



# Team Thomas Sustainability Report 2016

# 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 of continuously improve sustainability performance. Every material used in construction has its own merits. However, 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 work 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



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# This is us



**5 countries**

**1 650 employees**

**600 million US dollars**



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**

Thomas' core business is to develop, produce and distribute concrete products. The Group have a total of 147 ready mixed concrete plants as well as 2 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 their 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, keep a long term focus to expand and keep 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 impacting 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 large, multi-paned window. The walls and ceiling are made of raw, grey concrete. The floor is made of light-colored wood planks. The window looks out onto a vibrant green landscape with tall grass in the foreground and a dense forest of tall trees in the background. The text "Concrete is" is overlaid in large white letters, and "Natural, beautiful and creative" is overlaid in smaller white letters below it.

# Concrete is

Natural, beautiful and creative

A photograph of a modern interior space with a large window. The window is divided into three vertical panes by dark frames. Outside the window, there is a lush green landscape with tall grass in the foreground, a rolling green hill in the middle ground, and a dense forest of tall, thin trees in the background. The interior has a concrete ceiling and a wooden floor. The word "sustainable" is overlaid in white text across the middle of the image.

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.

### 2016

LTI: 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.

### 2016

We further improved our binder composition with 19,3 % 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.

### 2016

6,84 kWh/produced m<sup>3</sup> concrete

### 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 Thomas and for our customers, and we work accordingly to customers' jobsite safety rules. Excellent safety performance sets us apart from our competitors.

## → **REGULAR SAFETY TRAINING SAVES LIVES**

Thomas Beton, Poland have put in more regularly safety training for blue collar employees. The new training program takes place every year, instead of every second year, highlighting the risks in our business and prevents our Team members to be in an accident.

## → **EASIER TO REPORT RISK OBSERVATIONS**

Thomas Betong, Sweden have during 2016 been introducing a new app for risk observations, incidents and injuries reporting. 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 implementation started 2016 and results are to be evaluated end 2017.



### → **RED STRIPE FOR SAFETY**

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

### → **SAFETY COMMITTEE**

The engagement of our personell is essential for us to be 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 they see in our way of working in 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 have been improving their safety communication during 2016 on all plant sites. There are no longer any doubt in what to wear on our worksites. Employees as well as visitors should put safety first and follow these new instructions; which requires safety shoes, high-visibility and protective clothing and helmet, 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.

# 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 will be available at four new plants in 2017.

## **ALTERNATIVE BINDERS**

Thomas Beton, Poland used 40 % alternative binders in their concrete products in 2016. In Germany this figure was as much as 47 % proving that it is possible to reduce the cement clinker content and still produce high quality concrete.



The raw materials  
in concrete are;

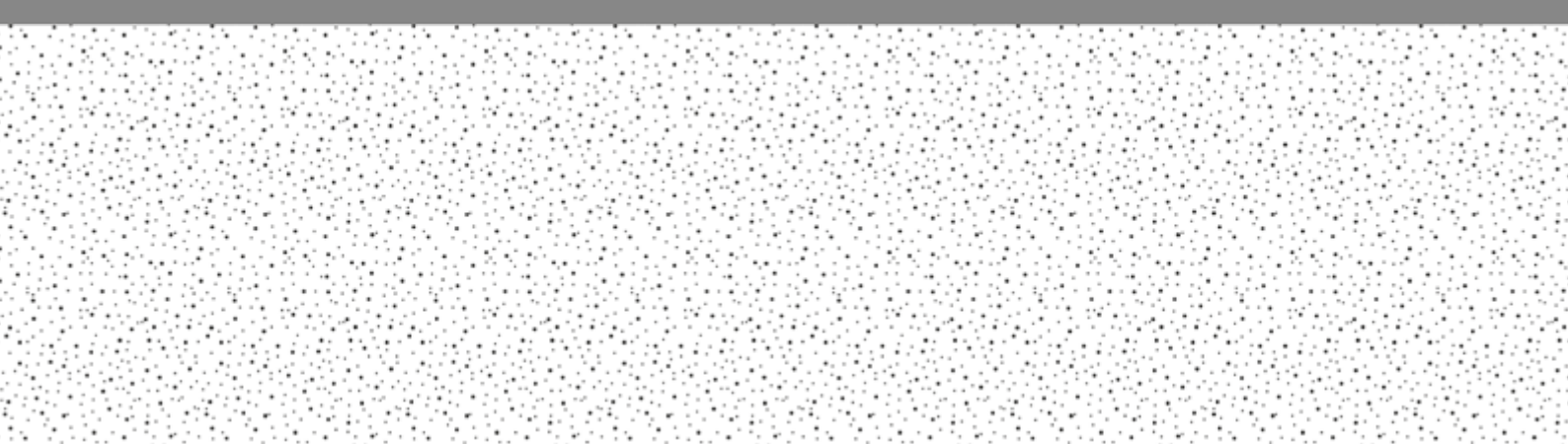
**Water,  
aggregates,  
binder**

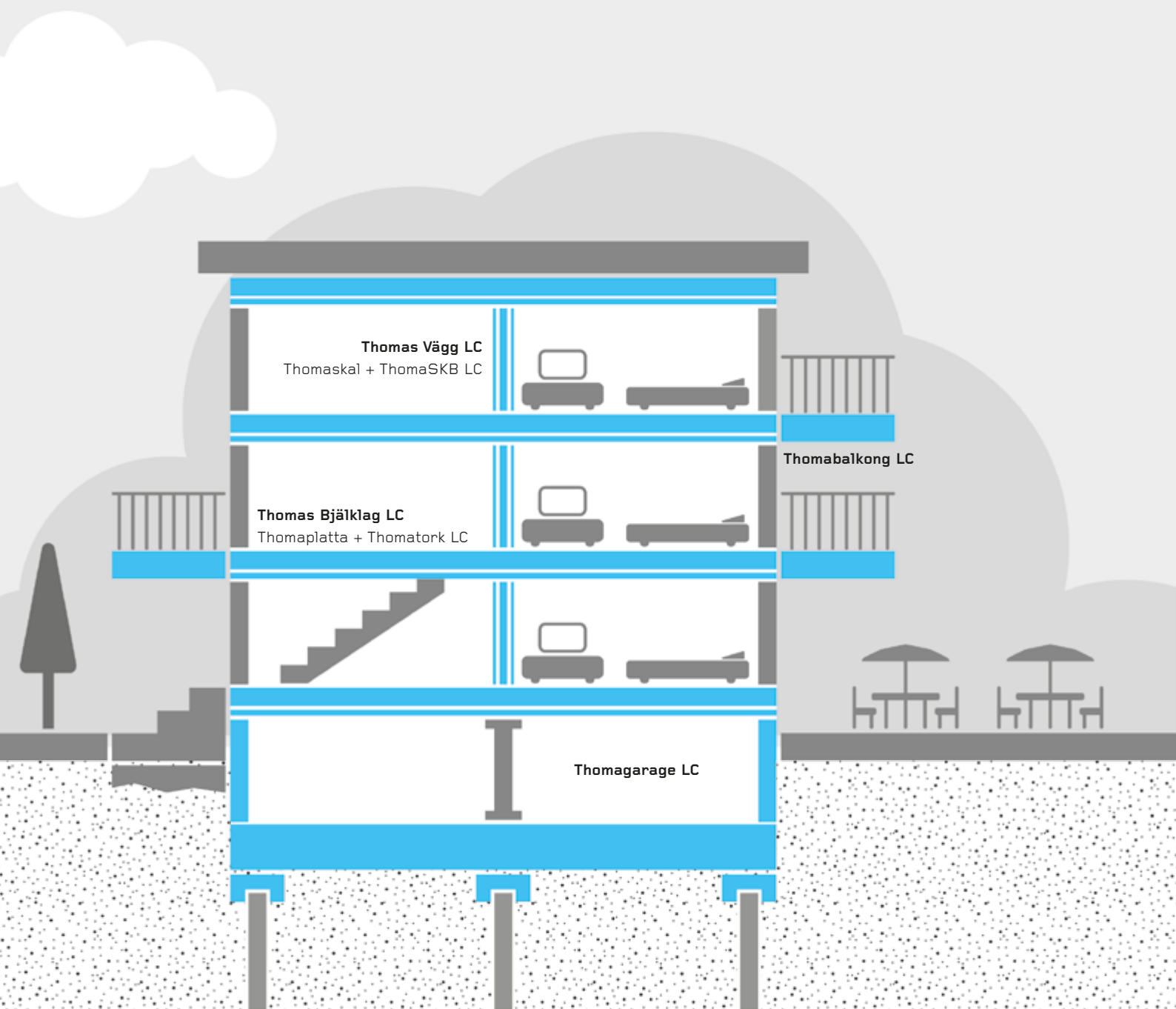
# Thomas Miljöstomme®



## 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.





# Energy and emissions

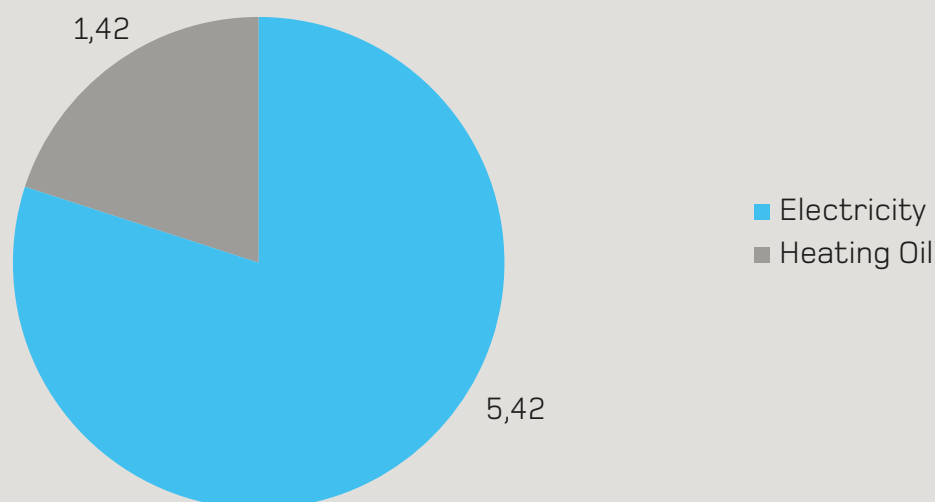
## Production

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.

# By-products and waste

## Closing the loop

32 000 m<sup>3</sup> concrete residues were reused and recycled in Thomas Beton, Germany during 2016. 2000 m<sup>3</sup> of the concrete residues were casted into concrete blocks. 10 000 m<sup>3</sup> could be sent out to a new construction site. 20 000 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 2016, 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 is expected to increase in 2017.

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  
90 % of the  
water and  
use in our  
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 have water recycling systems at 132 of 147 plants and have 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.





# 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 – Communication is key**

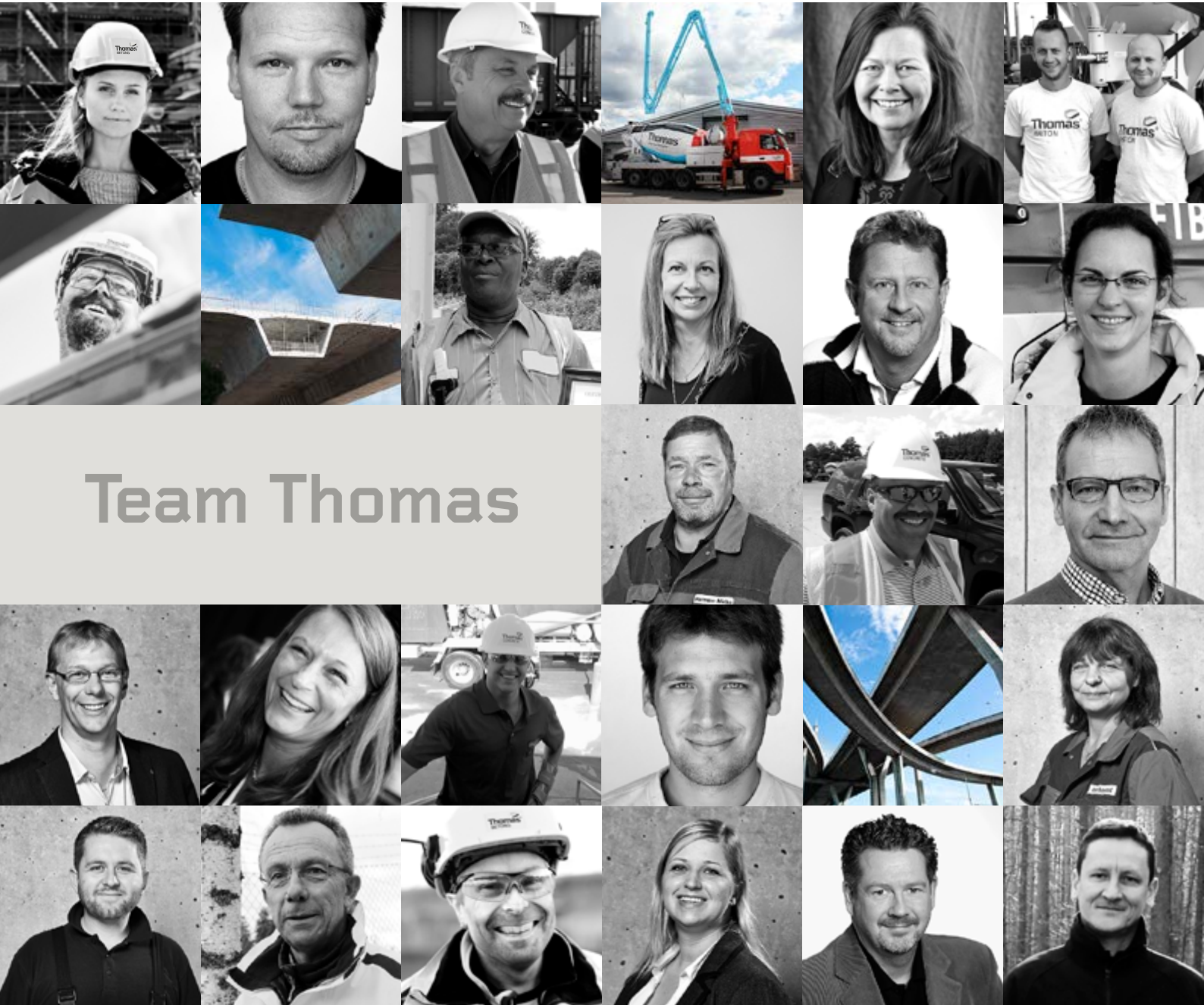
We are building platforms to improve communication between our many plants and operations. One corner stone in our internal communication is our Team Thomas Magazine, containing company news from the whole Group. Together we are much stronger.

## **A strong Team**

Thomas Betong, Sweden participated in Göteborgsvarvet – northern Europe's largest half-Marathon with 64 000 runners – for the first time in 2016. The race was a success and will be arranged as well in 2017.



# Education



## **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.

With our Code of Conduct, we make sure that everyone knows how to act, from company group level down to individuals representing Thomas. All white collar employees in a position relevant to our Code of Conduct need to see it in full, understand its content and sign it.

Thomas Betong, Sweden is launching training for managers and relevant personell in Competition Law to further strenghten our organization and maintain our high ethical standard in how we do business.

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 give a generous contribution to charity.



## Thomas Concrete Group support World Childhood Foundation

Thomas Concrete Group have in 2016 chosen 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

The amount of alternative binders in purchased cement is not included in this report. However, as mentioned in the target for 2020 we will add this parameter.

### 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.

## 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.

## 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 of with on group level we decided to focus on production of ready mix 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 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, target of 100% signed 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.

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

Landing our first Team Thomas Sustainability Report is a great step. Now the work to improve it starts. 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

Certified to GRI Standard  
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 for 2016 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 Anna von Krusenstierna and Erik Lindén with input from the Thomas organisation and surveys.

