

## **Launch of Concrete Industry Sustainable Construction Forum 1<sup>st</sup> Sustainability Report**

**Lancaster House, London 19 March 2009**

### **Martin Clarke speech**

Good evening ladies and gentlemen.

Thank you, Jonathan.

It is my pleasure today to respond to you on behalf of the British concrete community. We do thank you for the challenges that you and your colleagues at Forum for the Future have laid in front of the industry over the last two years. We have all found the experience both demanding and encouraging. As a result we now have a unified co-operative programme to further improve our performance and to reduce the impact on the planet and its people of our essential materials and products, and the landscapes and homes, buildings and infrastructure that they create.

### **The Vision**

Our vision, ladies and gentlemen, is to become recognised, in a measurable way, as British leaders in sustainable construction by 2012. Specifically tonight I am pleased to say that nine individual materials and manufacturing sectors have joined together to produce our first ever pan-concrete industry Sustainability Report. The report sets out both how we intend to reach our goal and the progress that has been made in the last nine months. At this point, and on behalf of all involved, I would like to thank the external consultants to this project - Angus Hunter and John Taylor of Optimat - for their skilful and patient efforts over the last two years.

### **Setting the scene**

Now no-one in our industry can claim to be ignorant of the immense challenges we face. Commercial survival may be at the forefront of everybody's minds right now but a common thread running through all our lives is the need to reduce the carbon impact of the way we live and the way we produce, deliver and manage goods and services.

The two themes of industrial prosperity and sustainability are of course linked – a strong self-sufficient UK minerals industry, and a strong local cement and concrete manufacturing base, are both crucial to keeping carbon miles down and to ensuring strategic supplies in uncertain times. It must be recognised by our Government that national security is an issue here – concrete and other major construction materials are essential to this country and the way we provide our nation and its people with shelter, sanitation, clean water, transport and agriculture. I would argue that key building materials are as essential to civilisation and well-being as food, water, and energy. We must have a regulatory and fiscal environment to support long-term local sources of extraction and manufacture. It makes neither strategic nor environmental sense to move heavy essential construction materials – such as concrete,

building stone, steel or timber – half way around the world – when we have the natural resources, and the capability of adding manufactured value to them within our borders.

Amongst the bleakness of much of the commentary we hear and read every day, there is a real prospect and a sense of optimism in our industry that we can and will mitigate the effect of our industry on the environment. In addition, where climate and environmental change is seemingly factored into the future, we have the products to help to adapt our built environment in a positive way; for example by providing buildings and houses that stay naturally cooler, and that last centuries. I salute the efforts of several companies here this evening in demonstrating how the Code for Sustainable Homes can be met to the highest level with locally sourced products and systems and of course we look forward to supplying solutions to the embryonic Code for Sustainable Buildings which was launched in outline at Ecobuild recently. Peter Robery, Past-President of the Concrete Society, described our industry's role as providing intervention-free assets and he was quite right.

## **The Process**

I would now like to say a few words about the process that we have been through.

When Forum for the Future and the concrete industry got together for the second of two annual workshops in July 2008, we well knew that the housing market was spiralling downwards. Some of us who have experienced construction recessions [and I have lived and worked through three previous rollercoaster rides myself] realised that severe challenges lay ahead for both companies, their customers and suppliers and their trade bodies. The reality of recession permeated the workshop discussions.

Nevertheless after much discussion and debate we settled on the eight key objectives that you see displayed here this evening, and on that day we signed a pledge to deliver them over a four year period. It would be quite wrong to say that signatures were applied without apprehension. I think we all fully realised that these were stretching and demanding objectives even in good times – but how much more so in a period of declining markets and ruptured profit streams. As today's report confirms, despite the pressure on companies, people and resource significant progress has been achieved.

Of course it needs saying that we are not coming from a standing start that was made in July last year. The concrete industries' programmes to improve our environmental and sustainability profile go back some years – perhaps 15 or 20 in the case of the cement and quarrying industries. And concrete product producers have worked successfully for many years to improve their accident record, and more recently to reduce emissions, to develop new fuel sources, to reduce waste in all forms, to lower energy use and to set the bar to a higher level for operational and transport management, community relations and site restoration. My own sector, precast concrete, is in year 5 of our More from Less sustainability strategy. Now, for the first time, we have joined things up - acting as a united industry and supply chain. What Forum

for the Future and Optimat have each done is to facilitate a conjoining of the strands of a complex industry to work in cooperation and with a shared vision. They have encouraged us all to rise above the competitive tensions between companies and between products – not an easy task when markets are shrinking.

### **Our first Annual Report**

We are pleased to provide you on exit with a copy of this our first report . I invite you to read it at your leisure, question it, critique it, challenge it, measure us against others and thereby help us to achieve the progress that 15 signatories pledged to make in July last year.

The report provides a a statement of record of achievement over the last year. It lists many of the challenges that we face and the achievements that have already been made. Those achievements have been significant – the move to embrace responsible sourcing is one such. In December we became the first product sector to publish a sector guide to certification to BES6001 – the new BRE standard for responsibly sourced products. This month one of our leading companies received the first compliance certificate to this new Standard for a multi-product site in the Midlands producing aggregates, readymix and concrete products – others will soon follow, there are 8 or 9 concrete product companies looking hard at following them and I would encourage the whole industry to participate. In my view compliance with the BRE standard and/or the emerging BSI standard will be an essential pre-requisite for all suppliers. Nigel McKay of Bovis Lend Lease stated his company policy and set the benchmark at our December launch event – comply within 12 months or risk not trading with us. A message not to be ignored. In taking this step we have beaten timber in producing this guidance. Who would have thought that that could happen even a year ago?

Also in the report you will find a variety of data with new performance indicators published for the first time. We have achieved some excellent A+ Green Guide to Specification ratings and are well placed to improve our profiles further. Many of our sector products have been or shortly will be carbon-footprinted by The Carbon Trust. Our companies compete hard and successfully for recognition through award schemes both in our own industry and in the wider business and environmental communities. This month has seen a flurry of award successes for companies here today – good news for their shareholders and a welcome boost to employees in these difficult times. The work on sustainability that we have been doing as companies and associations is acknowledged by some as leading the way in the global concrete sector.

### **Moving Forward**

I would like to turn now to the challenges that lie ahead and how we can progress towards our stated ambition of being the leading UK construction materials sector in sustainability by 2012.

Following our workshop in July, and the pledge signing, our first move was to set up a delivery structure. We formed the Concrete Industry Sustainable Construction Forum and four working groups each of which was allocated responsibility for one or more of the eight signed

objectives. I think we have established a good infrastructure, one that allows conventions to be challenged and things to be done differently. I thank the members of the Forum and the working groups for their work to date perhaps especially this evening the members of working group 1 who laboured hard to get this report out on time. But we all know that bigger challenges now lie ahead as we embrace change ready for the low-carbon construction market that will dominate demand in the future. Indeed even in the recession there are signs that the sustainable construction market is growing, a major incentive for companies in tough times.

### **The Four Priorities for 2009**

Let me turn now to our immediate priorities.

Firstly, in 2009 we have to set targets in 14 areas. Helpful guidance and benchmarking comes from the BERR 2008 Sustainable Construction strategy and from the Strategic Forum's Construction Commitments also published last year. I should say that many other bodies have been and will be influential, even inspirational – the UK Green Building Council, the Carbon Trust, the Environment Agency, the Sustainable Development Commission, BRE, WRAP and more recently the Committee on Climate Change - to name but a few. Other targets are already enshrined within our safety schemes where we have a good track record over the last 8 years and enjoy cooperative and challenging support from the HSE – in this area there still remains scope for improvement as we strive to become a zero accident industry. Other key targets are contained in specific sector agreements such as that agreed between the UK cement industry and the Environment Agency. This year we have to set targets that stretch without being unattainable. In this regard the target levels will have to recognise the previous work done, and the consequent improvements made already by our nine sectors.

Secondly, we need to develop robust life-cycle case studies for concrete products, buildings and structures. We must work to remove prescriptive standards and to lift restrictive specifications that limit our progress on sustainability. We must bring new innovative lower-carbon products and better construction solutions to the market. We must work harder with Government, its agencies and others to ensure a level playing-field between concrete and other construction materials – and we have a long way to go in this respect. It is quite absurd that housing in Britain is being built with a lack of recognition that the climate is warming – housing with a built-in but undeclared future necessity to add air-conditioning within the next 20 years. Hopefully the forthcoming revision of the Code for Sustainable Homes will address this issue.

Thirdly, we must step up our training efforts both with our own industry people and our upstream suppliers and with downstream contractors and specifiers. We are looking at building on the excellent work done by the National Construction College and Construction Skills in providing sustainability training to contractors and designers and hope to announce a training partnership aimed at materials and product suppliers in the near future.

Fourthly, we have done well to integrate our upstream materials supply chain – now we must work to integrate the concrete construction industry, our key customer groups, into our programme – especially excellent focused organisations such as Britpave, Construct, the Concrete Society and the Concrete Bridge Development Group . Our associates in logistics, in the utilities and in plant and machinery supply also have a big role to play.

Those four themes – target-setting, life-cycle models and case-studies, sustainability training and engaging with concrete customer groups are, I think, the essential challenges facing The Concrete Industry Sustainable Construction Forum and our working groups this year.

Funding will be needed and hard choices will be faced as overall budgets and resources are pared back. As an industry we have not been as effective as we should have been at obtaining external funding, either in the UK or Europe, and we must improve on this. And as we fund the only environmental tax on construction products – the aggregates levy – we should insist that the concrete industry receives a fair share of it back to fund aspects of our improvement programmes.

Competition amongst our major industry companies in sustainability remains a beneficial feature – I welcome and encourage it. Whether it is the race to provide certified responsibly sourced products, the drive to have the lowest carbon footprint, or the introduction of new innovative construction solutions, this competitive spirit is pushing Britain to be a leader in sustainability best practice in the global concrete industry. My experience says we are at the front of the pack – more international learning and collaboration will help us to stay ahead.

### **People and leadership**

Finally, let me say a word about people, the men and women in our industry and in our supply chains, who have the responsibility of turning words into actions and results. The enemies of the sustainability movement in construction are complacency and cynicism. Our sector specialists, those people who have made the connection between cause and effect, are the key to success. They, and we, must persuade the sceptics and kill off the cynicism by their and our actions, enthusiasm and persuasiveness. At the head of the industry bodies, and at the top of our companies, we need champions, leaders and visionaries. Those who signed up to the sustainable concrete road-map have already set the example; we now urge others to join us.

We look forward to reporting much more progress next year. We want to be the best in class by 2012 – can we do it ?

yes we can.

Thank you for your attention.

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## Biographical note:

Martin Clarke joined the concrete industry as a sales analyst in 1972 and spent nearly 18 years in a variety of posts with the ARC Group. He undertook a wide variety of sales, marketing and development projects especially in the UK and USA, finishing his ARC career as Director of Business Development at ARC Aggregates. ARC was bought by Hanson in 1990. He joined the British Cement Association in 1990 as Director of Market Development and in 2002 was appointed Chief Executive of British Precast, the federation for concrete product producers. He has written and spoken on concrete and the environment since 1992. He is currently 'mentor' to the Concrete Industry Sustainable Construction Group and is co-chair of its Working Group 3 on training and internal communication.