects the environment.

It is the policy of Brammer, so far as is reasonably practical, to protect and conserve the local and wider environment from any adverse impacts caused by operations. It is the policy of Brammer across all its operations to:

- meet all relevant legislative requirements on environment issues;
- seek to conserve energy and natural resources by minimising waste, recycling where possible and maximising the use of our renewable resources;
- consider the life cycle environmental effects of investment in premises and equipment; and
- ensure all contractors follow our practices while working on site and respond promptly and efficiently to adverse occurrences.

The group’s aim is to encourage more recycling and reduce energy costs. The UK is leading the way in this regard. The group has extended this policy to other countries. Group initiatives include the following:

### Working Environment

The group continues with the transition to flat screen computer monitors with employees encouraged to leave all computers on standby mode if they are away from the computer.

At weekends, all servers, faxes and printers are shut down and all computers are turned off nightly. Better control of temperature and regulation of the hours of use of oil at National Distribution Centre’s (“NDCs”) to reduce consumption now takes place. The promotion of electronic mail and telephone rather than post is encouraged.

Energy saving lamps are used wherever possible and steps are taken to ensure that all lights are turned off when they are not in use.

### Environmental Performance Indicators

The group, which does not have manufacturing activities, takes its environmental responsibilities very seriously. The main impact on the environment is the group’s logistics. The group therefore monitors carefully its packaging and distribution costs from both an efficiency and environmental point of view. The following key performance indicators are applicable:-

	<u>2009</u>	<u>2008</u>
Packaging costs as % of costs of goods sold	0.23%	0.23%
Distribution costs as a % of sales	1.24%	1.22%

### Transport

Deliveries are in the main carried out overnight so that vehicles do not get held up

in traffic, thus reducing their emissions. Vehicles with diesel particle filters are preferred and cars with low fuel consumption (fleet scheme) are utilised.

Employees are encouraged to optimise their use of car pooling, use public transport and limit the amount of air flights. Drivers are asked to drive at low speeds as this is more energy efficient.

### **Recycling and Waste reduction**

Recycling is implemented where possible in relation to paper, glass, residual waste. Recycling is encouraged within NDCs by reusing old packaging.

Electronic purchasing is utilised to minimise paper usage. Printing is carried out through central printers in order to reduce paper consumption. A number of projects have been implemented to reutilise boxes for all internal transport and to improve the recycling rates at both NDCs and branches.

Suppliers are asked to use reusable pallets rather than disposable ones. The use of more environmentally friendly packaging is encouraged as well as packaging more products in the same pack, where possible, in order to save material. Employees are encouraged to separate waste.

### **Accreditation and conformance with European Legislation**

Brammer is working to ensure that all our businesses across the group achieve an environmental accreditation such as ISO 14001 - 2004. Brammer is committed to reducing its carbon footprint through reducing energy consumption and proactive waste management.

### **Specific country initiatives are as follows:-**

- For Brammer Germany DIN EN ISO 14001 certification has been achieved for the NDC in Dortmund.
- In Spain, anti-spill tanks and anti-spill emergency kits have been installed to cope with safety requirements for the warehousing of chemicals and to act in case of emergency. High capacity outdoor safety cupboards have also been installed to comply with safety requirements and to increase the capacity to store flammable products.
- In the UK, the NDC employees continue to receive environmental training and awareness, which along with other maintenance improvements brought a 30.9% reduction in the amount of waste sent to landfill since 2007; also a 5.9% increase in the volumes of cardboard and 296% paper, sent for recycling since 2007. Waste sent to landfill averaged 2.52 tonnes per month 2009 down from 7.68 tonnes per month in 2005. Cardboard recycled up from 0.81 tonnes per month in 2005 to an average of 4.22 tonnes per month in 2009. Where possible Brammer UK continues to minimise CO2 emissions with an improved GPS delivery routes introduced to reduce fuel costs.