

O·C·O[®]
TECHNOLOGY
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Sustainability Report 2022-2023

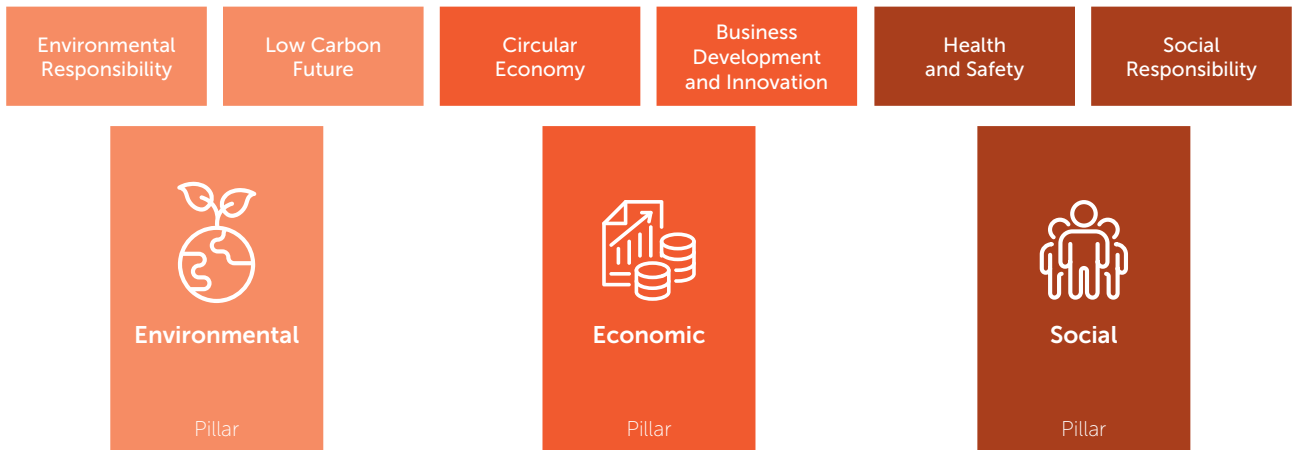


Executive Summary



We are delighted to share our fourth sustainability report for the 2022/23 financial year.

Although sustainability has always been a key part of our business ethos, we have developed a sustainability strategy to enable clearer focus and communication of its importance. Our Sustainability Policy encompasses the three pillars of sustainability: environmental, social and economic. Within this framework we have identified six key themes to structure our ongoing sustainability action plans and reporting:



In the past year we have significantly improved our carbon footprint, sold our first carbon credits, and embarked upon many exciting new international development projects

O.C.O has maintained an 'excellent' rating for Responsible Sourcing Certification (BES6001) and has won several awards including the National Sustainability Award for Carbon Capture & Storage

We have revised our Environmental Product Declaration for our Manufactured LimeStone aggregate product, substantially improving its global warming potential value.

The company has developed new partnerships in Australia and the USA, continued to work with our partners in Japan and Spain, and has projects at various stages of development across four continents.

Production of Manufactured LimeStone aggregate has continued to increase this year, as has the tonnage of input waste recycled.

Health and safety performance indicators have again shown that the company has significantly overachieved its targets.

Investment in research and development increased for the fourth year in a row. And the latest staff survey demonstrated that our team are happy working for O.C.O.

As a business we are looking forward to another prosperous year.

Steve Greig – Group CEO

Business Development and Innovation



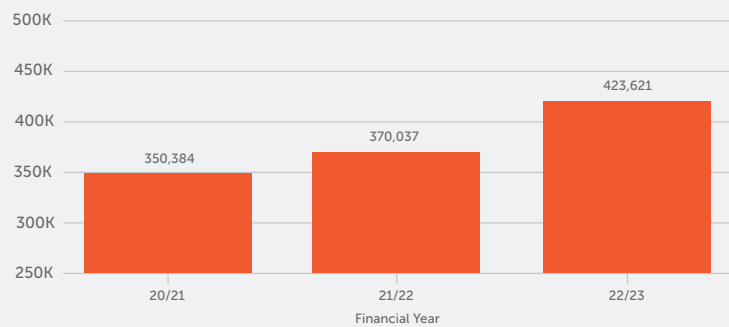
Protect, develop, and secure the business by exemplary compliance, continual improvement, and innovation

Business Development

Our business continued to grow this year with an increase in our customer base and further recruitment in our aggregate sales team. Production has increased year on year with aggregate manufacture exceeding 420,000 tonnes, an increase of over 14% compared to last year.

The new site at Wretham (Norfolk) is in the commissioning phase and will be fully operational early next year.

Figure No.1 Aggregate production



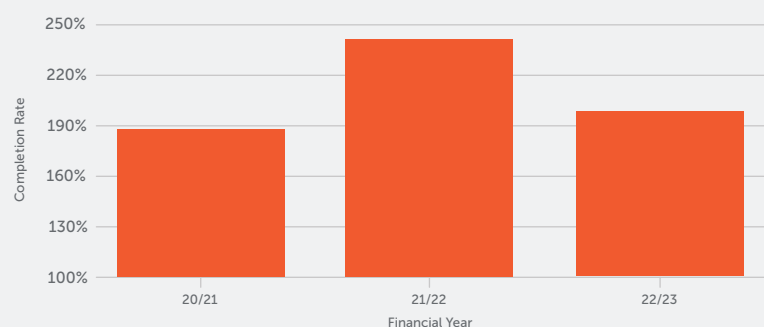
Management Systems

Throughout the year the business operated a PAS 99 management system certified to ISO 9001, ISO 14001, and ISO 45001; the certificates from ISOQAR are available on the web site (<https://oco.co.uk/about-us/>).

Our aggregate product is tested against BS standards and in accordance with our End of Waste specification. The number of tests we carry out exceeded those required (see Figure No.2). This year the number of non-conformances per 1000 tonnes aggregate was 0.58 (see Figure No.3). This is a significant decrease compared to last year, and the number of tests carried out continues to be greater than the number required to maintain product quality.

Policies, processes and procedures to achieve business objectives

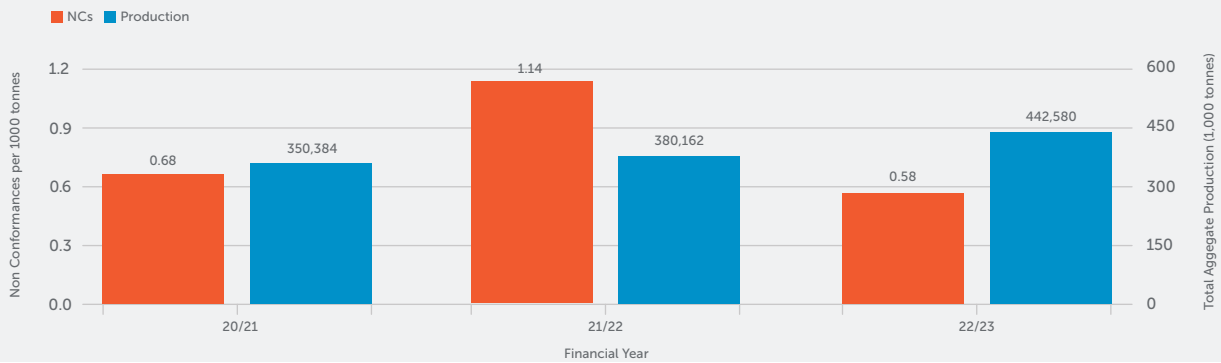
Figure No.2 Aggregate tests completed compared to number of tests required



Business Development and Innovation



Figure No.3 Non-conformances and Aggregate Production



Innovation and R&D

Our business is built around the innovative process that allows waste materials to be treated to create carbon negative products.

Work is well underway to build a new R&D laboratory at our Avonmouth site. When finished, the £300k facility will enable more cutting edge research.

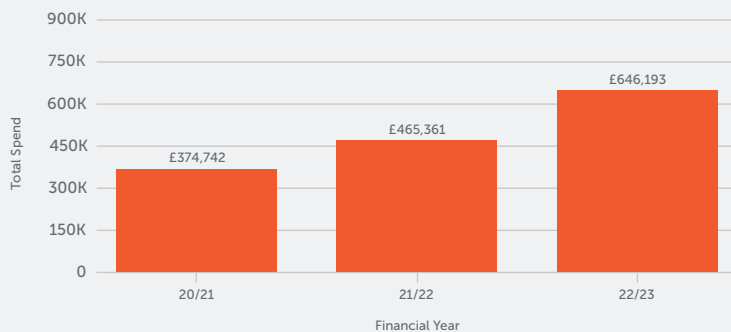
O.C.O continues to collaborate to develop the use of our M-LS aggregate in low carbon asphalts and concretes, with a number of successful trials carried out.

International development has continued, with significant progress made with Mitsubishi Corporation, Kobelco Eco Solutions and Repsol.

O.C.O has formed O.C.O Australia PTY Ltd in Australia, to begin developing a network of production facilities. We continue to collaborate with the Maryvale EfW in Victoria, Australia, and are exploring opportunities in Western Australia and New South Wales.

R&D spend has increased every year for the last four financial years and will continue to be monitored and reported annually see *Figure No.4* below. Research includes developing enhanced products and harnessing direct from flue gas carbon dioxide capture.

Figure No.4 Total R&D Spend



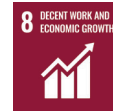
Kobelco Eco Solutions - new plant development

Mitsubishi Corporation - Green Concrete Consortium

Repsol S.A - development of carbon capture facility

Formation of O.C.O Australia PTY Ltd



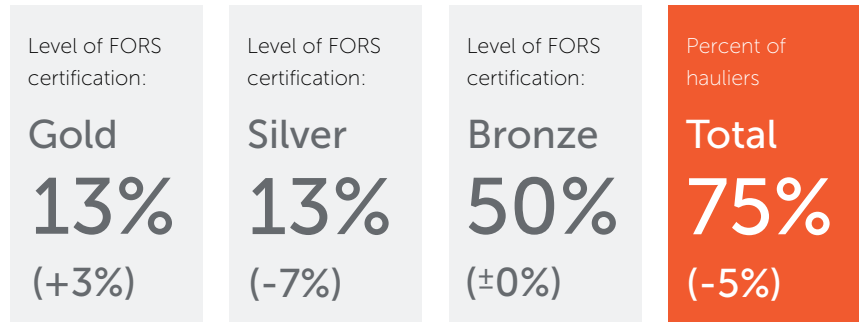


Transport

Responsible management of transport

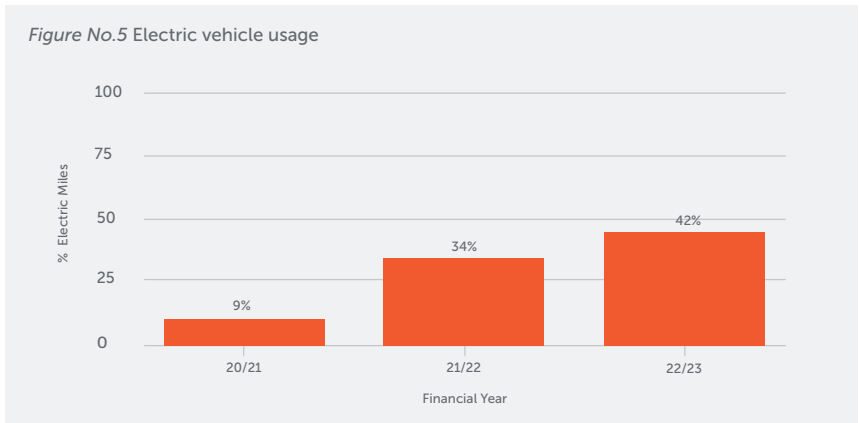
We do not operate any freight transport vehicles ourselves. Haulage of raw materials into the business is mostly carried out by the material suppliers themselves together with Grundon Waste Management Ltd, who have a carbon neutral truck fleet.

To ensure that hauliers are following best practice, hauliers are encouraged to be certified to FORS (the Freight Operator Recognition Scheme). Currently, 75% of hauliers are certified; a decrease of 5% compared to the previous year. This was due to one of our long standing hauliers opting not to maintain their FORS certification. We will continue to strive to use as many FORS certified hauliers as possible.



We have also introduced a target to increase year on year the percentage of contracted outgoing haulage loaded to 90% or above of load capacity to minimise the transport impacts; this year 82.8% of loads met this target, which is slightly lower than the 83.6% achieved last year. The average delivery distance increased from 47.7 miles last year to 59.4 miles this year. O.C.O continues to strive to work with local businesses to minimise transport.

Figure No.5 Electric vehicle usage



Employee business mileage averaged 359 miles per 1000 tonnes aggregate. This is a slight increase compared to last year (328 miles per 1000 tonnes). However, O.C.O has invested in a number of electric vehicles, which now accounts for 42% of the total business mileage.



Resource Use – Efficient Use of Constituent Materials

Protect natural resources by efficient use of constituent materials, maximising recovery, reuse and recycling

Over seventy percent of our M-LS aggregate constituent materials are recovered, recycled or by-products. By using these materials, we are safeguarding virgin materials for the future and avoiding the environmental impacts associated with their production processes.

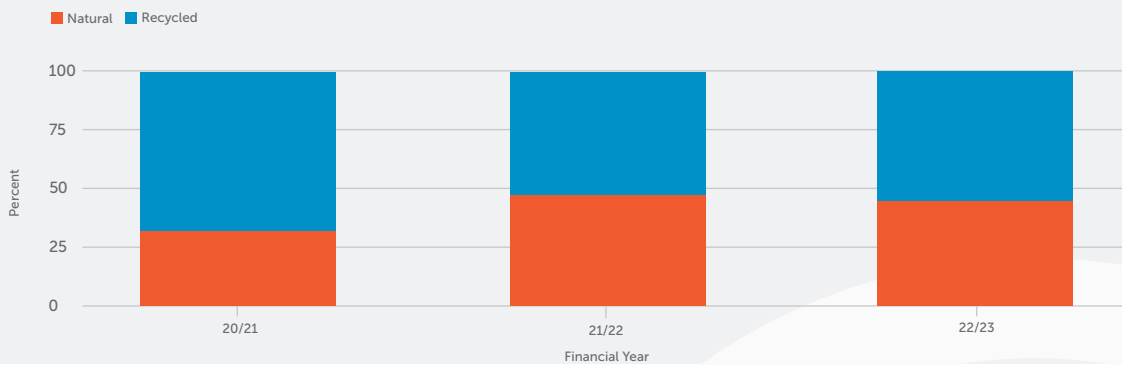
The energy from wastes residues that comprise around 50% of our constituent material is typically destined for landfill. By recycling this material, O.C.O enables energy from waste facilities to achieve 100% recycling of all their residues.

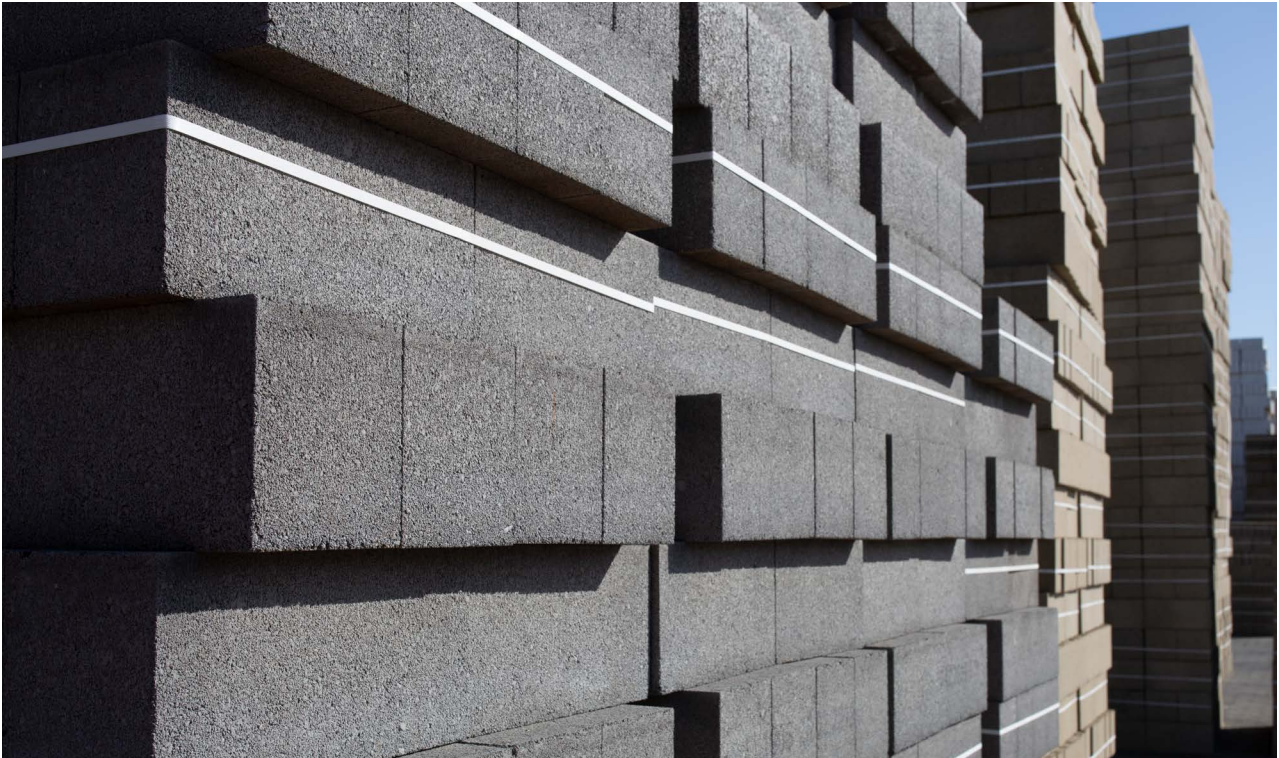
The business recycled over 175 thousand tonnes of waste, which is almost a 14% increase over the previous year.

Work continues to increase the extent and range of recovered and recycled materials used in our production process. The company now uses lower carbon cements (CEMII) as well as carbon dioxide from a biogenic source.

Through extensive trials and testing, new materials such as crushed concrete and steel slag residues are being incorporated into the process as substitutes for natural materials.

Figure No.6 Percentage of constituent materials recycled





Circular Economy



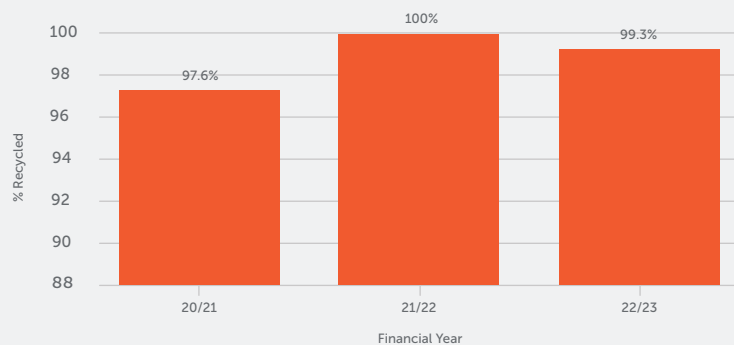
Waste Prevention and Waste Management

Minimise waste and avoid landfill

We are a net user of waste with, as noted above, the majority of our process inputs comprising recovered, recycled and by-product materials.

A small amount of waste arises from maintenance and administration activities, of which 99.3% was recycled.

Figure No.7 Recycling rates



Environmental Responsibility



Environmental Management

Maintain exemplary environmental performance

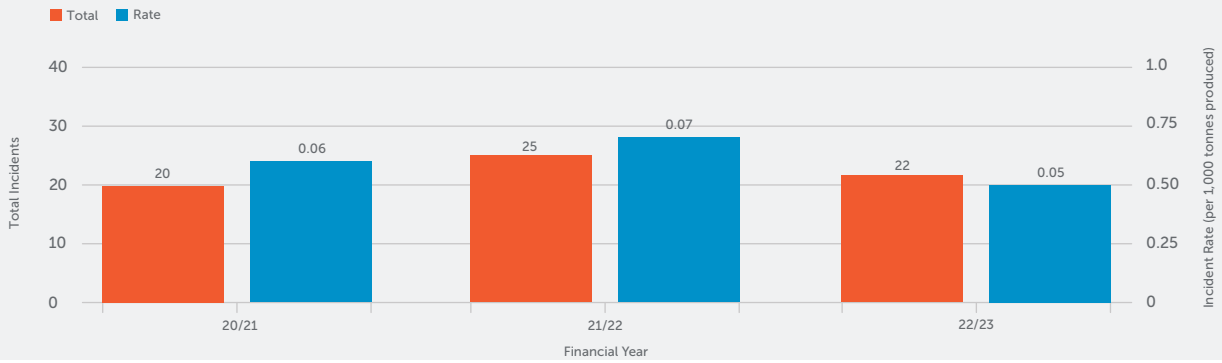
All our sites hold Compliance Band B classification or higher from the Environment Agency. According to the EA, sites in compliance bands A and B have demonstrated an expected level of permit compliance.

We were proud recipients of a high commended Dilmun International Environmental Award from RoSPA (The Royal Society for the Prevention of Accidents)

During the year, twenty-two incidents were reported internally. This is a slight decrease compared to the previous year, and the overall environmental incident rate decreased from 0.07 per 1000 tonnes of product manufactured to 0.05.

The most common type of incident was minor emissions from tankers discharging. All incidents were contained in the controlled permitted areas within the sites.

Figure No.8 Environmental incident rates



Water

Minimise overall water consumption using captured water where practicable

Our biggest use of water is in the manufacturing process for which it is an essential ingredient. Some water is also used for dust suppression and in the offices at each site.

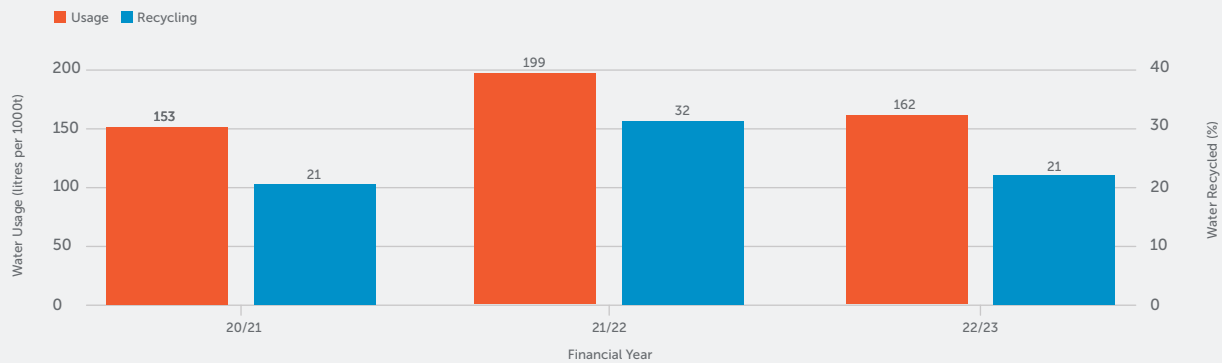
We harvest rainwater at all three plants and are working to maximise the use of this and minimise the use of both mains water and abstracted borehole water.

Water plans have been prepared for all three sites enabling better understanding of flows, usage and any additional metering required.

Using estimates from flow rates, total consumption of water this year was 162 litres/tonne aggregate produced, which is a decrease compared to last year at 199 litres/tonne.

A target to reduce mains water consumption by 15 % by 2025 has been set.

Figure No.9 Water usage & recycling

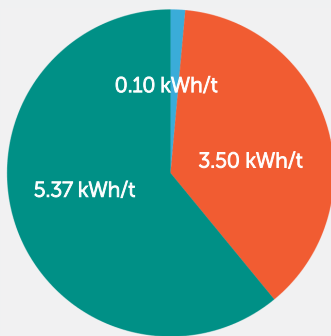




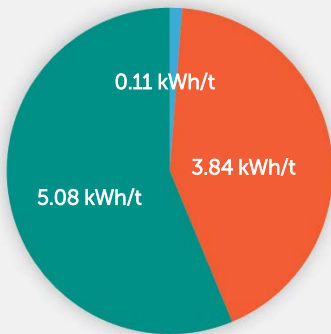
Maximise carbon capture and minimise CO₂ emissions from raw materials and energy

Figure No.11 Analysis of energy consumption across all three plants

2021/22



2022/23



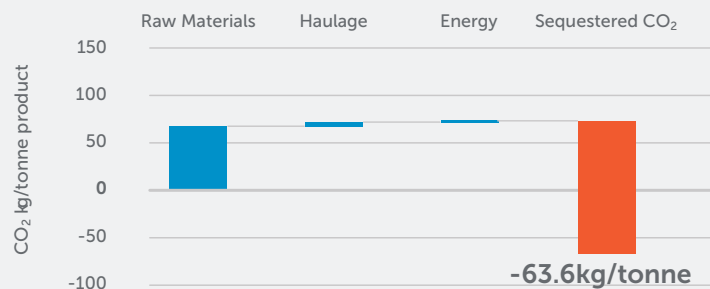
Electricity
Gas
Gas Oil



Just over twenty nine thousand tonnes of CO₂ were captured in our aggregate this year, as calculated by using the EPD validated carbon footprint of -63.6 kilograms CO₂ per tonne of aggregate produced and our production of 423,621 tonnes aggregate.

The breakdown of the carbon footprint is shown in Figure No.10 below.

Figure No.10 Carbon Footprint Summary



Raw materials are the main source of embedded CO₂ with the greatest intensity coming from the relatively small amount of cement that is used. Low clinker cements are now being used at all three sites. All sites are now using biogenic liquid CO₂. These changes, together with an overall increased use of recycled materials has reduced the overall impact by 20%.

Wherever possible we minimise the haulage of incoming raw materials by using suppliers who are closest to each of our sites. We apply the same principle to the distribution of our aggregate.

Though energy is a relatively small component of our CO₂ footprint, it is one that we manage and seek to minimise. Our main source of energy is electricity, which is now obtained from renewable sources. Gas oil is our second largest energy source being used by vehicles on site. Gas is used for heating the offices at Leeds. Figure No.11 shows the analysis of energy consumption.

Energy use is monitored and discussed in monthly team meetings. An energy management officer has been appointed to identify and encourage continual improvement. The company has a perpetual management target to reduce energy consumption, by continual investment in process improvements to increase efficiency. Overall, energy consumption was reduced by over 28% from 12.6MWh to 9.0MWh. Solar panels are being installed at Leeds and Avonmouth, as well as our new Wretham site

Our Environmental Product Declaration covering A1-A3 (cradle to gate) was revised and reverified by EPD Hub in 2023 showing a carbon balance of -63.8 kilograms of equivalent CO₂ per tonne of aggregate produced. Previously, this had been calculated as -49.1 kilograms CO₂ per tonne of aggregate produced. Further improvement is expected due to increasing use of low carbon raw materials and renewable energy.

O.C.O has now been audited and fully onboarded onto the Puro Earth carbon trading platform. Major corporations including Microsoft have purchased significant numbers of carbon credits from O.C.O.



Continuous Improvement to Health and Safety Performance

The health and safety of all involved with the business is a high priority as well as the importance of having everyone in the business engaged with our health and safety systems. In recognition of this the business was awarded a RoSPA Gold award for its H&S performance.

The total number of accidents this year was 30, the vast majority being simple first aid treatment cases. The accident frequency rate of 0.17 accidents per 1000 hours worked is slightly higher than the previous year at 0.16, but significantly below the baseline year (2019/20) at 0.29.

The Senior Leadership Team continued to promote visible leadership by carrying out safety observations. In total, 76 observations were carried out, which is a significant improvement on the previous year at 65.

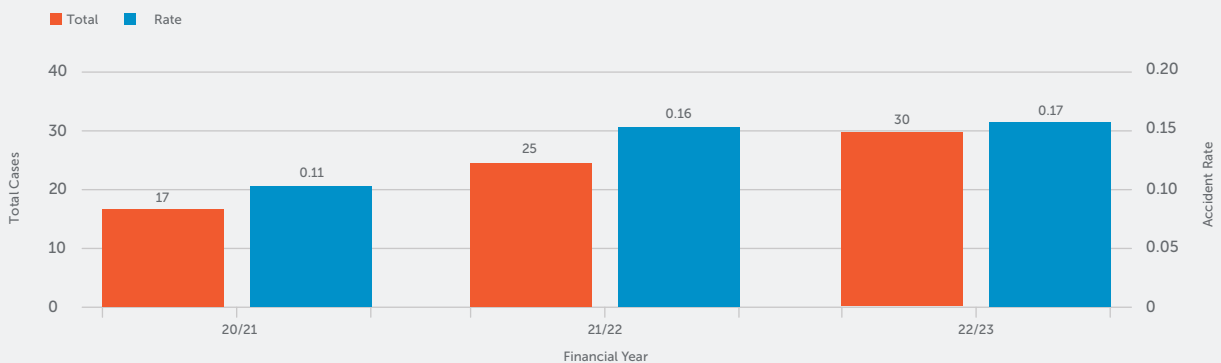
IOSH Managing Safely is a standard training requirement for all line managers, with site management staff encouraged to complete a NEBOSH certificate. All staff are required to complete the IOSH Working Safely course to encourage awareness and engagement in health and safety issues.

All sites have elected employees acting as representatives for health and safety for their teams. Committees meet each month to discuss opportunities and share best practice. The company continues to carry out annual health and safety surveys.

The company also continues to have regular health and safety surveys to ensure employee views are captured, and actively encourages and rewards staff suggestions.

The business also gained a clean bill of health from its annual integrated management system audits from Alcumus ISOQAR audits, with no non-conformances or opportunities for improvement being raised.

Figure No.12 Health & Safety





Social Responsibility



Staff Engagement

Staff to be positively engaged with the business

The annual survey was undertaken to help understand the views of staff about the Company. The response rate was 98% and valuable feedback was gained, identifying strengths and some areas for improvement. More than three quarters of those participating felt O.C.O is a great place to work and would recommend a friend.

The staff engagement scores remain satisfactory, the impacts of COVID have been the main contributing factor in the recent trend. The directors and the business recognise this and have taken action in an effort to improve engagement. We continue to support and develop our teams through training and upskilling.

	20/21	21/22	22/23
I am proud to work at O.C.O	8.47	8.26	8.00
I plan to be working here in a year	8.65	8.45	7.66
I would recommend O.C.O to a friend	8.29	7.98	7.66
Overall O.C.O is a great place to work	8.49	8.17	7.75

1 LOW – 10 HIGH

Employment and Skills

Training programmes that equip staff to excel in their role and develop their full potential

O.C.O introduced a new training system, HandsHQ, to assist in the management of role specific training, for new starters and refreshers for existing staff. The system provides numerous e-learning packages on core topics including manual handling, equality and diversity, mental health, and driver awareness.

4,249 training hours were completed this year including both internal and external provision. This is an increase of over 100% compared to the previous year.

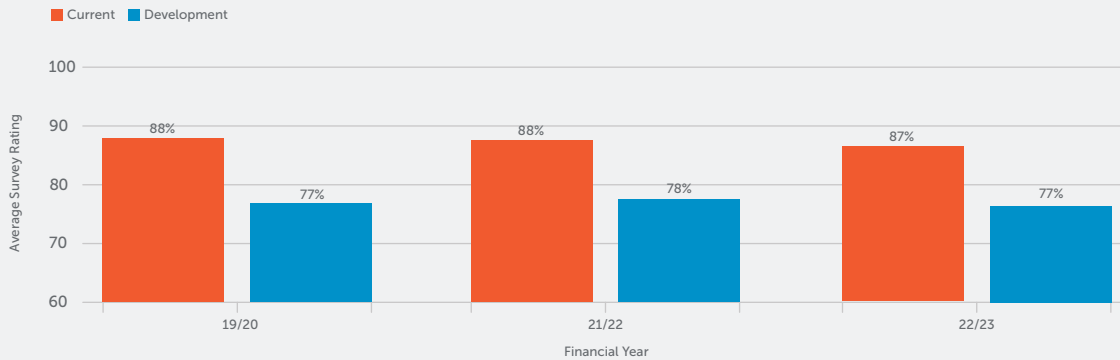
When asked about skills and development in the employee engagement questionnaire, all respondents agreed to some extent (i.e., 'slightly' to 'strongly') that they had the skills to do their job well. When asked if they received sufficient training to be competent in their role, 87% of respondents agreed that to some extent they had. More than three quarters of respondents felt they had opportunities to develop and/or progress in their careers (see figure No.13).

Equality and Diversity are to be advanced in all business activities. No individual will be unjustifiably discriminated against, including on the basis of gender, race, nationality, ethnic or national origin, religious or political beliefs, disability, marital status, social background, family circumstance, sexual orientation, gender reassignment, spent criminal convictions or age.

Social Responsibility



Figure No.13 Employment skills and development



Local Community

Achieve stronger connections with external communities

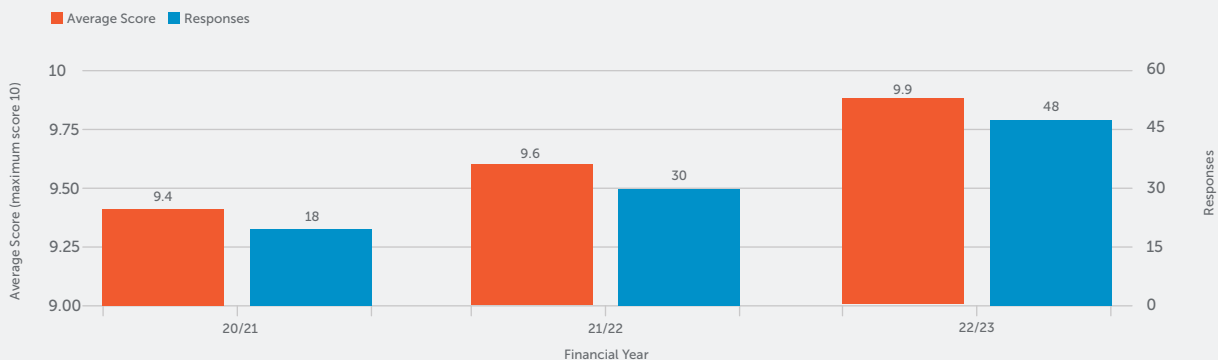
We operate a system to record and act upon any complaints from the local community; this year for the fourth year running, no complaints were received.

Feedback forms are provided to site visitors – the average summary score from the 48 completed questionnaires was 9.9 (on a scale of 1 – 10, with 10 being the highest level of positive feedback). This is an improvement over the previous year, when 30 responses gave an average score of 9.6.

External communications have been maintained this year; news stories have been routinely posted on the O.C.O website to improve communication with external stakeholders and several of these stories have been re-published externally. The business is also developing a social media strategy.

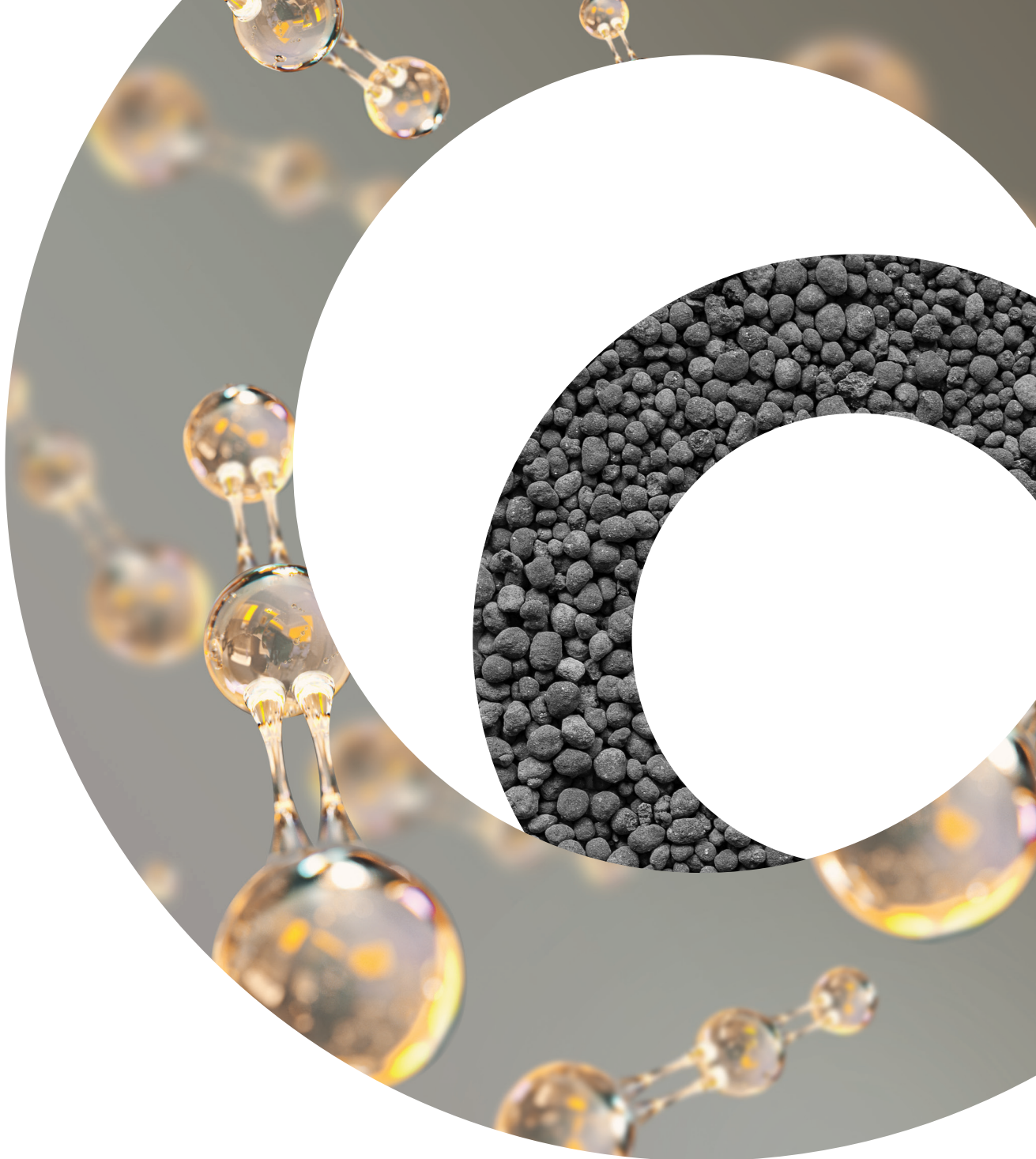
O.C.O have continued to support the local communities. O.C.O provided the funding necessary to save and maintain publication of the local parish newsletter at their new Larkshall Mill site near Wretham in Norfolk.

Figure No.13 Stakeholder feedback



United Nations Sustainable Development Goals

	GOAL 1: NO POVERTY	Economic growth must be inclusive to provide sustainable jobs and promote equality.
	GOAL 3: GOOD HEALTH AND WELL-BEING	Ensuring healthy lives and promoting the well-being for all at all ages is essential to sustainable development.
	GOAL 4: QUALITY EDUCATION	Obtaining a quality education is the foundation to improving people's lives and sustainable development.
	GOAL 5: GENDER EQUALITY	Gender equality is not only a fundamental human right, but a necessary foundation for a peaceful, prosperous and sustainable world.
	GOAL 6: CLEAN WATER AND SANITATION	Clean, accessible water for all is an essential part of the world we want to live in.
	GOAL 8: DECENT WORK AND ECONOMIC GROWTH	Sustainable economic growth will require societies to create the conditions that allow people to have quality jobs.
	GOAL 9: INDUSTRY, INNOVATION, AND INFRASTRUCTURE	Investments in infrastructure are crucial to achieving sustainable development.
	GOAL 10: REDUCED INEQUALITIES	To reduce inequalities, policies should be universal in principle, paying attention to the needs of disadvantaged and marginalized populations.
	GOAL 11: SUSTAINABLE CITIES AND COMMUNITIES	There needs to be a future in which cities provide opportunities for all, with access to basic services, energy, housing, transportation and more.
	GOAL 12: RESPONSIBLE CONSUMPTION AND PRODUCTION	Ensure sustainable consumption and production patterns
	GOAL 13: CLIMATE ACTION	Climate change is a global challenge that affects everyone, everywhere.
	GOAL 15: LIFE ON LAND	Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss.



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