



ENVIRONMENTAL POLICY STATEMENT

ISSUED JULY 16, 2009

A. INTRODUCTION

In the pursuit of its business objectives, The Malcolm Group is a major user of motor vehicles and plant, which bring great benefits to modern society, but whose technologies have a detrimental effect on the environment. The Group recognises that CO₂ emissions from engines are a contributor to global warming and that vehicle emissions have an adverse effect on air quality, with potential consequences for public health.

The Malcolm Group cares about the environment and accepts that it is part of a global community from which it derives much benefit and to which it owes great responsibility. The Malcolm Group accepts its responsibility to mitigate the impact of its operations on the global community and the environment on which it depends.

B. THE PURPOSE OF THE STATEMENT IS FOR THE MALCOLM GROUP TO:-

- ✚ recognise that environmental protection is a strategic business issue and an integrated part of our corporate strategy in operating an international services company;
- ✚ recognise that a healthy natural environment is essential for sustainable development;
- ✚ be committed to the protection and enhancement of the environment when carrying out its own functions and duties;
- ✚ accept responsibility for complying with all relevant environmental legislation;
- ✚ minimise the environmental effects of The Group's activities;
- ✚ be committed to the recognised waste management practices of source reduction, reuse, recycling, resource recovery and environmentally safe residue disposal; and
- ✚ be committed to continual improvement of its environmental performance through implementation, monitoring and review of its policies, programmes and services.

C. THE PRINCIPLES THAT UNDERLIE THE STATEMENT ARE:-

- ✚ “prevention is better than cure” - it is always preferable to prevent an environmental problem emerging than trying to clean up afterwards;
- ✚ “the polluter pays” - the organisation or individual responsible for environmental threat should bear the cost of cleaning up, or of prevention;
- ✚ “equal priority” - the protection of the environment ranks equally with other business activities;
- ✚ “resource efficiency” - activities will be conducted in ways which result in the most efficient use of natural resources; and
- ✚ “no harm” - this applies to people and the environment.



D. THE STATED POLICIES OF THE MALCOLM GROUP ARE:

1. LEGISLATIVE REQUIREMENTS

The Malcolm Group will meet all legislative requirements relating to the environment. We will do this by:-

1. Complying with all legal obligations covering our operations past, present and future;
2. Requiring our employees and contractors to act in accordance with our environmental policy, for which we will provide appropriate communication and training. We will also communicate this policy to our customers and seek their help in implementing it; and
3. Respecting international and national policies and agreements as they relate to our operating environment.

2. EDUCATION AND TRAINING

The Malcolm Group will communicate its environmental policy and practices at all levels and at all sites within the organisation. As part of this process:-

1. The management of each of the Group's Divisions will be responsible for ensuring that its staff and site operatives, no matter how they are employed, are adequately trained in accordance with the Policy Statement; and
2. Training will be provided to promote the environmental policy "best practice" among staff and to ensure all employees understand their responsibility to consider and promote environmental aspects in their work

3. CONSERVATION OF RESOURCES

The Malcolm Group will follow a strategy which minimises energy consumption, promotes selection of sustainable energy supplies and minimises impacts on the environment via:-

1. Energy Conservation - In particular, we aim to reduce the consumption of energy by our buildings, operating sites, equipment and vehicles;
2. Resource Conservation - The Group will promote within its facilities the conservation of raw materials such as water and paper; and
3. Impact Reduction - The Group will manage all environmental issues either at source, or as close to it as is practicable through careful management and maintenance of its facilities in ways that enhance the amenity, avoid adverse effects and minimise maintenance requirements.

4. MOTOR VEHICLES AND PLANT

The Group will seek to minimise environmental effects by:-

1. Purchasing engines which are "environmentally friendly", by virtue of lower fuel consumption, safer emissions, reduced noise and greater longevity;
2. Installing computerised logistics and vehicle management systems which minimise empty journeys and monitor driver and vehicle efficiency on a real-time basis;
3. Monitoring fuel usage for each vehicle or item of plant and taking action to ensure optimum consumption figures are obtained;



4. Implementing planned maintenance programmes which maximise the efficient use of engines, brakes, tyres etc., with consequential environmental benefits;
5. Monitoring vehicle emissions on a regular basis and taking remedial action as required; and
6. Operating vehicles with alternative methods of propulsion, where circumstances permit.

5. *MANAGEMENT OF WASTE*

The Malcolm Group will evaluate all materials used in our businesses in order to measure and reduce their impact on the environment, by:-

- ✚ minimising all waste generation;
- ✚ re-using materials wherever possible;
- ✚ increasing the use of renewable products and resources;
- ✚ recycling materials, as opposed to using landfill; and
- ✚ using ozone-friendly products.

In particular, the use, storage and disposal of oils, paints, solvents and chemicals will be managed responsibly, to avoid or minimise adverse environmental effects.

6. *PURCHASING*

Organisations that seek to supply The Malcolm Group with goods, works and services will be made aware of the Group's environmental policy to enable them to develop and promote their own environmental initiatives. The Group will seek to influence, through its purchasing power, suppliers and subcontractors to adopt responsible environmental policies, by:-

1. Implementing where appropriate, a "Buy Recycled" policy as part of an overall purchasing strategy that includes the choice of environmentally sound manufacturers and that utilises to the maximum extent practicable, reusable products, products made with recycled materials, products designed to be recycled and products with minimal or returnable packaging;
2. Purchasing goods and services from suppliers and subcontractors who can demonstrate, or who are committed to achieving an acceptable level of environmental management; and
3. Issuing contract documents for the implementation and maintenance of works and services, which incorporate requirements for the protection of the environment.

7. *MEASUREMENT OF SUCCESS*

The Group will seek to minimise its adverse effects on the environment by:-

1. Appointing a competent individual responsible for environmental management issues;
2. Implementing and continuously improving an environmental management system compatible with ISO 14001;
3. Setting clear environmental objectives, which are relevant to the nature, scale and environmental impacts of our activities;
4. Identifying performance targets by which progress towards these objectives can be reviewed and monitored;
5. Sharing information on the causes of any accidents, incidents or complaints;



6. Auditing the management system and reviewing the findings; and
7. Reporting the results to employees, clients, suppliers and the public.

8. MONITORING OF ENVIRONMENTAL POLICY

The Malcolm Group will monitor regularly its own environmental performance and report its progress having regard to the principles of this Environmental Policy Statement.

When policies, systems, plans, codes of practice, training manuals and similar documents are written, reviewed and updated, environmental aspects will be considered and incorporated where possible.

9. APPROVAL

The aforementioned policies are endorsed by the Directors of The Malcolm Group and are consistent with our policies and objectives.

All stated policies and associated management systems and procedures will be reviewed periodically by the Directors to ensure their relevance to our business.

For and on behalf of The Malcolm Group -

16 July 2009

Andrew B Malcolm

Chief Executive

Date