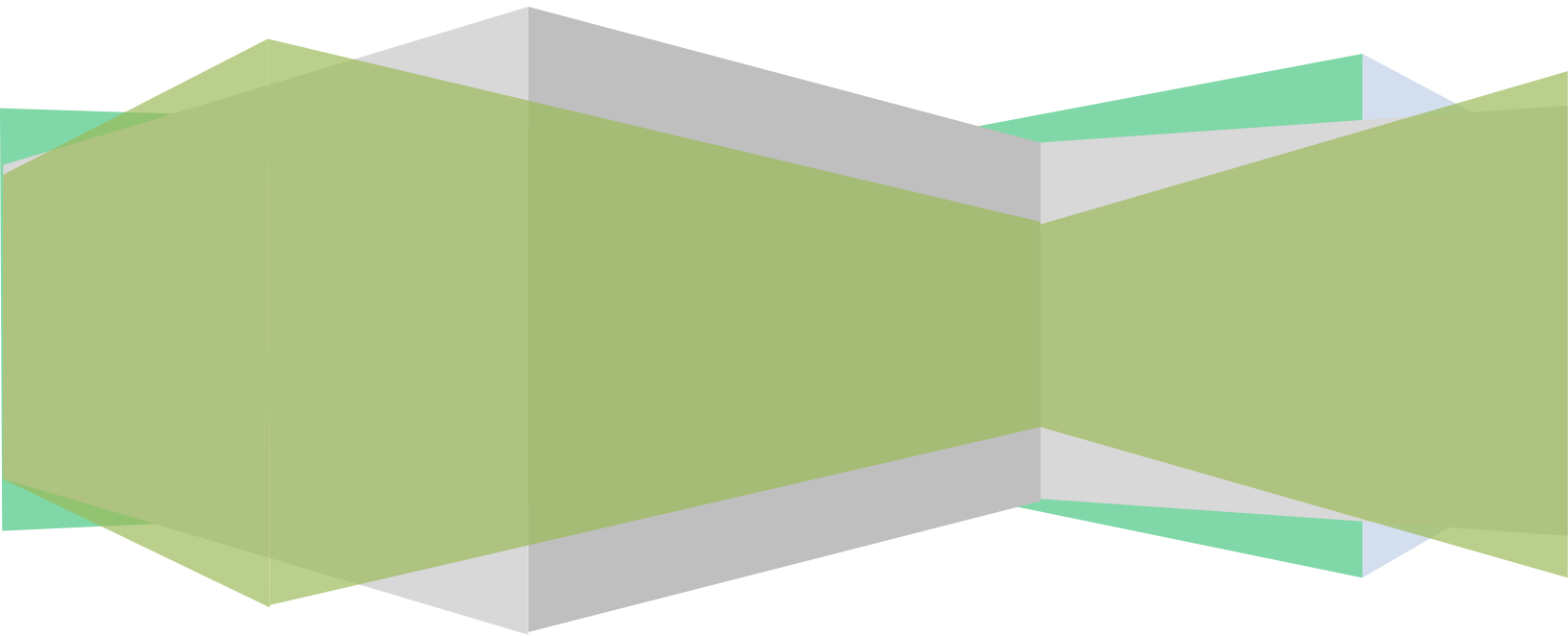




**AVK UK**

**Carbon Emissions  
Management Policy**

**Version 2 – October 2009**



## Executive Summary

AVK UK Carbon Emissions Management Policy has been developed to detail the strategy that has been adopted to monitor, manage, review and reduce the carbon emissions emitted by AVK UK.

AVK UK has taken a significant initial step forward in understanding its carbon emissions and preparing for a carbon-restricted future. We are aware of the increasing importance both UK and international governments are attaching to reducing carbon emissions over the next few years.

Companies are being encouraged to invest in energy efficiency with tax reduction incentives and will have emissions 'caps' (limits) placed upon them. The first of these for our business sector is due in 2010. It will be called the Carbon Reduction Commitment and will require participants to purchase 'emission rights' from businesses that are below their 'cap'. This is the first scheme targeted at large and medium sized nonenergy intensive businesses and it is expected that it will be progressively extended to capture ever more companies.

The key to minimising both cost and administration impact will be our ability to easily record and analyse at regular intervals the energy use and carbon emissions of each of our business activities to ensure we have efficient processes.

In preparation, AVK UK commissioned CarbonLow Limited in 2006 to provide us with an online supply chain carbon footprint monitoring system. Known as CLOEE (CarbonLow Ongoing Emissions Evaluation). CLOEE allows us to allocate data input requirements by department in order to minimise our additional workload. The benefits of the process so far are that we have a clear understanding of our direct and indirect (supplier) carbon emissions and their relative impact on our overall carbon footprint.

In order to successfully monitor and reduce our carbon emissions we have broken the overall emissions into categories as follows:-

General Management

Property

Travel

Procurement

Waste

Distribution

Logistics

To ensure that we have covered all of these categories we have implemented a carbon emissions reduction and monitoring strategy per category.

JP Hubbard

Chairman AVK UK Group  
June 2009

## General Management

There are 3 imperative drivers for ensuring that we have carbon emissions under control:-

**Financial** - Failure to engage with customers will damage our ability to bid on contract renewal. By having a carbon management system in place this has enabled us to be successful in winning new business as it is very high on our customer's agenda. Going forward it is believed that regulation will impose a cost of carbon through taxation or the auctioning of credits to emit carbon.

**Legal** – The Climate Change Act has committed the UK to cut greenhouse gas emissions by 80% from 1990 levels by 2050, Regulation will impose penalties for those failing to comply with emissions limits.

**Moral** – AVK UK strongly feel that we have a moral duty to play an active role to reduce carbon emissions and have been monitoring and reducing emissions since 2006.

### AVK UK Aim

AVK UK has committed to reduce our carbon emissions going forward at the end of each financial period we will review the carbon emissions and set reduction objectives for the next financial period.

A carbon emissions management action plan has been put in place and this will be reviewed during March and September of each year to review progress against the action plan and set objectives going forward. At the first review meeting in September 2009 the forum will agree target priorities for the action plan. Further review meeting's agenda to be discussed will be the previous six months performance and to review the next 6 months targets and objectives.

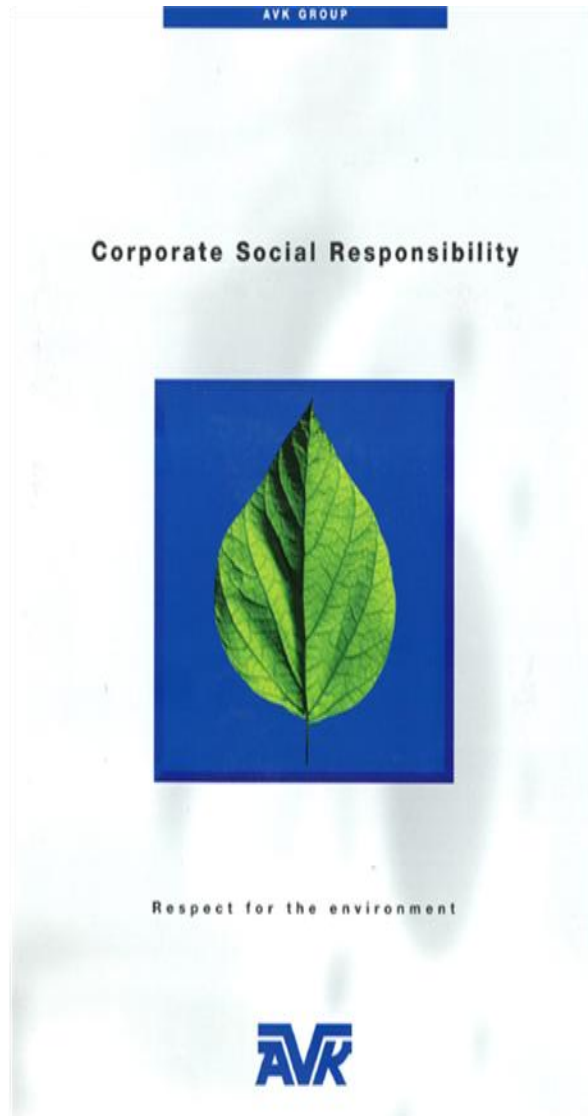
The review will be conducted by the carbon management forum which consists of the following members:-

Paul Hubbard	AVK UK Group Chairman	Carbon management forum Chairman
Francis Brody	AVK Manufacturing Managing Director	
Paul Jennings	AVK UK Managing Director	
Martin Brody	AVK UK Service Delivery Director	
Donna O'Brien	AVK UK Environment and Quality Manager	Carbon management forum secretary
Neil Houlston	AVKD Operations Manager	
Tony Bardsley	AVKM Operations Manager	
Lee Hackett	AGMC Operations Manager	

## **Corporate Social Responsibility Policy (CSR Policy)**

AVK Group has implemented the CSR policy which details the overall commitment to ensuring we have a sustainable future. The CSR policy is available on the AVK UK website

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



- **AVK Mission**
  - Dedicated people
  - High quality of product / design / technology
- **Global business**
  - Recognised as a leading global partner in development, manufacture and sales
- **People**
  - Challenging and rewarding working environment
  - New experiences, personal development and growth
- **Partnership**
  - Reliable partner to our customers and suppliers
- **Sustainable future**
  - People
  - Working environment
  - Certification of systems

## Recognition of the United Nations Global Compact principles

The AVK Group realises that a global presence demands high ethical standards. Throughout our organisation and in all our actions we therefore recognise the principles laid out in the United Nations Global Compact document, which is a set of core values in the following areas:

- Human rights
- Labour standards
- Environment
- Anti-corruption

### 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 all forms of corruption, including extortion and bribery.

High ethical standards and recognition of the above-mentioned principles along with an evolving set of policies form an integral part of the day-to-day operation of our business.



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410330AB / 2008-04-15

