



TARMAC SUSTAINABILITY REPORT 2016

SUMMARY

OUR STRATEGY

2016 was a busy and exciting year for Tarmac. As a leading business in the UK manufacturing and construction materials sector, we continued to play a central role in delivering more sustainable social and economic infrastructure, and doing so in a way that creates value for customers, employees, communities and the environment.

Sustainability remains a core principle and a critical business-enabling pillar for our organisation, underpinned by our four sustainability priorities of People, Planet, Performance and Solutions.

This sustainability framework helps us to support CRH plc, of which Tarmac is part, in achieving its vision of becoming the leading building materials business in the world, by being the best at what we do – delivering for our customers, and creating value for the Group's shareholders.

The framework guides the behaviours and approach across every aspect of our business. From prioritising people's health, safety and wellbeing; to attracting, retaining and developing talented people; protecting and enhancing the natural environment; innovating our products and services to address customers' challenges; operating to the highest standards of corporate governance and ethics; focusing on strong financial performance, and building long-term engagement with local communities.

We report performance against our sustainability targets on an annual basis in our Sustainability Report, available online. Some of our key achievements from 2016 are highlighted here in this summary document.

See our full report online at:
SUSTAINABILITY-REPORT.TARMAC.COM

PEOPLE

Keeping people safe and healthy is of paramount importance to us. We recognise that our long-term success depends on our ability to attract and develop a talented and diverse workforce, and build strong relationships with our local communities.

ZERO HARM

We have continued to make good progress on our health and safety performance but recognise we need to do much more to achieve our commitment of Zero Harm. During the year work started on the development of a new safety leadership interaction programme, we continued to embed the CRH life saving rules. We received a Mineral Products Association award in recognition for our work in improving vehicle and pedestrian movement.

AN EMPLOYER OF CHOICE

We want employees to feel engaged in our business, to understand their career and development opportunities and how they contribute to achieving our business goals. We have continued to attract new talent through our graduate and apprenticeship programme and supported on-the-job learning and development through Tarmac Discovery Zone, which has attracted more than 2,000 employees.

NET POSITIVE CONTRIBUTION TO OUR COMMUNITIES

We aim to build trust and understanding with our local communities. During 2016, we continued to implement community engagement plans and hosted open days that have seen thousands of visitors to our sites. We have also inspired young people to consider science, technology and engineering roles within our industry. 3,200 young people have been part of the school engagement programme 'Solutions for the Planet'. We are expanding the programme into our North and Scotland region.



1.84

TOTAL
RECORDABLE CASE
FREQUENCY RATE



80

GRADUATE TRAINEES
AND APPRENTICES
RECRUITED



5,500

EMPLOYEE VOLUNTEER
HOURS FOR THE
COMMUNITY

PLANET

We've set demanding commitments to help tackle climate change, enhance environmental stewardship and use resources efficiently.

DESIGN CO₂ OUT OF OUR PRODUCTS AND SERVICES

During 2016, we invested in new energy efficient plant, continued to use wastes as fuels for the production of cement and have converted a number of asphalt plants to natural gas, which reduces carbon emissions and energy costs. We have also invested in new rail facilities to support our commitment to take vehicles off the roads. We are also helping our customers create low carbon buildings and infrastructure using our products.

NET POSITIVE BIODIVERSITY CONTRIBUTION

We aim to provide a lasting legacy through the management and restoration of our sites. Throughout 2016 we have worked closely with wildlife partners such as the RSPB and The Wildlife Trusts gaining wildlife status at Eardington nature reserve in Shropshire. Another highlight was the creation of a man made home for Sand Martins to nest at Newark Blocks.

ACCELERATE THE TRANSITION TO A CIRCULAR ECONOMY

We design out waste from every stage of the product life cycle and help our customers in designing for durability and reuse. We are a net user of waste, using waste and secondary materials from other industries as raw material or fuel in our manufacturing processes. We continue to support our customers, developing products that last longer, can be reused or recycled, or used more easily to reduce waste on site.



23.5%

CO₂ REDUCTION
PER UNIT OF PRODUCT
SINCE 1990



9

MILLION TONNES
MOVED BY RAIL



8.8

MILLION TONNES OF
WASTE AND SECONDARY
MATERIALS USED

PERFORMANCE

By ensuring we offer sustainable construction solutions and uphold the highest standards of governance and ethics, we can create the best value for our customers, employees, communities and shareholders.

CREATE SUSTAINABLE ECONOMIC VALUE

During 2016 we maintained strong economic performance as we continued to develop relationships with our customers, industry partners and communities. During the year we achieved focused growth with the acquisition of 11 readymix concrete plants, a new rail facility at our Aberthaw Cement Plant, investment in rail capacity at Mountsorrel Quarry and the reopening and modernisation of an aerated concrete block factory at Linford, Essex. We have also continued to invest in our most important asset, our people.

UPHOLD THE HIGHEST CORPORATE GOVERNANCE AND ETHICAL STANDARDS

We have a Code of Business Conduct that defines the high standards we expect from our employees, our supply chain and contractors. Work in this area was further strengthened when we achieved compliance with the Sarbanes-Oxley Act (SOx). During the year we continued to support the fight against Modern Slavery, through the formation of a working group, education and awareness training with our supply chain. 2016 also saw the release of our first Modern Slavery Statement, which publicly confirms the steps we are taking as a business.

BE RECOGNISED AS THE PREFERRED CHOICE FOR SUSTAINABLE CONSTRUCTION SOLUTIONS

It is important that our many stakeholders understand the contribution we make as a business to a sustainable built environment. We have continued to engage with local communities and talk to our customers about the whole life performance benefits of Tarmac products, services and solutions, through the provision of Building Information Modelling (BIM), Environmental Product Declarations (EPD) and product carbon footprinting.



INVESTMENT

NEW PLANT AND ACQUISITIONS – CONTINUED BUSINESS INVESTMENT



IMPROVED PROCESS

SARBANES OXLEY ACT 2002 COMPLIANCE ACHIEVED



AWARENESS

MODERN SLAVERY ACT – AWARENESS IN OUR SUPPLY CHAIN

SOLUTIONS

We adopt a whole life approach to provide innovative construction solutions that support our customers' needs and contribute positively to the development of sustainable communities.

RESPONSIBLY PROCURE ALL GOODS AND SERVICES

We aim to procure all our goods and services responsibly and ensure our products are certified as responsibly sourced, to manage business risk and meet the needs of our customers. We have worked closely with our supply chain to implement improvements and have continued to embed responsible thinking into our procurement practices by adopting the principles of BS 8903. In 2016, Tarmac achieved a major success of becoming the first to achieve BES 6001 'excellent rating' across our product range.



EXCELLENT ACHIEVED

BES 6001 — ALL PRODUCTS CERTIFIED AS RESPONSIBLY SOURCED

DEVELOP NEXT GENERATION SUSTAINABLE SOLUTIONS

We focus on innovation and quality to develop new sustainable solutions for our customers. We have continued to work with our network of universities and centres of research excellence, and have developed innovative new solutions to help our customers. In 2016, we launched a number of new products including BELITEX TOPFLOW, a self compacting screed which dries quickly and 12.5kg Mastercrete bags, which will make life easier for DIY customers by reducing waste.

NEW

12.5kg MASTERCRETE

NEW PRODUCT RANGE LAUNCHED

ENABLE CUSTOMERS TO USE INNOVATIVE SOLUTIONS TO CREATE A SUSTAINABLE BUILT ENVIRONMENT

We support our customers to help them meet the challenge of creating a more sustainable built environment. We do this by encouraging early engagement in projects, helping customers develop and select the best products, services and solutions for the job. In 2016, our contracting team achieved BS 11000 certification for business collaboration. We continued to support customers through the development of sustainable solution guides and met customers' requests for 1,000 product carbon footprints.



BS 11000 CERTIFICATION

COLLABORATIVE BUSINESS RELATIONSHIPS STANDARD

Sustainability is a cornerstone of managing the long term future of our business, and plays a fundamental role in shaping our growth strategy. It also underpins our group vision of being the world's leading building materials company.



We have integrated sustainability principles into our business plan and we are focusing our efforts towards the delivery of four of the UN Sustainable Development Goals (SDGs)

**SUSTAINABLE
DEVELOPMENT
GOALS**



We welcome your feedback.
If you have any comments or questions, please
get in touch: SUSTAINABILITY@TARMAC.COM



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