
Thomas®
CONCRETE GROUP
Team Thomas
Sustainability
Report 2020

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.

However, 2020 has been a challenging and uncertain year. Covid-19 has had a strong impact on our way of operating. Much work has focused on keeping our team members as safe and healthy as possible. New equipment and many new routines have been implemented. The effort by the entire team has been incredible, and at the same time our industry has been fortunate in comparison to many others.

"We care and want to make a difference."

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?

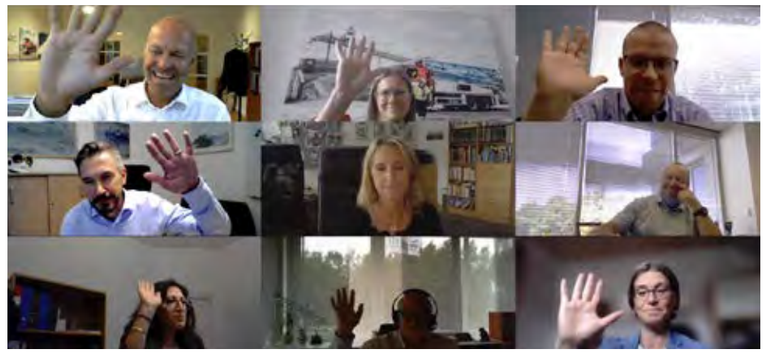
I'm proud of what our Group has done in the area of modern sustainability, but every day we have to actively continue working to improve. Hopefully, you'll find this report inspiring, and a good way to share with others what we do and what matters most at Thomas Concrete Group.

Hans Karlander
CEO and President
Thomas Concrete Group AB

COVID-19: Impact and Response

COVID-19 has affected all of society, including Thomas Concrete Group. There has been significant focus on spreading knowledge about COVID-19, implementing procedures, and introducing equipment to try to keep all our employees safe and in good health, both physically and mentally. Since the first week of March 2020, the extended group management has held weekly meetings focused solely on COVID-19 and its implications.

The construction sector in our countries has remained open despite restrictions and lockdowns of large sections of society. Thanks to good financial results and previous investments and development projects, we have done relatively well so far.



USA

"Our employees' safety and well-being are our highest priorities. In recent years, we have worked hard to strengthen our safety culture, and the pandemic has placed further focus on this. We also had to highlight mental health – how we can help each other handle the worry that accompanies the virus. For us, a strong focus has been on encouraging everyone in the team to show each other consideration, keeping a distance, being careful when communicating, showing empathy, and taking care of each other. There has been an incredible effort by the entire team and, thankfully, we have had very few employees affected directly by the virus. Financially, we have had a good year, something that contributes to a feeling of confidence in the company."

Alan Wessel
CEO, Thomas Concrete, USA

Germany

"In Germany, the construction industry has been relatively stable throughout the corona crisis and we are doing very well compared to last year's numbers. Now we are carefully monitoring how future demand will be affected by both the pandemic and by the support programs launched in Europe. We are still very optimistic and the vaccinations that have started will hopefully help the world economy recover. We have learned that keeping personal distance and showing consideration has become the greatest form of appreciation for colleagues and business partners."

B. Rainer Brings
CEO, Thomas Beton, Germany

Sweden

"Our priority has been to keep our employees healthy, and thankfully, we have had very few cases of COVID-19 so far. Some customer projects have been postponed and several customers have had liquidity problems. Therefore, we have focused a lot on securing payments and bringing in new revenues. I am proud of how alert our team is and how well we cooperate in a time of unease and uncertainty."

Carina Edblad
CEO, Thomas Betong, Sweden

Poland

"We have taken several actions in response to the pandemic, and thankfully, none of our employees have fallen ill. However, we see that the number of orders has decreased during the pandemic, and I believe it will be like this in the median term. In the long term, however, I am convinced that we will overcome this together and that it will make us even stronger as a team."

Mariusz Zaworski
CEO, Thomas Beton, Poland

In this report you will find:

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 and precast concrete elements 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.

7.5 billion SEK in consolidated turnover
(approx USD 910 million, 730 million EUR)

154 concrete plants

3 plants for precast elements (SE)

3 import terminals for binders (SE)

1 accredited central testing laboratory (SE)

3 national testing laboratories (DE, PL, US)

5.4 million m³ of concrete produced

5 countries

2 050 employees

Thomas® 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 mission

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

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 customer offer

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

- On time
- At site
- At agreed price

Concrete is Essential for Building Sustainable Societies

We live in a rapidly developing world where urbanization is at the forefront. There already is, and will continue to be, an increasingly growing need for infrastructure, tunnels, bridges, power plants, homes, schools, hospitals, and office buildings. Concrete is essential for building resilient and sustainable societies. At the same time, all building materials used today have an environmental impact. This creates the challenge of balancing economic growth, social responsibility, and environmental protection.

Determining whether a building material is sustainable requires that the economic, social, and environmental aspects of the material over the structure's entire period of existence are evaluated and weighed together. From a life cycle perspective, concrete meets high sustainability demands. Concrete is strong, durable, fire resistant, affordable and locally available. A concrete construction has a lifespan that can exceed 100 years, during which it requires minimal maintenance. Concrete has many properties that are a prerequisite for sustainable construction.

At Thomas Concrete Group, we believe that sustainability creates value for our business, our employees, our customers, our owners, and society. As the Concrete Specialists, we are determined to maximize this value and committed to continuously minimize the negative impact throughout the life cycle of concrete.

Concrete is Sustainable

Natural, Beautiful and Creative

The sustainability of concrete must be understood from a life cycle perspective. Read more on our website.

Strong and durable

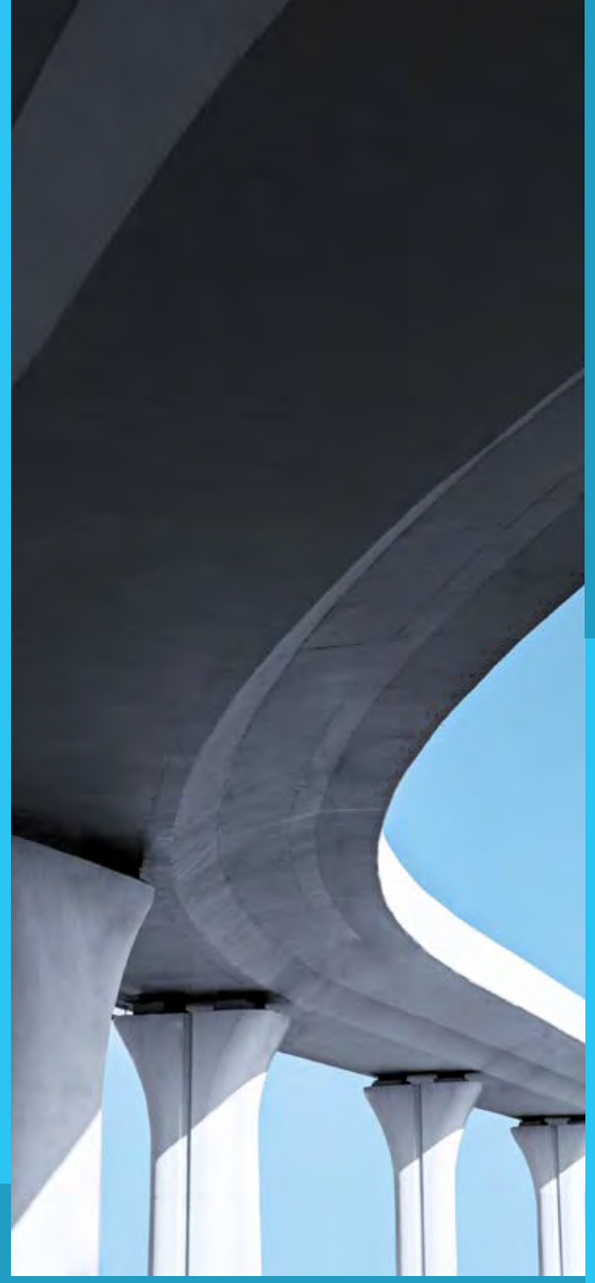
Concrete has been used as a key construction material for thousands of years due to its durability and flexibility. Properly designed buildings last for a long time with a minimum need of maintenance, making concrete a sustainable construction material.

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 CO_2.

Absorbs CO_2

Concrete does so spontaneously, throughout its entire lifetime, without impairment. Look around you, all exposed concrete you see absorbs CO_2, and thereby helps to remove CO_2 from our atmosphere. During the concrete life cycle up to 20 % of the CO_2 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.

Industry Leader in Providing Sustainable Products

Sustainability has a long tradition at Thomas Concrete Group. Over the years, we have remained committed to continuously improve our environmental performance.

In 2020, I was honored and proud to be named Thomas Concrete Group's first Sustainability Manager. Reporting directly to the Group's CEO and serving at Strategic Development Committee level underlines the importance our company places on sustainability.

Our commitment begins with the safety and well-being of our employees. We put safety first and we aim to become the best in our industry by building a strong Team Thomas.

Our ambition to be the industry leader in providing sustainable products and services puts our Green Offer high on our strategic agenda. Thomas Concrete Group expects the demand for low-carbon products and solutions to continue to increase in all our markets. To support the construction industry's transition towards carbon neutrality, we are working towards a vision of climate neutral concrete. We are actively contributing to research and we have a leading role developing and supplying concrete with a significantly lower carbon footprint.

During 2020, we have reviewed our current environmental indicators, developed a CO_2 KPI, and started to assess our CO_2 footprint. In the course of 2021, we will continue this work. Our plan is to develop a forward-looking roadmap, which will reflect the market's and other stakeholders' increasing expectations, to guide us through the next decade.

I am pleased to share our Sustainability Report 2020 with you. It presents our focus areas and KPIs and illustrates what we do to contribute to building a sustainable society.

Karin Gäbel
Sustainability Manager
Thomas Concrete Group AB.

Sustainability Governance

Sustainability is closely linked to Thomas Concrete Group's core business through our mission, and we integrate sustainability into all aspects of our business. Our Strategic Development Committee, consisting of the Group's top management, meets biannually to discuss our company strategy and to ensure that the sustainability agenda, long-term targets, and policies are aligned with the company strategy.

To drive our sustainability agenda and to guarantee a consistent approach across our Group, we have several Group-wide committees and networks. The Sustainability Work Group focuses on environmental sustainability, the Safety Council on safety and risk elimination, the HR Network on employees and their well-being, the Technical Meetings on research and development, and the International Marketing and Communications Meetings on sustainability communication.

Management teams in our subsidiaries ensure that development projects, goal setting, and reporting processes are aligned with the Group´s sustainability agenda and adapted to local business and market conditions. They also report on local sustainability performance and progress.

Our Code of Conduct describes the expected behavior of every employee in interaction with colleagues, customers, local communities, and other stakeholders. The Code of Conduct serves as a baseline for personnel in their day-to-day work and is supported by education, routines, and instructions. All members of Team Thomas must adhere to the Code of Conduct.

Thomas Concrete Group also has several policies with principles to guide decisions. These include a Safety Policy, Environmental Policy, Finance Policy, and a Purchasing Policy.

Our ambition

To be an industry leader in providing sustainable products and services.

Supporting Global Initiatives

Sustainable Development

Thomas Concrete Group supports the Sustainable Development Goals of the United Nations and we focus on the goals to which we can continue the most.

UN Sustainable Development Goals In 2015, the United Nations adopted the 2030 Agenda and its 17 sustainable development goals. The goals were established to address the need to limit the rise of global temperatures, and to achieve a better and more sustainable future for all.

Climate Change

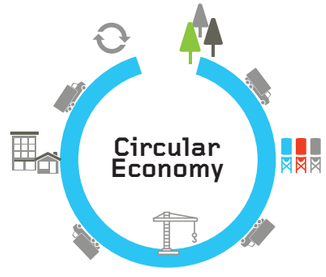
Thomas Concrete Group supports the Paris Agreement. We are working towards a vision of climate neutral concrete to contribute to the construction industry's climate transition.

The Paris Agreement In December 2015, the United Nations settled on The Paris Agreement, which encompasses all countries of the world. The core of the agreement is to reduce greenhouse gas emissions and support those affected by the consequences of climate change.

PARIS2015
UN CLIMATE CHANGE CONFERENCE
COP21·CMP11

Circular Economy

Buildings and infrastructure made of concrete are built to last. With an average lifespan that can exceed 100 years, concrete is an important building material in achieving circularity. Resource efficiency, reduced and circular use of materials, and minimized waste are important aspects of Thomas Concrete Group's contribution to a circular economy.



Digitalization

At Thomas Concrete Group, we firmly believe that digitalization of the construction industry is a key to finding more efficient ways of working. Better transparency and real time data will help us make more sustainable choices in the future.

Balancing the Pillars of Sustainability

To successfully achieve our sustainable development commitments, we base our work in the three pillars of sustainability: social, environment, and economy. By focusing our efforts on these areas, we can assure our contributions embody the entire sustainability spectrum.

Our Focus Areas and KPIs

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 60

LTI (Lost Time Injury)

TARGET 2025 **< 15**

ACTUAL 2020 **15.2**

2019	2018
20	18

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, the climate impact can be reduced significantly.

Read more on page 32

Alternative binders

TARGET 2025 **> 50 %**

ACTUAL 2020 **26 %**

2019	2018
28 %	28 %

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 64

EI (Engagement Index)

TARGET 2025 **> 86**

ACTUAL 2020 **84**

2018	BENCHMARK
81	79

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 dependency.

Read more on page 38

kWh/produced m^3 concrete

TARGET 2025 **< 5**

ACTUAL 2020 **7.1**

2019	2018
6.5	7.1

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 77

Solvency

TARGET 2025 **> 40 %**

ACTUAL 2020 **47.8 %**

2019	2018
45.8 %	46.9 %

Environment

Environment

Environmental Policy

Thomas Concrete Group has a vision to reduce our 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. Clearly 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 m^3 concrete

Life Cycle Assessment of Concrete

At Thomas Concrete Group, we have worked with Life Cycle Assessments (LCA) for many years. By assessing the environmental impact at all stages of the concrete life cycle, we can prioritize and adapt our sustainability work and our process and product development.

Raw Materials

The LCA of concrete shows that most of the environmental impact originates from the acquisition and production of required raw materials. The impact is mainly due to the significant emissions of carbon dioxide from cement, which is one of the binders in concrete. As much as 90 % of the carbon emissions released in concrete production come from cement.

Read more on pg. 32.

Production and Distribution

The production of the concrete itself has relatively low environmental impact. Energy is used to mix the concrete and to heat and cool water and aggregates during hot and cold seasons.

Concrete is produced near the construction site with local raw materials, which reduces the impact of transportation on the environment and society.

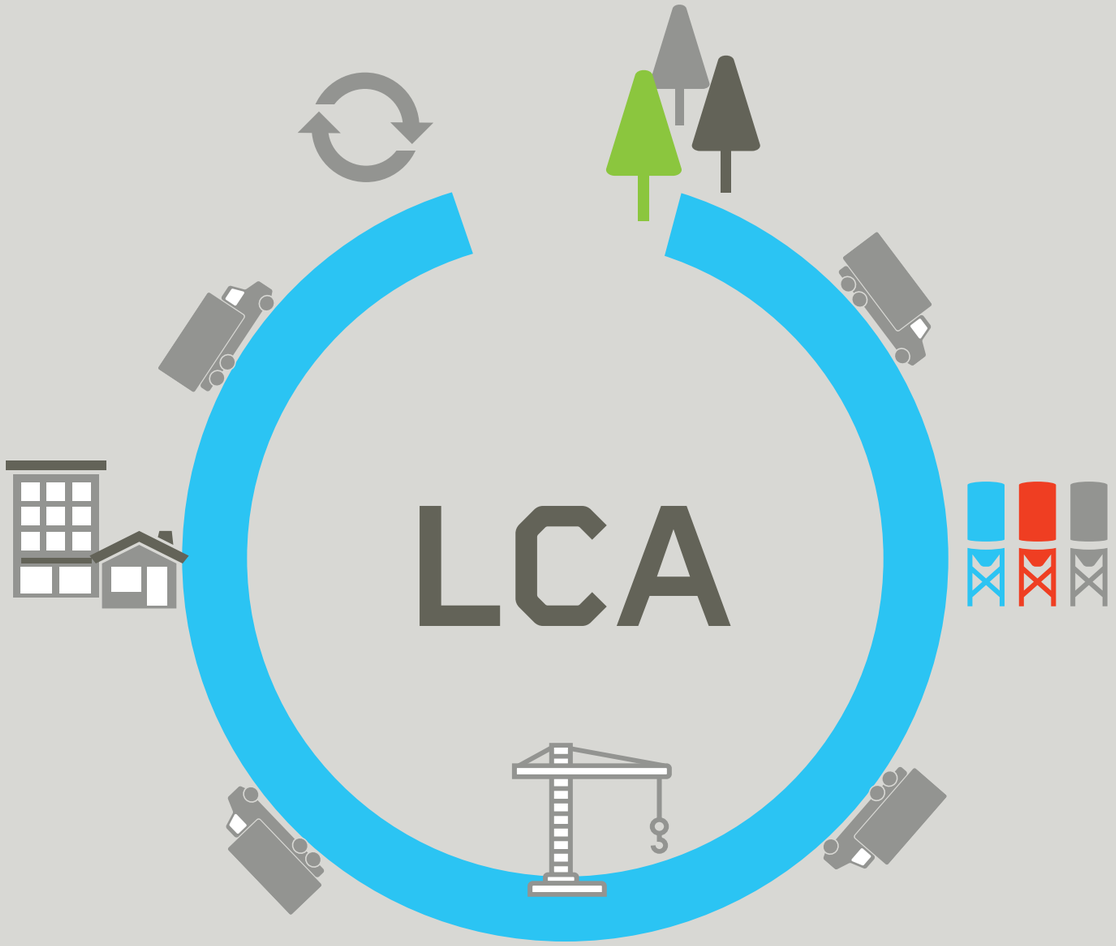
Read more on pg. 38.

Operation, Maintenance and Use of Concrete Structures

Concrete is a durable material with a long service life. It requires little to no maintenance, and its ability to store both heat and cold saves energy. A concrete structure absorbs carbon dioxide throughout its entire life span. This completely natural process is called carbonation, and it does not affect the properties of the structure. Up to 20 % of the carbon dioxide released during construction can be absorbed over the structure´s lifetime. From a life cycle perspective, concrete has little impact on the environment.

End of Life

Concrete is 100 % recyclable, and crushed concrete absorbs CO_2 at an even faster rate.



Raw materials

Concrete mainly consists of three natural raw materials: aggregates, binders, and water. Various admixtures that improve the properties of the concrete are included in small doses.

Binders

Cement is the adhesive that binds aggregates and water together to create concrete. Replacing cement with alternative binders, such as slag or fly ash, is an efficient method of reducing the use of cement and the related carbon emissions from cement manufacturing.

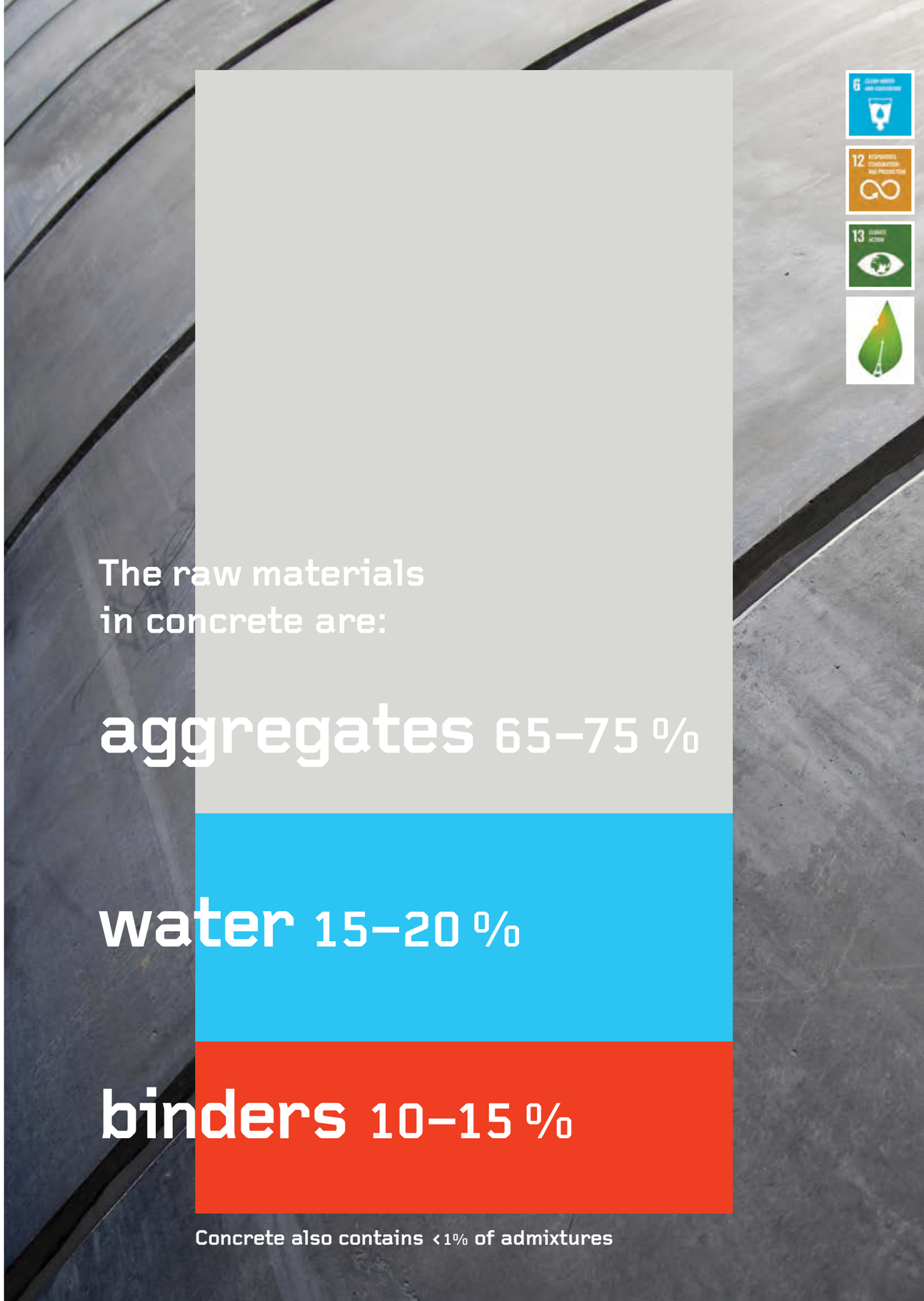
Thomas Cement, Sweden, has imported alternative binders since 2007. In 2011, they began importing slag. In December 2020/January 2021, they began importing slag at their terminal in Oxelösund. Now, all three of their terminals have slag imports. We do see a challenge in the future regarding the use of slag and fly-ash. An increasing demand and limited availability of these binders will impose restrictions looking forward. Team Thomas is making considerable investments in research to find other types of alternative binders. Read more about our research projects on pg. 52.

Alternative Binders

TARGET 2025 > 50 %

ACTUAL 2020 26 %

2019	2018
28 %	28 %



Our import terminal in Uddevalla, Sweden, was established in 2017.

The terminal is tailored for the purpose of importing slag, built from scratch by Thomas Cement.

We also continuously work to reduce our use of binders by optimizing our concrete compositions to require as little cement and other binders as possible. Thomas Concrete, USA, has utilized CarbonCure™ technology 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, 45 of Thomas Concrete's plants have been equipped with the technology. Since the installation, Thomas Concrete has contributed to 44 000 tons (97 million pounds) of cumulative CO_2 reduction by using the CarbonCure Technology™. In 2020 alone, almost 14 000 tons (31 million pounds) of CO_2 emissions were prevented.

Water

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

Thomas Concrete Group aims for an efficient and circular use of water. We have water recycling systems at about 70 % of all our plants and installing water recycling systems is now a standard procedure at our new establishments. In the recycling systems, water is separated from concrete residues in basins and then recycled back to the cleaning station or into the production of ready-mixed concrete.

Thomas Beton in Germany installed three new semi-automatic funnel cleaning systems in 2019/2020. In addition to eliminating cleaning related accidents, the systems save water and time. For every truck cleaned with the new machines, 10 liters of water and 5 minutes of working time is saved. At the Kiel plant alone, water usage is reduced by 55 000 liters and 2 300 working hours are saved each year, eliminating the need for 1–2 trucks. All plants in Germany will receive this cleaning system in the future. The system is also positive from a safety aspect, read more on pg. 63.

Thomas Beton, Germany, is also testing a new recycling system in Glinde that separates the cement from the aggregate residues. The system enables the aggregates, as well as the water, to be reused in the concrete production. After the testing period, the installation of two additional systems is scheduled for 2021.

Thomas Concrete, USA, has installed three Load & Go Ready Mixed Truck Washers. Load & Go is an automated drive-through wash system that is highly specialized to clean the entire mixer in 45–60 seconds using around 35 gallons of water, about 40 % less water than traditional wash-down methods. Additionally, the Load & Go systems improve safety and reduce fuel, maintenance, and chemical costs.

Thomas Concrete also converted their Powdersville Plant from a Dry Batch concrete plant to a Wet Batch concrete plant, eliminating the need to wash down the trucks. As a result, the new plant increases driver safety, saves fuel by 10 %, and reduces water usage by 90 %.

Aggregates

Aggregates are the largest part of the concrete composition. The choice of aggregate determines not only the quality of our product, but also its environmental impact. The texture of the aggregate surface affects the amount of water needed in the composition, and aggregates with a high water demand increase our water usage as well as the need for binders. Aggregates have changed from natural stone to quarried, which often increases the water demand due to the altered texture of quarried stone. Therefore, we are actively searching for new sources of aggregates that reduce the amount of water and binder needed.

Concrete Admixtures

Admixtures are added to the concrete to improve the properties of the concrete and provide functional, economic, and environmental benefits. We use admixtures to optimize the concrete and reduce the need of cement in our concrete compositions, thus reducing our carbon footprint. All admixtures we use are supplied with safety data sheets. Based on the data sheets and performed testing, we make sure that the admixtures we use do not contain any hazardous substances and gives the expected performance and benefits.

Reinforcement Steel

Apart from aggregates, binders, water, and admixtures, our precast products also include steel, a common form of concrete reinforcement. About 90 % of the reinforcement steel and girders required for our floor slab production are manufactured in-house. This allows us to fabricate our mesh and girders exactly according to our drawings, virtually eliminating waste for these products. To minimize the environmental impact from the reinforcement steel acquired externally, we track and conduct continuous follow up and improvement activities related to our product waste, return any steel spill for recycling, and partner with suppliers who manufacture reinforcement steel from recycled materials.

Production and Distribution

Energy Efficient Production

Our concrete plants are primarily powered by electricity. Additional energy is required to heat aggregates and water during hot seasons. These heaters are almost exclusively driven by heating oil, except for a few plants, which have natural gas as an energy source. We also conduct energy audits at our plants to assess and improve our energy performance.

Between 2018 and 2020, Thomas Betong, Sweden, has reduced overall fossil fuel dependency by replacing fossil heating oil with biodiesel (RME) at all plants. In 2020, 1 300 tons of CO_2 were saved thanks to the plant conversions.

EPD-certified Electricity

Thomas Betong, Sweden, has been sourcing electrical power with renewable energy sources since 2016, beginning with wind power. In 2019, they switched to EPD-certified hydropower. The EPD certificate verifies that all electricity utilized by Thomas Betong is renewable and climate neutral.

Energy & emissions

kWh/produced m³ concrete

TARGET 2025 < 5

ACTUAL 2020 < 7.2

2019	2018
6.5	7.1

Transportation

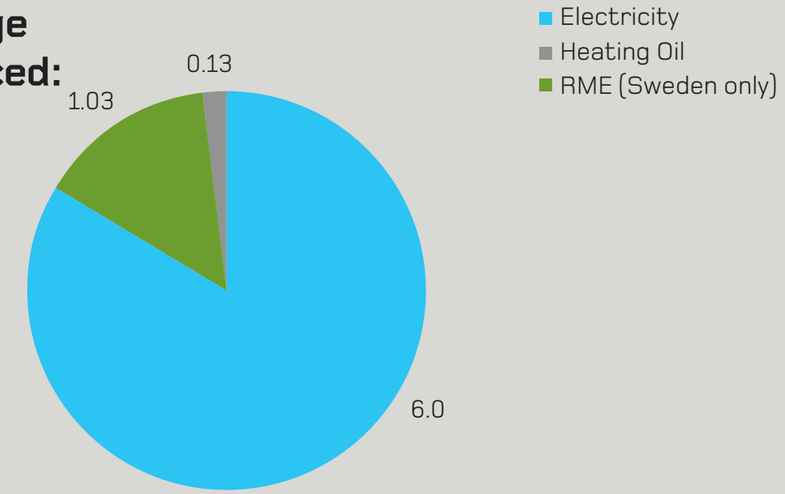
Concrete is a local product made with locally sourced raw materials. It is almost always distributed within one hour from the concrete plant, which allows for short transportation distances and low carbon emissions. We work actively at further optimizing our deliveries and transportation distances. In Sweden, Thomas Betong established a semi-mobile plant in 2020 near Västlänken, a large infrastructure project that will continue over the next few years. The new plant allows Thomas Betong to significantly reduce their transport emissions by delivering locally produced, high-quality concrete to the project for years to come.

Fleet Upgrades Reduce Emissions

In the US, the Environmental Protection Agency (EPA) and the National Highway Traffic Safety Administration (NHTSA) have issued greenhouse gas emissions and fuel economy standards for medium and heavy-duty trucks. Thomas Concrete is committed to continually replacing older trucks to reduce CO_2 emissions as well as oil and fuel usage. Over the last three years, Thomas Concrete has purchased 183 new concrete mixers and has retired 187 old mixers.

In Poland, Thomas Beton is gradually and continuously replacing their fleet for environmental purposes. The scheduled annual objective includes the replacement of 5–8 concrete trucks, 1–2 loaders, and 1–2 concrete pumps. All new vehicles meet the EURO 6 standard and replace old trucks with the EURO 4 standard, reducing fuel consumption and CO_2 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 green energy and reduce the total amount of energy used.

Our Green Offer

can include the following components:

Alternative binders

CarbonCure Technology™

Concrete optimization

Recycled concrete

Recycled aggregates

Thomas Concrete Group has developed a range of green products to make it easier for our customers to make more sustainable choices.

THOMAGRÖN®

In Sweden, Thomas Betong has been supplying carbon dioxide reduced concrete since 2012. Today, THOMAGRÖN® is Thomas Betong's branded green offer that includes product selections based on construction design. This offer has yielded a reduction in carbon footprint by up to 50 %.

In 2020, Thomas Betong launched a new climate-improved concrete for infrastructure under the name Thomafrys Grön. This concrete has 20 % lower climate impact than traditional concrete for infrastructure. Formerly conservative contractors are beginning to request climate-improved concrete, driving the development of this product.

THOMAGREEN®

Thomas Concrete, USA, offers THOMAGREEN® products produced with various alternative binders and CarbonCure™ technology.

In 2020, the building 725 Ponce was awarded second place in the Mid-Rise Building category of the ACI Excellence in Concrete Awards. Thomas Concrete delivered 37 000 m^3 of THOMAGREEN® with CarbonCure™ to the building and reduced CO_2 emissions by 680 tons.

THOMAS MILJÖSTOMME®

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 their customers' work sites.

Concrete with Lower Cement Content

Thomas Beton in Germany and Poland are producing and delivering high volumes of concrete with a large proportion of alternative binders as a standard. In 2020, Germany used 44 % alternative binders and Poland used 33 % alternative binders.

The blocks have multiple applications:

- Storage bins
- Marine dock anchors
- Create tiered/layered yards in hilly areas
- Prevent erosion in areas of instability
- Security barriers
- Tent tie downs
- Retaining walls
- Erosion control
- Traffic lane control

THOMABLOC

As a part of our effort to create a circular economy, 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, which reduces the amount of concrete residues returned to the concrete plant, and by maximizing opportunities for recycling and reuse of remaining concrete residues.

THOMABLOC is a sustainable alternative for recycled concrete and an important part of our focus on a circular economy. THOMABLOC are smooth concrete retaining wall blocks in a variety of sizes. They work like large LEGOs for stacking and interlocking.

In 2020, Thomas Concrete, USA, formed a Block Team to formalize procedures on how to safely and properly make a block with uniform supplies and forms. The team established an inventory management system and identified a sales manager to promote THOMABLOC in the marketplace. THOMABLOC are now advertised locally and on Facebook Market place, with a favorable response from our customers.

In 2020, Thomas Concrete casted 18 200 blocks. This represents 2 730 truck loads of concrete recycled, or 16 700 m^3.

Thomas Beton, Germany, reused and recycled 11 400 m^3 of concrete during 2020. Out of the concrete residues, 1 300 m^3 were casted into concrete blocks and 8 400 m^3 were sent out to new construction sites. About 8 000 m^3 were donated or sold to recycling companies to be crushed into aggregates, with the potential for use in new concrete.

Thomas Betong, Sweden, has experienced continued growth in the production of blocks from concrete residues since their first casted block in 2016. More than 3 000 blocks were produced from left over concrete in Sweden during 2020, an increase by 600 blocks from 2019.

EPD

We offer EPDs for products and projects to increase transparency and give our customers and the industry the opportunity to make more sustainable choices. An EPD is an official disclosure of the environmental performance of a product or material. The declaration is reviewed by a third party, and later verified and registered in an EPD system.

We also work proactively with our raw material suppliers to increase the number of product specific EPDs for our main raw materials.

Thomas Betong in Sweden currently offers EPDs for five of their ready mixed concrete products. In 2020, they completed their first LCAs and EDPs for five of their precast products, allowing their precast customers to eco-label their buildings. In addition, 24 climate calculations (subsidiary EPDs) were performed on project specific products in 2020.

Thomas Concrete, US, currently has over 500 product specific EPDs readily available, spread across 12 plants. In 2020 alone, they generated over 175 new EPDs for projects across multiple markets. Each year they go through a recertification process where the data is updated and verified by a third party. Customers can download all EPDs directly from ASTM International's database.

Thomas Beton, Germany, developed EPDs for four concrete mixes in 2020.

Concrete Sustainability Council (CSC) Certificates

Thomas Beton, Germany, offers their customers CSC-certificates to enable them to receive credits in green building rating systems such as BREEAM, DGNB, and Envision. Provided by the Concrete Sustainability Council, the CSC system is a product certification system which typically applies to all products manufactured by the certified plant. The certification aims to give the concrete production more transparency and to provide oversight of the entire value chain.

Thomas Beton has received the CSC-certification at 10 plants. Eight of the plants reached the Gold level, currently the highest of three levels. Thanks to the certification, their customers gain the ability to put green labels on their buildings.

CO_2-Calculator

Thomas Betong, Sweden, offers their customers a CO_2 Calculator through their website and mobile application. The calculations are based on European and international standards. The calculator visualizes how much carbon dioxide is being saved by using their green products. The calculator was updated in 2020 with new products, adjusted calculations, and the option to view precast products in square meters, rather than cubic meters.

CAU Geosciences Building

Kiel, Germany

Product:
CSC-certified concrete

Customer:
Wolff und Müller

Volume:
16 000 m^3

Savings:
400 tons CO_2 prevented

Certificate:
DNGB Silver Certificate

Carrol A. Campell Jr. U.S. Courthouse

Greenville, South Carolina, US

Product:
THOMAGREEN® with Fly Ash

Customer:
Brasfield & Gorrie

Volume:
10 300 m^3

Savings:
360 tons CO_2 prevented

Gothenburg Central Station

Gothenburg, Sweden

Product:
Project specific products tailor-made for E02 with up to 50 % slag

Customer:
NCC

Volume:
330 000 m^3

Savings:
36 100 tons CO_2 prevented

Visualization: Kanozi Arkitekter & TMRW, owned by Trafikverket

11 Wind Farm Foundations

Gniew, Poland

Product:
Concrete for massive structures, frost resistant and low heat of hydration

Customer:
Aldesa Construcciones S.A.

Volume:
4 500 m^3

Savings:
500 tons CO_2 prevented

BV Sterntwiete

Hamburg, Germany

Product:
THOMAGREEN®

Customer:
Hochtief

Volume:
4 000 m^3

Savings:
74 tons CO_2 prevented

Fox Hill Business Park

Greenville, South Carolina, US

Product:
THOMAGREEN® with Carbon Cure & Fly Ash

Customer:
Buchanan Concrete

Volume:
7 000 m^3

Savings:
60 tons CO_2 prevented

Visualization: The Sudler Companies

Mejerskan Senior Apartments

Torsby, Sweden

Product:
THOMAGRÖN® Plus & Thomas Miljöstomme®

Customer:
Elms Bygg

Volume:
750 m^3

Savings:
70 tons CO_2 prevented

Visualization: Torsby Bostäder

Gdynia Chylonia Railway Station

Gdynia, Poland

Product:
Concrete for special geotechnical works, foundation slabs, pavements, and other structures exposed to freezing

Customer:
Rover Alcisa S.A.

Volume:
6 600 m^3

Savings:
850 tons CO_2 prevented

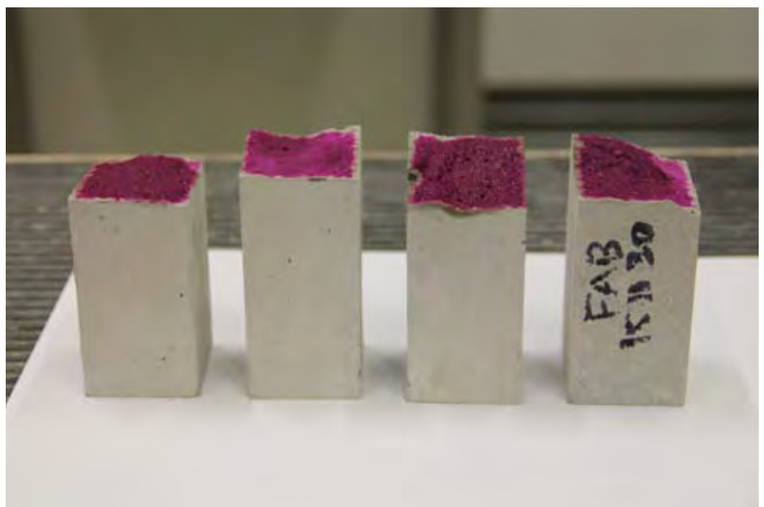
Visualization: Biuro Projektów Budownictwa Komunalnego SA

Research and Development

C-lab®

C-lab® is based in Gothenburg, Sweden, and is Thomas Concrete Group's accredited (ISO/IEC 17025) center for raw material and laboratory testing, technical consultation, and research and development. We are one of a few global concrete suppliers to operate our own research and development facility.

During 2020, 5 250 testing assignments were conducted on concrete, aggregates, and binders under strict national and international standard procedure requirements. When required, C-lab® also offers nonaccredited testing, damage investigation, and structure assessment.



Swedish Concrete Association's gold medal
In 2020, Ingemar Löfgren was awarded the Swedish Concrete Association's gold medal. The medal is awarded for efforts important for the development of concrete technology through discoveries, inventions, investigations, or the practical use of concrete.

Alternative Binders for Increased Sustainable Construction –A message from the R&D Manager

At Thomas Concrete Group, we are striving to continuously improve the properties and performance of the products we deliver. This work is particularly important when it comes to the environmental impact of concrete products.

For concrete, the major part of the environmental impact comes from the cement, where roughly 60 % of the CO_2 emissions come from the calcination of limestone, and the remaining 40 % come from the fuels used in the cement kiln. By replacing part of the cement with alternative binders, the environmental impact of concrete can be significantly reduced.

Concrete, across its lifecycle, is a low carbon material. Still, improvements are necessary, and therefore Thomas Concrete Group optimizes the binder content and use alternative binders to replace cement.

The alternative binders that are mainly used are traditional and well-known materials such as ground granulated blast furnace slag and fly ash from coal combustion. However, as there is a growing demand for these materials, we see a challenge in the future for the availability of alterative binders. Therefore, Team Thomas is focused on research to find new types of alterative binders.

Potential materials need to have pozzolanic or latent hydraulic properties and must therefore have a suitable chemical composition. Several new materials are being researched, including biomass ash, municipal solid waste incineration, agricultural solid waste ash, and by-products from other industries, such as mine tailings and steel making slags. All these materials have challenges that are associated with their chemical composition and their content of unwanted substances.

Thomas Concrete Group is monitoring international research and we are also involved in several projects together with universities and research institutes where alternative binders are being investigated. Perhaps the most promising material is calcined clay, which together with limestone, can replace approximately 50 % of the cement.

Ingemar Löfgren
R&D Manager
Thomas Concrete Group AB.

Research Projects

BETCRETE 2.0 The project brings together 19 parties in a national strategy, with the goal of coordinating and communicating activities for the implementation of the cement and concrete industry's roadmaps for carbon-neutral production. The project is coordinated by Research Institutes of Sweden (RISE). Thomas Concrete Group is responsible for two work packages: “Resource efficiency and sustainability indicators” and “Communication, education and advocacy.”

ClayBind This RISE coordinated project evaluates potential clays that can be used to replace cement. Clays are available in large quantities, however, not all clays are suitable. As a cement replacement material, the not so pure kaolin clay, which normally has been rejected and stockpiled, can actually be used. This is a great potential as the clay has already been mined. Although, it is only available at limited locations around the globe.

BioBind This project evaluates biomass ash from bark and wood combustion and is coordinated by RISE. Ash from biomaterials often contain high quantities of required oxides, but compared to traditional coal fly ash the bio ashes have different compositions depending on the type of biomaterial, combustion technology, and type of ash. For securing a stable and reliable product, a process of mixing ashes from different sources is needed, and further work is required to introduce new industry standards.

Water in Green Cementitious Materials This PhD research project was initiated by Thomas Concrete Group and is being conducted at Chalmers University of Technology in Sweden (CTH). To secure the use of new binders, with respect to long-term durability and moisture safe structures, there is an urgent need for understanding how the water in concrete with alternative binders is chemically and physically bound. The aim of this project is to develop applicable test methods for evaluating the water state in such concrete, which will enable faster implementation of new binders.

New Pozzolanic Cement In 2020, Thomas Beton in Poland conducted an R&D program on implementation of new pozzolanic cement, CEM IV, in collaboration with one of their cement suppliers. With a carbon footprint of 568 kg CO_2/ton, compared to the baseline of 889 kg CO_2/ton, the CEM IV pozzolanic cement appears to be a very useful material for CO_2 reduction in ready-mixed concrete.

Associations and Certifications

We strengthen our business processes and methods by following key standards outlined by industry associations and through our participation in sustainability driven initiatives.

International Organization For Standardization (ISO)
Thomas Betong, Sweden, and Thomas Concrete, USA, are quality and environmentally certified in accordance with ISO 9001 and ISO 14001. Their progress is audited annually by an external party, holding their performance to a high standard of continuous improvement.

The Swedish Concrete Association
Thomas Betong, Sweden, is a member of the Swedish Concrete Association. They are conducting several activities to promote sustainability in the construction industry, with a large focus on long term thinking.

The Concrete Initiative
In Sweden, Thomas Betong is 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.

National Ready Mixed Concrete Association (NRMCA)
Thomas Concrete, USA, is a member of the NRMCA, a national association active in a number of initiatives to make the industry more sustainable.

Bundesverband Transportbeton (BTB) – Vero Association
Thomas Beton, Germany, is a part of a regional association for building materials named “Vero”. Vero is a member of the ready-mix concrete Association BTB. BTB is the national provider for the CSC-certification. Additionally, they are involved in training initiatives for operators and drivers.

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

Circular Use of Resources

Recycling, reusing, and reducing our use of water and reinforcement steel, utilizing secondary aggregates and alternative binders, and optimizing our energy and fuel consumption, are all parts of our efforts to create a circular economy. This, in combination with the long lifespan and low maintenance needs of concrete constructions, make the industry a key link in achieving circularity. Concrete is 100 % recyclable, and recycled concrete is often used as a base layer in road construction. It could also be used as aggregates in new concrete, and we continuously explore how to better utilize this potential to further contribute to closing the loop.

Social

Team Thomas

Social

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.

Social Objectives 2025

EI (Engagement Index) > 86
LTI (Lost Time Injury) < 15

Safety First

We always put safety at the top of our agenda. Thomas Concrete Group is working to make safety much more than compliance. Safety is about our people, our customers, our teamwork, and our culture. In addition to keeping up with mandated government requirements, we continuously implement new safety measures. In 2020, Thomas Concrete Group saw a decrease in our LTI frequency, a great improvement from 2019. This shows that our continuous safety work and implementation of safety measures pay dividends.

Lost Time Injury

TARGET 2025 < 15

ACTUAL 2020 15.2

2019	2018
19.8	18

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

In 2020, Thomas Betong's head of precast production, Thomas Lundberg, was nominated for the organization Swedish Concrete's (Svensk Betong) Work Environment Award for his efforts regarding risk observations.

Risk Observations

During 2020, both Thomas Betong, Sweden, and Thomas Concrete, USA, have continued to work with the app BIA/IA for reporting risk observations, conducting risk assessments, and reporting safety rounds. The app has resulted in a greater understanding of potential risks and has enabled more preventative measures to be taken. As the use of the app has increased, a significant decrease in injuries and accidents has followed.

During the National Ready Mix Concrete Association's (NRMCA) annual mixer driver appreciation week, a Thomas Concrete employee in the US was recognized for practicing and demonstrating the importance of Lead with Safety for over 25 years

ASSUME

To reduce the number of injuries and accidents during the concrete delivery process, our team at Thomas Concrete, US, has developed the 'Don't ASSUME' concept. Each letter in ASSUME represents a risk to consider when delivering concrete. Posters have been put up, every driver has been given signs to place in their vehicles, and discussions are held regularly to retain focus on ASSUME. Thanks to ASSUME, the number of accidents has fallen by 28 % on average.

ASSUME stands for:

A – Awareness of overhead
S – Spotters (people who help the driver maneuver the concrete truck on-site)
S – Sloped terrain
U – Underground hazards
M – Muddy conditions
E – Equipment

Safer Cleaning

To reduce the number of accidents related to the cleaning of concrete trucks, Thomas Beton in Germany installed their first semi-automatic funnel cleaning system in 2018. The new system allows the drivers to remain seated inside the truck, which has completely eliminated cleaning related accidents. Thanks to the positive effect of the cleaning system, it was installed at three additional plants in 2019/2020. The system also reduces water usage, read more on pg. 34.

Safety Flash

In 2020, Thomas Betong in Sweden implemented a new method for communicating safety risks, incidents, and accidents across the organization. Green (risk), yellow (incident, but no injury), and red (accident with injury) digital flash cards are emailed to all employees regardless of location and role. The cards describe the event, risks, actions, and person responsible for making sure measures are taken. The aim is to share experiences, observations, and solutions with each other to prevent similar injuries in the future.

Plant Safety Training

Apart from general training and on-the-job training, Thomas Beton in Poland also offers their employees a "Blue Collar Safety Training," which covers occupational hazards, work accidents on- and off-site, and first aid education. They have also created leaflets with a number of "Golden Safety Rules." Initially, Thomas Beton held the training every other year, but it is now held annually. The training has made the employees increasingly aware of existing hazards and the methods of avoiding them, which has decreased the accident rate by 60 %.

Well-Being and Health

At Team Thomas, we strive to create a sound working environment for all our employees. We work to establish an atmosphere that emphasizes physical safety and that encourages creative exchange that allows us to speak our minds and influence our work. We believe this will contribute to healthy and happy colleagues.

Engagement Index

TARGET 2025 > 86

ACTUAL 2020 84

2018	BENCHMARK
81	79

Thomas Concrete Group won Brilliant Future's 2020 Employee Experience Award in the Construction and Manufacturing sector.

Employee Survey

We want Thomas Concrete Group to be a place for individual growth. All employees should feel that they can help improve Team Thomas as well as their own situation. To assist with this, we conduct the same employee survey throughout the entire Group bianually.

Survey Results From 2020 Revealed:

- We perform high above the industry average.
- Compared to 2018, our scores improved or remained the same on all questions.
- The two areas that had the greatest positive development were "work environment" and "employer brand." The latter is an indication of how likely it is that an employee would recommend our company as an attractive employer.
- 93 % of Team Thomas employees said they are willing to make an extra effort to make the company more successful. With this engagement from every employee, we have a great opportunity for development.

Our Survey Also Revealed Important Areas Of Improvement:

- In the US, several drivers pointed out that they had too little time together with their families and that they wanted more flexibility to plan their time off. In response to this, the Upstate Division introduced a new schedule where the drivers work every other Saturday.
- In Sweden, employees wanted more information from the management team. In response to this, Thomas Betong's CEO, Carina Edblad, started sending out monthly newsletters and inviting all employees to a common Teams meeting once a month.

We Care Talks

Thomas Betong, Sweden, has implemented a routine where managers continuously have a "we care talk" with employees who have been on short time sick leave more than four times in six months. This is done to show employees how important their well-being is, and to work proactively to find ways to improve the workplace and work situation for all.

Team Thomas Magazine

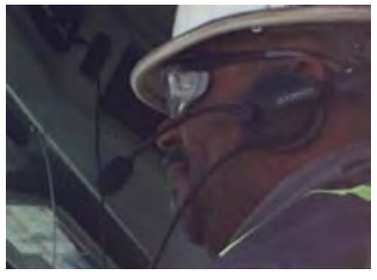
We are building platforms to improve communication between our many plants and operations. One cornerstone in our internal communication is our annual Team Thomas Magazine, containing company news from the whole Group. In 2020, we released two issues of the magazine to further improve our communication. All employees in the Group received a copy.

Keeping Employees Healthy during the Pandemic

The COVID-19 pandemic has required extra measures to be taken to keep employees healthy. In addition to following the general guidelines to reduce the spread of the virus, Team Thomas continuously seeks new ways to keep healthy while maintaining regular production. Following are a few examples:

Employee Training with Radios

Thomas Concrete, US, started using two-way walkie talkie radios when performing in-cab training for new concrete delivery professionals. The radios allow coach and trainee to communicate while staying in their own separate trucks and going together to concrete deliveries. At the jobsite, the coach can keep a safe distance from the trainee and still communicate as needed. The radios have a headset, are voice activated, and have noise cancelling technology.



Keeping Distance During Meetings

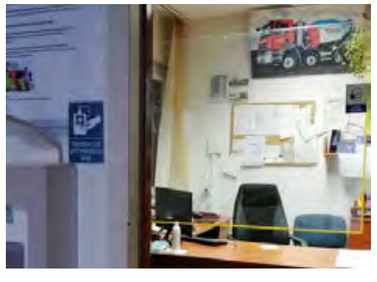
At Thomas Betong's precast plant in Lane-Ryr, Sweden, all plant staff meetings have been moved from the conference room to a large preparation hall adjoining the plant. Markings have been attached to the floor to help employees keep a safe distance during the meetings.

Demonstrative Film

To help employees gain a better understanding of protective measures to prevent COVID-19 transmission, Thomas Beton in Germany created a short film to visually demonstrate the restrictions to employees and customers. The film was made public on the intranet and on social media.

Windows And Plexiglass Shields

Thomas Beton, Poland, ensured all plant operator rooms have special windows to provide documents without having to enter or leave the room. Where no window existed or could be installed, plexiglass shields were set up at the front desks.



Education and Development

Thomas Academy

Our success depends on our personnel, their engagement, and their ability to perform. 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 educational portal and platform for educating our personnel. The portal offers both company-wide and job-specific trainings for our different functions, such as plant operators, drivers, and administration staff. During 2020, we have offered several digital trainings through the platform, among them internal “special products webinars” and “sustainability webinars” in Germany and Poland.

Lunch & Learn

Thomas Beton in Germany hosts an annual Lunch & Learn Event. Last year, around 70 people including customers, external specialists, and employees attended. The all-day event consisted of lectures on subjects such as raw material supply, reduction of carbon dioxide emissions, and safety. The event is a great way for Thomas Beton’s employees to meet their customers and show they care. Due to the COVID-19 pandemic, the event was cancelled in 2020. Hopefully, the event can be held again in 2021.

FrontLine Training

In the construction industry it is common to promote exceptional performers into supervisory roles despite the fact they have no experience managing people. Understanding the importance of the supervisor role as the frontline to ensuring the safety and productivity of the workforce, and recognizing the lack of available training options, Thomas Concrete in the US developed a three-day Effective Supervisor course in 2020. The goal of the workshop is to prepare supervisors for the day-to-day management of people.

Students and Graduates

To focus on long-term development, we value young professionals. Thomas Concrete Group has a trainee program that aims to develop the business. We also offer technical supervision of master theses and put great value on new ideas.

It is important for Team 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. Every year, Thomas Concrete Group participates in several career fairs at local universities to meet and recruit young professionals, as well as inform them about concrete from a sustainability perspective. In 2020, the career fairs were held through digital platforms.

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

Local Community Involvement

Thomas Concrete for Harvest Hope

Thomas Concrete, USA, has been active in a variety of local charities. The initiatives often come from the personnel themselves and involve big personal commitment. As the COVID-19 pandemic swept across the US and the world, the number of people facing acute food insecurity increased drastically. Harvest Hope, a food bank in South Carolina, had people lining up daily. Heartbroken by the sight, two Thomas Concrete employees mobilized the construction community to aid Harvest Hope. Together they raised over $14 000 and collected over 2 000lbs of food - equivalent to 7 600 meals.

Thomas Concrete Group supports The World Childhood Foundation

Thomas Concrete Group has, in 2020, continued to support the World Childhood Foundation's work with children's rights. Her Majesty Queen Silvia of Sweden founded the World Childhood Foundation in 1999 to support children at risk around the world and to fight for every child's right to a childhood.

Thomas Beton and The Children's Day

Every year, Thomas Beton in Poland help the local community placed near the Szczecin plant sponsor the annual Children's Day event. Children's Day is a significant event in the Polish calendar which marks the start of the summer and emphasizes the protection of children's rights. The event is filled with fun activities, and Thomas Beton brings along a concrete truck, pump, or wheel loader and let the attending children climb into the driver's cabin. Due to the COVID-19 pandemic, the event could not be held in 2020. Instead, Thomas Beton is looking forward to next year's Children's Day.

Human Rights and Anti-Corruption

Our Code of Conduct is a policy document that is supported by education, routines, and instructions, and serves as a baseline for our personnel in their day-to-day work.

- 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.
- We provide a safe and healthy working environment and work for continual improvement.
- We work against corruption in all its forms, including extortion and bribery.

Economy

Economy

Financial Responsibility

For Thomas Concrete Group to be socially and environmentally responsible, we must remain financially solid. Without conducting profitable business, we cannot invest in the research and innovation that ultimately leads to the development of sustainable societies.

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 Martin Family's goal has always been 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. By valuing accountability, compliance, clearly defined objectives, and good dialogue, we desire to be our customer's preferred concrete supplier.

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

Solvency

TARGET > 40 %

ACTUAL 47.8 %

2019	2018
45.8 %	46.9 %

Our Business Model

Team Thomas' core business is to develop, produce and distribute concrete products. The Group has a total of 154 ready-mix concrete plants as well as three plants for production of precasted 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 is not always easy to predict in time. The COVID-19 pandemic serves as proof of this. Quick downturns in the 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 of binders and aggregates. Without active sourcing management, this supply system could lead to decreased quality and suddenly 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 us in one region, might compete with us in another region.

The cement in concrete is what constitutes the major environmental impact, which is why part of the cement is replaced by alternative binders, such as fly ash and slag. However, an increasing demand and limited availability of these binders will impose restrictions looking forward, requiring us to focus on research to find new alternative binders.

There is a tendency to prescribe wood as the building material in a construction project. This is not only wrong, it also hampers further development. We need to join forces in our industry and advocate for material-neutral policies and regulations that are function and life cycle based. The material manufacturers will then, on equal terms, continue to develop new innovative and climate-optimized products, allowing the market to choose the most suitable material.

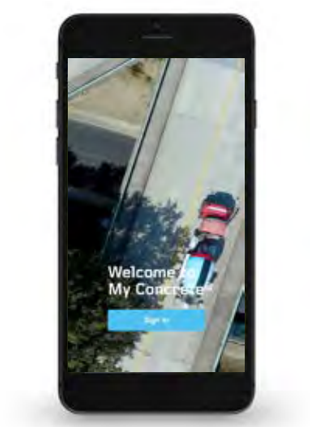
Regardless of the economic situation, the competitor environment, or the environmental impact of concrete, we can only be The Concrete Specialists with the right personnel. Loss of key staff can lead to loss of speed. Securing team members with high level expertise, education, and sales competence is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

Digitalization

At Thomas Concrete Group, we firmly believe that the digitalization of the construction industry will be a key to find more efficient ways of working. Better transparency and real time data will help us make more sustainable choices in the future. Therefore, we invest in business development projects and actively seek out new possibilities for our digital platforms.

CORE & BASE

In 2019, we started implementing a new business system in Europe called CORE (BASE for our precast division), and we created a digital collaboration platform for customers and other business partners. In October 2020, we finalized the implementation process. CORE and BASE will make it possible for us to have more efficient production with better overview and control of processes, concrete mixes, finances across our subsidiaries, and raw material and water usage. It will also help us further optimize production and transportation.



My Concrete® (Min Betong®)

In 2017, we launched the first version of our customer portal and mobile application My Concrete©. Since then, several upgrades have been released, and the application will continue to be our platform for providing improved digital services. My Concrete© facilitates and streamlines order and delivery management, offers real time tracking and push notifications about deliveries, and gives our customers the opportunity to download digital delivery tickets. We are currently in the process of eliminating our use of physical delivery tickets to minimize our paper usage and save our customers' time. With the help of My Concrete©, customers can better plan and coordinate their work at construction sites, thus optimize concrete transportation and placement time.

Monitoring Maturity with Sensors

As our digitalization journey progresses, we can offer more digital services to our customers. In the fall of 2020, we began the pilot phase of a new service which will allow our customers to monitor, in real time, how the maturity of the concrete develops. In-depth information about the maturity progress will be sent directly to the My Concrete® portal for our customers to view, and a maturity report will be available for download for each measurement. This will allow our customers to better plan their construction work, save them time and money, and reduce their waste. Our ambition is to continuously develop services like these to offer our customers more knowledge.

Thomas Concrete Group & Microsoft

Compared to many other industries, the construction industry is generally behind in terms of digitalization. However, at Thomas Concrete Group, we aim to be at the forefront of the industry's digitalization journey. With the help of Microsoft, we have taken huge steps in developing digital services that help our customers. In turn, Microsoft has selected Thomas Concrete Group as a role model for other companies to learn from. As this collaboration continues, we will receive even more support in bringing new digital services to the market.

How We Have reported

THIS IS THOMAS CONCRETE GROUP

This sustainability report constitutes the Group's and the company's statutory sustainability report and is part of the administration report for Thomas Concrete Group AB with organization number 556062-2812. This year's sustainability report refers to the financial year of 2020 and contains information about the Group's sustainability work. The reported information and figures are aggregated for the whole group, containing information from all five subsidiaries: Thomas Betong AB (SE), Thomas Concrete, Inc. (US), Thomas Beton GmbH (DE), Thomas Beton Sp. z o.o. (PL) and Thomas Cement AB (SE). In this year's report, we include our precast business and a selection of KPIs and main activities have been highlighted. All areas are more thoroughly followed up country-wise.

ENVIRONMENT

Binder optimization

In this report we focus primarily on binders since they have the greatest environmental impact. The cement and alternative binder use is based on purchased volumes, volumes from our production systems, and manual analyses. When we measure binder optimization, we summarize the volume of purchased alternative binders with preblended alternative binders in our purchased cement.

In 2020, we see a slight decrease in the percentage of alternative binders, mainly due to decreased availability of fly ash and slag.

Energy

Figures on energy consumption are derived from invoices and suppliers. Energy consumption is measured in kWh, diesel and heating oil in liters. Total energy consumption is calculated using table values of energy content. We present usage per produced cubic meter. We have one plant with natural gas in Germany and a few in the US, and three with district heating in Sweden. The latter are not included in this report.

For our precast business, the energy used for producing the concrete elements is also included. Thus, we see an increase in the overall energy use per cubic meter concrete.

Water recycling

Plants with water recycling systems are calculated as a percentage of our plants. In parallel to upgrading existing plants, we continuously upgrade and restructure our plant network. This leaves us with a varying number of plants.

SOCIAL RESPONSIBILITIES AND PERSONNEL

"To us, people and environment are crucial" – it is 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 through our Employee Surveys and to some extent also through our Customer Surveys.

SAFETY

Safety statistics are calculated with LTI (Lost Time Injury) and are presented as an aggregated number for the whole Group.

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 five -year goal is be recognized as being the best in our peer group, with our safety performance in the top quartile.

After a slight increase in 2019, we again see encouraging performance and clear improvements.

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 in 2020.

ANTI-CORRUPTION

Corruption is a risk that we keep under constant focus. For the moment we do not see it as an issue. With our Code of Conduct document, which we continuously review and update, as well as our 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, along with our main suppliers, the Universal Declaration of Human Rights. Our challenge is to make sure that our evaluation of suppliers is good and thorough enough, that it is being carried out at given intervals, and that we succeed in tracing those few suppliers who operate in countries outside of those from our subsidiaries.

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 method 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:
Transportation and distribution
Concrete pumping
Continue to improve how we monitor data including developing a CO_2 KPI

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.

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Report written by Anna Eliason with support from Karin Gäbel and input from the Team Thomas organization and various surveys.

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