

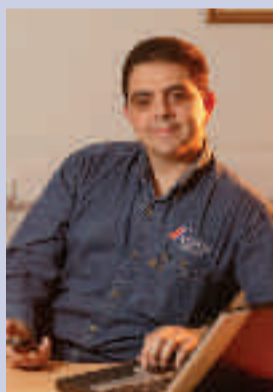
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Rugby's 62-metre long cement kiln has undergone intensive surgery as part of the annual refurbishment shutdown. Automated cutting equipment was used to remove a 14-metre length of the kiln, which needed to be replaced after eight years of hard work. A pair of huge cranes lowered the old 56-tonne section and lifted a new one into place. This year's shutdown cost £4 million, took three weeks and involved 88,000 man hours. A major focus this year was on environmental control equipment and included checks on the new main dust bag filter, which is still performing like new after a year of operation.

WELCOME



WELCOME to the latest issue of *Rugby Community Matters*

In this issue, you will see that we are currently focusing on our plans to extend the use of waste derived fuels at the plant and on the proposals to build our own *Climafuel* production plant.

Alternative fuels are vital to secure the future of the plant, and to the jobs that it creates. But they also carry with them a number of benefits that extend beyond the company and the site. On one hand, they have been shown to bring about a significant reduction in emissions of acid rain gases, especially oxides of nitrogen. By burning tyres that cannot be recycled, we are also helping to overcome a big disposal headache and illegal dumping. Our other alternative fuel, *Climafuel*, creates fuel from waste that would otherwise be landfilled.

By manufacturing our own *Climafuel* locally – whether in Rugby or at Southam – we would be providing a service that Warwickshire badly needs in helping the county and its taxpayers to meet landfill reduction targets. And what's more, the cost of the plant would not need to be borne by taxpayers. We would also substantially reduce the road miles that the fuel for our kiln travels. Coal comes from as far afield as South Africa.

We believe that waste derived fuels are a win-win situation. The company wins in terms of reducing its fuel costs and remaining competitive, whilst the local community gains from finding a solution to a serious problem of our time.

As always, we will welcome your comments on these and any other issues featured here.

Carlos Uruchurtu, Plant Director

Cutting the carbon

CEMEX UK has promised a further boost to the environmental performance and sustainability of its Rugby cement plant as a result of plans to use more waste derived fuels while cutting back on the use of finite fossil fuels such as coal.

If trials prove successful and the necessary permissions are secured, fuels from waste could replace up to 55 per cent of coal in the coming months. In addition to the direct environmental benefits of reduced emissions, using alternative fuels has indirect sustainability benefits. In particular, it recovers energy from what would otherwise be considered a waste material.

And with less carbon fuel being burned, the use of alternative fuels substantially reduces the carbon footprint associated with the cement-making process.

The plans involve the use of two waste derived fuels:

- **Chipped tyres** – the plant already has permission to use up to three tonnes an hour and has now completed trials that have doubled the input to six tonnes an hour, the equivalent of up to 25 per cent of total fuel needs. Trials show a reduction of up to 30 per cent in emissions of the greenhouse gases, oxides of nitrogen, when tyres are in use.
- **Climafuel** – a trial is now getting underway using the company's fuel derived from household residual waste and commercial waste with a view to it replacing 30 per

cent of the coal used to fuel the plant. At other CEMEX plants, data shows that that overall, emissions fall by 10 per cent or more when *Climafuel* is in use.

The plant can play a significant role in helping to deal with Warwickshire's waste

Rugby plant can play a significant role in helping to deal with Warwickshire's waste. Every year, we in the UK send almost half a tonne of rubbish for every home to landfill. Unless local councils hit their ambitious targets of reducing this figure and find new ways of dealing with waste, tax payers could face hefty fines.

As a further move towards sustainability, CEMEX UK is planning to build its own *Climafuel* production plant, where local waste could be diverted from landfill and transformed into *Climafuel* using a mechanical biological treatment process (MBT).

Permission for a trial involving *Climafuel* was granted by the cement industry regulator, the Environment Agency (EA), in October last year following extensive public consultation. The trial started early in March 2008 and the formal trials will last for at least six weeks. The results will then be available for comment before a final report goes to the EA.

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ANOTHER GOOD YEAR

THE year 2007 was a good one for Rugby's cement plant with no accidents and production increased as the kiln achieved what the industry regards as world class performance.

Compared with 2006, the plant increased production of cement clinker by 13 per cent. The success was largely due to new levels of reliability, with the number of kiln stops falling from 83 in 2006 to 50 in 2007. Overall kiln utilisation topped 90 per cent, a remarkable improvement on the figure of 67 per cent in 2004.

The current world-class production performance has been achieved on the back of a combination of three major factors, including major investments, training and development, and strong leadership.

The plant's new £6.5m dust bag filter is performing well beyond expectations by achieving an 80 per cent reduction in dust emissions from the chimney. Local and international training and development initiatives have included exchange programmes to CEMEX plants in countries like Germany and the United States. These have resulted in a drive to improve standards, best practice learning, good ideas generation and efficiency improvements.

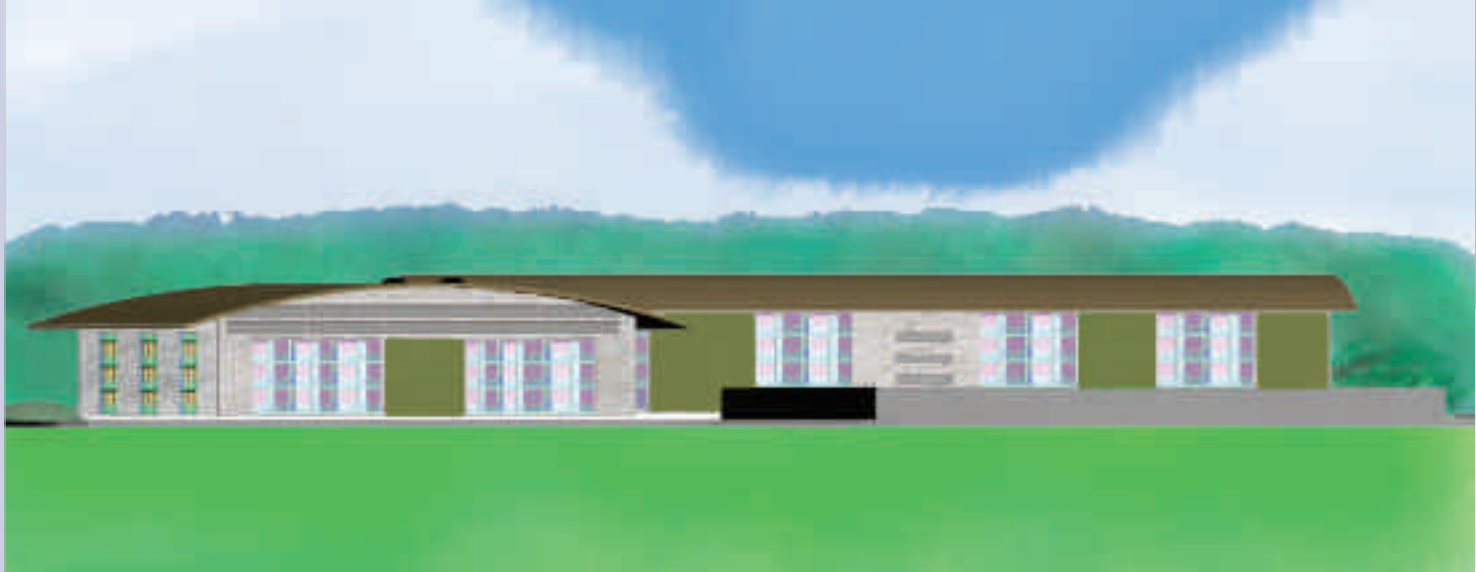
"All employees have contributed to the improvements and visible leadership has also been a factor," says Plant Director Carlos Uruchurtu. "Frequent and open dialogue between employees and management has helped to raise expectations, boost morale, develop internal pride and instil a belief that excellence is realistic."

Cutting the carbon

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Climafuel is currently being delivered from mechanical biological treatment plants in South Wales, Lincolnshire and London.

Long term permission to use chipped tyres as a fuel was given early in 2007 and the plant has now been using them in tandem with coal for a year. During that time, it has burned more than 18,000 tonnes (equivalent to some 2.7 million whole tyres) and saved an equivalent volume of coal.



Artist impression of the style of plant proposed

Fuel from your waste

TWO potential sites have been identified for a plant which could transform the domestic refuse produced by households in Warwickshire into *Climafuel* for the Rugby cement plant.

One site is close to the cement plant on the former Malpass Farm quarry off Parkfield Road, Rugby. The other is on the site of its former cement works and quarry at Southam, which continues to supply clay to the Rugby works. Both have been earmarked for industrial development by their respective local authorities.

At this early stage, stakeholders in both communities have been consulted by means of a scoping request. In essence a scoping request simply says 'if the company were to seek planning permission for this development, what would be the key issues from your perspective?' The responses to this exercise (which is organised by Warwickshire County Council) are collated and returned to the company so that if and when it did decide to submit a planning application, the extensive environmental impact assessment would be able to concentrate in particular on those issues identified.

The scoping exercise for Southam was completed in mid-January and that for Malpass Farm should be concluded by the end of March. These exercises will provide important information on the issues that will need to be addressed as part of the environmental impact assessment that would need to be included in any planning application.

The *Climafuel* production plant would employ what is known as mechanical biological treatment (MBT) technology to sort, separate and break down waste and convert it to a stable and dry residue which makes an ideal fuel for industry. Such plants are common across Europe

and are now being built across the UK as local authorities recognise their benefits.

A more sustainable way to manage local waste

Climafuel manufacturing is clean, green and safe. The process takes place in a sealed building and the incoming waste is delivered in closed containers.

If planning permission and an Environment Agency operating permit are granted, the company believes the project offers two major benefits which would apply to either site:

- A more sustainable way to manage local waste by dramatically reducing the need for landfill and avoiding potential EU fines
- Local supplies of *Climafuel* would enable the plant to remain competitive, cut its use of fossil fuels and reduce carbon emissions.

The company has already received permission from the Environment Agency for trials using *Climafuel* from elsewhere.

Its ultimate aim is to produce some 120,000 tonnes of *Climafuel* each year from 240,000 tonnes of locally sourced municipal, commercial and industrial waste. That would be blended with around 125,000 tonnes of *Climafuel* or similar material brought in from other areas. The proposed plant could be complete in 2010 and would be operated by a specialist waste management company.

Rugby's management team



The Rugby cement works has a particularly strong management team. The key members include:

- 1 Carlos Uruchurtu, Plant Director – a chemical engineer who joined the cement industry 15 years ago and has been a plant director for the past five years.
- 2 Luis Galan, Operations Manager – a chemical engineer with a post-graduate degree in management and an MBA in human resources. Joined CEMEX as a production coordinator in Panama 10 years ago and was Plant Director during his last three years.
- 3 Brian Southam, Engineering Manager – 26 years with Rugby, starting as production operative. Played a key role in the engineering of the new works.

- 4 Grant McMillan, Customer Supply Manager – a commercial graduate who has been shift team leader at Rugby and worked in projects and logistics.
- 5 Mike Andrews, Quality Manager – a technical graduate who has become an expert on quality and environmental management.
- 6 Graham Dunwell, Safety Manager – a safety expert who graduated from production operative to kiln burner and training adviser at other Rugby works.
- 7 Maria Ritchie, Business Performance Manager – CIMA qualified accountant (ACMA). Started working at Rugby plant four years ago as a Finance Manager. Has recently returned to work after having a baby girl.

- 8 Debbie Ellard, Environment Manager – an environmental graduate with experience of both the Materials and Cement divisions within CEMEX.

The works team is supported by a wider team of executives who are based at CEMEX House in Rugby and include:

- 9 Neville Roberts, Technical Director, UK Cement.
- 10 Ian Southcott, UK Community Affairs Manager, UK Operations.

FUELS FOR THE FUTURE

IN a highly energy intensive industry, the future of cement plants like the one at Rugby depend heavily on making increased use of waste derived fuels. By reducing the need to burn fossil fuels like coal and petcoke, waste derived fuels

are also vital in enabling the plant to reduce its CO₂ emissions. They are a key part of a sustainable and viable future.

Alternative fuels account for 53 per cent of energy needs at CEMEX's works at Rüdersdorf on the outskirts of Berlin.

Some 40 per cent of this is *Climafuel*. The plant is in an area that produces some three million tonnes of waste each year. Previously, most of this was dumped in landfills. Over the last decade, the use of alternative fuels at Rüdersdorf has resulted in a 50 per cent reduction in emissions of oxides of nitrogen.

CLIMAFUEL



- Looks like shredded paper
- Made from residual household waste, screened paper, cardboard, wood, carpet, textiles and plastics
- Trials now underway lasting around six weeks
- Could satisfy 30 per cent of fuel needs
- Plan to manufacture in Rugby or Southam using local waste
- Cuts landfill and helps meet tough EU targets
- Reduces use of fossil fuels and carbon emitted.

THE ALTERNATIVE



Landfill is not sustainable

CHIPPED TYRES



- Made from tyres that cannot be recycled
- Helps overcome huge disposal problem – tyres can't be landfilled
- Initial trials in 2006 confirmed overall benefits including reduction in emissions of oxides of nitrogen
- Environment Agency approved long-term use at three tonnes per hour
- Has to date saved 18,000 tonnes of coal
- Two-week trial now completed at six tonnes per hour.

THE ALTERNATIVE



Tyres cannot be landfilled

RELIEF ON ITS WAY

IT'S all system go on the building of Rugby's £36 million western relief road – a project that is set to transform life in the town and bring major benefits for companies like CEMEX UK that depend upon road transport.

CEMEX UK has estimated that some 80 per cent of traffic going to and from its site will use the new road when it opens at the end 2009.

It is likely, however, that it will mean a change in the planning condition requirement under which lorries bringing clay from the company's Southam quarry use a circular route to reach the Lawford Road plant. At present, in-bound lorries coming in on the A423 split at Princethorpe, with half using the Straight Mile and half the Fosse Way. Returning vehicles go via Dunchurch on the A426. With the new relief road in place, lorries will use the A423 for both legs of the journey.

SORRY FOR LORRIES

CEMEX UK has apologised for any inconvenience caused by the need to bring in coal by road from sidings in Coventry while Rugby's Hunters Lane sidings are out of use during the West Coast mainline upgrade.

It had been hoped that it would be possible to temporarily bring former sidings next to the Lawford Road plant back into use. But the plan had to be dropped with a consequent increase in journey time from 10 minutes to one hour. The company moves some 4,500 tonnes of coal a week, involving a total of around 30 deliveries each working day. Hunters Lane should be operational again by the end of 2008.

ME AND MY JOB

PAUL Fereday spends much of his day with two phones or a two-way radio clamped to his ear. And when life gets busy, they may well all be ringing at once!

As one of five shift managers at the Rugby cement plant, 47-year-old Paul is in the front line 12-hours a day (or night). He leads the 12-strong "Production Team 3" and also coordinates colleagues in the packing, maintenance and logistics teams when problems arise.

"As shift manager, you have overall responsibility for everyone on the plant and for making sure that they are all doing the right job at the right time," he says. "Beyond all else, you have to make sure that everyone is working safely."

"It can be very stressful and busy at times, especially if the kiln goes down. It's one thing to face that problem when you know what's wrong and can fix it, but if the kiln stops and you are not sure why, you can have a big problem on your hands."

Paul ("Fez" to all around him) came to work at the plant from school 32 years ago as an apprentice mechanical fitter. After qualifying, he moved to the former sister plant at Southam for seven years before returning to Rugby to join the shift team. When the new Rugby plant was commissioned in 1998, Paul became a team leader and has never looked back.

"I really enjoy my job," he says. "I may have worked in one industry for a long time but I have been involved in massive change – from very old technology kilns to the most efficient kiln in Europe."

"The new plant had its technical problems in the early days but, thanks to the commitment of the workforce and the expertise and investment of CEMEX, it now runs very smoothly. Job satisfaction for me is when everything is running well and we are breaking records."

Paul's shift team – which socialises as well as works together – was instrumental in breaking a much coveted monthly production record in January 2007. "All was going well until the last six hours of the last shift when the kiln went down," he recalls. "We managed to make enough raw meal to get things going again and broke the record with minutes to spare."

The shift manager's daily routines include a comprehensive environmental check list designed to ensure that the plant operates well within its permit from the Environment Agency. In a typical shift, Paul will record wind speeds and weather and make two checks on the River Avon to ensure no discharges.

Born and bred in Rugby, Paul lives with wife Veronica and their two children, Sean and Faye, in Bilton. Amongst his newer colleagues at the cement plant is son Sean, who is following close in his father's footsteps on a mechanical apprenticeship.



A BIG SAFETY CHALLENGE

SADLY MISSED

COLLEAGUES at the Rugby cement plant were shocked and saddened by the death of Peter Reynolds who was killed in a tragic accident at work in January.



Twenty-nine-year-old Peter was a member of the production team at the plant, where he had worked for eight years. He was married and is pictured opposite with his wife Kerry and baby daughter, Kayleigh. The family has expressed gratitude to all those who have

contributed to a trust fund for Kayleigh.

Peter had followed his father, Dick, who worked at the Rugby cement plant for some 30 years prior to his retirement. His mother, Jane, also worked for the company at CEMEX House.

Peter was regarded on the plant as a “gentle giant”. He was very popular amongst his workmates and, a keen golfer, often took part in company events.



Daily grind

If you go down to the woods today ... you could come across some mysterious round stones with holes in the middle.

They are in fact abandoned grindstones used in Victorian times to grind cement from lumps into a fine powder. They were similarly used to grind wheat for flour.

The Rugby works archives include the above picture of such stones in an 1882 calendar from the former New Bilton works. In the background, lumps of cement are fed between the stones, the upper one turning and the lower remaining stationary. In the foreground, men are “dressing” the stone - using chisels to restore the grooves. With a hard material like cement, this had to be done more often than would be the case when grinding wheat.

These old stones started to be discarded when the new mills came into use in the early 1900s and can sometimes be found on the sites of the various lime and cement works in the area.

THE death of a much valued member of the workforce came as the Rugby cement plant was enjoying a record accident-free run.

The investigation by the Health & Safety Executive and the company into the tragic death of Peter Reynolds is continuing and it has not yet been possible to establish the cause.

More than a month after the mid-January incident, Health and Safety Manager Graham Dunwell says that he, along with the rest of the works team, remains devastated. “Nothing ever prepares you for death of a colleague,” he says. “The safety of the people here is the management team’s responsibility and, whatever the actual circumstances of an individual fatality or injury, we always ask ourselves whether there is anything we could have done that could have avoided it.”

He added: “Our goal will always be zero accidents because nothing else is acceptable. The fact that a cement works is a heavy industrial environment involving a number of potentially hazardous processes and materials makes that a



A busy industrial working environment

tough challenge. But we are determined to achieve our objective despite this major setback.”

Statistics over the past five years speak for themselves. Lost-time accidents in which employees were off work for more than one day fell progressively from ten in 2003 to nil in 2007. By mid-January 2008, the plant had achieved 535 days without a lost-time accident. And over the past year, minor injuries like cut fingers and dust in eyes fell by 20 per cent.

“Everyone on site has played their part in the reduction of injuries - we all have a duty of care to look after each other,” says Graham. “I think we have made progress because we have achieved a change in culture in persuading people that taking risks with their safety is not acceptable.”

The CEMEX UK culture is one that now sees health and safety as the first item on every meeting agenda and involves injury prevention tours during which people’s safety behaviour is observed and then discussed with them. This includes both safe and unsafe practices. The company is also an active enthusiast in sharing best practice and incident alerts with its competitors.

For Graham, one accident will always be one too many. But there is compensating reward for him in incidents like finding an oversight in the procedure for isolating plant during repair. He stopped the job, overcame the problem and got a handshake from a grateful contractor.

“We have a good and conscientious workforce at the Rugby plant and we have come a long way in establishing a rigorous safety culture. I know that Peter’s tragic death will reinforce our determination to continue with that momentum.”

BUILDING BETTER DIALOGUE

AS the man responsible for relationships between CEMEX UK and local communities, Ian Southcott has been reluctant to accept that the Rugby Cement Community Forum is not working. The Forum was set up to provide the opportunity for the community and the company to discuss the plant’s operations, its plans and to address any issues.

But while agreeing with the decision that has been reached by Rugby Borough Council to withdraw funding and facilitation from the Forum he is optimistic that a new mechanism can be found to ensure that the man in street gets the information he needs about the town’s most visible industrial operator.

“The reality is that the Forum is being dominated by single issue groups and that it is not doing the job it is intended to do for the community as a whole,” says Ian. “Rugby Borough Council has quite naturally decided that it cannot justify spending taxpayers’ money in continuing to facilitate a group that is not working.”

At a recent meeting of the Forum the chairman, Rugby Councillor Chris Holman, left the meeting midway and withdrew from the Forum out of frustration with the lack of progress.

CEMEX recognises the need to build a better dialogue and has suggested commissioning an independent review from the Environment Council which specialises in creating

stakeholder dialogue. The process would include a number of one-to-one interviews and workshops with an opportunity for the wider public to have their say.



Ian Southcott

“We need to find a better way forward and the Environment Council is very good at mediating when communications have stalled for whatever reason,” says Ian Southcott. “Its role would certainly not be to represent CEMEX’s interests but to make a balanced and objective judgement on behalf of the people of Rugby.”

The status quo is not an option and I believe many of the existing Forum members recognise that and are conscious of the need to move forward.”

The review will be undertaken over the coming weeks and the results will be discussed with Forum members and meaningful community engagement can be resumed.

Your comments

We will welcome your comments on any of the issues contained in this newsletter or on any other aspects of life at Rugby’s cement works. Copies of all relevant correspondence will be made available to the Environment Agency and Rugby Borough Council.

You can contact us

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