



# Team Thomas Sustainability Report 2017

# Introduction

At Thomas Concrete Group, care for people and the environment is crucial.

That's why sustainability is and has been important to Team Thomas for a long time – a fact that is best illustrated in our Group's Mission statement "To be the closest to customers and together actively contribute to building a sustainable society".

Our company has highly competent and committed employees who develop and produce ready-mixed and pre-casted concrete. We care and want to make a difference. Every day, members of Team Thomas wake up early in the morning, ready to serve customers at construction sites and driven by a common ambition to improve the environment around us.

Together with all other companies in the construction industry, we have a great responsibility to be transparent and honest in our efforts to continuously improve sustainability performance. Every material used in construction has its own merits. Hence, it's important to always look at the facts and proven data when making a choice.

Concrete is an amazing and sustainable construction material. It is natural, beautiful and creative. Unlike most other material being used that might only last for fifty years, it could be said that concrete is a symbol of sustainability. After all, what other buildings stand for more than 2000 years like the ancient buildings in Rome have?

I'm proud of what our Group has done in the area of modern sustainability, but every day we have to actively continue working to improve. Hopefully, you'll find this report inspiring and a good way of seriously sharing what we practically do.

**Hans Karlander**

CEO and President

Thomas Concrete Group AB



# Content

<b>Introduction</b>	<b>2</b>
<b>This is us</b>	<b>6</b>
Strategic Platform	8
Our Business Model	10
Our Challenge	13
Concrete is Sustainable	14
Our Focus Areas	22
<b>Safety</b>	<b>24</b>
We, Team Thomas	26
<b>Environment</b>	
Environmental Policy	29
Raw Materials	30
Thomas Miljöstomme®	32
Energy and Emissions	34
By-products and Waste	36
Water	39
<b>Social Responsibilities and Personnel</b>	
Wellbeing and Health	42
Education	44
Anti-corruption	46
Human Rights	49
<b>How we have reported</b>	<b>50</b>



# This is us



**5 countries**

**1 850 employees**

**5 700 million SEK (700 million USD)**



We are an independent and family owned Group producing and distributing high quality ready-mixed concrete to commercial and private customers. Our success is built on the added value we offer in exceptional personal service and technical competence. Our entire Group has a strong focus on environmental responsibility and employee welfare. We regard ourselves as "The Concrete Specialists".

  
**Thomas**<sup>®</sup>  
CONCRETE GROUP

# Our Strategic Platform

## It is all about us

**Our customers determine our future**



## Our heritage

We are an independent, family-owned Swedish company,

with high entrepreneurial and local spirit,

and with reliable, persistent long term thinking.



# Our culture

We are a committed team ...

- that cares and acts in the best interest of our customers, colleagues and company.
- that constantly seeks possibilities, having high focus on profit and results.
- that is responsible and alert, always striving to be the best.
- that supports each other, sharing energy and having fun.

# Our vision

To be perceived as being the best in our industry.

Best in terms of:

- Customer service
- Safety
- Quality
- Mindset
- Way of working
- Financial results

# Our mission

To be the closest to the customers and together actively contribute to building a sustainable society.

# Our customer offer

High quality concrete, knowledge and reliable services provided by a committed team.

- On time
- At site
- At agreed price

## Our Business Model

Team Thomas' core business is to develop, produce and distribute concrete products. The Group has a total of 147 ready mixed concrete plants as well as 3 precast plants. The Group also offers services, such as concrete pumping, quality controls and technical consulting, making Team Thomas a complete concrete contractor.

Thomas Concrete Group values long term investments and focuses on developing its business responsibly. That include Thomas Concrete Group having an ambitious sustainability agenda with human and environmental focus in every detail.

We have served the market and our customers well in the past and we will continue with this, keeping a long term focus to expand and to maintain our position as The Concrete Specialists®.





Thomas  
BETONG

20105

## Our Challenge

The economic situation can change suddenly and it's not always easy to predict in time. Macro factors impact the construction market. Quick downturn in overall economy and less public and private funding to the construction market are some of the threats to our success.

When it comes to sourcing, we have a high dependency on raw material suppliers since there often are few main suppliers of cement (and aggregates). Unless we are aware, this could lead to less good quality as well as sudden price increases of aggregates and cement. Some suppliers and customers also compete with us eg. construction companies that we in one region supply with concrete, might compete with us in another region. Not only our competitors within the concrete industry pose a challenge to us but also alternative construction methods and building materials. Our ambition is to break through the media clutter and show the hard facts and what an outstanding performance our concrete has.

No matter economic situation or competitor behavior we cannot be The Concrete Specialists without the right personnel. Loss of key staff can make us lose speed. We also need to improve overall sales and marketing competence and our educational level to make sure we are close to our customers and a go-to-company.

Previous weak financial results, might have put us behind historically, but we now face a complete turnaround and a dedicated team, backed up with well-planned re-investments and more structured and defined processes leaves us in a strong position. An independent Team Thomas in a strong position is good for the construction industry, the environment and for the whole society.

A minimalist interior space with a concrete ceiling and walls. A large window with dark frames looks out onto a lush green landscape with tall grasses and a dense forest of trees. The floor is made of light-colored wood planks.

**Concrete is**

**Natural, Beautiful and Creative**



**Sustainable**







## **Strong and durable**

Concrete has been used as a key construction material for thousands of years due to its durability and flexibility. Properly designed buildings last for a long time with a minimum need of maintenance, making concrete a sustainable construction material.

## **Locally produced**

Ready-mixed concrete is always produced locally, with locally sourced materials, leading to short transportation distances.

## **Energy efficient**

Due to the thermal mass and airtight nature of concrete homes, the temperatures inside remain stable, despite the outdoor weather. Therefore, concrete buildings have low energy consumption which reduces the need of extra heating and cooling.





## **Does not burn**

Concrete is fire resistant. Concrete cannot be set on fire or emit toxic fumes during exposure to fire. Firemen and insurance companies agree that concrete is an optimal building material.

## **Does not mold**

Concrete is an inorganic and water resilient material. Meaning that it cannot mold or rot. Concrete is therefore not effected by water leakages and climate changes that may lead to increased frequency of flooding, storms and precipitation.

## **Helps you sleep better**

The extraordinary sound insulating properties of concrete creates quiet and peaceful homes. You will be less bothered by disturbing traffic noise or your next-door neighbours.

# Our Focus Areas

## Safety

We put safety first and engage employees in the importance of it. All employees are educated in safety procedures in order to stay safe and avoid risks at our plants and with our customers.

### 2017

LTI: 23,8

(2016 = 20,2)

### TARGET 2020

LTI: <5

Read more on page 24

## Binder optimization

In order to provide a CO<sub>2</sub> reduced product offer, we are optimising the binder content in our ready-mixed concrete. By introducing alternative binders and reducing the content of cement clinker, the climate impact can be reduced significantly.

### 2017

34,2 % total alternative binders.

### TARGET 2020

We measure total binder optimization including pre-mixed alternative binders with target 50 %.

Read more on page 30

## Employee satisfaction

We care for the health and wellbeing of all employees. We aim to become best in industry by building a strong Team Thomas.

### 2016

Employee satisfaction index (ESI): 87

### TARGET 2020

Employee satisfaction index (ESI): >90

Read more on page 41

## Energy & emissions

We are taking action on reducing our energy consumption. In terms of making our production and transportation fleet more energy efficient, and by reducing our fossil fuel dependence.

### 2017

8,5 kWh/produced m<sup>3</sup> concrete  
(2016 = 6,84)

### TARGET 2020

<5 kWh/ produced m<sup>3</sup> concrete

Read more on page 34

# Safety

We always put safety at the top of our agenda. A safe jobsite is a priority for Team Thomas and for our customers, and we work accordingly to customers' jobsite safety rules.

## → REGULAR SAFETY TRAINING SAVES LIVES

Thomas Beton Poland, has more regular safety training for blue collar employees. The new training program takes place every year, instead of every second year, highlighting the risks of our operations and prevents our Team members from being in an accident.

## → EASIER TO REPORT RISK OBSERVATIONS

During 2016 Thomas Betong Sweden, introduced a new app for reporting risk observations, incidents and injuries. The app is easily accessed by all employees and is thought to increase the amount of risk observations that is made each year and thus put in place measures before injuries occur.

The work continued in 2017 and was improved further with safety rounds and monthly checklists.





### → RED STRIPE FOR SAFETY

Thomas Concrete USA, has identified that new employees are at more risk of being injured during the first 12 months on the job. At Thomas, we need everyone's eyes on new employees to help them staying safe. To help us know who new employees are, Thomas Concrete launched the Red Stripe Program in 2016. Simply put, employees with less than 1 year of experience will get a red reflective stripe on their hard hat. This has heighten the visibility of new Team Mates as they work in a Team Thomas service area.

### → SAFETY COMMITTEES

The engagement of our personell is essential when being able to proactively adress safety and finding the right focus areas. Open discussions on how Team Thomas look upon incidents and observations and what challenges we see in our way of working regarding safety matters.

The committees may look differently within the group, but their purpose and mission is the same; share experience and reflections from all parts of the organisation and set action points. They meet regularly and have a strong mandate to influence our safety behaviour.

### → DRESSED FOR A SAFE WORKPLACE

Thomas Betong Sweden, continued to improve safety communication on all plant sites. There are no longer any doubt in what to wear at our worksites. Employees as well as visitors should put safety first and follow the instructions; which requires safety shoes, high-visibility and protective clothing and hard hat, whenever visiting a plant site.

# We, Team Thomas ...

- Have a sense of urgency around safety  
Are fully engaged around each other  
Lead by example
- Engage in managing exposure ourselves  
Take the time to do every task safely  
Empower each other to talk about safety
- Weave safety into all we do  
Are passionate about safety  
Have the courage to address safety issues
- Take pride in our workplaces  
Care about and take responsibility for others  
Have an "effective" culture of safety
- Extend our value for safety outside work  
Are open to feedback regarding safety  
Support others who step-up and address safety



# Environment



## **Environmental Policy**

Thomas Concrete Group has a vision to reduce its long term environmental impact in all local and global processes. We will continually strive to develop solutions for a sustainable society of tomorrow.

Our Team mission is to integrate all business measures to reach this goal. By clear defined objectives, compliance accountability, common development, and good dialog, we desire to be our customer's first choice as their concrete producer.

We clearly care for the environment of the present and future generations.

Permits, Regulations, and Industry Requirements will always be treated as our minimum level of environmental performance.

# Raw materials

At Thomas we are committed to source all raw materials responsibly from sustainable sources and reliable distributors. Together we can contribute to the building of a sustainable society.

## CarbonCure™

At Thomas Concrete, USA, CarbonCure technology have successfully been implemented in 2016. Recycled carbon dioxide from the atmosphere is being added to concrete, which optimizes the concrete mix and reduces its carbon footprint by 5–6 %. A total of 300 000 tons concrete have been produced during 2016 using this technique and 2 300 tons of carbon dioxide have been removed from the atmosphere. CarbonCure technology has been implemented at one more plant in 2017 and will be implemented in 10 more in 2018.

## Environmental aspects

Our raw materials are all part of our environmental aspects and can due to it's origin be considered significant.

The choice of binder is of outmost importance especially concerning CO<sub>2</sub> emissions. This is of global concern and alternative binders are today the most efficient way to achieve an imediate reduction. Furthermore we need to focus on our suppliers of cement, evaluating their production techiques and fascillities to be able to calculate our environmental impact.

Aggregates are in weight the largest part of concrete and therefore a key ingredient to the quality of our product. Eg the texture of the aggregate surface affects the required amount of water. High amounts of water do not only affect our water usage but most important the need for additional binder. Aggregates has changed from natural stone to quarried often leaving

### ALTERNATIVE BINDERS

During 2017 Thomas Betong, Sweden delivered almost 8 000 m<sup>3</sup> of their envrionmentally optimized product THOMAGARAGE LC, saving 1 500 tons of CO<sub>2</sub> ekv.



The raw materials  
in concrete are;

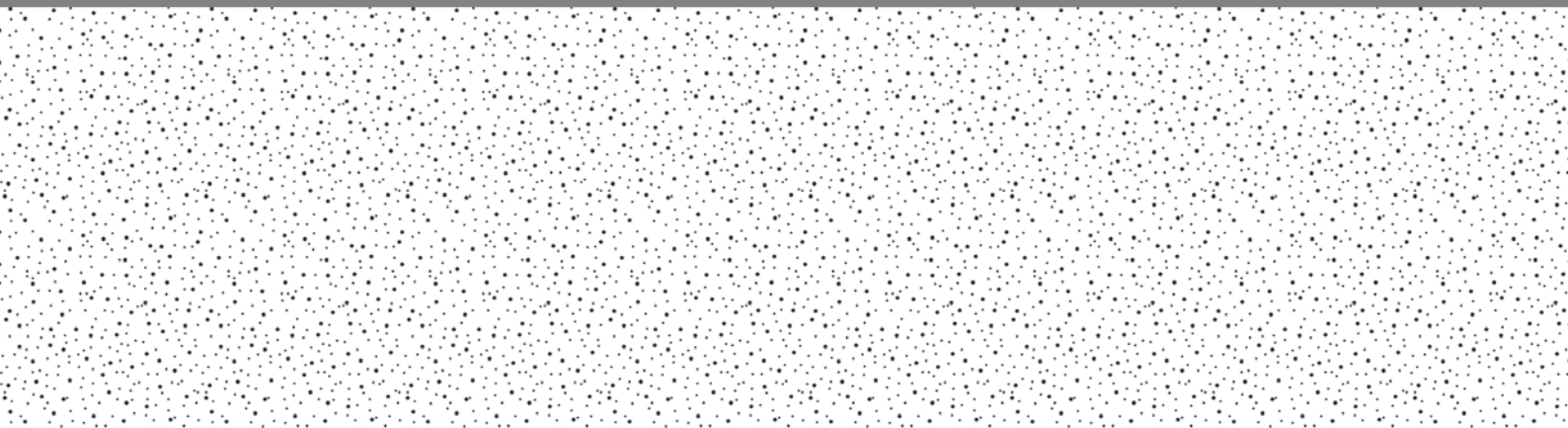
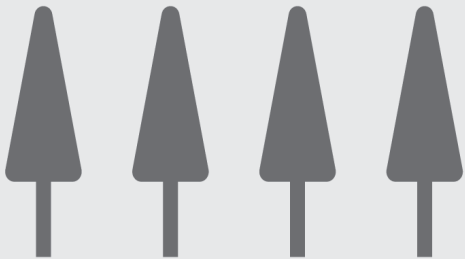
**Water,  
aggregates,  
binder**

# Thomas Miljöstomme®

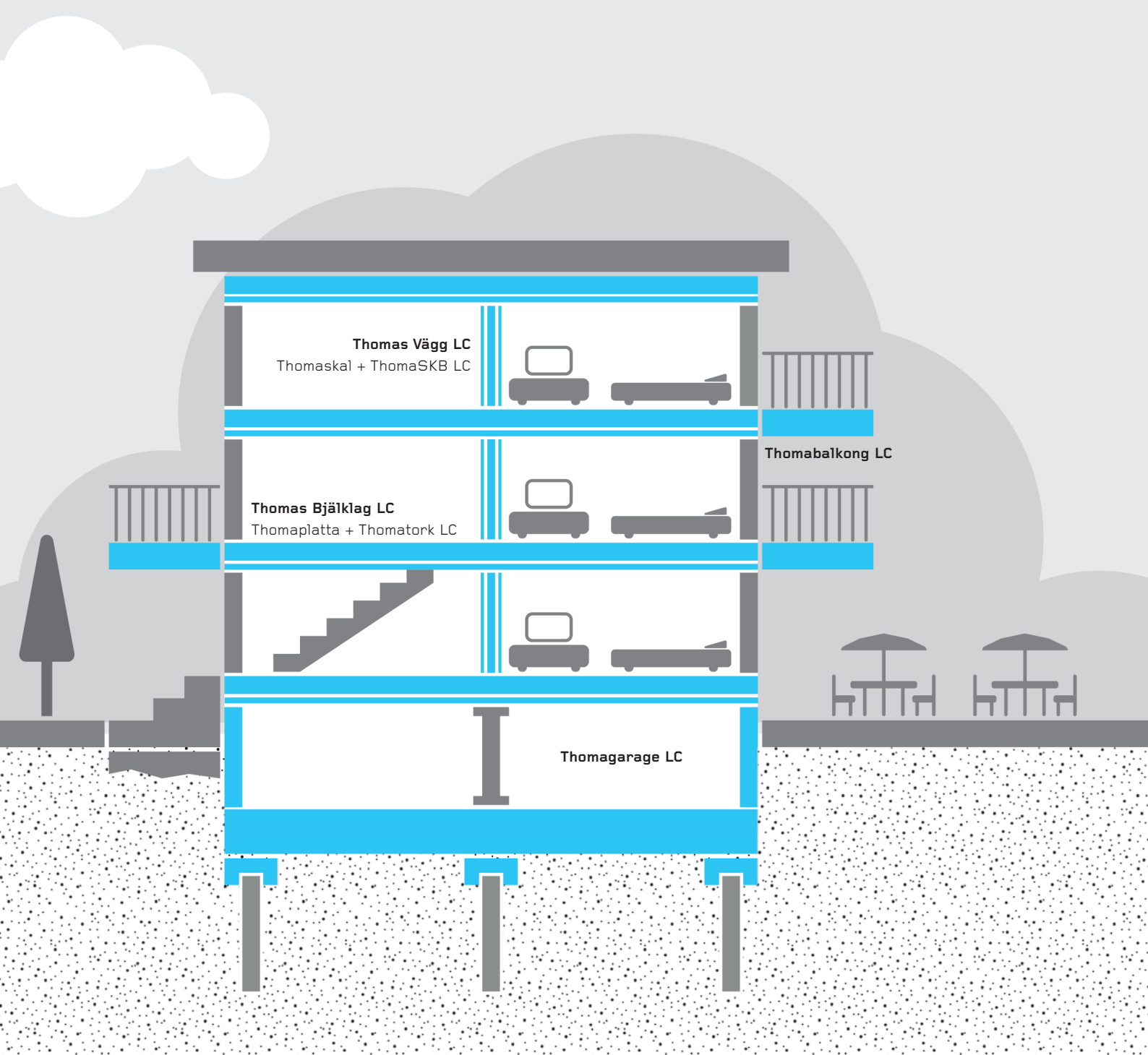


## 30 % lowered carbon footprint

Thomas Miljöstomme® is a sustainable building system, with 30 % reduced carbon footprint, launched in 2016 by Thomas Betong, Sweden. The unique combination of precast and ready mixed concrete shortens the construction time and improve the working environment at our customer's work sites.







**Thomas Vagg LC**  
Thomaskal + ThomaSKB LC



**Thomabalkong LC**

**Thomas Bjalklag LC**  
Thomaplatta + Thomatork LC



**Thomagarage LC**



# Energy and Emissions

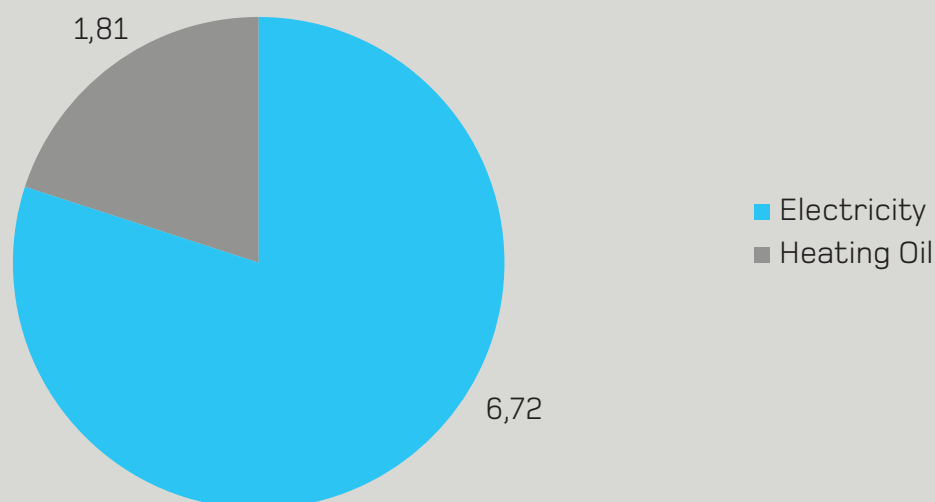
## Production

Our concrete plants are primarily powered by electricity. Although additional heat is required to heat aggregates and water during the winter time in Europe. These heaters are almost exclusively driven on heating oil, except for a few plants which have natural gas as an energy source.

## Transportation

Concrete is a local product made with aggregates from nearby and is distributed within an hour from the plant. This leaves us with short distances and a high employment rate of our mixer trucks.

Plant energy usage in kWh/m<sup>3</sup> produced:



## 100 % EPD-CERTIFIED ELECTRICITY FROM WIND POWER

Thomas Betong, Sweden have since 2016 been receiving all their electrical power from wind power.

## Eco-driving reduces fuel consumption

Eco-driving programs have been successfully implemented in Thomas Beton, Germany and Thomas Beton, Poland. All drivers have been participating in the education program, and learned how to optimize fuel economy. The programs have resulted in a 10 % decrease of fuel consumption.

## LED reduces energy consumption

Thomas Concrete, USA and Thomas Beton, Germany have implemented new rules in 2016 regarding replacement of lamps. All broken lamps are being replaced with LED lamps. The LED lamps are more efficient and long-lasting, which reduces energy consumption and waste.

## Fossil free production

Thomas Betong, Sweden have during 2016 decided to reduce their overall fossil fuel dependence. The goal is a fossil free production as well as fossil free distribution. This has been implemented in the upcoming five year Strategy and work has already begun. Focusing on a conversion plan to eliminate heating oil at our plants as well as alter the fuel of our trucks and pumps to primarily HVO. Business car policy will have a remake to open up for hybrid and electrical alternatives.

Through the winter 2017/2018 two pilot plants have been testing biofuels with great results opening for a large scale conversion of Swedish plants until winter 2018/2019.

# By-products and Waste

## Closing the loop

26 000 m<sup>3</sup> concrete residues were reused and recycled in Thomas Beton, Germany during 2017. 1 500 m<sup>3</sup> of the concrete residues were casted into concrete blocks. 9 500 m<sup>3</sup> were be sent out to a new construction site. 15 000 m<sup>3</sup> were sold and crushed in to aggregates, possible to be used in new concrete.

Thomas Concrete, USA casted 5 000 concrete blocks during 2017, consisting of 5 000 m<sup>3</sup> left over concrete.

Thomas Betong, Sweden started to cast blocks from concrete residues in 2016. The amount of plants that have blocks available for casting were during 2016, 6 plants. This number has now increased to the majority of our plant network in Sweden. An important part of our focus on circular economy.

Concrete is 100 % recyclable, making concrete well adapted to a circular economy. Thomas Concrete Group are working on ways to reduce the amount of concrete that is sent to landfills. This is done by optimising concrete volumes for our customers, thus reducing the amount of concrete residues that is being sent back to the concrete plant, and by maximising recycling and reusing of concrete residues on the concrete plant.

Our principle:

**Reduce**

**Reuse**

**Recycle**



**We recycle our  
water to clean  
our mixers and  
where possible  
back to  
production.**

# Water

Water is an essential ingredients in the making of concrete. It is also a necessity to clean the truck and plant mixers regularly in order to avoid concrete coatings building up on the inside.

We are obligated to source water responsibly and minimise our fresh water consumption. The goal is to close the loop on our water consumption, by reusing processed water in the production of fresh ready-mixed concrete.

## Circular water economy

Thomas Concrete Group has water recycling systems at 130+ of 147 plants and has put water recycling systems as standard procedure at new establishments.

The water is being separated from concrete residues in basins and then recycled back to the cleaning station or in to production of ready mixed concrete.



### CONCRETE WASHING MACHINE IN GOTHENBURG

A concrete washing machine were put in place, in Gothenburg, Sweden. The machine separates aggregates, cement and water in different fractions, from the cleaning water and from concrete residues.

As a result, fresh fractions of raw materials can be recycled in to production of new ready-mixed concrete.



**Thomas**  
CONCRETE





# Social responsibilities and personnel

# Well-being and health

## **A sound working environment**

Not only the physical safety keeps our personnel going and feeling well. Also creating an atmosphere where we can speak our mind and influence our work will contribute to have healthy and happy colleagues.

It's essential that we treat each other, within and outside the company, equal and with respect for differences.

## **A place to grow as an individual**

All employees should feel that they can help to improve Thomas and also their own situation. To help with this we do the same Employee survey throughout the Group. This gives us indications to act upon.

## **Team Thomas Magazine – Communcation is key**

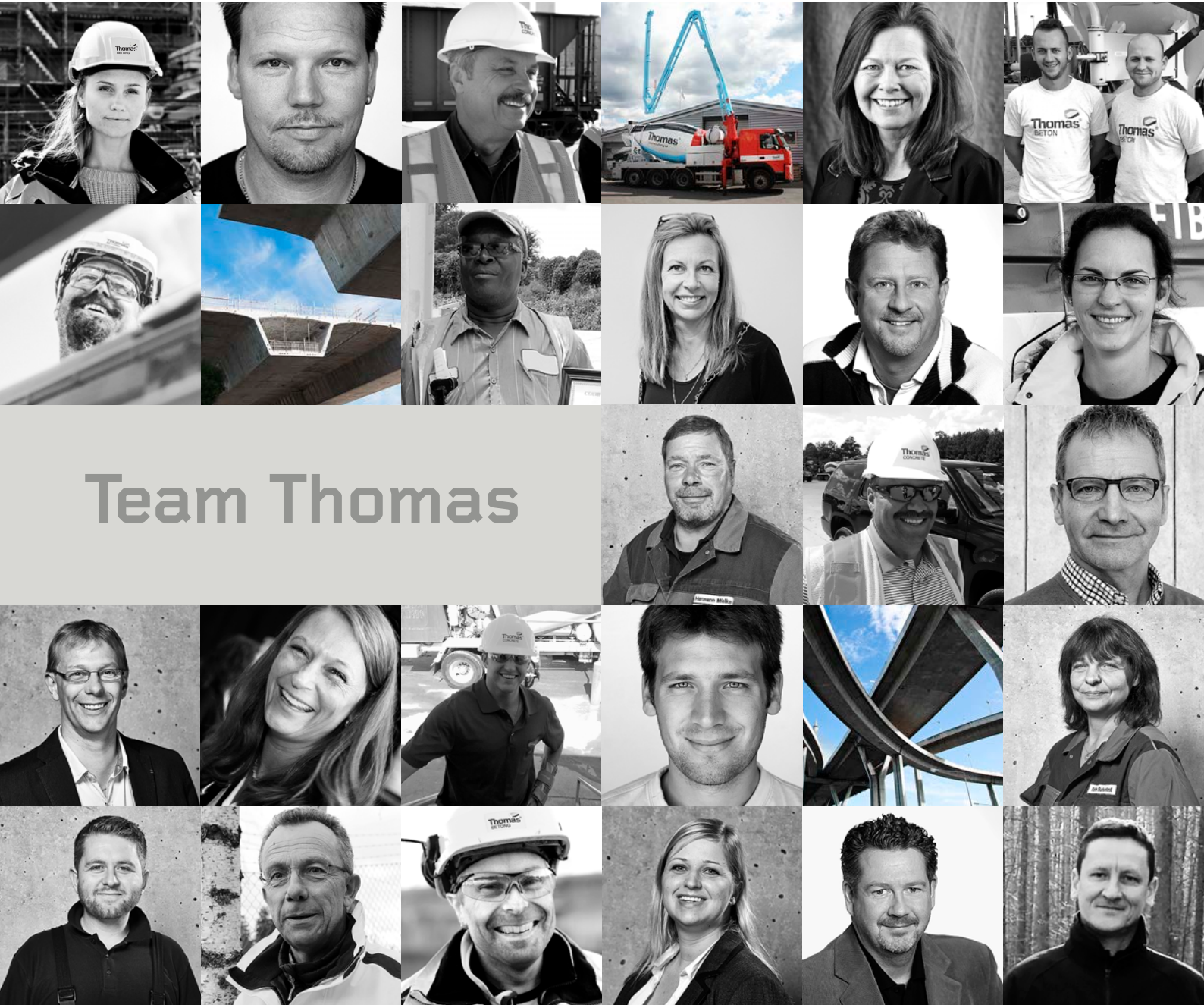
We are building platforms to improve communication between our many plants and operations. One corner stone in our internal communcation is our Team Thomas Magazine, containing company news from the whole Group. Together we are much stronger.

## **A strong Team**

Thomas Betong, Sweden participated in Göteborgvarvet – northern Europes largest half-Marathon with 64 000 runners – for the first time in 2016. The race was a success and has been arranged 2017 as well.



# Education



Team Thomas

## **Our success depends on our personnel, their will and ability to perform.**

Being a concrete specialist on an individual, as well as organizational level requires a great deal of craftsmanship. Acquiring this level of expertise takes time and dedication. We believe that education and mentoring programs along with daily tasks will lead the way for our personnel and make us the leader in our field.

Thomas Academy is our way of educating our personnel packaged the way we want it. The education program is individual for each role in the company e.g. plant operators, drivers, administration etc.

### **Thomas Academy – Drivers**

As a result of our challenge to allocate drivers for our trucks, especially in the US, we had to find a solution. We needed to find people who wanted to work for us over time, raise their knowledge on Thomas safety behavior, concrete as a material but also overcome the cost to get the licence.

Joining us today to become a driver in the US, we sponsor your licence, we teach you concrete and how to deliver it safely.

All to build loyal and competent personnel.

# Anti-corruption

We work against corruption in all its forms, including extortion and bribery.

Our Code of Conduct should be considered a policy document supported by education, several other policys, routines and instructions to serve as the basis for our personnel in their day to day work. Each and everyone of us could be the barrier for corruption affecting Thomas Concrete Group.

During 2017, 84 managers and leaders at Thomas Betong, Sweden went through with the training in competition law.

We embrace the United Nations Global Compact and aim to fight injustice and differences in the world. Guiding companies to responsibly handle the resources of the earth and be a sustainable contribution to the society.



Person  
Society  
World



# Human Rights

We provide equal opportunities without regard to nationality, skin color, gender, religion, sexual orientation, social or ethnic origin.

We do not allow discrimination or harassment. Our focus on safety and wellbeing of our personnel is indisputable. We contribute to a sustainable society based on global concern and local action. In addition, Thomas yearly gives a generous contribution to charity.

## Compliance within Supply Chain

It might be challenging enough to secure compliance and behaviours within the own company. Even more so when we look outside and evaluate our supply chain. Can we be 100 % sure that Human Rights in all its aspects is fulfilled in all of our supply chain? The answer is of course often no. Although we can do a lot by securing routines for supplier evaluations, ask questions, be open with our weaknesses and areas for improvement as well as cooperating with suppliers to improve together.

## Thomas Concrete Group supports World Childhood Foundation

Thomas Concrete Group has in 2017 continued to support World Childhood Foundation, in their work with children's rights. Her Majesty Queen Silvia of Sweden founded World Childhood Foundation in 1999 and they work for every child's right to a childhood.



# How we have reported

## **THIS IS THOMAS CONCRETE GROUP**

The report contains information about Thomas Concrete Group's sustainability work. The reported information and figures are aggregated for the whole group, containing information from all five subsidiaries; Thomas Betong (SWE), Thomas Concrete (US), Thomas Beton (GER), Thomas Beton (PL) and Thomas Cement (SWE). All areas are more thoroughly followed up country-wise. For this report we've highlighted a few KPI's and main activities.

## **OUR FOCUS AREAS**

### **Safety**

Safety statistics are calculated with LTIFR (loss time injury frequency rate) and is presented as an aggregated number leaving US as the most significant since they have the highest number of hours.

### **Binder optimization**

When we measure binder optimization we summarize preblended alternative binders in our purchased cement with what we further add at our plants to optimize the concrete.

### **Energy**

Figures on energy consumption are received from measured data. Energy consumption is measured in kWh, diesel and heating oil in litres. Total energy consumption is calculated using table values of energy content. Usage varies with temperature and volume. We present usage per produced cubic meter. We have 1 plant with natural gas in Germany and 3 with district heating in Sweden, these are not included.

### **Employee satisfaction**

Health and satisfaction statistics for our employees are measured with Employee Satisfaction Index (ESI). ESI is based on surveys handed out to all employees. Next survey will be carried out during 2018.

## **SAFETY**

A history of poor safety focus and results has led us to raise the focus and we now see a rapidly changing positive trend towards better physical safety performance. Of course we have a vision of zero LTI.

Although the raised focus, campaigns and all the efforts put into Safety we see 2017 as a disappointing year LTI-wise. We continue our journey and activities in creating a solid culture and leadership around safety.

## **ENVIRONMENT**

Raw materials are of great importance and challenges vary a lot in the different countries. In this report we focus primarily on binders since they have presumably the greatest environmental impact.

Energy efficiency is closely monitored in each country and division although to start off with on group level we decided to focus on production of ready-mixed concrete.

By-products and waste, this handling is not only a matter of cost management but also a way of taking responsibility to maximize material usage and not let anything go to waste.

Investments to improve from recycled water not only for cleaning but also for production at more plants to achieve a fully closed loop of water. The reason we put 130+ instead of exact number is because we in parallel with upgrading existing plants also take them in and out of idle and purchase more plants. This leaves us with a varying number of plants.

The source of raw material data derives from purchased volumes, volumes from production system and manual readings. Focus on future investments to make our follow up more automatic.

## **SOCIAL RESPONSIBILITIES AND PERSONNEL**

"To us, people and environment are crucial" it's not just a saying. We invest a lot in our personnel, in international charity and in making Thomas a positive change in local communities. We measure this with our Employee Surveys and to some extent also our Customer Surveys.

## **ANTI-CORRUPTION**

Corruption is a risk that we keep under constant focus and that we for the moment with measures in place rate low. With our Code of Conduct and updates of that document in addition to training in competition law we feel secure that we maintain our business ethics.

## **HUMAN RIGHTS**

We are a local business no matter where we are. We should have a 100 % traceability of our materials and products which most certainly leaves us in a good position of saying that we fulfil as well as our main suppliers do fulfil the Universal Declaration of Human Rights.

Our challenge is to make sure that our supplier evaluation is good and thorough enough, that it's being carried out at given intervals and that we succeed in tracing those few suppliers we have in other countries than those we operate in.

Today our follow-up varies within the Group partly because some are ISO certified and others not. We are evaluating a common way of setting our goal for Human Rights and await to publish this for next update of the report.

## **WHERE DO WE GO FROM HERE?**

Landing our first Team Thomas Sustainability Report in 2016 and publishing this one was a great step. Our work to improve continues. We already know some of the things we wish to complement with for upcoming years. All business units to be represented further:

- Precast plants
- Concrete pumping
- Transportation and distribution

Improve our way of following up and validating data to make us more efficient. Customers/interests more visible.

Finally I wish to thank you for taking your time to read Team Thomas Sustainability Report and I hope that you will follow our journey. Feel free to contact us if you have any questions.

**Erik Lindén**  
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Report written by Erik Lindén with input from the Team Thomas organisation and various surveys.

