

Team Thomas **Sustainability Report 2019**



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 fifty years, concrete can be described as a symbol of sustainability. After all, what other buildings stand for more than 2000 years, such as the ancient concrete buildings in Rome?

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 to share with others what we do and what matters most at Thomas Concrete.

Hans Karlander

CEO and President

Thomas Concrete Group AB

"We care and want to make a difference."



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This is us



"We are Team Thomas, small enough to be quick and flexible, big enough to be efficient and professional"

– Hans Karlander



We are an independent, 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 are the Concrete Specialists.

A consolidated turnover of 7.7 billion SEK

(approx USD 820 million, 720 million EUR)

156 concrete plants

3 plants for precasted elements

Concrete production 5.5 million m³ (2019)

5 countries

2,100 employees



Concrete is Sustainable

Natural, Beautiful and Creative

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.

100 % recyclable

Concrete is well adapted to a circular economy. Crushed concrete can be recycled as aggregates for newly produced concrete or be used as base layer in road constructions. In addition, crushed concrete absorbs even more CO₂.



Absorbs CO₂

Concrete does so spontaneously, throughout its entire lifetime, without impairment. Look around you, all exposed concrete you see absorbs CO₂, and thereby helps to remove CO₂ from our atmosphere. During the concrete life cycle up to 20% of the CO₂ emissions, is being absorbed back.

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.



Future of Concrete

Concrete is by far the most used building material in the world and it has been around for thousands of years. But mention concrete to your peers, and they will probably envision a gray and quite uninteresting substance which is not very innovative or high tech. However, today's concrete is exciting, "you can already give concrete almost any property you want" says Ingemar Löfgren, R&D manager at Thomas Concrete Group. "You can vary everything from strength to density, you can give it the ability to conduct electricity or insulate against heat, you can make it different colors; yes, the possibilities are endless."

There is a significant amount of research and innovation ongoing aimed at refining and improving concrete to adapt to the changing needs of the society. Concrete is being made stronger and even more durable. With digitalization, robotics and 3D-printing, the ways concrete structures can be built is fundamentally changing. However, it does not stop there; concrete is even getting smart and can be made to conduct and store electricity or it can be made to self-diagnose and tell when cracks have developed

and maintenance is needed. Tomorrow's concrete will be so much more than just a solid construction material!

People all over the world are looking to further develop concrete and concrete structures says Ingemar Löfgren, in particular with respect to sustainability: "a significant area of focus right now is sustainability. In order to reduce environmental impact, a lot of different areas are being investigated. For example, new types of cements and alternative binders are investigated, and the cement industry is exploring and testing technologies for CCS and CCU (carbon capture storage and utilization). How concrete can capture more CO₂ through carbonation during its lifetime is also being explored."

At Thomas Concrete Group we continuously work to improve the properties and performance of concrete. We offer our customers unique Thomas branded products and tailor-made products with defined characteristics. We continuously work to develop innovative solutions that advance the sustainability of concrete through Thomas branded green products that

will advance the sustainability of concrete. In addition, Thomas Concrete Group participates in multiple R&D activities dedicated to strategic development of climate-neutral cement and concrete production, and leading to a more resource efficient and circular economy.

Concrete is constantly evolving; new technologies are introduced for use in concrete production and construction. These developments and technological innovations will completely change the way in which we and our customers work in the future and will further improve the sustainability performance of concrete structures - concrete is the future!



Ingemar Löfgren
R&D Manager
Thomas Concrete Group AB.

Trends

Digitalization

The digital transformation is something that affects all parts of the society. For us it's a chance to be more efficient, have a better follow up and produce more but with less resources.

Circular Economy

The circular economy aims to minimize waste and use the worlds resources in a more efficient way. Products, equipment and infrastructure are kept in use for as long as possible, generating maximum value from them, before reusing, recycling or recovering them.

Projects

Vinnova – Sweden's innovation agency

BETCRETE – During 2019 Team Thomas have been a part of the project BETCRETE with the goal to find a national strategy for climate neutral cement- and concrete industry.

Mistra – the Swedish foundation for strategic environmental research

Since 2017, Team Thomas has collaborated with the Mistra Carbon Exit, a research program ambitiously mapping the pathway for Sweden to reach the goal of zero greenhouse gas emissions by 2045.

Our Activities and KPI's

Economy

In order to have a sustainable development of our company we need to have a solid base and a profitable business securing the future of the group.

Read more on page 49

Solvency
TARGET > 40 %
2025
OUTPUT 45,8 %
2019 2018 2017
 46,9 % 45,9 %

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 at construction sites.

Read more on page 66

LTI (Lost Time Injury)
TARGET < 15
2025
OUTPUT 20
2019 2018 2017
 18 24

Engagement index

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

Read more on page 60

EI (Engagement Index)
TARGET > 82
2025
OUTPUT 84
2019 2018 2017
 81 79

Binder optimization

In order to provide low carbon products, we are optimizing 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.

Read more on page 25

Alternative binders
TARGET > 50 %
2025
OUTPUT 28 %
2019 2018 2017
 28 % 34 %

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.

Read more on page 30

kWh/produced m³ concrete
TARGET < 5
2025
OUTPUT < 6,5
2019 2018 2017
 7,1 8,5

Our Focus Areas

“Sustainable development seeks to meet the needs and aspirations of the present without compromising the ability to meet those of the future”. by Brundtland Commission

The 2030 Agenda for sustainable development and its 17 sustainable development goals were adopted by several countries in 2015 to address the need to limit the rise of global temperatures. At Thomas Concrete Group we have chosen to interpret these 17 goals into three areas.

Three aspects of Sustainability

Our sustainability work takes a stand in environment, economy and social responsibility. These areas are the most important for us to fulfill a sustainable business and in that way we can contribute to a sustainable development.



Environment



Economy



Social



Environment

Thomas[®]
Specialist in
na pabelung



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.

Environmental Objectives 2025

> 50 % alternative binders

< 5 kWh per produced m³ concrete



Raw materials

At Team 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.

Environmental aspects

Our raw materials are part of our environmental aspects and can due to its origin be considered significant. At Thomas Concrete Group we have a vision to reduce our long-term environmental impact in our local communities and across the globe. We continuously strive to develop sustainable solutions for our business in order to make positive contributions to society.

Vertical Supply Integration

Long-term supply of local raw material is crucial for production of ready-mixed concrete. It adds to the quality of the final product and enables a more environmentally friendly production with short transportation distances.

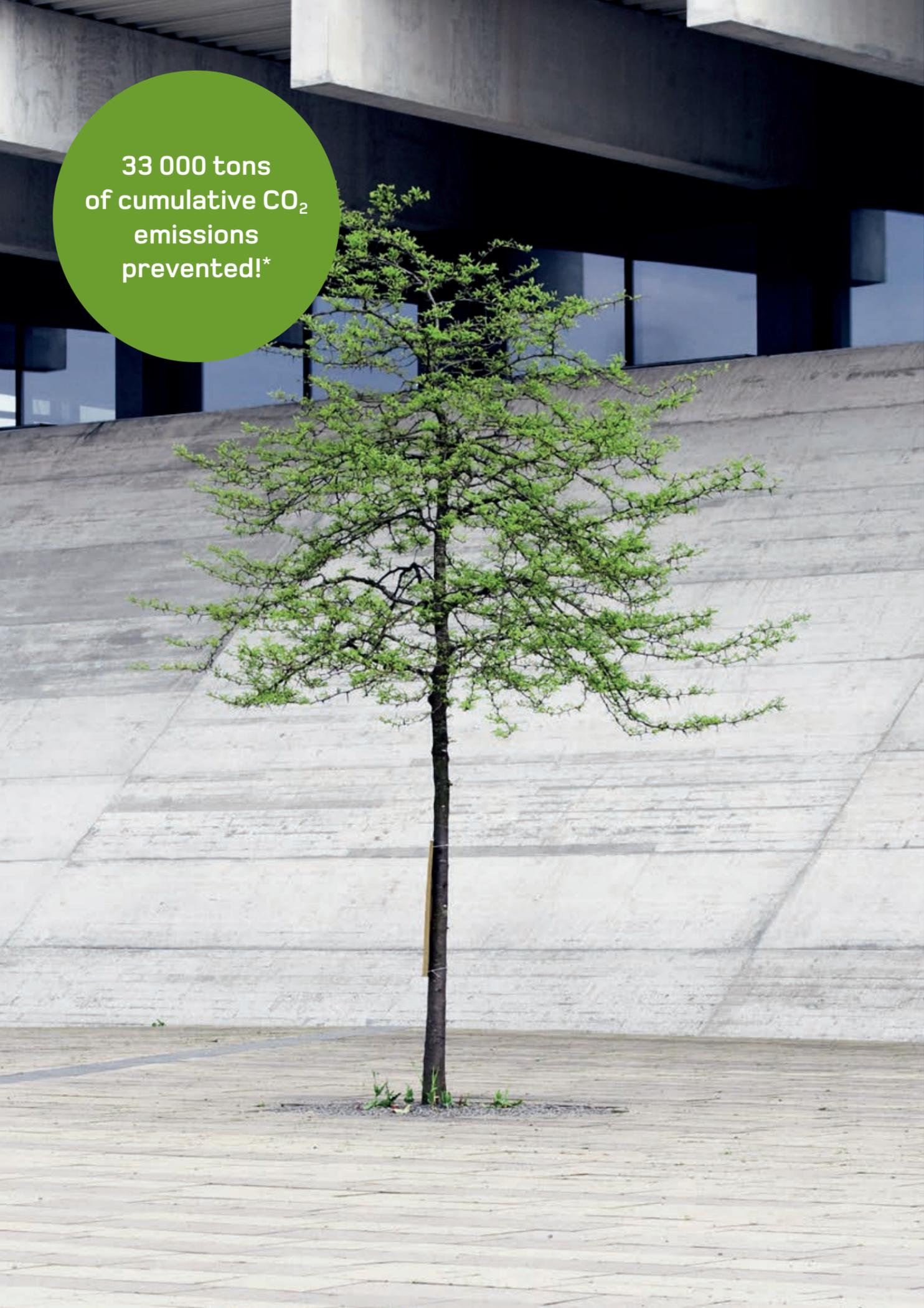
During 2019 Thomas Concrete Group acquired its second sand and gravel pit operation in Germany. In USA we own one sand and gravel pit in South Carolina since 2010 to secure our supply of raw material.

During the last couple of years, we have expanded our raw material operations to allow us to deliver more of our own raw material to our plants in the area. Thomas Concrete Group also owns 50% of an exporting rock quarry, Rekefjord Stone AS, south of Stavanger in Norway.

With our own sand and gravel operations we can offer even better products and services to our customers.

The raw materials in concrete are:

**aggregates,
binder &
water**



**33 000 tons
of cumulative CO₂
emissions
prevented!***



Alternative binders

The choice of binder is of utmost importance, especially concerning CO₂ emissions, which is of global concern. Today alternative binders are the most efficient way to achieve an immediate reduction. Furthermore, a comprehensive review of our cement suppliers, including evaluations of their facilities and production techniques, allows us to better calculate our environmental impact.

We see a challenge in the future for the availability of slag and fly-ash, our today most used alternative binders. There is a higher demand and limited access for these products in all markets. Therefore, Team Thomas is focused on research to find other types of alternative binders.

Aggregates

Aggregates are, in weight, the largest part of concrete and therefore, a key ingredient to the quality of our product. For example 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 importantly the need for additional binder.

Aggregates have changed from natural stone to quarried, often leaving us with a higher water demand due to its texture as mentioned. Water and energy usage as environmental aspects, are treated in separate chapters in this report.

44 %
alternative binders
in Germany

Carbon Cure™

*At Thomas Concrete, USA, CarbonCure technology has successfully been implemented since 2016. Carbon dioxide captured from industrial processes is being added to concrete, which optimizes the concrete mix and reduces its carbon footprint by 5–6 %.

Currently, 25 of Thomas Concrete's plants have been equipped with the technology. Since the installation, Thomas has contributed to 33,000 tons (73 million pounds) of cumulative CO₂ absorption using the CarbonCure Technology. In 2019 alone, almost 13,000 tons (29 million pounds) of CO₂ emissions were absorbed.



Our Green Offer

We've developed a range of green products to make it easier for our customers to make more sustainable choices.

In Sweden we have been supplying green concrete since 2012. Today our branded Thomagrön is Thomas Betong's climate-smart solution that includes product selection based on construction design. This climate-enhanced concrete offer has yielded a reduction in carbon footprint by up to 50 %.

Thomas Miljöstomme® is a sustainable building system launched by Thomas Betong, Sweden in 2016 and has demonstrated a 30 % reduction in carbon footprint. The unique combination of precast and ready-mixed concrete shortens the construction time and improves the working environment at our customers' work sites.

In USA we are offering our customers Thomagreen, produced with various alternative binders, e.g. fly ash, slag and liquid carbon dioxide (CarbonCure™) technology.

In Germany and Poland we are producing and delivering high volumes of concrete with alternative binders as a standard.

EPD (Environmental Product Declaration)

EPD is a verified and registered document that outline information about the product. The information should be transparent and comparable about the life-cycle environmental impact of the product.

During 2019 we developed a number of EPDs for specific projects.

Our ambition is to make EPDs available for all our customers. Both as a step towards more transparency for our customers and the possibility to make more sustainable choices .

THOMAGRÖN THOMAGREEN

→ Concrete with lower carbon dioxide emission

Thomas Miljöstomme®





Swimming Hall Kungsbacka, Sweden

Product:
THOMAGRÖN Plus

Customer:
HA-Bygg

Volume:
5 300 m³

Savings:
900 tons CO₂ prevented

Olympus Campus, office building Hamburg, Germany

Product:
Mass Concrete

Customer:
ARGE Olympus Campus

Volume:
12 000 m³

Savings:
768 tons CO₂ prevented



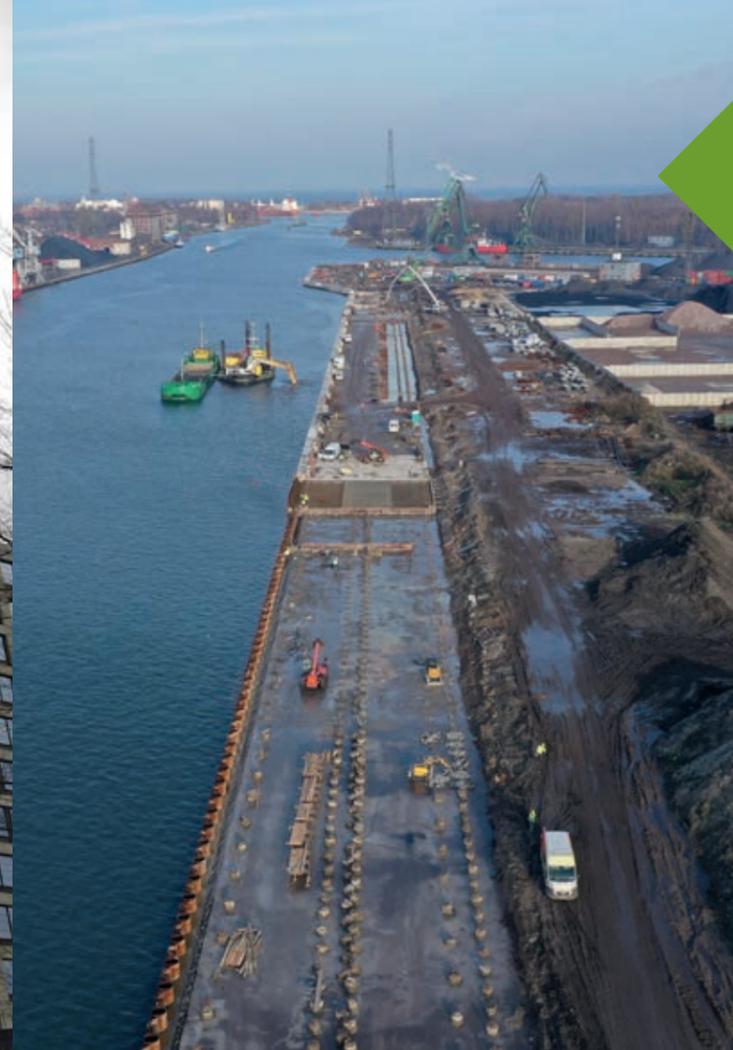
Ponce de Leon Avenue Atlanta, GA, USA

Product:
Thomagreen with
CarbonCure

Customer:
Brasfield & Gorrie

Volume:
37 000 m³

Savings:
680 tons CO₂ prevented



Expansion of the Dworzec Drzewny and the Szczecinskie Quays Gdańsk, Poland

Product:
Concrete for special geo-
technical works, pavements

Customer:
KELLER, BUDIMEX

Volume:
26 100 m³

Savings:
3 000 tons CO₂ prevented

Energy and Emissions

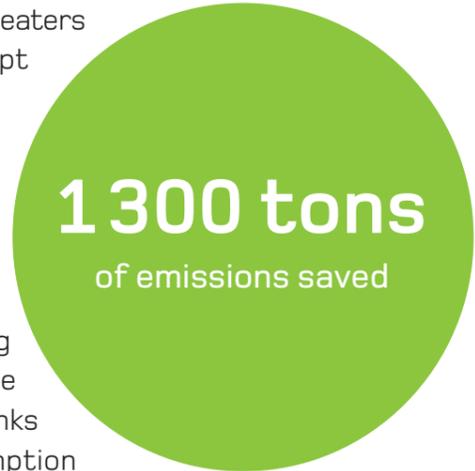


Production

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

Fossil free production

Since 2018, Thomas Betong, Sweden has reduced overall fossil fuel dependency by eliminating heating oil at 31 out of 34 concrete plants. Continuing the trend in 2019, 1 300 tons of CO₂ were saved thanks to the plant conversions. For an annual consumption of 866 tons diesel oil, we can decrease our emissions with almost 55 % with the new RME oil.



EPD-certified electricity

Thomas Betong, Sweden has since 2016 been receiving all their electrical power from wind power, minimizing its CO₂ emissions to 0,1 kg CO₂/m³.

Transportation

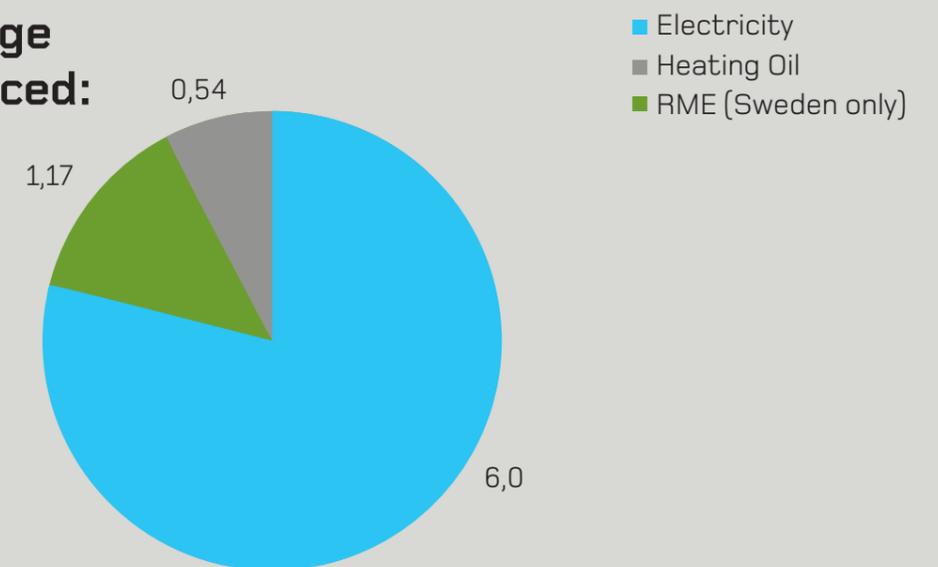
Concrete is a local product made with closely sourced aggregates. It is distributed within an hour from the plant, which allows for short transport distances and an efficient usage rate of mixer trucks.

Eco-driving reduces fuel consumption

Eco-driving programs have been successfully implemented in Thomas Beton, Germany, Thomas Concrete, USA and Thomas Beton, Poland. The implementation of the eco-driving program reduced the fuel consumption by 10 % in Poland in the first year (2016). We are focused on minimizing emissions from production sites and transportation fleets by optimizing energy efficiency and introducing renewable fuels.

Furthermore, Thomas Concrete, USA upgraded their fleet in 2019 by adding 100 new trucks with greater fuel efficiency, allowing lower fuel consumption and lower emissions.

Plant energy usage in kWh/m³ produced:



In order to improve we want to measure our plant energy usage in kWh/m³ produced. The goal is to use a green type of energy and reduce the total amount of energy used.

Our way of working



Certifications

To secure our working processes and methods we have different standards and certifications to follow. Thomas Concrete Group works continuously and systematically to ensure and improve the quality of the products and services.

ISO



Thomas Betong, Sweden and Thomas Concrete, USA are quality and environmentally certified in accordance with ISO 9001 and ISO14 001. Our improvement work is audited annually by an external party. In this way, we always need to improve and make things better.

CSC (Concrete Sustainability Council)



Thomas Beton in Germany received the CSC-Certification at 10 plants in 2019. Seven of them reached the Gold level.

CSC (Concrete Sustainability Council) is an international sustainability system. The certification aims to give the concrete production more transparency and to provide oversight on the whole process of the value chain; this includes not only the supply chain and environmental impact, but also the social impact. For our customers, this certification gives the ability to put green labels on their buildings.

The impact of this process into the social and ecological environment is of interest. A plant-based certification leads to a continuous improvement of the sustainable economy of Thomas Beton, Germany, and its cement and aggregate suppliers.

CORE

During 2019 we made a step change in IT, when implementing new business systems in Europe and created a digital collaboration platform for customers and other business partners. This change, when fully implemented, will make it possible for us to have a more sustainable production with better overview and control of raw materials, our emissions and our by-products. It will also help us to further optimize production and our transports.

We firmly believe that Digitalization of the construction industry will reduce all forms of waste and be a key to better and more efficient ways of working. Better transparency and real time data will help us to make even more sustainable choices in the future. We believe that this will make it possible for us to produce more, but with less resources.

We also believe that if we can measure more things, we will gain new insights that will help us further improve. The digital platform will enable us to provide new services and the right information also to our customers. Using these tools, we can be a part of developing our way of working while making ourselves, our customers, and the construction industry even more sustainable.



By-products and Waste



Our philosophy

At Team Thomas we want to take responsibility for our production. We're constantly looking for ways to be more efficient with our by-products and waste. Our main focus has been finding ways to recycle the water and the leftover concrete.

Thomas Concrete Group is working on ways to reduce the amount of concrete that is sent to landfills. This is done by optimizing concrete volumes for our customers, thus reducing the amount of concrete residues returned to the concrete plant, and by maximizing opportunities for recycling and reuse of remaining concrete residues.

Our principle:

Reduce

Reuse

Recycle



THOMABLOC

THOMABLOC is a sustainable alternative for recycled concrete. This is an important part of our focus on circular economy.

THOMABLOC works like large LEGOs for stacking and interlocking wall systems. Each block has a hook located on top for ease of movement.

THOMABLOC makes it possible for us to take care of the leftovers in the concrete and is one more step towards a circular production.

23 500 m³ concrete residues were reused and recycled in Thomas Beton, Germany during 2019. 1 070 m³ of the concrete residues were casted into concrete blocks. 8 400 m³ were sent out to new construction sites. 14 000 m³ were sold and crushed in to aggregates, with the potential for use in new concrete.

Thomas Concrete, USA casted 13 800 concrete blocks during 2019 in all the divisions, consisting of 13 700 m³ leftover concrete. The Atlanta region, specifically, showed an increase from 2018 with almost 3000 m³.

Thomas Betong, Sweden has experienced continued growth in the production of blocks from concrete residues since their first casted block in 2016. More than 2 400 blocks have been produced from leftover concrete in Sweden during 2019, an increase from 2018 with 1 100 blocks.



23 500 m³
of concrete reused



Water

Water is an essential ingredient in the making of concrete. It is also a necessity for maintaining clean trucks and plant mixers in order to avoid concrete build-up.

We source water responsibly and minimize 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 more than 70% of all our plants and has put in 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. In Thomas Beton, Germany we have saved 26 600 m³ of fresh water thanks to the water recycling system.



CONCRETE RECYCLING MACHINE IN GOTHENBURG

A concrete recycling machine was installed in Gothenburg, Sweden. The machine separates aggregates, cement and water in to 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.

We recycle our water to maintain clean mixers and to reduce fresh water consumption.

Research

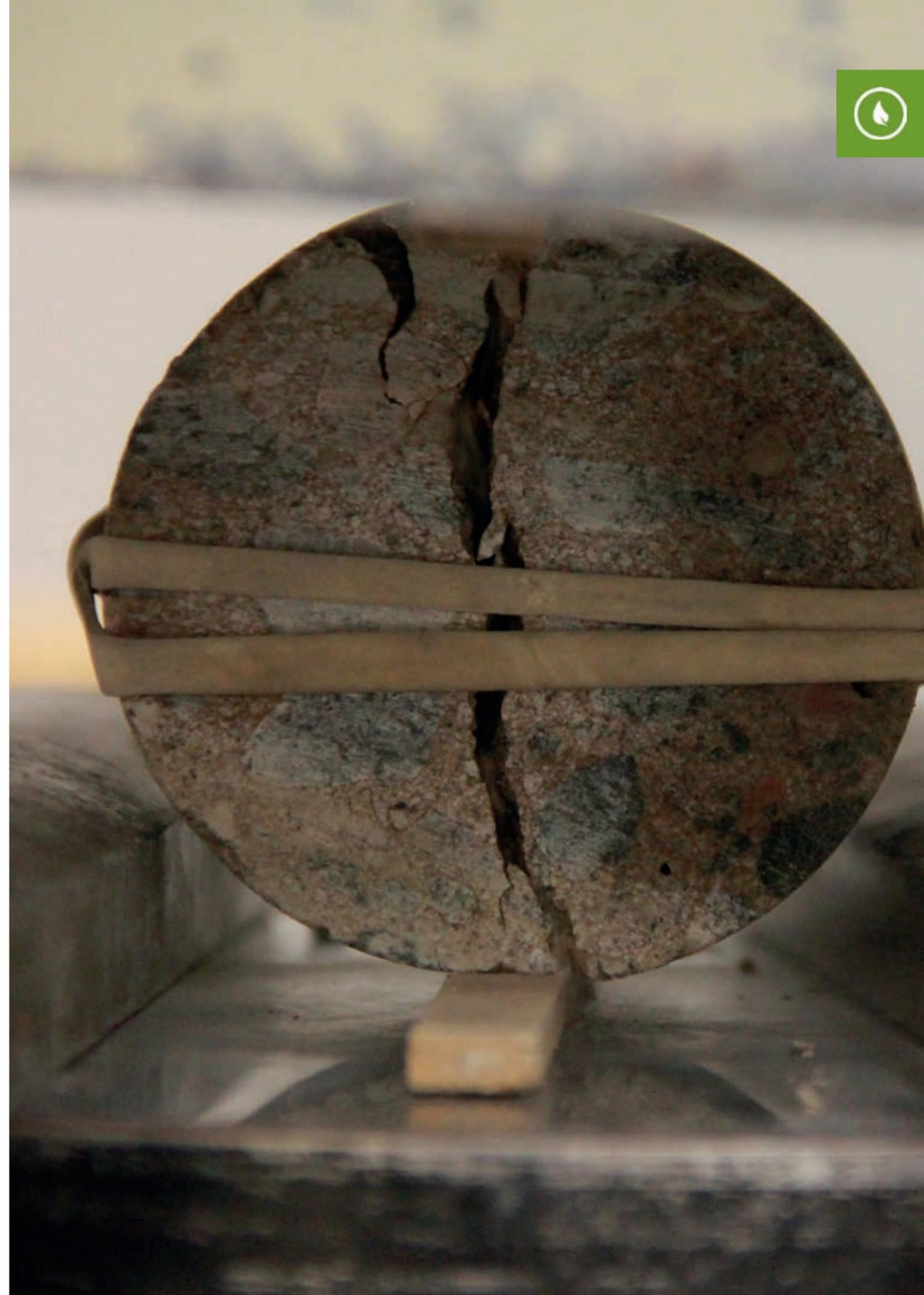


Thomas Concrete Group is one of a few global concrete suppliers to operate our own research and development facilities.

Our accredited (ISO/IEC 17028) Central Laboratory C-lab is based in Gothenburg, Sweden, and performs testing of concrete, aggregates and binders under strict national and international standard procedure requirements. During 2019, 3 900 testing assignments were conducted. We offer internal and external lectures and courses. When required, C-lab also offers non-accredited testing, damage investigation and structure assessment.

→ TECHNICAL MEETING

We're having Group-wide technical meetings every 8th month. The technical meetings are used for coordination and planning of R&D activities. It's also a way for sharing knowledge and experience, and an opportunity to make our operation more sustainable.



Concrete associations

We want to contribute to a sustainable society, therefore we actively contribute to our industry organizations. It's important for the Group to participate in initiatives that will drive the industry to be more sustainable for everyone.

Thomas Betong, Sweden is a member of the Swedish Concrete Association. They are doing several different activities to promote sustainability in our industry, with a big focus on long term thinking.

In Sweden, we're also a part of the Concrete Initiative, a group whose goal is to bring climate-neutral concrete to the market by 2030, and to make it universal by 2045.

Thomas Concrete, USA is a member of the NRMCA (National Ready Mixed Concrete Association), which has many initiatives to make the industry more sustainable.

Thomas Beton, Germany is a part of a regional association for building materials named "Vero". The Vero is member into the ready-mix concrete Association BTB (Bundesverband Transportbeton). BTB is the national provider for the CSC certification. Besides that, they are doing a lot in connection with training of operators and drivers.

Thomas Beton, Poland is part of the Ready-Mixed Concrete Producers Association (SPBT), which for almost twenty years has been promoting concrete as an economical, sustainable, safe and durable construction material.





Economy



Economy

Team Thomas' Approach

We're aiming to integrate sustainability into all business. By valuing accountability, compliance, clearly defined objectives, and good dialogue, we desire to be our customer's preferred concrete supplier. At Team Thomas, good business includes preserving our environment for the next generations.

Thomas Concrete Group is an independent, family-owned company. It was founded by Mr. Martin Thomas and the Group is still fully owned by the Thomas family, a family that has a sincere wish to nurture and develop the company for the future as a strong international and independent group.

The owner's goals are to build a business for future generations and to reinvest the majority of the profit. From the beginning, Thomas Concrete Group has aimed for a sustainable business, one that is profitable over a long period of time and which creates a good workplace for its employees.

Our long-term objectives are ambitious. Overall annual targets are set and agreed upon in the forecast process, allowing us to improve results step by step along the way to achieving our vision of being perceived as the best in our industry.

Long-term objectives:

Solvency > 40 %



Our Business Model

Team Thomas' core business is to develop, produce and distribute concrete products. The Group has a total of 156 ready-mix concrete plants as well as three plants for production of precast concrete. The Group also offers services, such as concrete pumping, quality controls and technical advisory, making Team Thomas a complete concrete supplier.

Thomas Concrete Group values long term investments and focuses on developing its business responsibly. This means that Thomas Concrete Group has 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®.





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 downturns in overall economy as well as 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, due to a limited number of main suppliers for binders, such as cement, slag and fly ash, as well as for aggregates. Without active sourcing management, this supply system could lead to decreased quality and sudden, increased prices of aggregates and cement. Additionally, some of our suppliers, as well as some of our customers, compete with us in this system. For example, a construction company who purchases concrete from Thomas in one region, might compete with Thomas in another region. Not only do we compete with concrete suppliers, we also compete for the best construction methods and building materials. Our ambition is to break through the media clutter and show the hard facts to prove the outstanding performance of our concrete.

Regardless of the economic situation or the competitor environment, we can only be The Concrete Specialists with the right personnel. Loss of key staff can lead to loss of speed. Securing team members with high level expertise, education and sales competence is imperative to ensuring that we are the closest to the customers and we are their go-to supplier.

In the past, a period of weak financial results might have put us behind. Today, our dedicated team is supported by well-planned reinvestments and structured processes, placing Team Thomas in a strong position. A strong, independent Team Thomas is good for the construction industry, the environment, and society as a whole.



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



Social

Thomas
CONCRETE

physical therapy
SPORTS CLINIC

Thomas
CONCRETE

Team Thomas



Team Thomas' Approach

Thomas Concrete Group has a strong and open company culture with a high focus on working together as one team, that cares and acts in the best interest of our customers, colleagues and company. Thomas has a long-standing commitment to provide a safe and productive work environment.

We support each other, give each other energy and have fun together. Thus, there is zero tolerance for abusive discrimination in our workplaces. Thomas Concrete Group expects that all relationships among employees will be free of bias, prejudice and harassment.

We aim for a responsible value chain from our suppliers to our customers. At Team Thomas it is important to have long-term relations within our value chain, therefore we have high standards for our suppliers.

At Thomas it is also important to give back to those in need.

Social Objectives 2025

EI (Engagement Index) > 82

LTI (Lost Time Injury) < 15



Team Thomas

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.

Well-being and health

Our philosophy

At Team Thomas, we strive for a sound working environment. Creating an atmosphere that not only emphasizes physical safety for all personnel, but also encourages a creative exchange where we can speak our mind and influence our work, will contribute to healthy and happy colleagues.

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

Employee survey

We want Thomas to be a place to grow as an individual. All employees should feel that they can help to improve Thomas as well as their own situation. To help with this, we do the same Employee survey throughout the Group. This gives us indications to act upon.

Thomas Concrete Group received the nomination of Best Development on the Employee Group survey, a nomination we are proud of. We have been working on strengthening our leadership within the organization and getting all our employees engaged in contributing in their best way possible.

Team Thomas Magazine – Communication is key

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

Best Development nomination

(see text)

WELLNESS FOR ALL

Promoting wellness is something that benefits our employees and the business. Happy and strong people will contribute positively to the organization and to our customers.

At Thomas we have some new initiatives in our operations. Thomas Betong, Sweden added a health-promoting program during 2018 and 2019 to inspire exercise and activity.



Safety

In 2019, our Global Safety Committee drafted a Group Safety Policy for a full launch in 2020. This policy is a clear and visible statement to our teammates, our peers and stakeholders that we are committed to the safety of our teammates.



Safety Vision

We are a committed team that cares and acts in the best interest of our customers, colleagues and company.

Our company vision is to be perceived as being the best in our industry including safety first.

We lead with safety and promote a culture where all employees value safety as a way of life.

Safety Policy

We ensure that safety is a value in every aspect of our business and measure it regularly.

We insist on a safe operating environment, application of safe operating procedures, and employee compliance with all company safety policies and governmental regulations.

Hans Karlander
CEO and President,
Thomas Concrete Group AB



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.



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.

In addition to keeping up with mandated government safety requirements, Thomas Concrete Group is working to make safety much more than compliance. Safety is about our people, our customers, teamwork, and every day coming home safely to our family. Safety is about culture, it's how we work; how we do things as team Thomas.

- Thomas provides all the necessary safety equipment to do the job, we also provide a safety orientation for all new hires, plus ongoing safety training to stay current and create a high level of safety awareness.
- Thomas Concrete Group has dedicated safety resources to fulfill its safety mission. We

use both internal and external safety professionals to help us achieve our goals.

- Each company in Thomas Concrete Group sets clear KPI safety targets with a goal of improving every year. We want to be recognized as a safety leader within our sector.



→ 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 2019, both Thomas Betong, Sweden, and Thomas Concrete, USA, have continued to work with an app for reporting risk observations, incidents and injuries continued. Since the start, the app has been used increasingly and it has resulted with a greater understanding of the potential risks in the operation. This has enabled a more intense work on preventing risks. The work was expanded with performing safety rounds and risk assessments in the system.

→ 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 Team Thomas, we need everyone's eyes on new employees to help them stay 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 heightens the visibility of new Team Mates as they work in a Team Thomas service area.

→ SAFETY COMMITTEES

The engagement of our personnel is essential in order to proactively address safety and identify the right focus areas. Open discussions on how Team Thomas looks upon incidents, makes observations, and considers what safety challenges exist in our way of working, provide insightful opportunities for employee engagement.

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 organization and set action points. They meet regularly and have a strong mandate to influence our safety behaviour.

→ DRESSED FOR A SAFE WORKPLACE

All organizations within the group continue to improve safety communication on all plant sites. There is 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 require safety shoes, hard hat, safety spectacles and high-visibility and protective clothing whenever visiting a plant site.

→ LTI

In 2019 we had a slight increase over 2018 in our LTI frequency. While we are disappointed in our results, we are not deterred in our goal to be best in class. We will continue to promote safety as a core value and take actions to make Thomas Concrete Group a safe place to work for both our employees and contractors.

Education and Development

Our success depends on our personnel, their engagement and ability to perform

Being the 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, and 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.



Young people

To be alert and focus on long-term development we value young professionals. Thomas Concrete Group has a trainee program that aims to develop the business. We're offering technical supervision of master thesis and put great value on new ideas.

It's important for Thomas to include people from various ages. This is a way to see our company and our opportunities from different perspectives with the goal to constantly develop our organization.

Thomas Beton, Germany also has a couple of different trainee positions to include young people in the organization. And in all our operations, we can offer summer interns and other similar positions more suited to a younger target group.





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 the safety and well-being of our personnel is indisputable. We contribute to a sustainable society based on global concern and local action.

The respect among our employees is highly important to us. We want to be an organization where everyone feels welcome and respected for his or her opinion. At Team Thomas, it is important that we have good working conditions with equality and diversity. We want to create a Team Thomas that has fun together and shares knowledge among each other.

We also strive to treat everyone we meet in a respectful way and give them a glance of how it is to be a part of Team Thomas.



Individual Society World



Thomas Concrete Group supports World Childhood Foundation

Thomas Concrete Group has, in 2019, 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.



Charity in USA

Thomas Concrete, USA, has been active in a variety of local charities. The initiative is often from the personnel and involves a big personal commitment. That's something Thomas supports and values a lot. We have a responsibility to support our local communities.

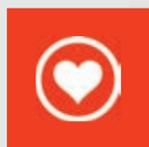


In 2018 and 2019, we organized a Food Drive for the holidays to help those in hunger. We have also done a "Be Safe in the Water Program". This event donated monetary gifts to provide pre-k youth with swimming lessons. In the Spring, we sponsored an annual golf tournament from which the proceeds go to support a local charity.

Compliance within Supply Chain

It might be challenging enough to secure compliance and behaviours within our own company, but 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 throughout our supply chain? The answer is, of course, often no. Although we can do a lot by securing routine supplier evaluations, ask questions, be open with our own weaknesses and areas for improvement, and cooperate with suppliers in an effort to improve together.

Anti-corruption



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

Our code of Conduct is a policy document that is supported by education, routines, and instructions, and serves as a base line for personnel in their day to day work. Each and every one of us could be the barrier for corruption affecting Thomas Concrete Group.

We embrace the United Nations Global Compact and aim to fight injustice and intolerance in the marketplace and in the world. We want to be a leader guiding companies to responsibly handle the resources of the earth and contribute to a sustainable society.



We continuously train our managers and leaders in competition law.



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 (SE), Thomas Concrete (US), Thomas Beton (DE), Thomas Beton (PL) and Thomas Cement (SE). 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 (lost time injury frequency rate) and are presented as an aggregated number for the whole Group.

Binder optimization

When we measure binder optimization we summarize the volume of purchased alternative binders with preblended alternative binders in our purchased cement.

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 Engagement Index (EI). EI is based on surveys handed out to all employees. Last survey was carried out early 2020.

SAFETY

A history of poor safety results has led us to raise focus on safety and we now see a rapidly changing positive trend toward better physical safety performance. Our 5 year goal is to be recognized as a being best in our peer group, with our safety performance in the top quartile.

With the raised focus, campaigns and all the efforts put into safety, we saw a nice decrease in LTIFR in 2018, but we were disappointed by a slight increase in 2019. We are not deterred by this, but will continue our journey and activities in creating a solid culture of leadership around safety.

ENVIRONMENT

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

Energy efficiency is closely monitored in each country and division although we have decided to initially focus on our Group's total production of ready-mixed concrete only.

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 letting anything go to waste.

Investments to improve our process of recycling water, not only water for cleaning but also for production. The reason we put "at more than 70 % of our plants" instead of an exact number is because we in parallel to upgrading existing plants we continuously restructure our plant network. This leaves us with a varying number of plants.

The source of raw material data derives from purchased volumes, volumes from our production systems and manual analyses. We intend to make our follow up more automatic in the future.

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 Team 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. For the moment we don't see it as an issue. With our Code of Conduct document and keeping it updated as well as additional training in competition law, we feel secure that we maintain our business ethics, on a high level.

HUMAN RIGHTS

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

Our challenge is to make sure that our evaluation of suppliers 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 of our plants are ISO certified and others not. We are evaluating a common way of setting our goal for Human Rights.

WHERE DO WE GO FROM HERE?

Launching our first Team Thomas Sustainability Report in 2016 was a great step. We have identified several areas to improve further. We also have the ambition to complement certain data going forward. Including:

Precast plants

Concrete pumping

Transportation and distribution

Improve our way of following up and validating data

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. Please, feel free to contact us if you have any questions.

Hans Karlander

CEO and President, Thomas Concrete Group AB

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Report written by Ida Adolfsson with input from the Team Thomas organisation and various surveys.

