

We measure our safety performance using a metric called 'Frequency Accident Rating' (FAR), which is a measurement of lost-time accidents in relation to the number of hours worked. The usefulness of this measure is that we can benchmark our performance against other businesses. It is calculated as the number of lost-time accidents multiplied by 200,000 hours (being the base for 100 full time employees working 40 hours per week, 50 weeks per year), divided by the number of man-hours worked. The benchmark is the 2006 level reported for the US rental and leasing industries by the US Department of Labor of 1.0. Aggreko's FAR performance is much better than the benchmark and has also seen considerable improvement over the last three years with 0.50 in 2007, 0.75 in 2006 and 0.98 in 2005. A FAR score of 0.40 has been set by the Group as a target for 2008. This measure is also included under Key Performance Indicators in the Business Review on page 27.

Set out below is an explanation of the technical terms used in this section.

#### Technical Terms

**NOx** Oxides of Nitrogen.

**Particulate** In general this term relates to visible smoke.

**Tier 1, tier 2, tier 3** US Federal Government target emission reduction levels.

**g/(bhp-hr)** Emissions in grams per brake-horsepower hour.

**CO<sub>2</sub>** Carbon Dioxide.

**LWA** Sound power level at source.

**MW** A million watts.

**kVA** A thousand volt amperes.

#### Equal Opportunities

Aggreko is committed to promoting equal opportunities for all, irrespective of disability, ethnic origin, gender or any other considerations that do not affect a person's ability to perform their job.

The Group's policies for recruitment, training, career development and promotion of employees are based on the suitability of the individual.

## The Environment

### Environmental Policy

Aggreko's equipment is designed to function in all continents and all types of terrain. By careful design and use of the most suitable technology, we also aim to minimise the environmental impact of that equipment. Aggreko makes available to its customers equipment and solutions that are designed to comply with applicable laws, regulations and industry standards wherever we operate in the world. In effect, this means they comply with the laws, regulations and standards of some of the most stringent jurisdictions in which we operate and, therefore, far exceed the levels required in many others.

The two major environmental issues we deal with in our business are emissions-to-air from our equipment – the vast majority of which is diesel powered, and the safe handling and disposal of fuel and oil.

Our Environmental Policies are managed in a similar way to safety. They comprise:

- ensuring that environmental issues are at the forefront of considerations when we design our fleet;
- ensuring that our equipment is built and maintained to the highest standards;
- training and educating our staff worldwide in the safe operation of our equipment; and
- ensuring that environmental issues have the appropriate level of focus throughout the management chain.

### Emissions-to-air: exhaust gases and particulates

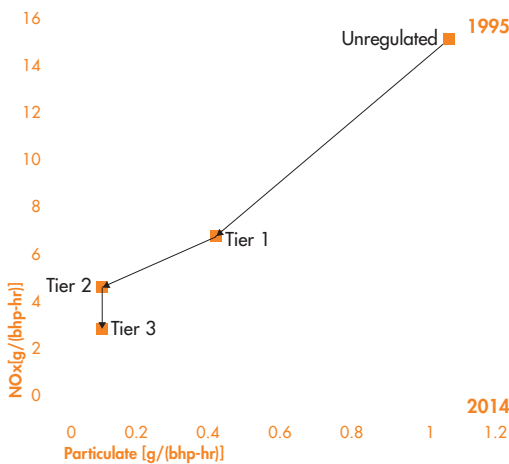
Emissions-to-air are an inevitable by-product of hydrocarbon fuelled engines. Over the years, as engines have become more efficient and legislation to limit emissions around the world has become stricter, emissions have reduced sharply. Aggreko works in co-operation with the manufacturers of diesel engines in order to meet new emission requirements at the earliest opportunity.

The principle contribution we can make to reducing emissions to air is in maintaining our equipment in good order, and introducing engines into the fleet with good emissions performance.

## Corporate Social Responsibility continued

The chart below shows a summarised account of the requirement to meet emission guidelines for Oxides of Nitrogen (NOx) and Particulate as set out by the US Federal Government. Most of Aggreko's generator fleet are powered by Tier 1 engines, although an increasing proportion of our new-build engines are now Tier 2. Subject to manufacturer's ability to introduce the necessary technology into diesel engine volume production, we expect that by 2010 the vast majority of engines we build will be certified to at least Tier 2.

### Diesel Generator Emission Development



Our strong presence in markets which are particularly sensitive to emissions, such as California, means that the control of emissions is at the forefront of our design considerations and decisions on engine choice.

### Aggreko Natural Gas Generator Development

We are constantly exploring new ways of reducing emissions, and have completed the development of a new gas-fuelled temporary power solution, which has significantly lower levels of emissions (see below).

	Tier 1 Engine	Gas engine	Reduction %
NOX	6.9 g/(bhp-hr)	1.0 g/(bhp-hr)	87%
Particulates	0.4 g/(bhp-hr)	0.1 g/(bhp-hr)	75%

Natural gas presents a competitive advantage over other energy sources. It is seen as economically more efficient because only about 10% of the natural gas produced is wasted before it gets to final consumption. In addition, technological advances are constantly improving efficiencies in extraction, transportation and storage techniques as well as in equipment that uses natural gas.

Natural gas is considered as an environmentally-friendly clean fuel, offering important environmental benefits when compared to other fossil fuels. The superior environmental qualities over coal or oil are that emissions of sulphur dioxide are negligible and that the level of nitrous oxide and carbon dioxide emissions is significantly lower. Where the gas fuel is essentially a stranded resource or is derived from a biological source, a CO<sub>2</sub> and greenhouse gas reduction is realised. This helps to reduce problems of acid rain, ozone layer or greenhouse gases.

In many of Aggreko's target markets natural gas is effectively a stranded resource which dictates that the gas is flared to the atmosphere as opposed to being used for beneficial services. This practice is being increasingly regulated and Aggreko's service allows for generation of power from this valuable resource on a more flexible and scaleable basis than existing solutions.

### Alternative Energy Sources

In addition to the work we have undertaken developing natural gas-powered generators, we are constantly reviewing product technologies, looking for advances that we can adopt within our product portfolio. These include:

- Bio-fuels – Across many of our markets we have seen the emergence of Bio-diesel as an alternative energy source. Provided the right preparation of equipment, these fuels are compatible with most of our generator fleet, either in a blended, or pure format. Bio-fuel can reduce CO<sub>2</sub> emissions, given that the crop that derived the fuel has absorbed CO<sub>2</sub> from the atmosphere. While we will continue to support customers who wish to run our equipment on Bio-fuels, our main concern with this energy source is sustainability of the sources of production, and the environmental impact of certain production methods. Consequently, we are not actively developing Bio-fuel use in our business.

- Fuel Cells – We have noted with interest the increasing reliability and reduced costs of fuel cells. At present, the main obstacle to adoption is the availability of non-fossil fuel derived Hydrogen. Nearly all fuel cells currently either run on Hydrogen reformed from fossil fuels, or reform fossil fuels in their energy process, producing similar Carbon and pollutant levels as today's diesel engines.
- Renewables – At present, it is hard to envisage the application of renewable energy sources to large temporary power generation projects. While we have for example reviewed the application of fuel cell (battery) technology in combination with a diesel generator to provide hybrid power, which can improve efficiency and reduce fuel consumption, technology is not yet advanced enough to enable us to pursue a hybrid renewable option. We do however foresee a role for our products in supporting systems and grids which rely upon renewables, where seasonal restrictions can occur.

#### **Emissions-to-air: carbon dioxide (CO<sub>2</sub>)**

All of Aggreko's core activities release CO<sub>2</sub> into the atmosphere to a greater or lesser extent. The most significant impact arises from power generation in Aggreko International due to the intensiveness of our activities in providing temporary power stations. Any generation of electricity using hydrocarbon fuels inevitably causes the release of CO<sub>2</sub> and the performance of Aggreko's equipment is comparable to other equivalent power sources. Aggreko is actively researching the availability of alternative mobile power sources that will reduce the level of CO<sub>2</sub> emissions; until an economically viable alternative becomes available, the level of emissions will mirror the level of our business activity. The actual amount of CO<sub>2</sub> released by our engines is driven by the usage our customers make of our equipment on rent; an engine running 24 hours/day will emit much more CO<sub>2</sub> than an engine used for a few hours a day. These patterns of usage can vary widely from country to country and from year to year. We estimate that customers using Aggreko engines produced an average CO<sub>2</sub> emission rate of 0.65 tonnes of CO<sub>2</sub> per megawatt hour.

#### **Petroleum Spills and the Safe Disposal of Waste Fluids**

Aggreko and its customers handle a considerable quantity of diesel fuel and the occurrence of fuel spills is an area that the Group monitors very closely. The measure used by management to measure the performance of the Group in handling fuel is the 'Petroleum Release Rating' (PRR). This is calculated as litres released to ground, divided by the cumulative average MW on rent. The PRR performance over the past three years has been: 2007 – a rating of 0.13, 2006 – a rating of 0.60 and 2005 – a rating of 0.48. Our equipment has been specifically designed to minimise the risk of fluid spillage through features such as a 'save-all base', double-walled storage tanks and fail-safe valves. A PRR score of 0.10 has been set by the Group as a target for 2008.

Another potential source of environmental damage is in the disposal of consumables such as engine oil and filters. In our Local business, these are normally returned to our service centres where they are safely disposed of. In our International Power Projects business, site-specific arrangements are made to ensure the safe handling of these items.

Reporting of fuel spills is handled in a similar way to safety incidents, with monthly reporting at regional level, and quarterly reporting to the Board.

#### **Noise**

Aggreko has built a competitive advantage through an equipment fleet that minimises external noise. This is done by the use of custom-built acoustic enclosures as well as high performance isolation and attenuation systems. Aggreko continues to work closely with its suppliers and local university research departments in order to develop its expertise in this field. As a result, our equipment is able to achieve the following performance standards that are well below the maximum levels permitted by current European legislation.

## Corporate Social Responsibility continued

Size of Generator	Certified Noise Level (Sound Power LWA)		
	Maximum EU Limit	Aggreko Standard Product	Aggreko Premium Product
30kVA	98.3	93.3	78.0
60kVA	98.6	89.9	80.0
125kVA	99.0	90.0	83.0
200kVA	99.1	95.0	91.0
320kVA	99.4	94.0	90.0

Note: A reduction of 3 LWA in the certified noise level equates to an audible noise level that is approximately 50% lower.

### Refrigerant

In accordance with the timelines and accords set out by the Montreal protocol Aggreko has phased out CFC plant from its temperature control rental fleet and is in the process of phasing out HCFC plant; we have introduced HFC replacement prototypes and production models in all areas.

### Social Responsibility Policy

Aggreko has a policy of encouraging local teams to engage with the communities in which they work, and each year they undertake innumerable initiatives to help the disadvantaged or those affected by natural disasters.

One such initiative is Book Aid International, a charity promoting literacy in developing countries, with which we signed a funding agreement in 2006. We have undertaken to provide them with £40,000 each year, to enable them to provide books and other educational material to schools and libraries in Africa. Last year, from the funding we provided, Book Aid International supplied over 20,000 books to its partners, including Non-Governmental Organisations, refugee camps, prisons and orphanages in six sub-Saharan Africa countries.

The wide variety and diversity of the books supplied is, we are told, of enormous value to Book Aid international partners, who can reach out to many communities and meet the information needs of key target groups, including the poorest people. Whenever possible, partners undertake activities to promote books and reading within their networks. These can include major initiatives, such as the East Africa reading tents project, or smaller bespoke activities for the visually impaired, or reading awareness days. All activities are aimed at ensuring the target groups are aware and able to access the books made available, and that a culture of reading begins to develop.

The feedback we receive from Book Aid International and their partners is extremely encouraging. For example, in 2007 the Kenya National Library Service suffered a 20% reduction in funding. A donation of 4,000 books through our project helped to maintain the library service through this difficult period. It has supported them in the re-launch of mobile and provincial library services, and enabled them to open three further community-based libraries. It has also helped support a mother and child reading project.

### Business Ethics

#### Ethics Policy

Aggreko has a reputation for delivering innovation, performance and solutions. Also at the heart of our long-term success is something less tangible and less easily illustrated with figures or case studies. This key element is integrity and honesty in our business dealings, a factor that contributes to our long-term relationships with customers. All Aggreko employees, as well as consultants and agents who we work with, are expected to behave ethically in their work, and our expectations of them are set out in a Corporate Ethics Policy. The objective of the Policy is to make Aggreko a good company to work for; to maintain our reputation for exceptional customer service and ethical business dealings, to compete ethically, and to ensure the business is managed to a consistently high standard. Further discussion of our policies for handling ethical risks is set out under Principal Risks and Uncertainties on page 24.

Employees who suspect any breaches of the Corporate Ethics Policy are encouraged to speak up, and their confidentiality and position is protected if they do so.

#### See our Corporate Responsibility Website

Further information and copies of the Environmental, Health and Safety Policy and Corporate Ethics Policy are available at [www.aggreko.com/ourcompany/Corporate-Responsibility.asp](http://www.aggreko.com/ourcompany/Corporate-Responsibility.asp)