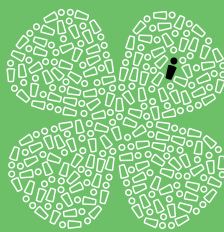


# MAKING A POSITIVE IMPACT



LUCK COMPANIES™

IGNITING HUMAN POTENTIAL

# A Letter from our Chief Growth Officer



**A**t Luck Companies, we are beginning a new chapter in our history. Founded in 1923, we are in the third generation of the Luck family to lead our company. For 89 years we have committed ourselves to ensuring the success of our customers, communities and associates. This commitment is expressed in the quality of our products, services and personal interactions, through our leading efforts in environmental stewardship and by fostering a rich values based culture.

We have embraced creativity, commitment, leadership and integrity as our core values. These values are helping us transform our company into a globally oriented organization that will ignite human potential through Values Based Leadership and positively impact the lives of others around the world. This is our North Star—our Mission. We believe the best path to exemplary personal and business performance is through making a difference in the lives of others around the world. It's why we get up every morning and come to work—it's what gives our work meaning and purpose.

In this report, we address an important aspect of our responsibility to making a difference in the lives of others, including our positive impact on the environment, on society and on the economy. While we have always been dedicated to the long-term sustainability of our environment and our communities, this is the first time we have reported on our progress. We recognize the importance of transparency in a world that increasingly scrutinizes corporate responsibility. We are proud of our record, and we also embrace future opportunities for improvement.

We want to begin a dialogue with you about how our sustainability activities impact your company, your business and your life. We consider this report to be our baseline—an opportunity to share our efforts to date and our goals for the future. It is only the beginning of what we hope will become a mutually beneficial obligation for continuous improvement in the areas of social responsibility and environmental stewardship.

We will seek your feedback each year on our progress, and we will address the areas that are important to the company as well as areas you have identified as needing improvement.

Thank you for your interest in our company and our sustainability practices, and we look forward to hearing from you on how we can have a greater positive impact on you and the world.

Sincerely,

A handwritten signature in black ink that reads "John N. Pullen". The signature is fluid and cursive, with a long horizontal line extending from the end of the name.

John N. Pullen, Chief Growth Officer

# MISSION

WE WILL IGNITE  
HUMAN POTENTIAL  
THROUGH VALUES  
BASED LEADERSHIP  
AND POSITIVELY  
IMPACT THE LIVES  
OF OTHERS AROUND  
THE WORLD.

SUSTAINABILITY IS A  
CONDITION OF EXISTENCE  
WHICH ENABLES THE PRESENT  
GENERATION OF HUMANS  
AND OTHER SPECIES TO  
ENJOY SOCIAL WELLBEING,  
A VIBRANT ECONOMY, AND A  
HEALTHY ENVIRONMENT, AND  
TO EXPERIENCE FULFILLMENT,  
BEAUTY AND JOY, WITHOUT  
COMPROMISING THE ABILITY  
OF FUTURE GENERATIONS OF  
HUMANS AND OTHER SPECIES  
TO ENJOY THE SAME.

– Guy Dauncey

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# Company Profile

Headquartered in Richmond, Virginia, Luck Companies is a privately held company composed of four distinct business divisions: Luck Stone, one of the largest producers of crushed stone in the nation; Charles Luck, a leading architectural stone supplier with a global sales and distribution presence and locations across the mid-Atlantic region; and HAR-TRU Sports, the leading provider of clay courts, lighting and court accessories in the tennis industry. Additionally, Luck Development Partners (LDP), an affiliate of Luck Companies, integrates and highlights natural, historical and environmental elements into the design of its real estate projects.

## LUCK STONE

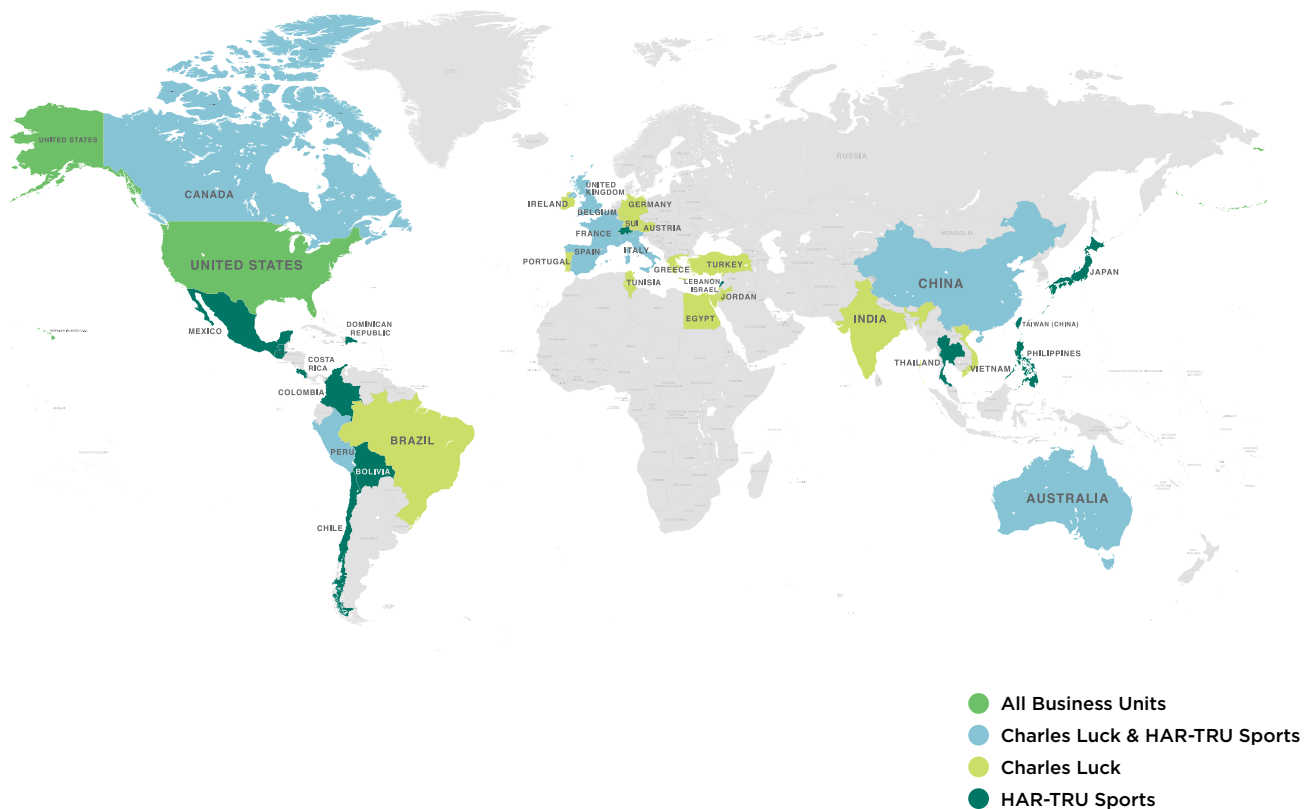
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Luck Stone, the largest business unit, is Luck Companies' core business, with almost 90 years of expertise. Luck Stone operates 20 locations in Virginia and North Carolina that supply a wide range of products, including crushed stone, sand and gravel, topsoil and ball field mixes to customers throughout the mid-Atlantic. Luck Stone's vision is to be the model of a customer-inspired business that builds enduring value for our partners. We are dedicated to maintaining a safe and environmentally conscious workplace in addition to our long-standing commitment to the sustainability of the communities where we operate. For more information, visit [luckstone.com](http://luckstone.com).

## CHARLES LUCK

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Charles Luck® is a leading architectural stone supplier with a global sales and distribution presence and locations across the mid-Atlantic region. Charles Luck services design professionals and style-minded homeowners through consultation and the sale of distinctive natural stone products. At Charles Luck we have a responsibility to make certain that the excavation, transportation and labor related to the products that we import from around the globe are socially responsible and consistent with our environmental ethic. For more information, visit [charlesluck.com](http://charlesluck.com).



## HAR-TRU® SPORTS

HAR-TRU Sports, based in Charlottesville, Virginia, is the leading provider of clay courts, lighting and court accessories in the tennis industry. HAR-TRU Sports, best known for its HAR-TRU brand of clay courts, uses its products and product knowledge to further the development of the game of tennis and tennis champions around the world. The company's global expansion now includes courts in Australia and China, and we continue to focus on innovative green technology to provide world-class products. For more information, visit [hartru.com](http://hartru.com).

## LUCK DEVELOPMENT PARTNERS

An affiliate of Luck Companies, Luck Development Partners (LDP), is guided by our commitment to integrate history, culture and landscape to build a legacy for the future. LDP aspires to create high-quality places to live, work, learn and play in a way that is environmentally and socially responsible. The Ni Village in Spotsylvania County in central Virginia is the first comprehensive effort to build a sustainable community that will serve generations to come. For more information on Luck Development Partners, visit [lucklegacy.com](http://lucklegacy.com).

# Values Based Leadership & Ethical Conduct



While sustainability reporting is new to Luck Companies, corporate responsibility is something we've been practicing for a very long time. At Luck Companies, our mission is to ignite human potential through Values Based Leadership and positively impact the lives of others around the world. Values Based Leadership is a methodology that challenges organizations to develop a mission, a set of values and a leadership point of view and identify the aspirations of the corporate culture and its embedded processes, models, tools and rituals. This methodology best ensures the alignment of the leaders' values, principles and beliefs with those of the organization and charts a course for doing good (making a difference in the world) as the best path to doing well (extraordinary business performance).



**W**e believe fundamentally that all people are born with the extraordinary potential to make a positive difference in the world. We believe making a difference is a choice, a conscious choice that begins with our own self-awareness and alignment with corporate values. Values based leaders consistently make this choice and then inspire others to do the same, positively impacting the lives of those around them. They do this by cultivating the extraordinary potential that lies largely untapped in all people, inspiring them to live, lead and work to the extremes of their ability.

Our values of leadership, creativity, integrity and commitment guide our actions every day. We believe how we work is equally as important as what we do. It's the "how" that directs our ethical conduct, environmental practices and social responsibility, which serve as the foundation for sustainability at Luck Companies.

## LEADERSHIP

### ACHIEVING LEGENDARY PERFORMANCE

- Championing a compelling vision
- Being humble and supportive
- Inspiring confidence and optimism
- Communicating and listening effectively

## CREATIVITY

### FOSTERING AN ENVIRONMENT WHERE IDEAS AND INNOVATION ADD VALUE

- Believing in possibilities
- Encouraging risk-taking
- Delivering solutions
- Embracing change

## INTEGRITY

### EARNING THE TRUST AND RESPECT OF OTHERS

- Being honest
- Being accountable
- Being consistent

## COMMITMENT

### BUILDING THE LONG-TERM SUCCESS OF ASSOCIATES, CUSTOMERS AND COMMUNITY

- Advancing health and safety
- Being stewards of the environment
- Celebrating success
- Doing whatever it takes
- Investing in knowledge, skills and resources

## LUCK COMPANIES LEADERSHIP SYMPOSIUM TESTIMONIALS

In October 2011, Luck Companies launched its new mission and Values Based Leadership brand to more than 200 of our key stakeholders at our first ever Leadership Symposium in Washington, D.C. The purpose of the symposium was to share our experiences, the lessons we have learned and the progress we had made over the last 10 years that our company has been going through an intensive cultural transformation. The featured speaker at the day-long symposium was Bill George, a professor of management practice at Harvard Business School and the former chairman and CEO of Medtronic. The author of four best-selling books on leadership, including *True North* and *Authentic Leadership*, he currently serves on the boards of ExxonMobil, Goldman Sachs and the Carnegie Endowment for International Peace. Mr. George spoke on Values Based Leadership and its impact on business performance—and was joined by Luck Companies President and CEO Charlie Luck to address the highly engaged audience of business owners and leaders. On the following page are examples of the extraordinary responses we received from symposium guests on how the program impacted their lives.



CHARLIE LUCK (LEFT) AND FEATURED SPEAKER BILL GEORGE (RIGHT)  
AT THE LUCK COMPANIES LEADERSHIP SYMPOSIUM



# Sustainability at Luck Companies

At Luck Companies, we define sustainability as the integration of environmental, economic and social responsibility best practices into our business strategies to ensure the long-term health of our company, our people, our communities and our planet. We recognize that how we operate our company is critical for business performance and also plays a significant role in the impact we have on the environment and society.

**T**here are many examples of how our focus on environmental best practices, philanthropy, values based culture, and leadership have strengthened our relationships with stakeholders and positively impacted our customers, associates and communities. Yet in the past, we were not deliberate in how we shared those stories with the public—nor did we proactively seek feedback from our stakeholders on how we were doing. With this report, we strive to engage our stakeholders in an open dialogue that supports continuous improvement in our sustainable practices at Luck Companies.

## OUR WIDE RANGE OF SUSTAINABILITY PROJECTS INCLUDES:

- Building an Educational Campus for Sustainable Research
- Bring 'Em Back Alive—Sturgeon on the Rocks
- Luck Shares Best Practices—"Hear" and Abroad
- Teaching Teenagers to Drive Safely
- Partnering with the Elizabeth River Project
- Building from the Ground Up—Presquile Island
- Luck Leads Partnership to Help Reduce Diesel Emissions
- Charles Luck Georgetown Studio Pursuing LEED Gold Certification
- HAR-TRU Sports: Continuing Efforts Toward Sustainability and Green Products
- Reducing Waste at Charles Luck
- Luck Companies Recycles Concrete
- Luck Leads the Industry in Water Banking in Quarries
- Spotsylvania Greenways Initiative

# Stewards of the Environment

**F**or many decades, Luck Companies has been highly regarded in the communities where we operate as a company committed to environmental stewardship and corporate citizenship. This is especially true for our Luck Stone division, which is a member of the National Stone, Sand and Gravel Association (NSSGA). We adhere to the guiding principles of sustainability developed by the NSSGA ([www.nssga.org](http://www.nssga.org)).

In 2002 at the World Summit on Sustainability Development, 193 countries, including the United States, concluded that minerals were important to the economic and social

development of many countries. In addition, they concluded that social, environmental and economic values were essential considerations for aggregate and mineral operations.

As a company committed to these international principles of sustainability, we have recently elevated our goal to be recognized within our respective industries as a leader in sustainable development. In addition to adopting and sustaining best practices, we know it is equally important that our sustainability efforts are communicated and are relevant to key stakeholder groups.



THE FAIRFAX PLANT HOSTS A SCHOOL SCIENCE FIELD TRIP.

## For sustainability, our 2012-2015 goals are:

- Publish an annual sustainability report that engages our stakeholders in an open dialogue for improving sustainability practices at Luck Companies.
- Educate our associates and stakeholders on best practices in sustainability and how those practices lead to business success for us and our customers.
- Focus our sustainability efforts on energy conservation and air quality.





# SOCIETY

We will develop generations of leaders committed to positively impacting the lives of others.



At Luck Companies, we have a long-term commitment to positively impacting the quality of life for our associates, their families, our customers, our communities and our stakeholders around the world.

We model social responsibility, highlight good business practices and create a sustainable impact beyond our own industries. Our social responsibility practices focus on safety, occupational health, community relationships, volunteerism and associate engagement to ensure the long-term health of our communities.

## Safety

**T**hroughout the history of Luck Companies, we have positioned ourselves as leaders in industrial safety and health. We have consistently produced industry-leading results in our safety and health programs; our total

recordable case rate significantly outperforms our industry averages.

Value Safety is a hybrid program incorporating elements of a behavior-based safety program

mixed with a heavy emphasis on safe conditions and compliance with federal safety regulations. As part of our core values, we are committed to providing all associates a safe working environment. We provide each associate with safety training, equipment and mechanical safeguards to ensure

safe working conditions. In turn, each associate is expected to contribute to the safety and well-being of themselves and others.

Luck Companies is in the business of working with stone and stone products. As a result, we fall under the requirements of both U.S. Department of Labor agencies— the Occupational Safety and Health Administration (OSHA) and the Mine Safety and Health Administration (MSHA). Luck Companies' Charles Luck business, which provides landscape and architectural stone, is classified under manufacturing and is regulated by OSHA. Luck Stone is classified as mining, so it falls under the jurisdiction of MSHA. Luck Companies has maintained its philosophy of being 100-percent compliant with all rules and regulations and working in partnership with MSHA to help protect our workforce. To help us meet those ends, Luck Companies has implemented our Operational

“We will develop and instill a personal value for safety and health in all associates resulting in behaviors that achieve a work environment free from injuries and incidents.”

## Safety (continued)

Excellence Evaluation program in our Luck Stone business unit. This program consists of two full internal compliance audits of each of our locations per year.

**Our safety goal is to increase year-over-year our number of sites with two consecutive years with a rate of 0 medical injuries and 0 lost time injuries (O/O rate).**

### 2011 Total Safety Recordable Case Rate

Aggregates Industry	/	2.56
Luck Stone	/	1.87
Stone Product		
Manufacturing Industry	/	6.0
Charles Luck	/	2.05
HAR-TRU Sports	/	5.09
Luck Companies Overall	/	1.57

## Occupational Health

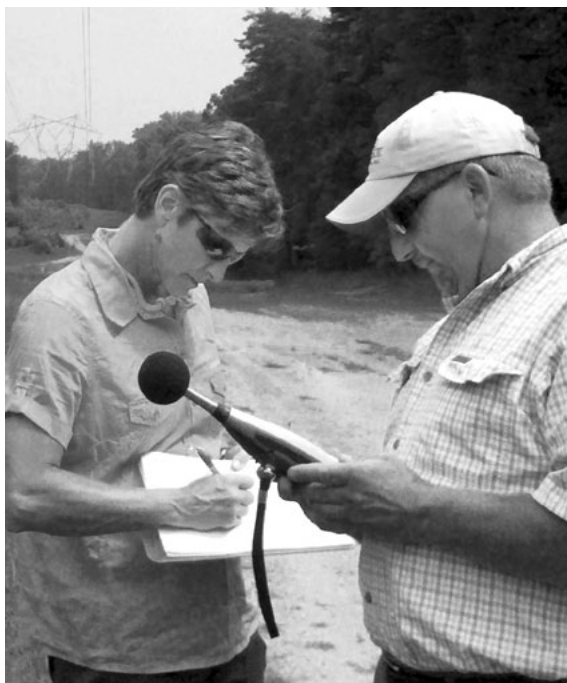
**L**uck Companies is in the forefront of our industry with its occupational health program and with its commitment to helping others in the industry raise their competencies in this area. For example, we implemented our employee occupational health training program in 2009 and then went on to play a significant role in developing the NSSGA Mineral Identification and Management Guide employee training program.

**The goals of the Luck Companies' occupational health program are to:**

- provide a healthy working environment for Luck Companies' associates
- produce products that can be used safely by our customers
- ensure that the health of community members is not affected by our business

To accomplish these goals, Luck Companies conducts exposure monitoring of hearing, noise and dust and provides medical monitoring for our associates.

**In FY 2011, Luck Companies' certified industrial hygienist conducted nearly 200 exposure assessments and found no exposures above the OSHA or MSHA permissible exposure limits.**



ASSOCIATES FROM OUR ENVIRONMENTAL DESIGN AND DEVELOPMENT DEPARTMENT MONITOR NOISE LEVELS NEAR ONE OF OUR PLANT LOCATIONS.

**In the medical monitoring program, 441 hearing tests were conducted with a participation rate of approximately 90% of noise-exposed associates. Of these hearing tests, there were no recordable hearing losses, and 2% experienced standard threshold shifts that were potentially work-related.**



## “HEAR” AND ABROAD



A FACTORY WORKER  
IN CHINA WEARING  
HEARING PROTECTION  
PROVIDED BY  
CHARLES LUCK.

The relationships between Charles Luck and our vendors are treated as partnerships based on shared values. Safe working conditions for our associates, customers and vendors are one of the key values for Luck Companies. A good example of this occurred a few years ago during a visit to a factory in China managed by one of our vendors. The factory in the Hebei province is well-managed using an experienced work force. During the visit, some Charles Luck associates observed that the hearing protection in use could be more effective. Our experience has shown that full-ear protection is better than in-ear protection alone. Recognizing the culture and respecting our relationship, the Charles Luck team offered full-ear protective devices as a gift to the factory associates to acknowledge their commitment to our company, brand and customers. As seen in this photo, these gifts were well-received and helped to further strengthen the relationship between the two companies.

## TEACHING TEENAGERS TO DRIVE SAFELY



STUDENTS FROM  
MASSAPONAX HIGH  
SCHOOL ATTENDING  
LUCK STONE'S DRIVER  
SAFETY COURSE IN  
SPOTSYLVANIA.

Luck Stone's Spotsylvania Plant in Central Virginia has partnered with the Spotsylvania County Sheriff's Office for seven years to raise student awareness at Massaponax High School about driver safety. More than 1,000 students have experienced firsthand how to be safe when driving near trucks. Another part of the program emphasizes the effects of alcohol impairment on students when they are driving.

Each year about a dozen Luck Stone representatives are on site at the high school to teach more than 200 students how to safely share the roads with truck drivers. Students are offered the opportunity to experience truck drivers' views of the road and their blind spots by sitting in the driver seat of trucks with passenger vehicles positioned around them. Luck Stone associates also educate students about other truck safety-related issues that include stopping distances, weight limits and truck turning radius.

Students interact with truck drivers to hear what they experience while driving such a large vehicle and the dangers they see on the roads. The drivers advise students against texting while driving and encourage them to really pay attention.

The Sheriff's Office also educates students about the effects of alcohol impairment by engaging them in an "impaired goggles" activity in which the students wear goggles that alter their vision while they try to perform simple tasks. Hugh Stevens, plant manager at Luck Stone's Spotsylvania Quarry, says, "This training gives these students, most of whom are new drivers, a good understanding of the things they need to be aware of driving around trucks and how to ultimately be better drivers overall."

## PARTNERING WITH THE ELIZABETH RIVER PROJECT



LEARNING ABOUT LOCAL CRUSTACEANS  
ABOARD THE ELIZABETH RIVER  
LEARNING BARGE.

Founded in 1993, the Elizabeth River Project (ERP) has a mission to restore the Elizabeth River to the highest practical level of environmental quality through government, business and community partnerships. For too long, the Elizabeth River, a tributary of the Chesapeake Bay in southeastern Virginia, has been infamous for its polluted waters. ERP is the catalyst for restoring the environmental health of this great harbor river while affirming her value to Virginia's port economy.

Less than two years after Luck Stone entered the South Hampton Roads market with two locations on the Elizabeth River, the company reached out to ERP to become a business partner. With ERP's help, Luck Stone built two bio-retention rain gardens on our property, totaling 1,800 square feet, to filter storm water runoff from adjoining parking lots. Additionally, rip rap and berms were strategically placed around the property to control water flow and fine aggregate runoff into the Elizabeth River.

In recognition of these efforts, Luck Stone earned the organization's Silver Level River Star Award along with the Silver Star Award for site improvements. In addition to our local involvement, the Luck Stone Foundation supported ERP's Learning Barge with a \$25,000 grant. The Barge, the world's first floating wetlands classroom, allows students to visit the Elizabeth River and learn how concerned citizens are making the river swimmable and fishable by 2020. More than 10,000 K-12 students have visited the Learning Barge since 2009.

The barge features an observation pool, an enclosed lab, sun-, wind- and rain-powered systems, and a wetlands nursery, which uses Luck Stone's Biofilter™ product. The lab and nursery demonstrate how a properly functioning wetlands system cleans water as it flows to the river. The barge is made from totally sustainable materials, and its only source of power is the electricity generated from sun and wind.



THE LEARNING BARGE RETURNING FROM AN ELIZABETH RIVER OUTING.

# Associate Engagement and Volunteerism

## OUR ASSOCIATES ARE ENGAGED

In 2010, Luck Companies participated in its first associate engagement survey (AES) administered by Hay Group, a global management consulting firm. This has become an annual survey we conduct to evaluate aspects of the workplace that contribute to associate engagement and overall company performance. All associates are asked to participate, and for our first two years, we have seen a participation rate of 96% each year.

Organizational management studies show that high levels of engagement and enablement lead to greater employee productivity, more loyal customers and stronger financial performance.

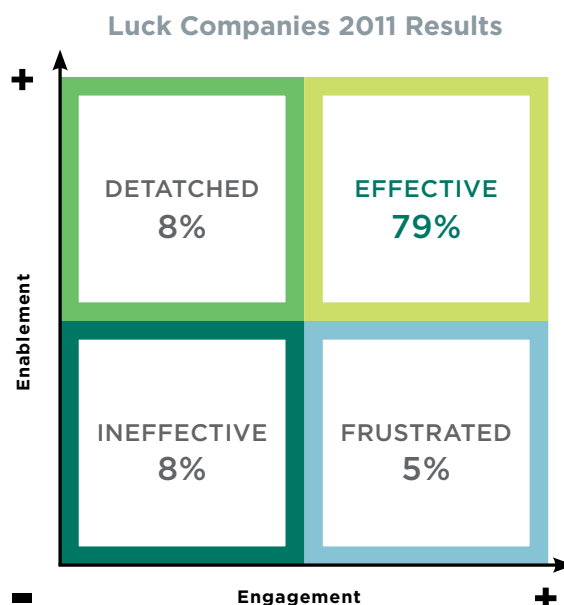
Based on linkage case studies using Hay Group's global normative database, they have determined that high engagement and high enablement have led to:

- 50% increase in employee performance
- 54% reduction in employee turnover rates
- 89% increase in customer satisfaction
- Increase in revenue growth by a factor of 4.5x

Over the past five years, Hay Group has collected data from several hundred companies around the world. Luck Companies is using the 90th percentile of the General Industry Norm in reporting for 2011, meaning that our scores were compared to other companies that Hay Group considers to be the best in the world. Our results came in above Hay Group's General Industry 90th percentile (GIP90) on most questions (all but seven), with an average percentage above norm equaling 3.25%. In addition, our employee effectiveness rating was 1.5 times higher than the General Industry Norm.

## Effectiveness Framework

- Engagement and enablement are both important determinants of employee performance
- Organizations are unlikely to sustain one without the other
- Frustrated employees will break through barriers, disengage, or leave the organization
- Research shows that about 15% of employees are frustrated



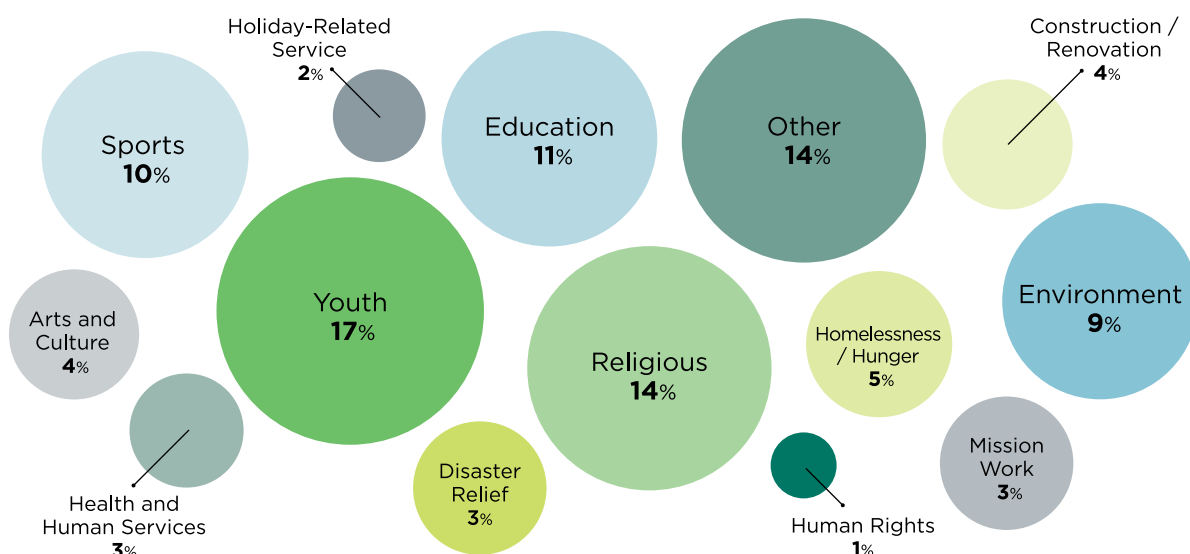
# Connecting to Our Communities

We believe in giving back—we believe that to whom much is given, much is expected.

**T**he focus on safe communities started in the 1920s when Charles Luck, Jr., our company's founder, purchased the first fire engine for the local fire department near one of our quarries.

This commitment to the communities where we operate has been carried forward by three generations of the Luck family and the thousands of associates who have worked for Luck Companies over eight decades.

## Areas Where Our Associates Volunteer



## OUR ASSOCIATES VOLUNTEER

Many of our associates commit their time and talent to projects sponsored by the company. Many other projects reflect a personal interest of our volunteers.

We conducted our first Volunteerism Survey in 2011 to benchmark how much and where our associates volunteer their time.

- 100% of our associate population was surveyed in FY11 on volunteer hours and efforts. We had a 45% response rate.
- 80% of responding associates volunteer from 1 to 10+ hours per month.



ASSOCIATES FROM OUR FAIRFAX PLANT VOLUNTEER TO COLLECT AND DELIVER DONATIONS DURING A RECENT FOOD DRIVE.



## PRESQUILE ISLAND

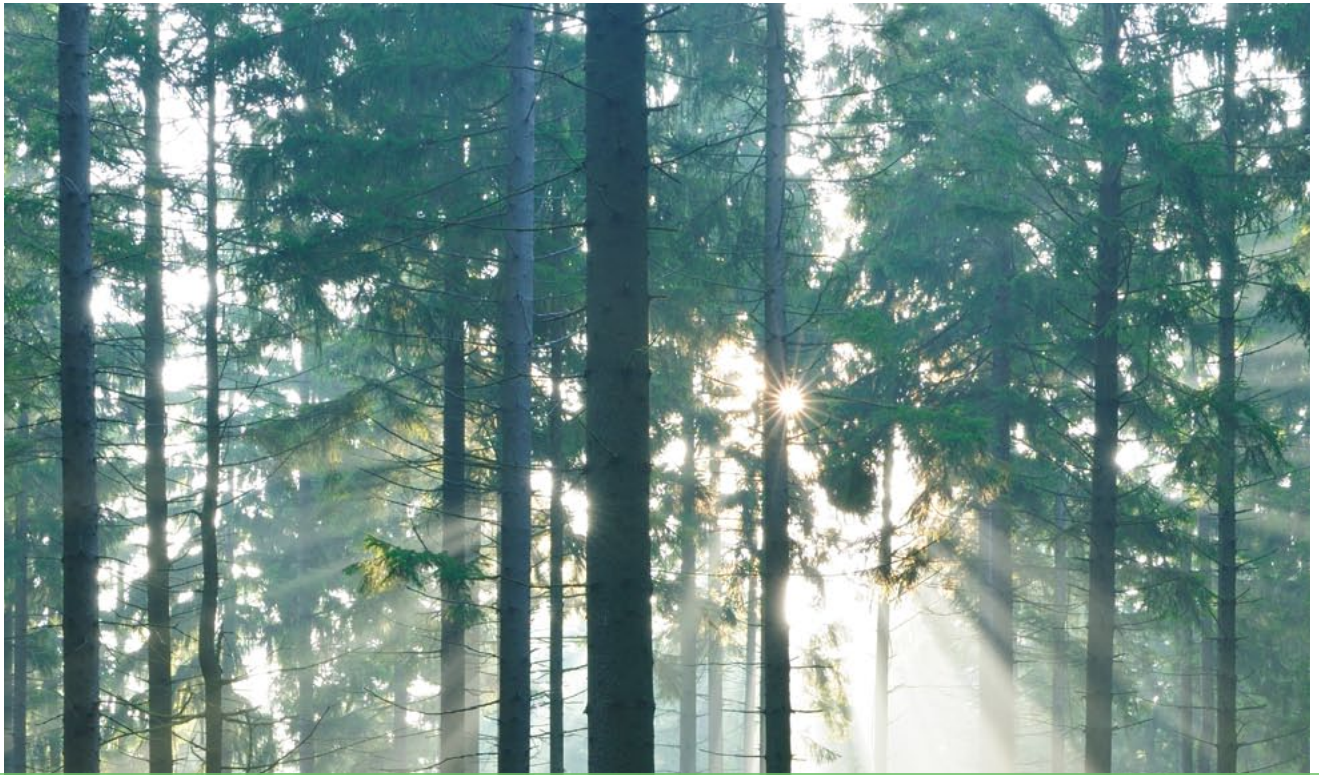
As part of a longstanding partnership with the James River Association (JRA), a team of Luck Companies associates was invited to join members of the JRA in building a wetlands boardwalk, canoe launch and learning gazebo at the Presquile National Wildlife Refuge, an island in the James River. The team of 21 Luck volunteers turned out to haul equipment over a mile to the boardwalk's location. Teams were formed for different tasks, and the boots hit the mud as construction began on the learning gazebo, while a second team started anchoring the boardwalk into the soft ground. Another team planted a row of tree seedlings to serve as the vegetated buffer adjacent to a large wetland area.

All volunteers said that they couldn't wait to see the site next year when the project is constructed and the children are out there enjoying the area. Future plans at the site include erecting a dormitory for overnight visitors and a Learning Center to demonstrate the JRA's vision of experiential learning. The broader vision of the JRA is to build a generation of environmental leaders who will recognize the value of environmental stewardship as they make sustainable business decisions. Luck Companies is proud to be a partner on such a meaningful project that aligns perfectly with our commitment to the environment and our mission to ignite human potential.



ASSOCIATES FROM OUR ENVIRONMENTAL DESIGN AND DEVELOPMENT DIVISION WORK ON THE BOARDWALK AT PRESQUILE ISLAND.





# ENVIRONMENT

We inspire a shared responsibility to create a positive outcome  
for the natural, built and work environments.



Luck Companies' environmental ethic directly supports our company's mission to positively impact those around us. Our environmental ethic integrates the ideas of restorative practices, long-term view and "beyond compliance" activities to describe how we orient our business toward the environment.

Restorative practices refer to activities that don't merely reclaim land but also enhance the environment for the benefit of the natural systems. Some examples of this include habitat creation, environmental clean-up and wetlands creation. Our long-term view is the concept that one must take the future needs and changes of the business and environment into account when planning land development and projects. Some examples of our long-term view in practice include our involvement within our communities, comprehensive land planning and environmental education. Finally, our "beyond compliance" activities are those that enhance the lives of our associates, customers and communities while outperforming regulatory standards. Some examples of "beyond compliance" activities include recycling programs, green building elements and environmental products development. Beyond compliance means our safety and environmental activities go beyond the requirements of our regulators—the U.S. Environmental Protection Agency (EPA), the U.S. Department of Labor—Mine Safety and Health Administration (MSHA) and Occupational Safety and Health Administration (OSHA), the Virginia Department of Environmental Quality (DEQ), and local governments.

## Energy Conservation and Air Quality

**E**nergy conservation and the reduction of greenhouse gas emissions offer an ideal sustainability opportunity for Luck Companies. By reducing the emissions from our mobile equipment fleet, improving fuel efficiency and optimizing our operational practices, we can realize an economic benefit through lower fuel cost per unit of work done. When we burn less fuel, we emit

less carbon dioxide and particulates—this improves air quality. Improved air quality provides an economic, environmental and community benefit.

Particulate matter can be generated from several sources, including the dust that is created by crushing and conveying the aggregate material. Luck Stone uses dust suppression systems that continuously spray water



on the process, as well as covered screens and conveyors and baghouses to minimize exposure. Water trucks apply water collected in the quarry to roads and stockpiles to keep dust from reaching public roadways.

Other sources of particulate matter include the emissions from diesel engines. Through the almost-exclusive use of electrically powered conveyors (instead of diesel-powered), Luck Stone has limited emissions of particulate matter and organic chemical vapors. The attention to maintenance issues and the use of a modern fleet of vehicles further reduce emissions. In addition, Luck has worked with Caterpillar to remove older engines from mobile equipment

and install newer models that exceed EPA efficiency requirements.

The Luck Companies Information Technology team also continues to look for opportunities to reduce the energy utilization in our data center operations. Three years ago, the team virtualized 95% of the servers in the data center, significantly improving power and cooling consumption. A program is underway to locate the majority of our servers in data centers powered by renewable fuel sources. Luck Companies continues to make a significant investment in replacing old computing equipment with newer, more energy-efficient equipment.

## HAR-TRU SPORTS: CONTINUING EFFORTS TOWARD SUSTAINABILITY AND GREEN PRODUCTS



A HAR-TRU COURT FEATURING HAR-TRU ADVANTAGE LIGHTING.

Our strategy includes three major steps to make our HAR-TRU Court and tennis in general as environmentally friendly as possible. All three are significant and have contributed over the years to growth in the tennis court market.

The first and most significant step is the introduction and evolution of the HydroCourt underground watering system. This system allows for the watering of our HAR-TRU court from underneath the court using a controlled water table, which is built into the court and controlled by floats to maintain the water levels underneath the court. The moisture then

evaporates through the HAR-TRU court to control the moisture in the surface automatically. This technology, perfected in the 1990s, has resulted in an approximately 60-percent water savings in thousands of courts throughout the U.S. and the world.

The second breakthrough is in the energy-saving area of court lighting. HAR-TRU Sports, in conjunction with our California partner, has promoted and sold our new Advantage tennis court light with a vertical fixture, which can put out approximately the same amount of light with a 450-watt bulb as is present with a standard 1,000-watt bulb. This yields a significant savings in electricity use. It can also be used to significantly improve the lighting on a court with either a 750-watt version or a 1,000-watt version of the same fixture.

The third area involves reduced storm water run-off, which is a significant environmental challenge in the U.S. and most of the developed areas around the world. Our HAR-TRU Court absorbs approximately the same amount of rain water as the sod it normally replaces when a new court is installed. This ability to reduce storm water run-off provides a huge advantage over the impervious hard courts installed around the world.



## VIRGINIA CLEAN CITIES AT JAMES MADISON UNIVERSITY AND LUCK STONE COLLABORATE TO HELP REDUCE DIESEL EMISSIONS



OFFICIALS FROM THE VIRGINIA DEPARTMENT OF ENVIRONMENTAL QUALITY, THE EPA, CATERPILLAR, JAMES MADISON UNIVERSITY AND VIRGINIA CLEAN CITIES JOIN LUCK COMPANIES ASSOCIATES DURING THE EPA PRESS CONFERENCE.

In 2010, Luck Companies, with a grant from the Environmental Protection Agency (EPA), took the lead in the first construction equipment repower project in the Commonwealth of Virginia. Funding from the EPA to Virginia Clean Cities and James Madison University (JMU) helped launch this innovative project to reduce harmful diesel pollution at four Luck Stone plants operating in Richmond, Charlottesville, Leesburg and Burkeville.

EPA's mid-Atlantic regional administrator Shawn Garvin and JMU faculty participated in the press conference held at Luck Stone to celebrate the project's inauguration. "James Madison University is pleased to join this innovative public-private partnership pursuing

solutions to improve air quality and produce jobs in the Commonwealth. This initiative provides a unique opportunity for the faculty, staff and students of JMU to participate on a project with the potential to positively impact the lives of Virginians," said JMU's Director of Research Development Ken Newbold.

EPA's \$710,000 Diesel Emissions Reduction Act grant, combined with \$1.1 million from Luck Stone, enabled the company to repower or replace 11 off-road construction vehicles with new, more efficient diesel engines and generators.

"Putting clean diesel engines to use will bring cleaner, healthier air for the workers and neighborhoods surrounding these plants," said EPA mid-Atlantic Regional Administrator Shawn M. Garvin. "EPA is pleased to support Virginia Clean Cities' newest initiative to improve air quality and public health for Virginia's citizens."

The Luck Stone project is the first construction equipment repowering project in Virginia to be funded by EPA. The new engines, to be repowered by Caterpillar, will result in a 50-percent reduction in nitrogen oxides and 65-percent reduction in particulate matter for each piece of equipment. Nitrogen oxides and particulate matter are prevalent air pollutants linked to asthma and other respiratory illness. Annually, the project will eliminate 30.85 tons of nitrogen oxide, 2 tons of particulate matter, 11.93 tons of carbon monoxide, and 2.74 tons of hydrocarbons from being emitted at the four plants. In addition, the project has created about 20 jobs.

"The heavy trucks and equipment that are being repowered or replaced are not only striking in their size and capability but are also critical to Luck Stone's ability to provide quality crushed stone," said Virginia Clean Cities Executive Director Chelsea Jenkins. "Virginia Clean Cities and James Madison University are energized to participate in such a significant project that will aid in curbing the impact such equipment has on the environment and ultimately Virginia's economy and the health of its citizens."

## GREENHOUSE GAS

There is significant scientific and policy debate about greenhouse gases and their impact on the atmosphere and the environment. Despite the debate, we believe everyone can agree that reducing the consumption of nonrenewable fuels, getting more work done per unit of energy, and reducing our reliance on foreign sources of energy are all desirable outcomes. Because of the concern about the role that greenhouse gases play in our atmosphere, considerable effort has been applied to defining and quantifying greenhouse gas emissions.

Greenhouse gas emissions also serve as an excellent surrogate tool to normalize different types and amounts of energy consumed. Therefore, Luck Companies has begun to track and measure our emissions of greenhouse gases as a way to understand how we are using energy and to help us continue to improve our efficient use of energy.

We use a greenhouse gas calculator developed by the NSSGA. It takes into account the usage of and emissions from energy sources, including electricity, gasoline, diesel, jet fuel,

## STURGEON ON THE ROCKS



A VCU RESEARCHER TAGGING A STURGEON CAUGHT IN THE JAMES RIVER. INFORMATION ABOUT THE STURGEON, SUCH AS THE GENDER, WEIGHT AND LENGTH, IS RECORDED, AND THEN THE STURGEON IS RELEASED BACK INTO THE RIVER WHERE ITS MOVEMENTS ARE TRACKED BY RECEIVERS.

The Inger and Walter Rice Center for Environmental Life Sciences is Virginia Commonwealth University's (VCU) field station devoted to a broad array of environmental research, teaching and public service. It is internationally recognized for its academic programs focused on scientific research, education and public outreach and for informing public policy related to river ecosystems, their watersheds and the conservation of species that inhabit those watersheds.

In 2010, Luck Stone partnered with VCU's Rice Center, Coastal Design and Norfolk Tug to build an artificial reef to encourage sturgeon spawning in the James River in order to restore the population. This reef reproduces the ideal spawning ground conditions that once existed in the river.

The James River Association (JRA) and VCU are collaborating on a grant application to request funds from the National Fish and Wildlife Foundation so that JRA could create a reef of hard rock material in the James River. Dr. Greg Garman of VCU believes that sturgeon need a hard river bottom in order to lay eggs, and most of their traditional nesting grounds are now covered in silt. They approached Luck Stone as a possible partner to donate various sizes of stone to create a reef

about the size of a football field. The different rock sizes allow pores and gaps in the reef where the eggs and fry can be protected from predators in the river.

Luck Stone donated approximately 2,000 cubic yards of material, which was barged to a location that had been thoroughly analyzed by VCU, JRA, and the National Oceanic and Atmospheric Administration (NOAA) as a prime spawning area. Our partner in the barging and unloading operation was Coastal Design, and the tugboat hours were donated by Norfolk Tug. Reef construction occurred in February 2010.

VCU students are studying the sturgeon population around the reef and tracking dozens of individual fish. After two years of monitoring the artificial reef, it is clear to observers that the newly created habitat has been extremely beneficial to a wide variety of river species. Researchers remain optimistic that sturgeon eggs will be detected in addition to the many other species' eggs that have been found.

propane and natural gas, from all of our operations and buildings. Our goal is to get more work done with lower emissions of greenhouse gasses. This will improve

air quality, reduce our dependence on foreign sources of energy and lower the cost of our operations.

**In 2011, we emitted 3.84 MTCO2E (metric tons of carbon dioxide equivalent) of greenhouse gas per 1,000 tons of stone produced. (There is a minimal amount of carbon emitted from some of our business operations that are included in the carbon emissions numbers. However, these operations—specifically our Charles Luck and HAR-TRU Sports business units—did not produce any tonnage, so they are not included in the tons-produced number.)**

**FOSSIL FUELS**

**Leesburg Two-Pass Loader**

A different type of loader went into operation at our Leesburg, Virginia plant in April 2011. It is a Caterpillar “Two-Pass” loader built with a larger bucket, larger tires and heavier counterweight to allow more payload in the bucket. Therefore, this machine can load a 24- to 26-ton customer truck in only two passes. The loader can load three trucks in the same time it takes a traditional loader to load two trucks. The Two-Pass loader burns about the same gallons per hour as the traditional loader,

but it is more efficient with the fuel. If we take these efficiencies and expand that across an entire day of loading, the impact becomes apparent.

In the same amount of time and with about 5-percent less fuel, the Two-Pass loader can do roughly 50-percent more work. Data in this table shows the advantages of the Two-Pass loader operating under normal circumstances.

CATEGORY	TRADITIONAL LOADER	TWO-PASS LOADER
Trucks loaded in 5 minutes	2	3
Trucks loaded in 8 hours	192	288
Total tons loaded	4,800 tons	7,200 tons

**Leesburg 777C Engine Upgrade**

In conjunction with Alban Tractor and Caterpillar (CAT), Luck Stone was offered an opportunity to upgrade the engine in one of our haul trucks at our Leesburg quarry. The original engine, a Caterpillar 8-cylinder engine that burned 14.8 gallons per hour, was replaced with a new Caterpillar 12-cylinder engine that burns 14.1 gallons per hour. While that 0.7 gallons per hour may seem small,

in a year’s time it makes a big difference. In 2011, this new engine operated 1,500 hours and it burned 1,050 fewer gallons than the old engine. A very conservative estimate of engine life is 15,000 hours. Upgrading this engine will result in 10,500 fewer gallons burned and a savings of approximately \$40,200 in fuel costs.

# Recycling and Reuse

**C**onsistent with the “beyond compliance” element of our Luck Companies’ environmental ethic, we have a recycling program in place company-wide. We use materials that are very different from typical household materials, so the products we recycle range from plastics and glass to manganese and steel. Our recycling program is a perfect intersection of the three core principles of sustainability. We advance environmental stewardship by keeping large quantities of materials out of the waste stream. We enjoy a financial benefit through savings on materials cost and payment for the value of some recycled materials. The community also benefits from less waste going to the landfill and the goodwill of having a recognized environmental steward and business as a neighbor.

## RECYCLED CONCRETE

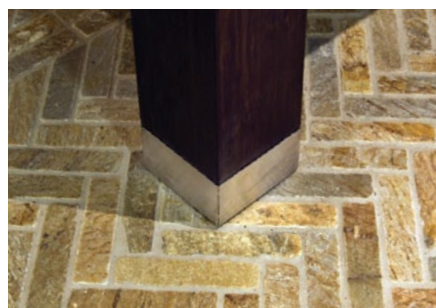
Luck Companies recycles concrete at four locations. Broken concrete that is removed from demolished infrastructure projects is brought to a quarry facility and crushed into a mix that is reusable for road base or fill. The recycled concrete product reduces the need for virgin materials. We recycled and sold 41,504 tons for reuse in FY11 and expect to produce increasing tonnage in the coming years. We also provide space for asphalt producers to store their recycled asphalt product (RAP), which reduces the amount of clean stone that is required for paving projects.

## REDUCING WASTE

Charles Luck develops many of its products through vendor relationships. These distinctive products bring the Charles Luck brand to life and fulfill the needs of our customers. Care is taken to minimize waste that could occur during the manufacturing process. We are thoughtful about using scrap in other products to eliminate waste and improve the profitability of the Charles Luck business.

For example, one of the Charles Luck product brands is “Copper Bay,” a golden quartzite material quarried in the Hebei region of China. The material occurs naturally in sheets and is ideal for many interior and exterior applications. However, sourcing the sheets from the quarry generates fragmented material that could be considered waste. Charles Luck has taken this fragmented material and created other new products to significantly reduce the potential waste. With this process, several products could be fabricated, including pattern flagstone, MasterCut veneer, tile and mesh-mount mosaics. The range of thicknesses and dimensions among this product assortment ensures that very little material is thrown away.

This same awareness carries over to many other products within the Charles Luck portfolio as well as through our in-house fabrication process. Not only are all scraps of material used whenever possible, but also other environmentally friendly tactics are utilized, such as recycling 80 percent of the water used during the slab cutting process.



ROMAN ROAD MOSAIC IS THE REPURPOSED BY-PRODUCT OF COPPER BAY QUARTZITE.

## PRODUCTION-RELATED RECYCLING AND REUSE

We crush concrete at several plants where there is a supply and a market. We plan to crush and sell recycled concrete from more plants next year. For FY11, the recycled concrete that was crushed and sold from our plants is as follows:

- Gilmerton: 15,051 tons
- Toano: 41 tons
- Fairfax: 7,608 tons
- Leesburg: 18,804 tons

We also recycle the following products and materials post-production:

- Manganese: 48,920 lbs.
- Used Oil: 16,323 gallons
- Used Anti-Freeze: 2,017 gallons
- Steel: 844,885 lbs.
- Batteries: 29 units

## NON-PRODUCTION-RELATED RECYCLING AND REUSE OF ELECTRONIC EQUIPMENT

Luck Companies uses an electronics recycling and device disposal company to ensure that all of our used electronics and related accessories are recycled in the appropriate manner and don't end up in landfills. Equipment is either resold or it is stripped down to components, and those parts are sold to manufacturers to be used in new products. We offer our associates the opportunity to bring electronics and batteries from home to further expand the reach and benefit of this program.

In 2011, we recycled the following electronic equipment:

- Mobile Phones: 274 items
- Computers and Related Accessories: 155 items
- Printers, Scanners and Fax Machines: 38 items
- Miscellaneous Accessories: 416 items

## Water Quantity and Quality

Luck Companies recognizes the increasing scarcity of clean drinking water in our communities. We also recognize our responsibility to be stewards of the water resources we encounter as part of our operations. There are often negative assumptions about the impact of stone production and quarrying on water resources. We believe, however, that we are in a unique position as a result of our operations to enhance both the quality and quantity of water available for both human consumption and habitat enhancement. As environmental

stewards, we have the obligation to demonstrate our ecologically focused treatment of water in our operations.

In our Luck Stone aggregates business, we collect storm water and small quantities of groundwater in our quarries. The water we collect is recycled for stone processing and dust control; this reduces and in most cases eliminates the need for us to use well or municipal water for production needs. Excess water that we collect is discharged in accordance with a state discharge permit.

We monitor our discharged water for the amount of sediment or suspended/floating solids in the water at the time of the sample and for pH.

**We collected a total of 80 water samples during 2011 to monitor discharge water quality, and no samples were in violation. In fact, most samples were significantly below the regulatory limits.**

In the future, we anticipate installing additional infrastructure to measure water quality and quantity within our operations so that we can understand in more detail the characteristics of our water use. These improvements are not required by regulation and reflect Luck Companies' commitment to improving water quality and quantity in and around our operations.

## Responsible Buildings and Environmental Products

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**L**uck Companies made a new commitment in 2011 that with any new building or renovation, we will evaluate the feasibility of incorporating sustainable design elements into these buildings. This commitment led us to pursue gold-level LEED (Leadership in Energy and Environmental Design) certification of our new Georgetown Charles Luck Studio. The existing building was renovated with many responsible upgrades and elements, such as high-efficiency HVAC, low-flow faucets, low-VOC paints, sealants and woods, efficient lighting and recycled wood flooring. We are excited to welcome our first LEED-certified facility into our family. (Please see page 27 for more detail on the Charles Luck Georgetown Studio.)

Luck Companies is committed to evolving how we look at construction. One important way to achieve this is by educating our design and construction professionals on innovative building techniques. We have six associates who are LEED-accredited professionals, and education is continuing for several others.

When we needed to develop plans to build a new scale office at our Charlottesville quarry, we also considered what responsible elements we could include and if we would be able to pursue any certifications for it. LEED for new construction is best suited for larger buildings, so LEED certification did not make sense for this project because our scale offices are small. Our construction engineers

researched other options and identified EarthCraft as a suitable alternative. It is similar to LEED but adjustable for smaller spaces.

Some of the sustainable initiatives included at our new EarthCraft Charlottesville scale office include: installation of native plants and less turf areas, recycling of more than 75 percent of construction waste, sealing the exterior to control moisture and eliminate air leakage, above-code insulation, light-colored roofing to reduce energy consumption, insulated and tinted windows to reduce UV light indoors, above-code HVAC to reduce energy consumption, efficient lighting, Energy Star® appliances and low-VOC paints, sealants and woods. We are excited to set the new standard for scale offices in the aggregates industry.

We are providers of stone and manufactured soil products that have been used in environmental applications for years. One key distinction in our ability to offer customized products for environmental applications is our homogenous blending techniques with computerized blending equipment. We make use of a number of post-production waste products. This, combined with our blending and quality control expertise, allows us to offer a number of unique environmental products. These products include BioFilter™, premium topsoil, green roof materials, gabion and riprap and structured soil. Most of these products can be used to meet certain criteria in sustainable building certifications.



## WATER BANKING—RAW WATER STORAGE IN EXISTING QUARRIES

Key to the Potomac Water Supply Program in metro Washington, D.C. is a unique concept described as water banking—using retired quarries for water storage after they have been fully mined. Raw, non-potable water is deposited in the quarries when Potomac River flows are normal to high and then withdrawn from the quarries in lieu of continued withdrawals from the river during times of drought or excess turbidity. In this way, sufficient water can be treated to serve the demands of customers without impacts to the river or to the water supply needs of other jurisdictions.

“The Potomac River is a resource we treasure not only for our water source but also for its intrinsic value to the region. That’s why the partnership we’ve formed with Luck Stone and their participation in the plan is so important and demonstrates our shared values for this resource. By offering their quarries a second valuable life as a storage reservoir, the entire region benefits by ensuring the Potomac is used wisely.”

— FRED JENNINGS, CHAIRMAN,  
LOUDOUN WATER BOARD OF DIRECTORS

In Loudoun County, Virginia, Loudoun Water’s public/private partnership and business agreements with Luck Stone have been instrumental in implementing the water banking concept. Four quarries situated in proximity to each other and to Loudoun Water’s proposed water treatment plant afford the opportunity to store up to 8 billion gallons of water and minimize Loudoun Water’s withdrawals from the Potomac during less optimal times. In this manner, Loudoun Water will be able to use quarries for a beneficial public purpose.

While water banking is in the planning stages for three quarries, Loudoun County has approved Luck Stone’s quarry located north of the Washington and Old Dominion Trail (W&OD) and east of Goose Creek to be used for water banking. It is anticipated that approximately 1 billion gallons of water will be able to be stored in this quarry alone after mining operations are complete in 2017-2020.

## CHARLES LUCK GEORGETOWN STUDIO: PURSUING LEED GOLD



THE NEW KITCHEN AREA  
FEATURED IN THE CHARLES LUCK  
GEORGETOWN STUDIO

Our new Georgetown Studio is located in the historic Cady’s Alley home design district of Georgetown in Washington, D.C. We used an existing building, which immediately reduced the carbon footprint of our construction. The studio benefits from nearby amenities such as restaurants, public transportation and pedestrian traffic. Some of our LEED (Leadership in Energy and Environmental Design) credits were due to so many amenities being in the area.

Charles Luck used an agent to provide third-party verification of the building systems’ operability, energy consumption and training of building personnel. The Charles Luck space has been designed with energy-saving heating, air conditioning, ventilation and electrical fixtures and equipment. Additionally, water-efficient plumbing fixtures have been installed to support the high-performance goals of the space. Other features include collecting recyclables to divert from landfills, green housekeeping that assures indoor air quality and limits chemicals and waste, and collecting occupant feedback on thermal comfort to help improve conditions if needed.





# ECONOMY

We are responsible for making a long-term investment in our economy to ensure the sustainability of our company, our communities and our planet.





Luck Companies has always recognized that long-term investment in the communities where we operate contributes to the overall health and sustainability of not only our company but also that of the world around us. For us this means leveraging our assets through monetary contributions, product and in-kind donations, volunteers, professional services and technology.

Our company adds long-term value to the local economy through a positive stream of revenue, job generation and philanthropy. We create jobs, pay taxes and support local business through the products and services we buy and the contractual agreements we create. Luck Companies also enhances the quality of life in communities where we operate by producing innovative environmental products and through sustainable land practices.

## Ni Village—A Sustainable Community

**L**uck Development Partners (LDP) is the real estate development affiliate of Luck Companies whose aspiration is to create high-quality places to live, work, learn and play in ways that are environmentally and socially responsible. One of LDP's first economic development projects is to build Ni Village, a sustainable community in Spotsylvania County, Virginia.

Located adjacent to our Massaponax plant, Ni Village will be an innovative community that reflects the heritage of the region and encourages personal interaction with nature, history and one another. Ni Village will embody sustainable design principles, ensuring that it will not only be a desirable place to live, work and play for its residents but will also be a legacy for generations to come, valued for its unique qualities and extraordinary livability.

At the local scale, Ni Village will provide a place of character and connection for friends, neighbors, school children, teenagers, hikers, bikers, businesses, and universities. You won't have to get in your car here. Residents will be able to walk or bike to work, to play and to school and to the shops and cafes. Nature will be a part of the village in the same way buildings and drives will be part of the village. Ultimately, Ni Village will become more connected to the surrounding community and the quarry sites. As quarry operations phase out and become reservoirs and park spaces, the network of open space within Ni Village will expand to connect to the regional network of public spaces and parks.

The plan for Ni Village includes two distinct settlements. The East Campus will be a corporate research and



TUPPELO STEPPES IS A NATURALIZED WEDGE OF THE WETLAND AND WOODLAND HABITAT DIRECTLY CONNECTING THE VILLAGE TO THE NI BASIN.

development complex with a series of facilities sited around a common civic space. The space will be composed of gardens and pedestrian areas enhanced by the many water conservation and environmental components that will support the buildings and site landscape.

The Village will be a compact settlement with an integrated pathway and trail system throughout the village connecting a broad spectrum of office and institutional uses, housing and local neighborhood businesses.

The Village will form a crescent around Ni Basin Park, a public park and natural conservation area designed to link to the county parks and trail systems.

The various components of the Ni Village plan have evolved through extensive market research and community input. The village will continue to evolve in phases in response to market opportunities and building needs. Ni Village is positioned not only as a carefully crafted place but will also serve as a new regional economic engine.



## SPOTSYLVANIA GREENWAYS INITIATIVE

The vision of creating a place where everyone is within easy walking distance of a path or park and every family has safe access to the world of outdoor recreation and nature's beauty is becoming a reality in Spotsylvania County, Virginia. Local citizens, with the guidance of Luck Development Partners (LDP) and the generous support of LDP, Luck Companies and The Million Mile Greenway, founded the Spotsylvania Greenways Initiative (SGI) to locate, preserve and create greenways throughout the county.

Since its first meeting in 2008, SGI has not only attracted a large number of community members but also has created a strong relationship between the community and the county staff.

In 2011 the board of SGI collaborated with the county's planning staff for the review and creation of Spotsylvania's first Trails Plan, which was approved by the Board of Supervisors and has been incorporated into the county's Comprehensive Plan.

SGI's first official trail, "The Salamander Loop of the Ni River Trail," opened in June 2010 on National Trails Day. Luck Development Partners donated the use of land for this trail located in their planned Ni Village community.



THE HEAD OF THE TWO-MILE SALAMANDER LOOP OF THE NI RIVER TRAIL.



## LDP BUILDING AN EDUCATIONAL CAMPUS FOR SUSTAINABLE RESEARCH

In 2011, Luck Development Partners received approval from the Spotsylvania County Board of Supervisors to move forward with our plans to build an innovative, sustainable development along Route 1 near our Massaponax quarry. This is the first development of its kind in the mid-Atlantic region and will soon house the National Academy of Environmental Design (NAED). NAED will anchor a one-of-a-kind center for green and sustainable technology at Ni Village that is anticipated to launch in 2012.

Created by more than 20 nonprofit organizations, NAED was established in 2009 and represents more than 500,000 members. People involved in NAED activities come from both industry and academia and are among the nation's most knowledgeable in their field. NAED membership provides the leadership and expertise required to accomplish complex research projects on issues such as climate change, resource depletion and energy security.

NAED is the result of our collaboration with several major universities in Virginia. The Smith's Mill Education Center will attract innovative green technology companies and academia from around the country to work and collaborate in what will become a sustainable community as Ni Village is further developed.

SMITH'S MILL EDUCATION CENTER WILL ACCOMMODATE AN INTEGRATED UNIVERSITY AND COMMUNITY COLLEGE CAMPUS AND CONFERENCE FACILITY FOCUSED ON GREEN TECHNOLOGIES.



# The Economic Value of Aggregates

**A**ggregates provide critical resources for our nation's infrastructure of roads, buildings and water systems, and they deliver the necessary ingredients for asphalt, cement, concrete, ready mix, glass, paper, lime and gypsum. The economic value of the aggregates industry can be measured both directly and indirectly—directly

by the value of the products, spending by the industry on its supply chain, and jobs the industry itself produces. Indirect value can be measured by the purchase of industry goods and services by other end-use industries and by employment supported in related industries, such as construction or landscaping.

According to the National Stone, Sand and Gravel Association:

- Aggregates production accounts for more than half of the non-fuel mining volume in the U.S.
- 38,000 tons of aggregates are necessary to construct one mile of a four-lane highway
- 400 tons of aggregates are required to build an average modern home
- 5,000 tons of aggregates are required to build a 100,000-square-foot office building
- For every dollar generated in the aggregates industry, an additional \$1.58 is generated in the national economy
- For every one million dollars generated by the aggregates industry, 19.5 jobs are created
- 90 percent of aggregates are used within 50 miles of their place of extraction

Luck Stone produced 12,910,447 tons of stone in 2011. Using the NSSGA calculations above, our company's economic contribution can be looked at this way:

- 340 miles of a four-lane highway (the distance between Richmond, VA and New York, NY)
- 32,276 average-sized homes (enough to sustain a city the size of Wilmington, NC\*)
- 2,582 office buildings that are 100,000 square feet each (the average Walmart is 97,000 square feet)

\* Based on the 2011 average household size of 2.22 persons.

## Annual Production Numbers (tons)

	2011	2010	2009	2008	2007
<b>Luck Stone</b>	<b>12,910,447</b>	<b>12,200,456</b>	<b>11,448,893</b>	<b>14,802,559</b>	<b>18,975,056</b>
<b>Total Aggregates Industry in Virginia</b>	<b>51,336,738</b>	<b>49,343,833</b>	<b>44,702,104</b>	<b>59,525,587</b>	<b>69,394,170</b>



# Philanthropy

We will positively impact communities and the lives of others through our charitable giving.

Charitable giving is an important aspect of Luck Companies' mission. Our philanthropic activities are carried out by the Luck Companies Foundation through grants and matching gifts to qualified 501(c)(3) organizations.

## OUR PHILANTHROPIC GOALS

- To be more proactive and create a greater impact through our grant-making and direct-giving programs
- To engage our associates in community services and create a new generation of "philanthropists"
- To add value to our businesses and their key stakeholders by aligning philanthropy with their brand strategies

## Philanthropic Giving FY11



**Foundation** ● \$408,783 / 52%  
**Direct Giving** ● \$195,000 / 37%  
**Matching Gift** ● \$56,416 / 11%



FINANCE ASSOCIATES DELIVER A NEW MATTRESS TO A LOCAL FAMILY IN NEED.

**AREAS OF FOCUS**

**Environmental Stewardship**

We inspire a shared responsibility to create a positive outcome for the natural, built, and work environments.

**Long-Term View**

Identifying and implementing philanthropic projects that have a multi-generational positive impact on the environment.

**Beyond Compliance**

Identifying and implementing environmental stewardship projects that go well beyond what is required.

**Restorative Practices**

Identifying and implementing projects that return natural and built systems to an environmental condition as good as or better than before.

**Youth Development and Education**

We are dedicated to developing generations of Values Based Leaders and supporting educational programs that help our youth build character, excel in academics and embrace citizenship.

**Values and Leadership**

Aligning values with leadership behaviors in the areas of ethical decision-making, moral character, and authentic orientation to help others.

**Academic Performance**

Encouraging excellence in academics in the pursuit of a career, leadership opportunity and/or higher-education degree.

**Citizenship**

Engaging youth in community service activities that will positively impact the lives of others and teach the value of being a good citizen.

**Matching Gift Program**

The Luck Companies Foundation Matching Gift Program is designed to encourage associate giving at our company by supporting a broad spectrum of nonprofit organizations and institutions. The program offers a way to double

associates' contributions to qualified charitable organizations and make a positive impact on their communities. We offer a dollar-for-dollar match up to \$2,500 per associate per year.

In FY11, the program's initial year, Luck Companies provided \$56,416 in matching funds to 98 nonprofit organizations.

# A Personal Letter from the Luck Family



FROM LEFT TO RIGHT: CHARLIE, SARAH, LISA, MARGARET AND RICHARD LUCK IN WASHINGTON, D.C.



Less than 4 percent of all family businesses transition to the fourth generation—which is exactly the place that our family finds itself after almost nine decades of owning and operating Luck Companies. This company was started in 1923 by Charles S. Luck, Jr., who handed the reins in 1965 to Charles S. Luck III, who passed the leadership on to me, Charlie—Charles S. Luck IV—in 1995. My wife Lisa and I were married in 1987 and have three children—Richard, Sarah and Margaret—who range in age from late teens to early 20s.

We are determined to beat the odds — to take Luck Companies to the fourth generation of family ownership and beyond. The family succession plan is an integral part of the sustainability of our company. Our first step was to hire an outside family business advisor to help facilitate family meetings and to help us prepare our children for the future leadership of Luck Companies. We learned that at the foundation of a sustainable family business is a strong cohesive family built on timeless values and principles. We created a family mission statement based on our shared values that align with the company's values. We believe that clear communication and trust are at the core of our long-term success as a family. Twice each year our family meets to discuss our sustainability as a family as well as the sustainability of the company.

To run a global company requires us to recognize our individual gifts and strengths and work together to seek a balance within our family—to simultaneously support our individual dreams and goals while also being responsible to each other and our company. Our family is going through the same Values Based Leadership development that all of our company's associates experience. We have open conversations around a variety of issues, and we encourage each family member to be responsible and productive citizens. We have instilled in our children the same strong work ethic that we were raised with and the same strong commitment to the local community and the world at large.

This is the hard work that families must do to survive as owners of a family business and beat the statistics. We have a long-term view of ownership succession that includes family agreement and consensus around such issues as employment at the company and the reinvestment of profits into the business. Our relationships are stronger than ever, and our alignment around our values regarding people, work and money are secure—reinforcing our capacity to maintain a shared future for generations to come.

We have been very deliberate in instilling a deep sense of responsibility for the ownership and stewardship of my family's company, and we look forward to the day we pass the baton to one or all of our children.



THREE GENERATIONS OF LUCKS:  
SARAH, RICHARD, CHARLES,  
CHARLIE AND MARGARET LUCK.

*Charlie Luck Lisa P. Luck*

Charlie Luck & Lisa Luck

# Sustainability Goals & Summary Data Tables

## 2012-2015 Sustainability Goals

- Publish an annual sustainability report that engages our stakeholders in an open dialogue for improving sustainability practices at Luck Companies.
- Educate our associates and stakeholders on best practices in sustainability and how those practices lead to business success for us and our customers.
- Focus our sustainability efforts on energy conservation and air quality.

## SOCIETY

Luck Companies Total Safety Recordable Case Rate	Occupational Health <i>exposure assessments</i>	Occupational Health <i>hearing tests</i>	Truck Safety Driving School Students (high school)	Associate Volunteer Hours
1.57	200	400	200	80%
				of our associates volunteer 1 - 10 hours/month

# ENVIRONMENT

## ENERGY CONSERVATION & AIR QUALITY

### Greenhouse Gas

**3.84**

MTCO<sub>2</sub>E per 1,000 tons produced

### Fossil Fuel Efficiency

**50%**

increase in production  
without increase in fuel use

## RECYCLING & REUSE

### POST-PRODUCTION PRODUCT & MATERIALS

Manganese	Used Oil	Used Anti-Freeze	Steel	Batteries
<b>48,290</b> lbs.	<b>16,323</b> gallons	<b>2,017</b> gallons	<b>844,885</b> lbs.	<b>29</b> units

### PRODUCTION-RELATED

Locations for recycling and reuse of crushed concrete
<b>4</b>

### ELECTRONIC (NON-PRODUCTION)

Mobile Phones	Computers & Related Accessories	Printers, Scanners & Fax Machines	Miscellaneous Accessories
<b>274</b> items	<b>155</b> items	<b>38</b> items	<b>416</b> items

## LEED ACCREDITATION

### LEED-Accredited Associates

**6**

# ECONOMY

Total Associates	Total Locations	Total Markets Served (by country)
<b>732</b>	<b>34</b>	<b>35</b>
Property Taxes Paid	Stone Produced in 2011	Philanthropic Giving
<b>3,251,014</b> dollars	<b>12,910,447</b> tons	<b>660,199</b> dollars

WE DO NOT INHERIT THE EARTH  
FROM OUR ANCESTORS, WE  
BORROW IT FROM OUR CHILDREN.

– Native American Proverb



# About This Report

This is the first Sustainability Report for Luck Companies. Data in this report covers the period from January 1, 2011 through December 31, 2011. All financial information is stated in U.S. dollars.

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Please visit Luck Companies at **[www.luckcompanies.com](http://www.luckcompanies.com)** for more information about us.

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To provide feedback, please visit **[www.luckcompanies.com/sustainability](http://www.luckcompanies.com/sustainability)** to participate in our online survey.

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2011 Sustainability Report  
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**LUCK COMPANIES™**

IGNITING HUMAN POTENTIAL

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