

**POWERED
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FINNING.

UK & Ireland

November 6, 2012



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Health and Safety UK & Ireland



Executive Summary



- The following is a summary of our safety performance during quarter three and our strategy. We continue to implement our strong action plan for 2012 as detailed on the next slide.
- We have seen evidence in Q3 that we are starting to address the less than acceptable safety performance seen in Q2. The summary also comments on our achievements in Finning (UK & Ireland) during Q3.
- We continued to monitor our safety performance during Q3 and implemented a number of proactive measures to address our performance trend of the 3 LTI's we reported in Q2.
- In Q3 2012 we have achieved 100 days and 1,010, 000 hours without a lost time injury. There have been 4 lost time injuries (LTI's) during 2012 providing an LTI frequency rate of 0.28 which is a decrease of 10% for the same period in Q3 2011.
- We recorded 3 Total Recordable Injury (TRI's) in Q3 which is a decrease of 6 for the same period in 2011. The total number of TRI's recorded in 2012 has decreased from 16 to 9 an improvement of 44% for the same period of 2011 which equates to a 2012 TRIF rate of 0.63 in comparison with our Q3 2011 performance of 2.08 (<70%) and our 2012 target of 1.50.

Performance Improvement Initiatives



Short Term

- Managing Director's health and safety conference call for all General Managers
- Employee Health and Safety Focus Group meets regularly
- Communicated 'Finning Safety Commitments'
- Re-communicating 'Service Safety Commitments'
- Health and Safety Leadership training course for all Team Leaders
- Continuing to raise the profile of risk awareness and hazard perception and the importance of safe behaviour at work and at home
- Used Sir George Earle Trophy to raise awareness and reward employees
- Held meetings with all the LAT Chairpersons and CPS Board Owners.
- Raised visibility of the Executive with 11 visits completed this year
- Planned special Toolbox Talk is to raise awareness
- Have introduced new hand and head protection

Long Term

- Continue to implement our 'Strategic Imperatives'
- Continue to embed our Safety Commitments - commit everyone to take account for own and colleague's safety
- Introduce Contractor Safety Passport scheme to improve control of external contractors on our sites
- Working in Partnership with ROSPA to deliver legacy of achievement through simplification, involvement and empowerment
- Tooling focus group continues to review the suitability of all tooling
- Continue to focus on TRIF as a means of improving our safety performance
- Sponsored and supported the Mineral products Association 'Safer by Partnership' initiative
- Continue to develop close relationships with our customers to share best practice
- Continue to use CPS, involve employees in improving safety and improve employee engagement

Results by Division



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Business Results	Lost Time Injuries		Total Recordable Injuries		Lost work Days		Lost Time Injury Frequency Rate/200,000 hrs		Total Recordable Frequency Rate/200,000 hrs		Severity Rate/200,000 hrs	
	Q3	Year to date	Q3	Year to date	Q3	Year to date	Q3	Year to date	Q3	Year to date	Q3	Year to date
Equipment Solutions Division	0	3	3	8	20	70	0.00	0.29	0.87	0.78	5.81	6.81
Power Systems	0	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00
DiPerk	0	1	0	1	0	8	0.00	2.28	0.00	2.28	0.00	18.23
Finning Dealership	0	4	3	9	20	78	0.00	0.28	0.62	0.63	4.13	5.45

TRI's

1. A CRC engineer suffered a cut to his finger when removing an oil filter resulting in 3 stitches.
2. A Field Service engineer trapped his finger when removing a belly guard resulting in 3 stitches.
3. A Field Service engineer suffered a cut to his wrist when an engine cover closed resulting in 3 stitches.

Results – 2011 v 2012



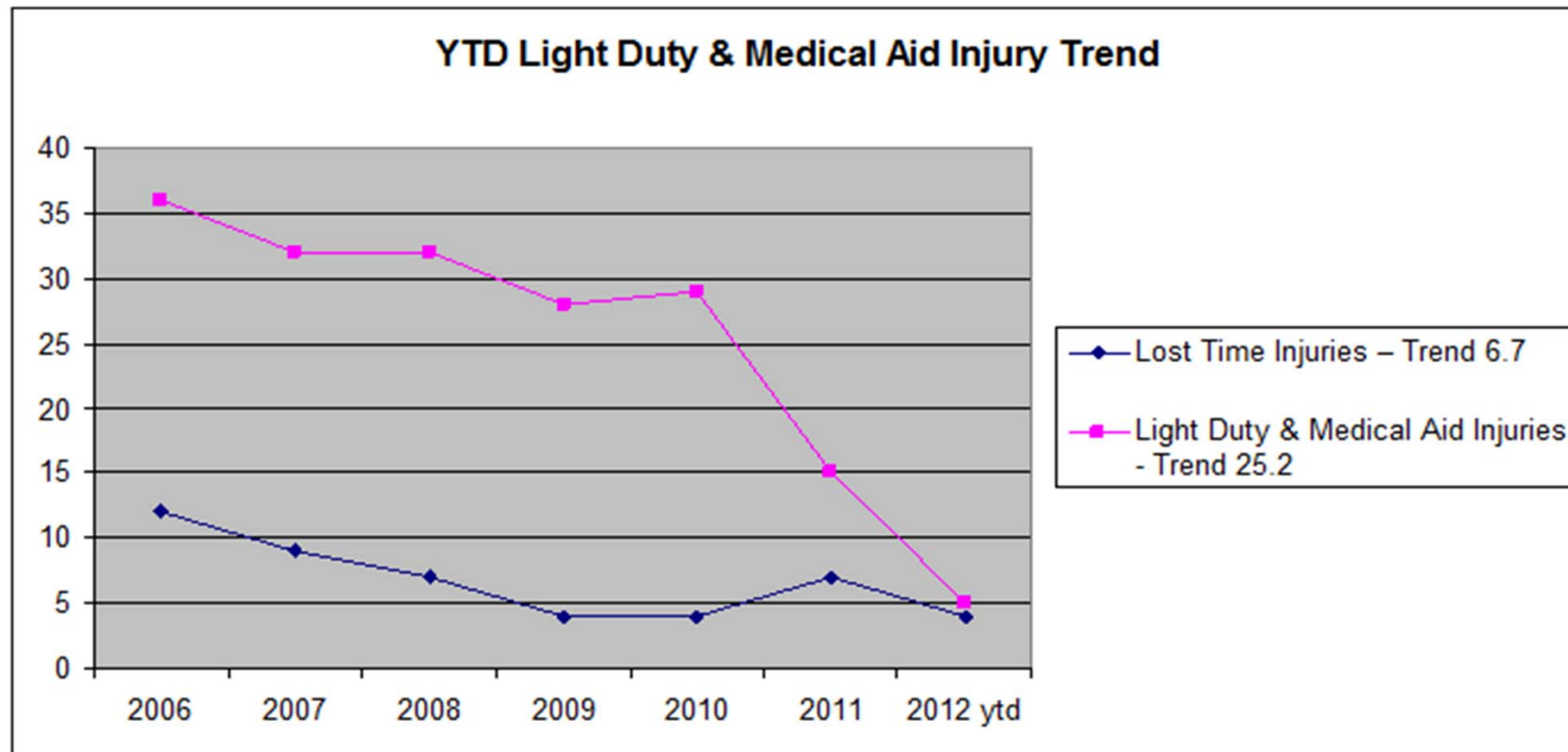
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	2012		2011	
	Q3	YTD	Q3	Year End
Lost Time Injuries (LTI)	0	4	3	7
Total Recordable Injuries (TRI)	3	9	9	22
Lost Work Days	20	78	38	92
LTI Frequency Rate/ 200,000 hrs	0.00	0.28	0.69	0.40
TRI Frequency Rate/ 200,000 hrs	0.62	0.63	2.08	1.27
Severity Rate/ 200,000 hrs	4.13	5.45	8.76	5.32

YTD Injury trends



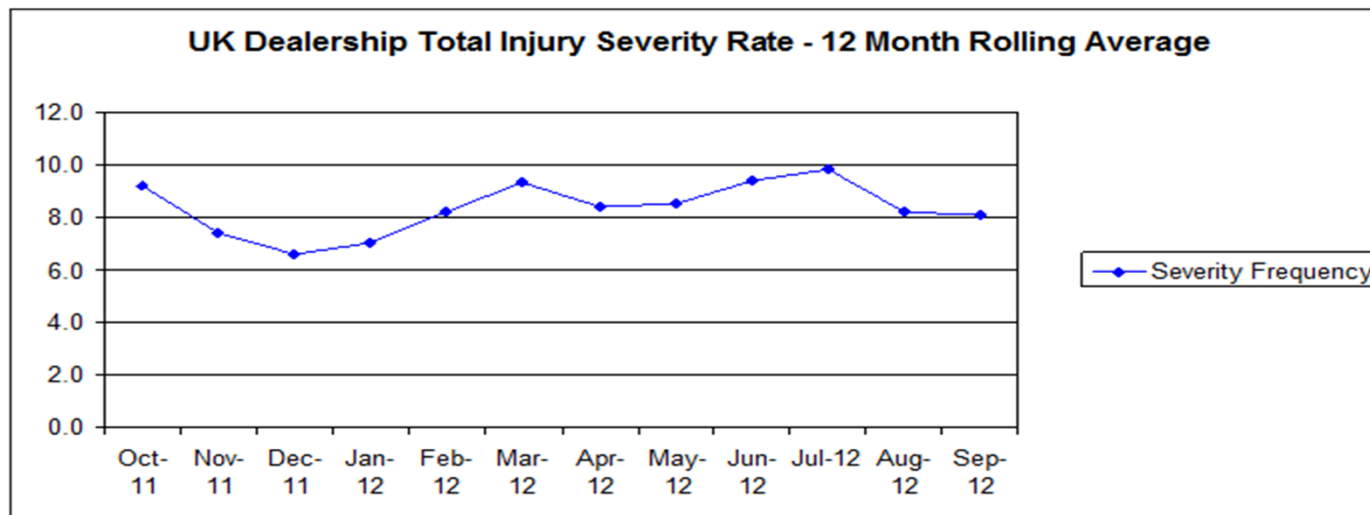
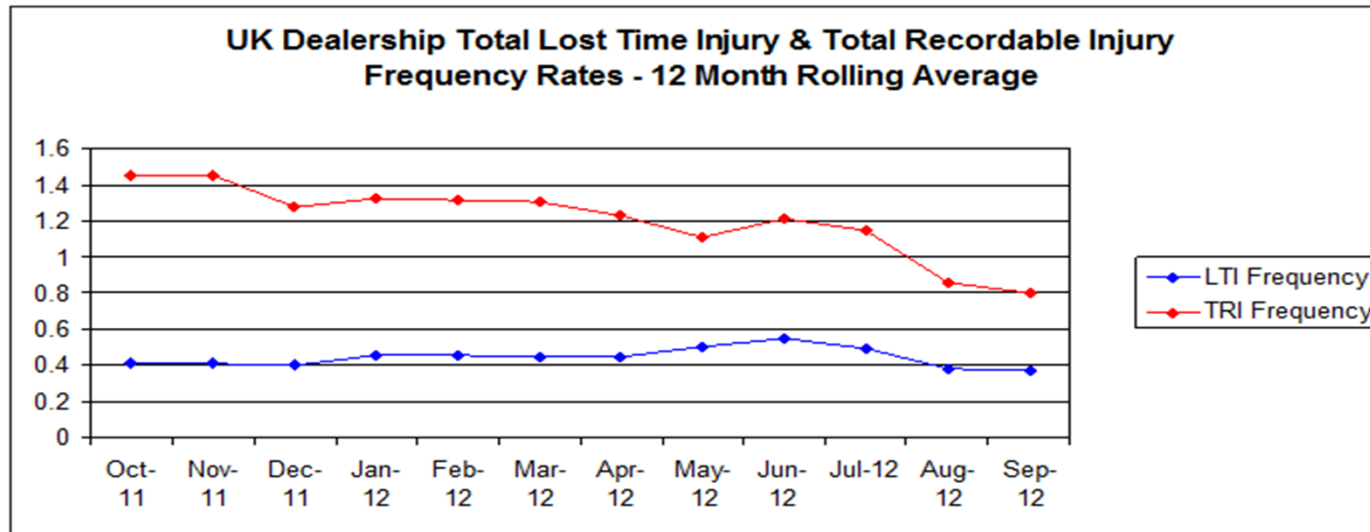
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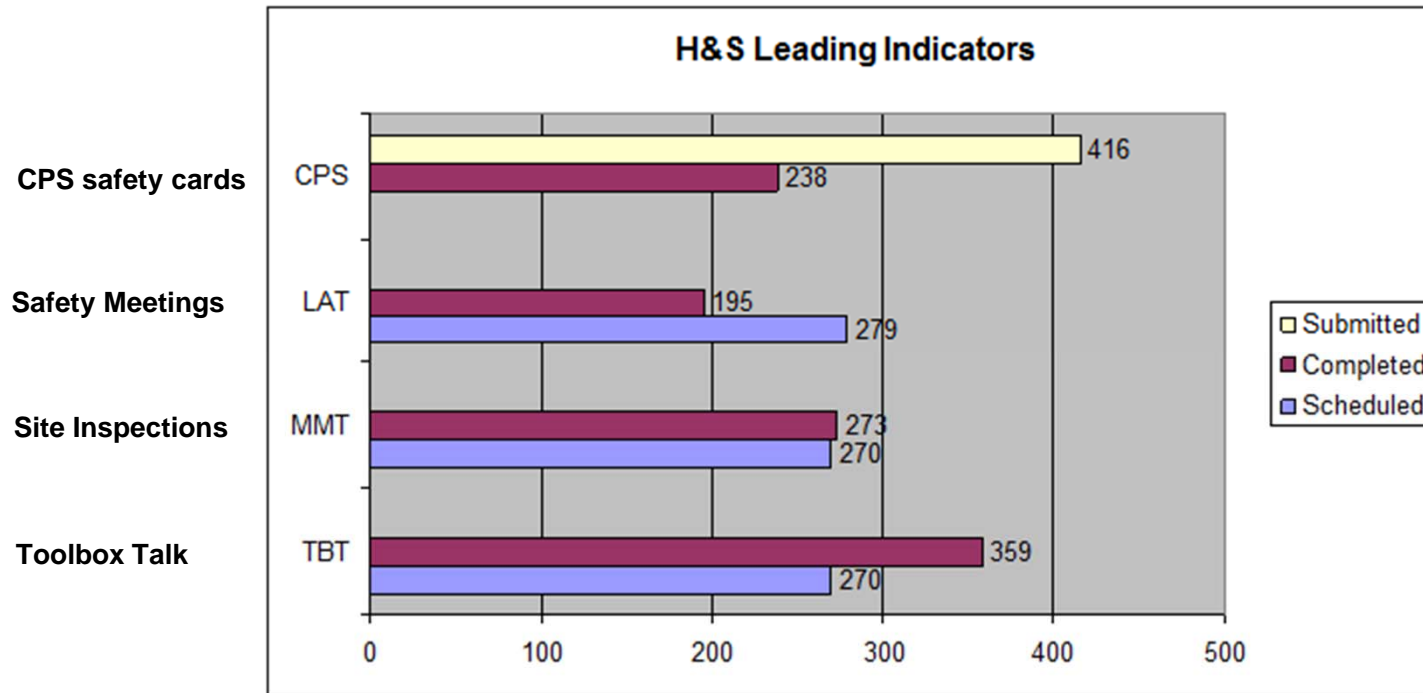
YTD Results – 12 month rolling statistic



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Leading Indicators



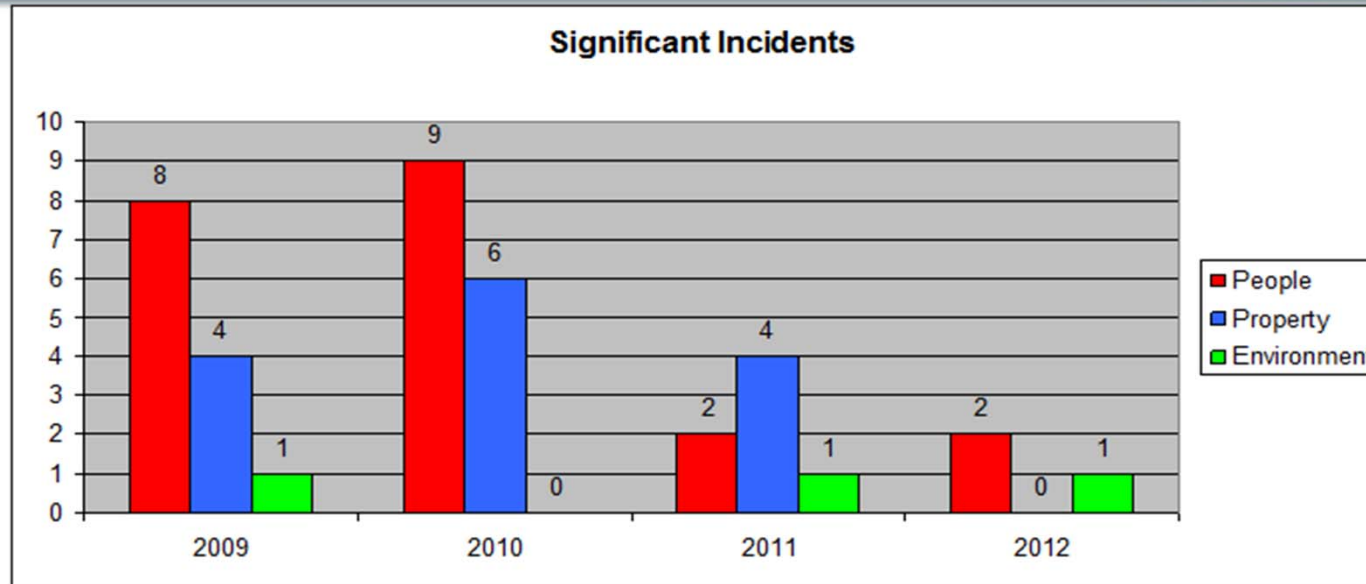
Note: Reduction in Safety meetings is due to a number of LAT's having combined meetings on sites where departments are close together i.e. Cannock Head office.

CPS – 1528 cards submitted, 416 are safety related (27%) with 238 completed (47%)

Significant Incidents



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A PS engineer was involved in a potentially very serious road traffic accident at 03.00 in the morning. The employee had been working late on a customer site and decided to drive home. The weather was good, about 10-15 degrees with no fog, mist or rain; visibility was clear and the road surface was good.

As the journey home progressed, the employee gradually became more tired, which he recognized. **This was the time when he should have pulled over and taken a short break to wake himself up** but he decided to continue to get home.

The employee lost control of his vehicle as he dozed off momentarily. The vehicle veered to the right and collided with the crash barrier on the central reservation. The employee immediately woke up and regained control of the vehicle and steered it away from the barrier.

Luckily due to the time of day there were no other vehicles in the vicinity or involved in the incident and thankfully the employee received no injuries.

A serious Incident Alert was communicated to all employees.

Integration of new businesses



On 3rd October Finning UK & Ireland announced the exciting and important acquisition of the exclusive UK dealership rights to sell and service within the waste and recycling industry, the full range of Komptech products, with the rights for Ireland anticipated in 2013.

Komptech are a leading manufacturer of shredding, separation and composting equipment and the perfect match for our business as we look to develop an end-to-end solution for our customers in one of the UK's growing markets.



The opportunities for Finning are far reaching, with the waste and recycling sector getting a boost from the UK Government, which has set increasingly demanding targets of 75% of all inert waste and 60% of all commercial and industrial waste to be recycled or reused by 2020.

As part of the acquisition, nine Komptech employees joined the Finning family from 3rd October 2012).

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**Environment
UK & Ireland**



Environment (1/5)



- Reducing carbon footprint
- Fuel use
 - 6 month speed limiter trial - 11 vehicles limited to 70mph. Early indications show 6.5% fuel saving (£200k & 305 tonnes CO²) based on current fleet size and fuel prices.
 - Further trials to reduce to 62mph which may give greater savings.
- Energy in buildings
 - Automated Meter Reading equipment on electricity and gas supplies. Sub-metering at Cannock due to the size of the premises and activities carried out.
 - Initial data indicates there are possible savings of 15 – 20% (£170k - £224k)

Environment (2/5)



- Waste
- Focus on Improved Measurement –
 - Data received showing recycling rates in excess of 75% for non-hazardous waste.
 - Working with Central Purchasing and preferred contractors on future targets which aim to progress recycling to 90% by 2015
- Biodiversity
 - Initial reviews done at Winsford and Llantrisant to highlight improvements to compliment Local Biodiversity Action Plans.
 - Further reviews to be done at the Halstead Branch during Q4
- Training
 - The Chartered Institute of Waste Management (CIWM) Waste Awareness Certificate included in Team Leader training

Environment (3/5)



- Compliance - Use of waste transfer notes for field service engineers.
 - Ongoing discussions with Environment Agency (EA) to ensure compliance with new legislation. The EA are to alter their published advice in the light of their discussions with us.
 - Further work needed for compliance in Scotland, Northern Ireland and ROI
- Carbon Reduction Commitment return completed. Total CO2e reduced from 6,216 to 5,816 tonnes, a saving of £4.5k.
- Regulatory updates provided by “Cardinal Environment” to enable a greater understanding of future Environmental Legislation and the business impacts.

Environment (4/5)



- Incidents
- Lisburn – small amount of pollution in adjacent river. Detailed investigation revealed a broken underground pipe from the gas oil tank. Extensive excavations to remove contamination, ground now restored.
 - No further action from Regulators following prompt action and resolution
- Longreach – vandalised fuel oil tank to on site generation caused a spill during delivery. Prompt attention and site design prevented serious incident.
- Potential non-compliance of machine wash effluent strength at Peterborough averted by discussions with Anglian Water. They have issued a new Consent to Discharge with relaxed criteria for COD and suspended solids. The additive used to help clean bitumen from the Finnpave machines was causing raised COD levels.

Environment (5/5)

– Carbon footprint statistics of prior year



2011 Emissions		UK
Scope 1	Fuel Combustion	2,852
	Owned Transportation	7,835
Scope 1 Total		10,687
Scope 2	Purchased Energy	3,658
Scope 1 +2 Total		14,345
Scope 3	Transport Related Activities	4,055
Scope 1 + 2 + 3 Total		18,400
All numbers in CO2e (t)		

Definitions:

- Scope 1: emissions from sources owned or controlled by company (e.g. boilers, furnaces, vehicles)
- Scope 2: emissions from generation of purchased electricity
- Scope 3: optional reporting of activities of company from sources not owned or controlled (e.g. third party delivery, business travel)

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Social Responsibility UK & Ireland



Social Responsibility



- **Working with Schools and Universities**
- **Working with the charitable organization** - the Engineering Education Trust (EDT). Three engineering undergraduates have been employed for one year as a “year in industry” to gain valuable experience in the engineering function before completing their degrees
 - Commencing an engineering project with 15 & 16 year olds from a local Cannock school to engage young adults with a potential career in engineering
 - Looking to work with EDT and companies such as Toyota to engage with schoolchildren of all ages to consider a career in Engineering
- **Social Responsibility Report 2013**
 - Currently working to produce a new Social Responsibility Report for Finning UK, highlighting several case studies and best practice being undertaken
 - This will include the concept of “Sustainable solutions” for our customers

The Coldest Journey (1/2)



The Challenge:

No human being has ever crossed the surface of the Antarctic Continent during the polar winter at a time of 24 hour darkness with temperatures down to minus 70° C and roaring blizzards. Alongside man's first ascent of Everest the first crossing of the Antarctic Continent during winter has long been regarded as one of the greatest challenges of human endeavour remaining on Earth.



Finning UK have been involved for almost 3 years in identifying and modifying equipment suitable to tow living quarters across Antarctica in the Winter. Two D6N's will be used for the journey and 2 Finning engineers will be on the ice team

- Richmond Dykes from Northern Ireland
- Spencer Smirl from Canada

The Coldest Journey (2/2)



Our Coldest Journey will follow Sir Ranulph Fiennes, 2 Finning engineers and two specially modified Caterpillar D6N track type tractors as they embark on an expedition to complete the first ever winter crossing of Antarctica - a challenge that has never been previously attempted.



The Purpose

The expedition is to be the first Winter crossing of Antarctica alongside scientific research and education. The journey must be completed between 21st March – 21st September and the team will be on the ice from January 2013 – January 2014

Scientific research includes sleep deprivation studies for use in space exploration, marine biology and verification of ice thickness for Cryosat2

Schools across the Commonwealth will be able to follow the expedition via the web and through curriculum specific materials created by the expedition for a wide range of subjects and for ages 4-18

In addition to carrying out important scientific research that will help determine the effects of global warming, the expedition aims to raise \$10m for 'Seeing is Believing' a charity which aims to bring affordable eye care to some of the poorest communities across the globe.

Summary



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