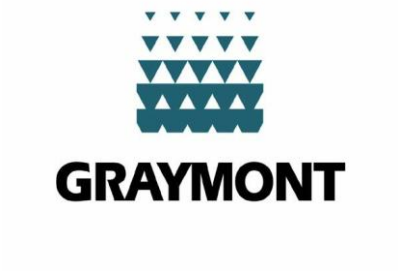
Graymont

2010

Sustainability Report



Report to Stakeholders

Dear Stakeholder

Attached is Graymont's fourth annual sustainability report. The foundation of our relationship with you, the stakeholders who are affected by our activities, is open, transparent communication. These annual sustainability reports are an important part of that transparency. In them we outline our aspirations and provide clear indicators of our progress towards those aspirations, and in some case areas where we have as yet failed to meet either your expectations or our own. Achieving a sustainable balance between the long term viability of our business and our impacts on our communities and the environment is an important part of Graymont's success.

As I wrote this letter two years ago with Graymont and the North American economy facing reduced economic activity, I assured you that we would maintain this balance. We have. This year as we look optimistically forward to the continued recovery of the North American and world economies I again assure you that as we recover and grow, we will maintain this same balance. We will continue to strive to grow our business in ways that reflect the needs and objectives of the communities affected by our activities, and the environment we share.

Once again in 2010 we faced difficult decisions related to the rationalization of production capacity and market requirements and the resulting effect on our employees and communities. While we understand clearly the value of the dependable employment income we also understand that the employment must be productive for our contribution to be sustainable. Our operations in Havelock, NB and some of our materials businesses in New York were particularly impacted.

Over the past few years Graymont has dedicated intense effort to ensuring the safety of our employees and contractors or guests who in the course of their support of our activities rely on us for their personal safety. In 2010 we achieved significant improvement in our injury frequencies. These improvements will be sustained by advances in near miss investigations, training, and safety auditing that were incorporated in our practices and culture during 2010.

One of the more significant gaps in 2010 between our performance and aspiration is the number of times we exceeded the emission rates committed in our various permits. While these incidents are often of short duration during process start-ups or upsets we are committed to reducing and ultimately eliminating them. While there is no progress indicated by the number of exceedences documented in the attached report, significant progress was made in addressing the physical and people related contributors and I am confident we will come closer to meeting both our own expectations and yours in 2011.

During 2010 all of the employees of Graymont dedicated themselves to a new vision of balanced World Class performance in every aspect of our business and community lives. I invite each of you whose life we touch to help us to understand our impacts on you, and how we can achieve a sustainable balance between our activities and aspirations in the world we share.

William E. Dodge
President and CEO
Graymont Limited

May 24, 2011

Profile

Challenges and Opportunities

Graymont engages in businesses which provide essential products and services, and which directly support society's sustainability objectives including environmental protection and remediation, and social and economic advancement. Graymont is well positioned to meet the demand for lime and limestone products that will result from North America's continued emphasis on environmental protection.

Graymont provides products for a variety of uses in a number of markets. These products are consumed across North America in applications such as water and sewage treatment, acid rain reduction, environmental rehabilitation, wind farm construction, agriculture, oil and gas production, and power generation. Graymont's products are essential inputs for the production of steel, alumina, pulp, paper, uranium, gold, copper, and other critical materials.

At the same time, Graymont facilities do impact the environment by alteration of the local physical environment through quarrying and plant-site activities, relocating native or foreign materials, and through the release of substances such as greenhouse gases and air pollutants such as dust, sulphur oxides, and nitrogen oxides into the environment. Increased societal expectations around industry performance and more stringent environmental regulations present challenges for the continued operation and expansion of our facilities.

Graymont regards these challenges as opportunities to focus on improving our social license to operate through improved health and safety performance, improved environmental performance, and improved community and stakeholder relations. Our mission is to improve your world by responsibly meeting society's needs for quality lime and stone products; our vision is to be World Class in everything we do!

Organizational Profile

Graymont is a family owned and controlled Canadian Private Corporation incorporated in 1948. It has evolved from a widely diversified investment holding company to a company primarily engaged in the production of lime and limestone. In addition, the Company operates a construction materials business, and a waste management business, Ecowaste Industries Ltd. The operating segments will be referred throughout this document as "Lime", "Materials", and "Ecowaste". The Company also has a significant investment in Mexico with a minority equity interest in Grupo Calidra S.A. de C.V. ("Calidra"), the largest lime producer in that country.

The Lime operations (19 facilities) are focused on the production of high calcium and dolomitic lime, pulverized limestone, value added lime based products such as hydrated lime and precipitated calcium carbonate, and construction stone. The Company is the third largest lime producer in North America. In Canada, it operates in New Brunswick, Quebec, Manitoba, Alberta and British Columbia, while in the United States, it operates in Pennsylvania, Ohio, Wisconsin, Utah, Nevada, Montana, Oregon and

Graymont's products are essential for technological solutions to many of today's sustainability challenges:

- renewable energy
- greenhouse gas emission reduction
- environmental rehabilitation
- health
- transportation
- buildings and infrastructure

A glossary of terms and abbreviations is provided on page 18.

Washington. In addition to our plants, the Company operates rail-to-truck trans-load terminals, extending the geographic market area of several plants. Company headquarters are located in Richmond, British Columbia, Canada. Lime operations are supported by four regional offices located in Boucherville, QC, Calgary, AB, Bellefonte, PA, and Salt Lake City, UT.

The Materials operations (4 facilities) are focused on providing construction stone, sand and gravel, asphalt products and ready-mix concrete for the infrastructure and general construction needs in upstate New York and southern Quebec. The head office of the Materials operations is located in Plattsburgh, NY.

Ecowaste (1 facility) operates a landfill for yard waste, construction, demolition, and excavation materials located in Richmond, BC.

As of December 31, 2010 Graymont employed 1,148 people and produced approximately 3.3 million tonnes of lime products, 1.2 million tonnes of limestone products, 4.6 million tonnes of construction stone, 0.3 million tonnes of asphalt, and 0.1 million cubic metres of concrete ready mix per year. Industrial landfill intake was approximately 0.5 million tonnes per year.

The Board Environmental, Health and Safety Committee monitors the environmental (including greenhouse gas emissions), health, and safety performance of the Company. The Committee meets bi-annually. Management also provides environmental, health and safety reports to the Board of Directors at each regularly scheduled Board meeting. Other reports are provided throughout the year as appropriate.

Report Scope

This is the fourth Graymont sustainability report. Discussion, data and information contained herein relates, with noted exceptions, to the 2010 calendar year. Historical data is provided, again with noted exceptions, for the years 2007 through 2010. The 2011 report is scheduled for publication in May 2012.

This report summarizes the sustainability performance of the Company and its subsidiaries. Graymont's Lime operations constitute the largest portion of the economic, environmental, and social impacts of the organization. In this report, data and information contained in the Environmental Care section relate primarily to the Lime operations in Canada and the United States. Data and information in the Workplace Environment, Waste Reduction and Community Relations sections relate to all operations in Canada and the United States. Data and information specific to Calidra is not included in this report.

Governance

The Graymont Board of Directors' principle role is stewardship of the organization. The Board's fundamental objective is to create shareholder value. The Board recognizes that to achieve this objective in the long term the Company must maintain a high level of economic, environmental and social performance.

The Board oversees the conduct of the business and management of the Company. Management is responsible for developing a long-term strategy and conducting the Company's day-to-day business. In its oversight, the Board holds management accountable for responsible conduct of the business.

The Board holds regular quarterly meetings and additional meetings as necessary. The Board has documented its governance policies in a Board

Manual which includes a Code of Business Conduct and Ethics. The Chair of the Board, and of each Committee of the Board, is independent of management. All Directors except the President and Chief Executive Officer are independent of management.

The Board has appointed the following Committees to assist in fulfilling its role:

- Audit
- Pension and Benefits
- Compensation
- Nominating
- Reserves
- Environmental, Health and Safety

The Board annually evaluates the performance of Board Committees, the Chairs of the Board and Committees, and management.

Stakeholder Engagement

The people of Graymont interact with a wide range of stakeholders including the following:

- Communities, primarily rural, in which Graymont operates facilities
- Customers
- Employees and their families
- Trade unions which represent certain employees
- Lenders and insurers
- Governments at the local, municipal, provincial, state and federal levels
- Non-governmental organizations which represent the interests of citizens in regard to civic affairs, culture, education, the environment, and public health
- Suppliers which include fuel producers and distributors, material transportation firms (truck, rail and water), parts, materials and equipment suppliers, refractory suppliers and installers, construction contractors, engineering firms, telecommunications providers, and consultants (accounting, audit, human resources, legal, environmental)
- Shareholders

Graymont develops long-term relationships with stakeholders through information sharing, consultation and collaboration, enabling us to continue contributing to the well being of people and the environment. By understanding stakeholder issues and striving for solutions, Graymont is able to maintain its social license to operate and gain support for its plans, which in turn help generate shareholder value.

At Graymont we believe that good stakeholder relations can:

- **Enable good decision making** – our best decisions are made when we inform stakeholders about our plans for the future, identify issues they may have and respond appropriately to those issues.

- **Resolve issues** – when we consult with stakeholders in a constructive manner we are better able to develop timely, cost effective, and mutually beneficial solutions.

- **Build strong communities** – by working in collaboration with stakeholders we build trust between Graymont and its communities and are better able to create safe and healthy environments for our neighbours, employees, and their families.

- **Support shared learning** – by sharing information, knowledge and perspectives, Graymont and its stakeholders learn from one another.

Stakeholder Relations Guiding Principles

1. Stakeholders will be provided with timely and accurate information about Graymont's activities and plans for the future that affect them.

2. Stakeholders will be given an opportunity to participate in a transparent stakeholder engagement process, and to be involved in issues that affect them.

3. Graymont will proactively seek stakeholder input and feedback on its decisions that affect them and we will take into account the values, needs, and concerns of stakeholders when making our decisions.

4. Graymont will maintain a flexible consultation process that is responsive to stakeholder needs.

5. Graymont respects the values and culture of each stakeholder. We recognize that disagreement with stakeholders may occur. Graymont always appreciates the diversity of views presented and believes that better solutions will be achieved even though all disagreements may not be resolved.

Workplace Environment

Graymont continues to build a company culture based upon values which promote caring for customers, for fellow workers, and for the environment and community. This means a workplace that delivers quality products and service, employees and communities that are safe from the risk of injury or harm, and stewardship of the environment.

Most Graymont production facilities are similar in that they process natural rock into finished products. These processes require the use of heavy equipment, machinery and materials which introduce certain hazards into the workplace. Graymont continuously works to improve health, safety and environmental management practices to manage known hazards.

Graymont has a dedicated team of employees. They are committed and engaged, receiving ongoing training in an effort to eliminate workplace injuries, and risks to the environment and our communities. Our employees are always working to enhance the company culture to keep Graymont a safe, desirable and fulfilling place to work.

Health and Safety

We aspire to a work environment where all workers function day in and day out without injury. Through the combined efforts of all its employees Graymont achieved in 2010 a reportable safety incident rate that was well below the mining and mineral processing industry average. We believe we can maintain this work environment and build upon our successes by continuously improving our safety culture. We continue to develop safety best practices that emphasize employee involvement through safety committees, internal safety audits, training and certification, and safe work observation. In 2010 the implementation rate for safety best practices in the Lime Group was 92%, up from 85% in 2009.

The Safety Scorecard, implemented in 2009, tracks both leading and lagging safety indicators to bring the proper focus to safety performance. In 2010 it was further improved and became the most frequently accessed report by Graymont's employees. Graymont conducts a safety self-audit program to track compliance with safety regulations and internal health and safety policies. When non-compliance issues are identified, a corrective action plan is developed and implementation is tracked to ensure timely resolution. In 2008, completion of safety audit items was recognized as an area of poor performance. In 2009, a significant effort was made to complete past due safety audit action items, a commitment that carries through to today. In 2010 an additional 773 safety audit action items were resolved.

2010
1.9 reportable incident rate (benchmark, the 2009 U.S. mining industry average reportable incident rate, was 2.4)
1.0 lost time incident rate (benchmark, the 2009 U.S. mining industry average lost time incident rate, was 1.1)
0 fatalities
64% of safety audit action items completed by due date

Training and Development

We believe that an empowered, engaged and well trained workforce is key to Graymont meeting its many objectives, be they safety, environmental, community, or financial. To this end Graymont continues to invest in developing and training its people.

Whether through safety training, one-on-one process training, in-house or external courses, continuing education, conferences, seminars, departmental conferences, cross functional conferences or leadership training, employees across Graymont are continually developing new and existing skills. Often, skill development is in preparation for anticipated or desired future roles within the Company. This training model provides employees with opportunities for growth and mobility, both within and across functional work groups.

In late 2010 Graymont created a Safety Engineer position with a focus on training. When filled this function will manage the development and implementation of a state-of-the art safety training and tracking software platform to be utilized across all operations. This function will also be responsible for developing and sustaining core safety training materials, and in training safety coordinators at all Graymont locations. This program is already under development with components prepared for implementation in late 2011.

Graymont employees also participated in a number of training programs including information systems training and leadership development. 72 employees received Project Management training. Over 100 managers received in-depth leadership training, and some Canadian operations leaders participated in an in-depth set of supervisory training courses.

In 2010 Graymont pulled together a team of twelve employees and challenged them to develop the Company's World Class vision. These employees came from all across Graymont, and through the support and involvement of their fellow employees drafted a vision that defines how Graymont will succeed through enhancing our safety culture, reliably delivering quality products and services, sustaining our social license to operate, improving environmental compliance and performance, optimizing productivity and cost controls, and empowering and engaging our employees.

Employee Engagement

Graymont offers a stable work environment and competitive remuneration including health and retirement benefits. The Company empowers employees to make decisions, listens to their concerns and promotes individual development. Graymont also undertakes a number of activities that have employees engaged beyond their specific work function. Over time department and cross-functional teams are fast becoming the norm.

Two significant initiatives were launched in 2010. First, Graymont introduced its World Class Vision to its employees, customers, and stake holders. The vision brings into sharper focus the means by which the Company will fulfill its core obligations. Second, the Company implemented a set of core Functional Charters which assist all employees in understanding who is responsible for what in terms of managing the overall business. These charters were the result of considerable effort on the part of several cross functional groups.

The average Graymont employee has been with the Company for 14 years. On December 31, 2010 there were 407 employees who had service with Graymont of greater than 20 years. Employee voluntary turnover was 5.8% which included retirements.

2010
1148 full time employees
5.8% voluntary turnover (includes employees who retired)
14 years - average length of service
407 employees with service greater than 20 years
0 days lost to strikes

Environmental Care

Graymont facilities impact the environment by modification of the local physical environment through quarrying and plant-site activities, depositing native or foreign materials, and through the release of substances such as greenhouse gases and air pollutants such as sulphur and nitrogen oxides, and dust into the environment. While some impact is inevitable as a result of the nature of Graymont's business, Graymont is dedicated to minimizing the environmental ramifications of its operations.

This means that Graymont minimizes environmental impacts on its neighbours, communities, and work sites.

In 2010 Montana, Indian Creek management and environmental groups completed a complete review of studies regarding the health and condition of bighorn sheep herds located in and around the lime plant quarries. It was determined that Graymont operations caused no harm and that the quarries contributed positively to the sheep herds by providing shelter from predators and the elements.

Environmental Performance Management

By the end of 2010 Graymont had successfully implemented its environmental management system (EMS) at all but one of its lime facilities. Facility environment committees were engaged in 2010 in implementing each facility's EMS. They also communicate environmental issues and successes to other facility employees and review environmental audits and audit action items. By the end of 2011 the EMS system will also be implemented in the Company's New York Materials operations. Uniform environmental standards establish minimum environmental performance and operating standards that are applied to all facilities across Graymont. The standards are applied in areas where Graymont goes beyond regulatory obligations. By the end of 2010 Graymont's lime operations had achieved 82% of the standards compared to 51% in the previous year.

Graymont uses both internal and external environmental audits. Internal audits are completed by personnel from Graymont's environment group and external audits are completed by third party environment firms. Audit action items are addressed through procedures outlined in the EMS document. Ninety four environmental audit action items were completed during the year.

The number of emission limit exceedances in 2010 was higher than in 2009. A number of emission exceedances continued to occur at both the Superior, WI and Pleasant Gap, PA lime facilities as a result of issues with pollution control equipment. Mechanical, design, and procedural improvements at both locations have been made to resolve these issues.

2010
70.4% of environmental audit action items completed by due date
93% of lime facilities with fully implemented environmental management systems
930 emission limit exceedances

Energy

Energy is an important resource for Graymont. Typically more than 95% of energy used at a lime production facility is associated with the lime kilns. Graymont continually looks for ways to reduce energy consumption in the lime kilns and other areas of the business. Improving energy efficiency has the benefits of reducing both air pollutant and greenhouse gas emissions, and costs.

At its Marbleton Lime facility in Quebec, Graymont increased its utilization of biomass fuel over 2009 levels with plans to increase biomass substitution even more in 2011. Extensive testing of biomass fuels is also underway at our Pavilion and Faulkner operations.

Air Emissions

Graymont continues to work to reduce air emissions. These emissions result largely from the combustion process in Graymont's lime kilns and can be reduced by improving energy efficiency. ***In 2010, reported emissions of SO_x were 37.2% less than 2004 levels. In 2010, reported emissions of NO_x were 2.8% higher than 2004 levels on an increase in production of 4% from 2004 levels.*** At all US plants, action is required when kiln bag house opacity meter readings reach approximately 50% of permit limits.

Another type of air emissions that Graymont strives to reduce is fugitive dust. Fugitive dust is uncontained dust that becomes wind borne and is blown from Graymont sites to neighbouring properties. Graymont has been paving and managing roadways, reclaiming yard areas, and better managing raw material and by-product storage areas to reduce fugitive dust emissions. Changes to processes for partially calcined by-products stock piling at our Pleasant Gap, PA lime plant have dramatically reduced fugitive dust emissions.

Graymont has uniform environmental standards related to fugitive dust control and exhaust gas scrubber and baghouse operations at all its facilities. These standards are designed to ensure that particulate emissions are minimized.

SOx Emissions in Perspective

- In 2010 Graymont facilities emitted approximately 3.2 thousand tonnes of SO_x. In the same year Graymont products prevented the emission of approximately 600 thousand tonnes of SO_x from facilities in other industries.

2010

21.7 petajoules of energy consumed (total primary energy consumption in Canada and the U.S. was approximately 129,000 petajoules)

3.2 thousand tonnes of SO_x emissions (total industrial SO_x emissions in Canada and the U.S. were approximately 12 million tonnes)

6.6 thousand tonnes of NO_x emissions (total industrial NO_x emissions in Canada and the U.S. were approximately 7 million tonnes)

Climate Change

Graymont is dedicated to producing lime with the lowest carbon dioxide emissions in the lime industry in Canada and the United States.

While total carbon dioxide emissions from the production of lime are relatively small compared to overall emissions, lime production is an emission intensive process. This is because there are carbon dioxide emissions from two aspects of the lime production process; 1) from the chemical transformation (calcination) of limestone, and 2) from combustion of fuel.

Carbon dioxide is a natural by-product of the production of lime. Lime can not be produced without carbon dioxide being chemically released and emitted from the calcination of limestone. These fixed process emissions comprise approximately 60% of carbon dioxide emissions from lime production. The other 40% of carbon dioxide emissions from lime production are from the combustion of fuels, typically coal and petroleum coke. Unlike fixed process emissions, it is possible to reduce combustion related carbon dioxide emissions through measures such as energy efficiency improvement and use of lower carbon fuels.

By the end of 2009 Graymont had reduced its lime production fuel related emission intensity by 9% from 2004 levels. Based on 2010 lime production volumes, this represents an annual reduction of 181 thousand tonnes of greenhouse gas emissions compared to what emissions would have been if we had continued to emit at 2004 intensity levels. This was achieved through utilization of more fuel efficient kilns at the Pleasant Gap, PA and Superior, WI lime facilities, the use of biomass at the Marbleton, QC facility, and through shifting production to more fuel efficient kilns. Graymont expects to continue to reduce greenhouse gas emissions intensity through additional initiatives such as:

- Planning additional biomass fuel projects for other facilities.
- Researching alternative biomass fuels.
- An ongoing corporate energy efficiency program.
- Incorporating tomorrow's expected carbon costs into today's capital investment decisions.
- Researching carbon capture and storage.

At the Ecowaste industrial landfill site, landfill methane, a powerful greenhouse gas, is captured and destroyed. In 2010, approximately 797 tonnes of methane was captured and combusted which reduced greenhouse gas emissions by approximately 15.9 thousand tonnes of carbon dioxide equivalent.

Other Energy and Emission Reduction Initiatives

- Also in 2010 our Tacoma plant replaced existing air compressors with more efficient units resulting in a 300,000 kilowatt hour energy saving, or a 41% annual improvement in energy efficiency for the process.
- A corporate automobile policy, initiated in 2004, mandates high efficiency **vehicles for employees** eligible for Company automobile allowances and promotes best available technologies for vehicle fuel efficiency.

2010

4.4 million tonnes of greenhouse gas emissions (total greenhouse gas emissions in Canada and the U.S. were approximately 7,700 million tonnes)

A 9% reduction in fuel related greenhouse gas emission intensity vs. 2004 which equates to a 181 thousand tonnes greenhouse gas emission reduction

Waste Reduction

Graymont is dedicated to operating all of its facilities with zero waste. To Graymont that means creating value by using all the resources we touch, be they energy, stone, or materials.

Graymont aims to achieve this goal by continuous improvement in two areas; 1) in converting all earth and rock that we touch into products, or into materials used to reclaim our sites, and 2) by recycling other materials rather than land filling them. Responsible use of our resources allows us to extend the life of those resources further and reduce our impact on the environment.

Stone

Natural limestone or other natural stone for construction products are Graymont's primary natural resource. Putting the stone we touch into valued use is the core of Graymont's business. While there traditionally has been some waste of the stone resource, Graymont is on a path to reduce this waste to zero.

Centralized mine planning has been implemented in Western US and Western Canadian plants, and is being implemented in Eastern Canada. This process is managed by a core of internal mining engineers ensuring maximized quarry stone usage, extending the life of existing quarries and reducing, where possible, displacement of overburden stone.

In quarry operations, overburden soils are stock piled for later use in reclamation. Overburden rock is either used directly in reclamation activities, stock piled for later use in reclamation, or placed in appropriate areas to be reclaimed. Overburden rock is typically an acid neutralizing, low grade limestone which presents no environmental risk.

Materials Recycling

At the Ecowaste landfill we receive yard waste (grass clippings and tree trimmings) and process it through a compost process to produce soil that is used for reclamation on site. Continuing a process initiated in 2007, 506,000 cubic metres of nutrient rich leachate water was collected and treated on site in 2010. This represents 90% of the total leachate water available in the landfill. This water is used to nourish 13 hectares of poplar and willow trees raised on site for use as biomass and paper pulp.

2010

158 thousand tonnes of partially calcined by-product sold, including 22 thousand tonnes of stockpiled material

Community Relations

Graymont has a long-term commitment to being a good neighbour. To us that means helping maintain and enhance the social fabric, the environment, and the economy of all communities where the people of Graymont live and work. To neighbours that means Graymont employees are actively involved in the community and Graymont's door is always open. Like all companies, Graymont is constrained in terms of time, resources and multiple priorities. However, Graymont does listen to people's expectations, priorities, ideas and concerns and does work hard to make the community a better place for everyone.

Graymont provides long-term stable employment. Environmental performance is managed in consideration of community concerns and priorities and to meet all laws and regulations. Graymont also demonstrates support through investment in community programs, projects and activities, and by encouraging and supporting employee involvement in the community.

Community Investment

Whether it is employees volunteering their time and skills for the annual Tractor Days in Plattsburgh, NY, employees in Wendover, NV installing a fence for a local public school, or planting and harvesting vegetables for the Richmond, BC food bank, contributing to local charities and international relief efforts, or offering renewable scholarships for dependents of employees, Graymont is actively investing in all our communities each year. ***Each location maintains a committee that coordinates community investment activities.***

Graymont will make investments, be it volunteers or money, in local environmental projects, local health projects, education and to support local community groups and sports teams. Employees at each facility make the decisions regarding which local initiatives they will support based in large part on community issues and priorities.

Community Engagement

Graymont's door is always open. We believe the foundation of being a good neighbour is open and honest communication. We want our neighbours to know what we are planning and doing and we want to understand what our neighbours are thinking; about Graymont and about their community.

Building upon this foundation, Graymont endeavours to be proactive in communicating our plans and seeking community input so that issues and ideas can be identified and addressed early. ***Our Quebec plants have engaged in a comprehensive and on-going initiative designed to build upon relationships with stakeholders at all levels across the province. This effort will provide the blue print for similar initiatives across all Graymont operations. In Tacoma, WA, Graymont is actively engaged with local conservation groups like Citizens for a Healthy Bay, to ensure that information flows freely in both directions.***

Top Five Community Investments - 2010

1. Contribution to a Community Volunteer Fire Service – Pleasant Gap, PA
2. Renewable academic scholarships for dependants of Graymont employees
3. Contribution to community park construction – Joliette, QC
4. Contribution to local hospital healthcare foundation – Exshaw, AB
5. Contribution to Haiti Earthquake Relief fund - Richmond, BC

2010

$333,455 in community investment
14 Graymont facilities participated in community dialogue meetings
11 Graymont facilities hosted open houses

social performance data

KPI		2010	2009	2008	2007	Notes
Number of full time permanent employees	Canada	576	557**	548	581	As of December 31 of each year.
	United States	572	565**	618	547*	* excludes Cutler-Magner employees acquired in November 30, 2007. **Adjusted 05/2011
Voluntary turnover rate (includes employees who retired)	Total	5.8%	5.8%	8.7%	8.7%	
Composition of Graymont Limited Board of Directors and Officers	Board of Directors	7M 1F	6M 1F	8M 1F	8M 1F	M – male F - female
	Officers	11M 1F	11M 1F	10M 1F	10M 1F	
Reportable incident rate	Canada	1.5	2.7	3.1	2.2	Number of incidents that result in medical treatment, lost work days or restricted work days per 200,000 exposure hours.
	United States	2.2	3.0	3.1	5.1	
Lost time incident rate	Canada	0.5	1.4	1.6	1.2	Number of incidents that result in lost work days per 200,000 exposure hours.
	United States	1.6	1.6	2.4	3.2	
Fatalities	Canada	0	1	0	0	
	United States	0	0	0	0	
Monetary fines for safety non-compliance	Canada	$0	$1.5	$0	$0	Thousand CAD$
	United States	$62.0	$40.1	$59.7*	$69.0	Thousand US$
						*Data restated (2008 report data was incomplete
Safety audit action items complete by due date	Canada	62%	65%	5%*	55%*	* Based on some incomplete data.
	United States	91%	59%	70%*	24%*	
Number of days lost to strikes	Canada	0	0	0	0	
	United States	0	0	0	0	
Employees covered by retirement and health benefits	Canada	100%	100%	100%	100%	
	United States	100%	100%	100%	100%	
Employees covered by Employee Assistance Program	Canada	100%	100%	100%	100%	
	United States	100%	100%	100%	87%	
Community investment	Canada	$200	$207	$173	$205	Thousand CAD$
	United States	$130	$95	$123	$141	Thousand US$

environmental performance data

KPI		2010	2009	2008	2007	Notes
Energy use	Canada	6.2	5.8	6.9	7.2	Petajoules. Total energy use at facilities including combusted energy and electricity.
	United States	15.4	14.6	17.6	15.2	
Direct greenhouse gas emissions	Canada	1.3	1.2	1.4	1.4	Million tonnes CO_2e. Lime production facilities only.
	United States	3.1	2.9	3.3	3.1	Million tonnes CO_2e. Lime production facilities only.
Production carbon intensity	Canada	1.30	1.28	1.33	1.31	Tonnes CO_2e per tonne lime. Lime production only.
	United States	1.35	1.34	1.31	1.36	Tonnes CO_2e per tonne lime. Lime production only.
						(2004 intensity was 1.31 in Canada and 1.43 in the U.S.)
NO_x emissions	Canada	2.7	2.6	2.7*	1.9	Thousand tonnes. Lime production only. NPRI data.
	United States	3.9	3.4	3.5	3.5	Thousand tonnes. Lime production only. TRI data.
						(2004 emissions were 2.2 in Canada and 4.3 in the U.S.)
						*Data restated (2008 report data was incorrect)
SO_x emissions	Canada	1.7	0.9	1.6	1.0	Thousand tonnes. Lime production only. NPRI data.
	United States	1.5	1.5	2.8	3.0	Thousand tonnes. Lime production only. TRI data.
						(2004 emissions were 1.6 in Canada and 3.6 in the U.S.)
Monetary fines for environmental non-compliance	Canada	$0	$0	$0	$0	Thousand CAD$
	United States	$21	$0	$0	$6	Thousand US$
Emission exceedance events	Canada	32	4	11	23	Number of exceedance events. An exceedance event can be an emission exceedance for as short as 6 minutes.
	United States	898	898	1956	284	
Environmental audit action items complete by due date	Canada	73%	36%	0%*	29%*	* Based on some incomplete data.
	United States	74%	30%	3%*	23%*	
Total cumulative land area disturbed	Canada	700.5	711	672	661	Hectares. Includes limestone and stone quarries but excludes plant sites.
	United States	786.7	810	814	821	
Land area reclaimed	Canada	2.95	1	1	5	Hectares. Includes limestone and stone quarries but excludes plant sites.
	United States	16.27	16	25	37	
Partially calcined by-products sold	Canada	11	8	8	9	Thousand tonnes.
	United States	145	135	134	130	Thousand tonnes.

- # economic performance data

KPI		2010	2009	2008	2007	Notes
Production	Lime	3.3	3.1	3.5	3.4	Million tonnes
	Stone	4.7	4.7	5.5	6.5	Million tonnes
	Asphalt	0.3	0.4	0.4	0.3	Million tonnes
	Ready Mix	0.1	0.1	0.2	0.2	Million cubic metres
	Landfill intake	0.5	0.5	0.6	0.7	Million tonnes
Employee remuneration (includes wages, salaries, and health and retirement benefits)	Canada	$55.0	$56.6	$51.0*	$48.1	Million CAD$
	United States	$59.0	$54.0	$56.2*	$50.6	Million US$
						*Data restated (2008 report data was incorrect)
Financial assistance received from government	Canada	$0.7	$0.9	$0.8	$0.9	Million CAD$
	United States	$2.5	$0.4	$1.0	$0.8	Million US$
Expenditure on research and development	Total	*	$4.3	$7.8	$6.0	Million CAD$
						* Data not available at time of publication.

Forward-Looking Statements

Prospective Information

This report contains some information that is prospective in nature and which may be affected by known or unknown risks and uncertainties.

There can be no assurance that any of this information, in particular statements regarding financial forecasts and projections, will be accurate.

Actual results and future events could be materially different from those reflected in this report.

Glossary and Abbreviations

CAD$ Canadian dollar.

CEO chief executive officer.

CO_2e carbon dioxide equivalent.

Emission exceedance event an event where emissions exceed an environmental permit limit or internal standard for a prescribed duration of time. Prescribed durations of time can be as short as six minutes.

EMS environmental management system.

Environmental audit a systematic, documented verification process of objectively obtaining and evaluating audit evidence to determine whether specified environmental activities, events, conditions, management systems, or information about these matters conform with audit criteria.

Greenhouse gas emissions in Graymont's case these include carbon dioxide, methane and nitrous oxide.

Lost time incident an incident that results in an injured worker being unable to report for their next work shift.

MSHA the United States Mine Health and Safety Administration.

NOx oxides of nitrogen which are a by-product of combustion.

NPRI national pollutant release inventory – Canada.

Petajoules 10^{15} joules.

Reportable incident an incident that results in an injured worker requiring medical treatment beyond first aid, an injured worker being unable to report for their next work shift, or an injured worker being restricted in their work duties.

Safety audit a systematic, documented verification process of objectively obtaining and evaluating audit evidence to determine whether specified occupational health and safety activities, events, conditions, management systems, or information about these matters conform with audit criteria.

SOx oxides of sulphur which are a by-product of combustion.

Tonne metric ton or 1000 kilograms.

TRI toxic release inventory – United States.

US$ United States dollar.

Notes:

We Want to Hear From You

Questions and views on Graymont's sustainability performance can be directed to the Vice President Marketing and Sustainable Development at:

Graymont Limited
200 – 10991 Shellbridge Way
Richmond, British Columbia
Canada
V6X 3C6
Telephone: +1 604 249 1953
Fax: +1 604 207 9014
E-mail: sustainability@graymont.com

For more information please see our website: www.graymont.com