



**AVON METALS LIMITED  
UNITED NATIONS GLOBAL COMPACT  
COP (COMMUNICATION ON PROGRESS) 2007-2008**

<b>Company Name</b>	Avon Metals Limited	<b>Date</b>	4 <sup>th</sup> April 2008
<b>Unit (if applicable)</b>		<b>Membership date</b>	24 <sup>th</sup> August 2007
<b>Address</b>	Ashville Road Gloucester GL2 5DA	<b>Number of employees</b>	62
<b>Country</b>	United Kingdom	<b>Sector</b>	Metals & Mining
<b>Contact name</b>	Steven Munnoch		
<b>Contact Position</b>	Managing Director		
<b>Contact telephone no.</b>	+ 44 1452 529696		

**Brief description of nature of business**

Avon Metals is a metals recycling company whose core activity is the production of 10,000 metric tonnes per annum of primary and secondary based aluminium master alloys, grain refiners and modifiers. These products are used to achieve elemental additions in the production of extrusion billet, foil stock, can stock, plate & sheet. The Company is also an important physical trader of various other primary, secondary (scrap) and specialty minor metals (including titanium and tungsten) and supplies superalloy, titanium and special steel companies all over the world.

**Statement of support**

Avon Metals Ltd is a participant in the United Nations Global Compact. Created in July 2000 by UN Secretary-General Kofi Annan, the Global Compact is a voluntary network of UN agencies, corporations, non-governmental organizations, labour, and academic institutions that endorse a shared set of principles on good corporate citizenship.

Avon Metals is proud to be a UN Global Compact signatory company and commits to support and advance the Global Compact's 10 Principles on human rights, labour, the environment and anti-corruption. These principles are based on internationally accepted principles to improve global society.

We are accountable and responsible for our actions and strive to make our products more environmentally sustainable for future generations. We believe that creating a trusted brand and taking a pragmatic approach to business that promotes the UN Global Compact's 10 Principles will reap both financial and ethical benefits.

Signing the Global Compact affirms our long-standing commitment to strive to conduct business responsibly and to achieve our long term goal – namely "to be the best we can be".

The following report is our Communication on Progress (COP).

**Signature**

**Position**

Managing Director

**PRINCIPLE 1 BUSINESS SHOULD SUPPORT AND RESPECT THE PROTECTION OF  
INTERNATIONALLY PROCLAIMED HUMAN RIGHTS**

**Our Commitment or Policy**

Avon Metals is committed to supporting and respecting the protection of internationally proclaimed human rights.

This commitment will be realised within our own operations and our policies disseminated to customers and suppliers.

We comply with all relevant United Kingdom and European Union laws, including those relating to human rights.

### **A brief description of our Processes or Systems**

Prior to engagement, all suppliers of goods and services are assessed as part of Avon Metals' ISO 9001 quality procedures.

Avon Metals seeks to build mutually beneficial relations with our suppliers and contractors, our essential partners. By keeping our transactions fair and ethical, we hope to develop our long term business together with our suppliers and contractors, and achieve our common goal of providing excellent products.

Our suppliers are valued partners in the success of our business. Our relationships with them are characterised by honesty and fairness. We will not deal with companies that we know to be unfairly exploiting their people, their society or their environment.

We seek to ensure that the contracting of services, the purchase, hire or lease of equipment and materials, and activities with partners are carried out so as to minimise any adverse health, safety and environmental consequences and, where possible, to enhance community development opportunities.

Suppliers, partners and contractors are selected on a competitive basis based on total value, which includes quality, service, technology and price and we endeavour to ensure that we trade with established, international blue chip partners.

However, we also recognise the value to local economies which can be delivered through our activities and consequently seek to encourage the development of local contractors and the use of local suppliers wherever possible.

Terms and conditions defining our relationship with suppliers are communicated early in the supplier selection process and agreements to such terms and conditions, or any acceptable modifications, are reached before work begins.

Any scrap metal or raw material is bought against classifications developed and published by the British Metals Recycling Association (BMRA), the Institute of Scrap Recycling Industries (ISRI), the international Titanium Association (ITA) and the Minor Metals Trade Association (MMTA).

### **Actions implemented in the last year / planned for next year**

"Root and branch review" of current employment contracts to ensure compliance with all existing legislation.

### **Measurable Results or Outcomes**

There have been no reports of breach of human rights.

## **PRINCIPLE 2 BUSINESS SHOULD ENSURE THAT THEY ARE NOT COMPLICIT IN HUMAN RIGHTS ABUSES**

### **Our Commitment or Policy**

Avon Metals is committed to ensuring that we are not complicit in human rights abuses.

This commitment will be realised within our own operations and our policies disseminated to customers and suppliers.

We comply with all relevant United Kingdom and European Union laws, including those relating to human rights.

### **A brief description of our Processes or Systems**

Please refer to Principle 1.

### **Actions implemented in the last year / planned for next year**

In 2007, Avon Metals made financial contributions to good causes through our membership of trade associations. The Leprosy Relief Association (LEPRA) was the chosen recipient for the Minor Metal Trade Association's charitable donation during London Metal Exchange week. Members raised over £1000 that will help to cure people of leprosy through treatment, surgery and education. In the same year, members of the British Metals Recycling Association (BMRA) raised £5,603 for the NSPCC through cash envelope donations at the annual dinner in Birmingham.

#### **Measurable Results or Outcomes**

There have been no reports of breach of human rights.

### **PRINCIPLE 3 BUSINESS SHOULD UPHOLD THE FREEDOM OF ASSOCIATION AND THE EFFECTIVE RECOGNITION OF THE RIGHT TO COLLECTIVE BARGAINING**

#### **Our Commitment or Policy**

Avon Metals is committed to upholding the freedom of association and the effective recognition of the right to collective bargaining.

This commitment will be realised within our own operations and our policies disseminated to customers and suppliers.

We comply with all relevant United Kingdom and European Union laws.

#### **A brief description of our Processes or Systems**

The rights of our employees are of paramount importance to the Company. We engage in constructive open dialogue with our staff and their representatives. Our employees are fully entitled to be – or refrain from being – union members and to be represented in collective bargaining agreements.

#### **Actions implemented in the last year / planned for next year**

None.

#### **Measurable Results or Outcomes**

Should Avon Metals be approached by either a trade union or the workforce themselves, it will recognise the right to collective bargaining and engage willingly in the process.

### **PRINCIPLE 4 BUSINESS SHOULD SUPPORT THE ELIMINATION OF ALL FORMS OF FORCED AND COMPULSORY LABOUR**

#### **Our Commitment or Policy**

Avon Metals is committed to supporting the elimination of all forms of forced and compulsory labour.

This commitment will be realised within our own operations and our policies disseminated to customers and suppliers.

We comply with all relevant United Kingdom and European Union laws, including those relating to human rights.

#### **A brief description of our Processes or Systems**

The Company operates an employee development review process, which provides an opportunity for all team members to work with their line manager to plan their personal development for the coming year. This may include formal training, gaining experience in new areas, and/or mentoring. Performance reviews are also conducted annually. These provide the opportunity to identify specific objectives for each team member, to review progress against previous objectives and assess overall performance.

The staff remuneration and incentives programme includes: -

- An annual pay review.
- Competitive salaries.
- Non-contributory pension scheme.
- Profit and performance related bonuses.

- Generous death in service benefit.
- 33 days annual leave per year (including bank holidays).
- Flexible retirement plan.
- Free milk and subsidised tea, coffee and snack foods.
- Insurance discounts.
- Help towards achieving work-related qualifications.
- Exam and study leave.
- Seasonal gift for every employee at Christmas.

#### **Actions implemented in the last year / planned for next year**

The Company has developed and issued corporate policies on:

- Harassment & Bullying
- Equal Opportunities
- Whistleblowing policy

#### **Measurable Results or Outcomes**

There have been no incidents of forced or compulsory labour within the reported time period.

### **PRINCIPLE 5 BUSINESS SHOULD SUPPORT THE EFFECTIVE ABOLITION OF CHILD LABOUR**

#### **Our Commitment or Policy**

Avon Metals is committed to supporting the effective abolition of child labour.

This commitment will be realised within our own operations and our policies disseminated to customers and suppliers.

We comply with all relevant United Kingdom and European Union laws, including those relating to human rights.

#### **A brief description of our Processes or Systems**

Avon Metals does not permit child labour and will not engage children under the age of 16 in our operations – this is in line with Save the Children's guidelines.

#### **Actions implemented in the last year / planned for next year**

Include a statement on our stance on child labour in our Standard Terms and Conditions of Employment and our Declaration of Corporate Social Responsibility (CSR).

#### **Measurable Results or Outcomes**

The Company does not employ anyone under the age of 16 years of age.

### **PRINCIPLE 6 BUSINESS SHOULD SUPPORT THE ELIMINATION OF DISCRIMINATION IN RESPECT OF EMPLOYMENT AND OCCUPATION**

#### **Our Commitment or Policy**

Avon Metals is committed to supporting the elimination of discrimination in respect of employment and occupation.

This commitment will be realised within our own operations and our policies disseminated to customers and suppliers.

We comply with all relevant United Kingdom and European Union laws, including those relating to employment law.

#### **A brief description of our Processes or Systems**

Avon Metals believes that our people are our most valuable asset and we aim to create safe and sustainable employment conditions. Our staff turnover is much lower than our local average at less than 5% per annum.

The Company operates an employee development review process, which provides an opportunity for all team members to work with their line manager to plan their development for the coming year. This may include formal training, gaining experience in new areas, and/or mentoring. Avon utilises the skills and assets of a multinational workforce and supports them with language programmes and personal assistance where required. Performance reviews are also conducted annually. These create the opportunity to identify specific objectives for each team member, to review progress against previous objectives and assess overall performance. The company makes a conscious effort to employ less able bodied personnel to carry out important and worthwhile tasks for the company and offers flexible retirement programmes. All systems are regulated in accordance with Investors in People requirements.

Avon Metals current language resources include Chinese Mandarin and Polish as a mother tongue and many European languages as a secondary asset. The Company organises regular scheduled ESOL (English for Speakers of Other Languages) for the foreign workers it employs.

Avon Metals promotes a healthy work-life balance and ensures that the workplace is clean, safe and healthy at all times. Annual health screenings are conducted including monitoring of hearing levels, lung function and night workers assessment. The company operates a no smoking policy.

Staff are encouraged to develop their skills, and these will be furthered and honed under our impending Investors In People (IIP) implementation. Avon Metals has a co-ordinated approach to staff skills development and good corporate citizenship is key to the Company's induction. This allows us to identify and create relevant career pathways for our workforce.

Our training courses for employees includes: -

- Effective Leader Management
- Forklift / heavy plant operations
- Health & Safety
- First Aid at Work
- Business Improvement Techniques

It is the policy of the Company that the training, career development and promotion of disabled persons should, as far possible, be identical with that of other employees. When illness recently forced two long serving employees to retire early, we were delighted to assist their struggle to meet continuing living expenses.

#### **Actions implemented in the last year / planned for next year**

The Company has applied for Investors In People (IIP) accreditation and this will be in place by the end of 2008. The Standard helps organisations to improve performance and realise objectives through the management and development of their people and is based on three key principles: 1) Plan – Developing strategies to improve the performance of the organisation; 2) Do – Taking action to improve performance; 3) Review – Evaluating the impact on performance.

Avon Metals will investigate potential "Positive About Disabled People Status" through our local JobCentre.

The Company has developed and issued corporate policies on:

- Harassment & Bullying
- Equal Opportunities
- Whistleblowing policy

#### **Measurable Results or Outcomes**

There have been no reports of discrimination in the workplace within the reported time period.

### **PRINCIPLE 7 BUSINESS SHOULD SUPPORT A PRECAUTIONARY APPROACH TO ENVIRONMENTAL CHALLENGES**

#### **Our Commitment or Policy**

Avon Metals supports a precautionary approach to environmental challenges.

This commitment will be realised within our own operations and our policies disseminated to customers and suppliers.

In order to operate as a metals recycling business, there are various statutory requirements laid down by government/industry bodies that have to be met. They include:

- Gloucester County Council – Permit to Operate. Renewed annually – we continue to exceed requirements.
- Environment Agency – Accredited Reprocessor of Packaging Waste.
- Scrap Metal Dealers Act 1964
- Emissions to the environment – we are consistently below statutory requirements.

### **A brief description of our Processes or Systems**

At Avon Metals consideration of the environment is paramount in our commercial thinking.

All processes are carried out in line with the Environmental Management Standard ISO 14001.

Our corporate environmental philosophies & practices include: -

- Monitoring emissions to the atmosphere from chimney stacks.
- Monitoring noise levels – to neighbouring businesses, residential areas and also to our workforce.
- Recycling of aluminium packaging waste.
- Waste minimisation and appropriate disposal for recycling/reprocessing and reprocessing of waste by products such as dross, wood, building materials, toner cartridges, mobile phones, paper.
- Active members of the Climate Change Levy scheme operated by the DTI.
- Safe management and disposal of effluents.
- Offsetting of Carbon emissions on overseas business flights.

### **Actions implemented in the last year / planned for next year**

- Avon Metals achieved the environmental standard ISO 14001 in 2007.
- Avon Metals has produced and issued an EMS (Environmental Management System) statement
- Implement REACH (Registration, Evaluation & Assessment of Chemical), engage customers and suppliers
- We hope to become Corporate Sponsors of Gloucestershire Wildlife Trust.

### **Measurable Results or Outcomes**

The implementation of ISO 14001 has satisfied the environmental requirements of our existing customers and suppliers, and assisted in the approval process for winning new business from new customers.

## **PRINCIPLE 8 BUSINESS SHOULD UNDERTAKE INITIATIVES TO PROMOTE GREATER ENVIRONMENTAL RESPONSIBILITY**

### **Our Commitment or Policy**

Avon Metals is committed to undertaking initiatives to promote greater environmental responsibility.

This commitment will be realised within our own operations and our policies disseminated to customers and suppliers.

We comply with all relevant United Kingdom and European Union laws, including those relating to environmental law.

### **A brief description of our Processes or Systems**

Avon Metals has designed and manufactured an aluminium pallet to replace the need for conventional timber pallets. Aluminium alloys in the form of ingots are stacked on the pallets making for a totally recyclable & sustainable packaging form - the pallet can either be used again and again, or if required it can become sacrificial as its composition is exactly the same as the customers bulk raw material

feed. Recycling aluminum requires only 5% of the energy it takes to make new aluminum – and produces only 5% of the CO2 emissions. This route saves a massive 90% in energy costs, creating a huge positive knock on effect to the environment. Since invention, Avon has supplied approximately 400 tonnes of its aluminium pallets, which have all been either re-used many times or melted into high value finished goods – again fully recyclable at the end of its life cycle. Their wooden counterparts would have required the appropriate landfill disposal.

Our corporate membership of Alupro (the non-profit Aluminium Packaging Recycling Organisation) encourages charity groups based in and around Gloucestershire to sort aluminium foil from waste streams and bring to Avon for remelting. These groups (such as the Fairtide Centre in Lydney, the Cheltenham Integrated Recycling Project and the Oakley Adult Opportunity Centre in Whaddon) provide meaningful voluntary work for severely disabled people who sort the foil. These schemes help disabled people build self-esteem and realise their true potential. As a result, the community is challenged to change their perceptions about disabled people. Income generated from the sale of the foil is reinvested into the project.

As well as being active in various regional business schemes, Avon Metals has also implemented environmentally beneficial measures on its own initiative: -

1) Vehicle management – Avon delivers ingots to UK customers and operates a skip service to collect scrap from generators. These movements have always required the use of three vehicles – a curtain-side lorry and two skip wagons. By investing in a new truck with an innovative, versatile loading system that can incorporate both finished product and loose scrap, we have been able to consolidate our transport from 3 vehicles into 1. Not only does this reduce our internal transport costs per tonne, it also makes for more effective route planning by maximising payloads and therefore reduce our Carbon Footprint through conserved fuel and lower emissions.

2) Raw materials management – A large proportion of the aluminium alloys that Avon manufactures involve the use of high purity (99.5% min) aluminium. This has predominantly been achieved by remelting virgin aluminium ingots produced from alumina (bauxite). Through extensive overseas travel, Avon identified new sources of scrap with similar chemistry to primary ingots, but with an associated cost advantage to us. One good example of this type of scrap is heat shields that are normally destined for car engines. Material has been successfully bought on long term contracts from South Africa, Spain and the Antipodes. In 2006, we replaced over 600 metric tonnes of primary ingot with new production scrap, reducing the need to buy material mined directly from ore and saving 95% of the energy required to refine the ore into primary ingots.

Avon Metals promotes other forms of recycling on site and has segregated collection points for the following office consumables: -

- Printer & toner cartridges
- Plastic vending cups / bottles
- Redundant mobile / office telephones
- Paper / cardboard
- Aluminium & steel beverage cans
- Glass bottles
- Electrical & electronic equipment
- Newspaper & magazines

...and the following is recycling from the works:

- Skimmings (dross)
- Filter dust
- Wooden pallets
- Plastic strapping
- Oils
- Bricks & rubble

#### **Actions implemented in the last year / planned for next year**

A recent survey conducted by the Carbon Trust has highlighted areas of improvements to reduce our Carbon Footprint and the Company is working towards meeting these criteria over a phased time period. This survey has helped us prioritise known savings as well as identifying new opportunities. Capital expenditure projects require full ROI (Return on Investment) analysis and associated positive

and negative impacts on the environment. The Company is also an active member of the Climate Change Levy scheme operated by the DTI.

In 2007, Avon Metals, in conjunction with Alupro and Gloucestershire County Council, co-ordinated a competition for Gloucestershire schools. Participating schools had to design and build a sculpture using a tree and recycled aluminium foil and drinks cans. The project encouraged children to recycle aluminium scrap. The winning entries received top-of-the-range camcorders, and the overall winning tree is proudly displayed in our reception area.

### **Measurable Results or Outcomes**

The aluminium pallet project has had a positive effect on the environment as it has: -

- Increased the amount of UK packaging waste reprocessed.
- Reduced the amount of aluminium scrap that would otherwise have gone to landfill / export.
- Reduced the amount of dross by-products generated which would have also have gone to landfill as "special waste".
- The new foundry has allowed us to produce aluminium pallets for our products which, when compared to their wooden & plastic alternatives, are fully recyclable and help reduce the impact on forests.
- Reduction of energy therms per tonne required to make our products.

## **PRINCIPLE 9 BUSINESS SHOULD ENCOURAGE THE DEVELOPMENT AND DIFFUSION OF ENVIRONMENTALLY FRIENDLY TECHNOLOGIES**

### **Our Commitment or Policy**

Avon Metals is committed to encouraging the development and diffusion of environmentally friendly technologies.

This commitment will be realised within our own operations and our policies disseminated to customers and suppliers.

We comply with all relevant United Kingdom and European Union laws, including those relating to environmental law.

### **A brief description of our Processes or Systems**

Avon Metals is a member of the Resource Efficiency Club (REC) for Gloucestershire businesses. The purpose of the REC is to address issues including minimising waste, reducing resource consumption, tackling emissions to air and water, transport and energy. Key benefits to joining the programme are cost savings, greater knowledge of environmental legislation, development of new approaches to deal with waste, improved business practices and significant environmental improvements.

We resist the flawed economic argument to move to alloying through compact additions as they require higher furnace temperatures and longer melt cycles, both drastically increasing the environmental impact by our customers and we champion the use of low concentration master alloys, often tailored to our customers specific requirements, to maximize the environmental benefits of recycling aluminium.

We have promoted our environmental good practice through: -

- The local press – Gloucester Citizen
- Receiving the runner up Valpak award for Best Packaging Recovery Note Investment.
- Technical discussions with the Aluminium Federation, Organisation of European Alloy Refiners, Cast Metals Federation, Gloucester County Council.
- Attending international conferences & trade fairs such as Aluminium Essen, Bureau of International Recycling, British Metals Recycling Association, Minor Metals Trade Association.
- Publication of a technical product paper in major aluminium recycling publications.

### **Actions implemented in the last year / planned for next year**

Over £500,000 has been invested in plant and equipment in the last 12 months to maximise recovery levels from raw materials and protect the environment. A new vehicle and skip service has been implemented to offer better service to associated industries. The company has applied for a Queen's Award for Sustainable Development for its aluminium pallet invention and continued to commitment to



providing a sustainable business model for future generations.

Avon is a new member of Beacon South West. Co-ordinated by the South West Regional Development Agency, Beacon SW status is awarded to companies who have the potential to add even more value to the economy of the south west, are committed and open to change, and are willing to share their knowledge and experience with others. This is achieved through attending Beacon Boardrooms - regular facilitated group discussions aimed solely at leaders of Beacon companies as a sounding board to share ideas, strategies and other business issues. Beacon has identified Avon Metals' import/export procedures and international trade as strengths to share with other companies hoping to expand in these areas. We have also instigated other processes to meet member companies and explore synergies and share best practices.

### **Measurable Results or Outcomes**

Our development and diffusion of environmentally friendly technologies and commitment to the local area were acknowledged with the BookCheck Cup Award from the Gloucestershire Ambassadors programme organised by Gloucestershire First.

## **PRINCIPLE 10 BUSINESS SHOULD WORK AGAINST CORRUPTION IN ALL ITS FORMS, INCLUDING EXTORTION AND BRIBERY**

### **Our Commitment or Policy**

Avon Metals is committed to working against corruption in all its forms, including extortion and bribery.

This commitment will be realised within our own operations and our policies disseminated to customers and suppliers.

### **A brief description of our Processes or Systems**

We are guided by the following core values: -

- We tell the truth. We do not intentionally mislead others.
- We do not take advantage of honest supplier errors.
- We treat proprietary supplier information in a confidential manner.
- We do not reveal a supplier's pricing, product specifications, technology, or other information without prior written permission.
- We resolve issues, claims and disputes on a factual and fair basis.

Avon Metals have a good relationship with the local Police force and we work closely with them in an attempt to eradicate local crime particularly thefts of valuable metals both from other local companies and at our own facility. The funds generated by such crime is often used to fund drug habits.

### **Actions implemented in the last year / planned for next year**

The company has issued strict guidelines and public notices on our vigilant stance towards scrap ownership and vendor identification.

### **Measurable Results or Outcomes**

There have been no incidents of corruption within the reported time.

## **How do you intend to make this COP available to your stakeholders?**

Avon Metals COP (Communication on Progress) will be made available:

- To all Avon Metals employees as an appendix to our Standard Terms & Conditions of Employment.

To other stakeholders, including members of the public and stakeholders, through:

- Avon Metals corporate website – [www.avonmetals.com](http://www.avonmetals.com)
- The UN Global Compact website – [www.unglobalcompact.org](http://www.unglobalcompact.org)



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