



Allied Concrete

Sustainability Report

2019

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Letter from the General Manager.

As a large national concrete supplier, Allied Concrete can lead and influence change. We are also a part of HWR, a privately owned principally transport-related group who view the responsibility to lead sustainable practices as a privileged opportunity.

Allied Concrete has been in concrete production for over 40 years in New Zealand. Our sustainability journey encompasses initiatives across the three pillars of the UN sustainable practice definition - Economic, Social and Environmental practice. With increasingly competitive markets, we recognise the commitment our customers are making for a sustainable future, and we work hard to understand and support their essential goals.

Allied Concrete remain incredibly proud to have successfully attained Australasia's first EPD. Our Environmental Product Declaration pre-dated the EPD scheme in New Zealand. Alongside many other environmental initiatives, this large piece of work was a commitment to being guided by objectively measurable practices and is a testament to our transparency. We have used EPD data to guide our resourcing, energy choices, waste and production practices. Leading into our last measured year of production, we have proudly cut our CO² emissions by over 20%. At the time of writing, we are days away from releasing our updated National EPD data. There is no other concrete ready mix company in Australasia who can make and verify a claim like this.

With a local geographical spread across more than 50 locations in New Zealand, Allied Concrete recognise our wide-reaching social commitment to urban and

rural New Zealand. We employ over 500 people from a diverse range of nationalities, backgrounds and cultures. As an accredited employer with Immigration New Zealand, we currently support over 50 staff in 'Work to Residence' roles. We are proud of our recent launch; HEART- our wellbeing platform that is available as a tool for all staff and their families.

The following pages are a snapshot of our sustainable journey. We look forward to learning new ways we can work with our customers to improve New Zealand's environment for future generations to call home.

GRANT DRIVER
GENERAL MANAGER



Sustainability Highlights.

23.5%

Reduction in CO₂ emissions*

1st

EPD in the construction industry for NZ

4.5%

Reduction in fuel consumption

18

Nationalities

58%

Increase in near hit reporting in 2019 compared to the last financial year.



Health and Safety.

1,150

Inductions and safety modules completed through HELM

58%

Increase in near hit reporting in 2019 compared to the last financial year.

26% Increase in corrective actions

483 Near hits reported

People are the lifeblood of our business.

At Allied Concrete, we want our people to be safe and healthy, living and working to their full potential. We actively manage and control the hazards and risks exposed to our people in their daily activities. Allied Concrete has fully embraced SHARP, an initiative launched

in 2014 by HWR providing our approach to Health and Safety and an overarching direction for the business. This year Allied Concrete have launched HEART, a health and wellbeing program and HELM, an in-house training system. We have

developed 'Our Code' which outlines our crucial safety rules within the concrete division, and developed and implemented improved emergency response procedures in all plants.

SHARP.

SHARP is our commitment to getting everyone safely home to their family and friends at the end of every day. Allied Concrete adopted SHARP in 2015 and is a long-term campaign that is creating a culture where we all keep ourselves and one another safe.

S

Safety without compromise

We aspire to achieve a Just Culture with accountability rather than blame. It's ok to make mistakes if we learn from them and in which we investigate to find the root cause of incidents and remove the risk. We believe that all accidents can be prevented.

H

Healthy People enjoying the journey

We need to genuinely care for the wellbeing of ourselves and each other. Not only making sure we all get home in one piece, but that we're Healthy and Well, and able to do our job to our full potential.

A

Accountability for safety on my patch

We all need to be accountable for our actions and actively take responsibility for safety on our patch. Personal Accountability is essential in the Just Culture we aspire.

R

Role Modelling so that others might follow

It's the actions of all of us that'll decide the influence we can have on safety. We'll always have a much greater impact if we consistently Role Model the same high standards that we expect from everyone else.

P

Professional Standards keeping people out of harm's way

There's no room for shortcuts if they compromise the procedures and standards we put in place to keep people out of harm's way. We're all professionals, and we have to maintain Professional Standards.

HEART. Health and Wellbeing.

'Heart' is HWR's wellness programme which stands for Health, Energetic, Alert, Rested and taking Time.

As an organisation, we invest heavily in trucks and equipment to ensure we lead the way. But the truth is, our staff are our most valuable asset, and taking care of our wellbeing is fundamental to taking

care of ourselves and others in the workplace. If we don't look after our own physical and mental health – what chance is there, that we will be serious in our efforts to keep each other safe?

Just as we need our fleet to be well serviced, well presented and safe to operate, having our people alert, rested, and healthy in mind and body, is even more fundamental to a

safe working environment. The Heart program has recently been launched into the Allied Concrete business. The main launch targets our front line staff to get involved via a challenge called 'Be Like Mike'.

HELM.

HELM was developed to support the delivery of inductions and specific training elements.

Since the launch of HELM in May 2019 five modules have been introduced including:

- Health and Safety Inductions
- Handling Hazardous Liquid Substances
- Powder Products Handling
- Truck Wash Procedure
- Safe Entry & Working in Concrete Mixer Bowls

We have seen a positive uptake with 1,150 modules completed from over 500 staff over five months.

Our Code.

Our Code has been developed to help guide the decisions of our people and is part of the way we do things. Our people know they will be supported if they are following the rules to keep you safe.

Our Code comprises seven safety rules that are based on staff feedback and provides clear expectations of safety behaviour.

The rules were introduced individually and are discussed as part of toolbox sessions at each of our plants. Knowing and following these rules help our people keep out of harm's way.

1. Always look after your mates. If you see something, say something and report incidents and near hits.
2. Follow all traffic management rules and signage.
3. Always complete your pre vehicle check and abide by road and work-time rules.
4. Never attempt a task in which you are not trained and confident you can complete.
5. Always wear the right PPE for the task.
6. Never complete maintenance or cleaning work on plant machinery without authorised lockout in place.
7. Always arrive to work in a fit state.



Our People.

29

Employees completed a leadership development course.



584

TOTAL STAFF

18

Nationalities employed throughout New Zealand

10%

Women in the workforce

People Development.

Our people are our competitive advantage. They keep the wheels turning every day and are critical to the success of the business. We continue to invest in developing our people to ensure they have the skills and competencies to carry out their roles efficiently and safely. Developing leadership and innovative thinking are critical areas of focus for us.

CAREER PATHWAYS

A multitude of career pathways is offered for people who have the aspiration and drive to succeed. No matter where our people start within the business, there will be a pathway for them. We have a diverse range of operations that allow for career progression to occur within our specific business divisions or across the entire HWR Group, and many qualifications can be obtained while working within the business.

SCHOLARSHIPS AND STUDY GRANTS

The development of existing staff and their families is essential to us. Enabling them to grow their capability is a key objective. To assist us in continuing to attain this objective, we are committed to financially supporting staff and their families interested in furthering their careers through tertiary education.

Driver Training.

We see driving as a progressive and prosperous career. Our drivers are the backbone of our industry. We believe in hands-on teaching techniques in a learning environment that inspires and excites. Since 2002 we have been cultivating our driver training students New Zealand-wide through our registered and accredited Driver Trainers.

DRIVER TRAINING

Our expert Driver Trainers are registered and accredited Driver Instructors and are an Approved Course provider with New Zealand Transport Agency (NZTA). There

are nine qualified Driver Instructors, delivering driver training and assessments throughout New Zealand. All our Driver Trainers are experienced and skilled operators who continue to operate all types of trucks and machinery regularly.

All our Driver Trainers are NZTA approved and are qualified workplace assessors for MITO, Connexis and Competenz. All Driver Instructors are also qualified Defensive Driving Course Managers, for the delivery of the Defensive Driving Programme for Experienced Drivers.

OUR COURSES

- In-cab driver assessments
- In-cab driver training
- Class 2 - Class 5 heavy vehicle truck licence
- Heavy vehicle familiarisation
- Defensive driving for teenage and experienced drivers
- SAFED (Safe and Fuel Efficient Driving)

SAFED.

(Safe and Fuel Efficient Driving).

SAFED is a full one day, off-the-job driver development course. It teaches safe and fuel-efficient driving techniques through a combination of theoretical and practical exercises.

Allied Concrete's SAFED programme provides training and development for existing drivers through training and coaching to enhance the driver's knowledge of fuel-efficient driving techniques and to discuss issues. Benefits of the programme include a

reduction in the use of fuel, reduced vehicle crashes and vehicle running costs, improved driving standards, improved road safety and improved health and well being.

Since the course started, there has been over 262 concrete staff complete the programme. The programme consists of two presentations and two separate drives over a selected route. During the drives the amount of fuel burnt is measured, gear changes are counted and the time to complete the course is recorded. Comparing

the differences between the runs can see improvements as significant as 19% fuel saved, 51% fewer gear changes and can see the 2nd drive completed by up to 4 minutes quicker.

A case study from six drivers that completed the SAFED programme in Rotorua and Taupo collectively made fuel savings of 36.9%, a massive 257 fewer gear changes, and went around the 32-kilometre course 15 minutes quicker.



Our Footprint.

173,400

Tonnes of concrete have been diverted through the Envirocon product stewardship scheme.

1st

The first EN15804 compliant EPD in New Zealand.

23.5% Reduction in CO₂ emissions*

Zero

Waste concrete went to landfill

EPD.

Environmental Product Declaration.

In 2014 Allied Concrete made a conscious decision to start measuring emissions and released an Environmental Product Declaration (EPD). Since this first EPD was issued we have seen a reduction in CO² emissions by 23.5%*

This “declaration” is independently verified and enables Allied Concrete to declare the full environmental impact of our product, from water use, energy, waste and CO² generation for all of our concretes made with Holcim Cement.

The EPD allows benchmarking of all our plants for measures such as waste volumes of concrete, fuel use, water consumption and energy use, all normalised to a cubic meter of concrete, allowing us to apply best practice across the entire Allied Concrete national network.

1st
The first EN15804
compliant EPD in New
Zealand.

23.5% Measured reduction in CO²
emissions*

* Calculation based on 40MPa data recorded over four years.

Recycling.

We aim to minimise the use of resources, and energy, every day. We are very conscious of our environmental impact and take our obligations to care for the environment in which we live and work very seriously. We are on a continuous journey to improve our work practices and widen our contribution to a sustainable business and community environment.

WATER

We continue to be mindful that the work we do could harm the environment if we do not operate efficiently. To this end, we continue to monitor sites and carry out regular audits to ensure all sites are compliant and are meeting all resource consent conditions.

Our concrete plants recycle wastewater and use it for washing down yards and as mix water for concrete production.

PAINT

Allied Concrete partnered with 3R to use unwanted paint in our concrete as a replacement for air entrainer.

3R joined forces with Resene to develop innovative solutions for turning waste paint once destined for landfills into a useful ingredient in cementitious applications.

Designated Resene ColorShops collect unwanted paint as part of the Resene PaintWise service.

Envirocon.

Product Stewardship Scheme.

Allied Concrete is proud to be a founding member of Envirocon.

The Scheme provides a sustainable end of life management solution for waste ready mix concrete and is the first and only accredited scheme for the construction industry.

Envirocon was launched in Auckland and has generated significant reductions in waste concrete.

Collected concrete is stabilised and delivered to a central processing point where it is re-used for concrete blocks. The block product is then used nationally or exported offshore where it is used in commercial and

infrastructure projects.

Following initial learnings, Envirocon has been rolled out to many other collections points across Auckland, Waikato and Canterbury.

ENVIROCON
CAPTURING CONCRETE EXCESS

Synthetic Mobil Lubricants.

In 2017 the entire Allied Concrete fleet was converted to Synthetic Mobil lubricants. The result was reduction in pollution while improving fuel efficiency.

4.5%

Reduction in fuel
consumption

During trials, we received a 3-4% annual fuel savings. Allied Concrete has since changed over its large fleet of 400 trucks to use Mobil Delvac 1 LE 5W-30, a fully synthetic engine oil, and associated synthetic drivetrain oils. In addition, Mobil Serv Lubricant Analysis has helped with preventative maintenance and has allowed Allied Concrete to optimise the drain intervals, which will reduce engine oil use and therefore waste oil by over 50%.

We were recognised for the successful trial and implementation of the bypass filtration systems and

synthetic lubricants and received the ‘Champion of Change 2018’ Sustainability Award from Downer Soletanche Bachy Joint Venture (DSBJV) for their work on the CRL Contract 1 (C1).

Mobil
Lubricants

Awards.

Allied Concrete are proud to have received the following awards that sit within in the three pillars of the UN Sustainable Development Goals - economic, social and environmental practices.

City Rail Link Sustainability Award.

A key supply partner to the City Rail Link (CRL) project in Auckland's CBD, Allied Concrete has received the 'Champion of Change 2018' Sustainability Award from Downer Soletanche Bachy Joint Venture (DSBJV) for their work on the CRL Contract 1 (C1).

This stage within the greater CRL project includes the redevelopment of the existing underground rail network underneath the Central Post Office and lower Queen Street, linking the downtown Britomart Transport Centre to the Commercial Bay development and wider Auckland rail network. It is a very complex and challenging section of the project.

Allied Concrete has been recognised for its efforts for the successful trial and implementation of bypass filtration systems and synthetic

lubricants into their concrete vehicle fleet engines and drivetrains – thus improving fuel efficiency and significantly reducing oil consumption.

The trial phase resulted in fuel savings of up to 4.5 %. In addition, the use of Mobil Delvac 1 synthetic lubricants has enabled extended periods between oil drains from 500 hours to 1,000 hours for vehicles running synthetic lubricants, and up to 2,000 hours for vehicles retrofitted with bypass filtration and running synthetics. This is estimated to reduce annual oil consumption by 78 %. Partnering with Mobil Lubricants enables Allied Concrete to utilise Mobil Serv, a proprietary oil analysis programme that provides on-going data analysis and reporting on oil performance and component wear to aid in maximising the service life of each vehicle.

Allied has converted all their concrete fleet nationally, including

Auckland, to synthetic lubricants. All new trucks which have entered the fleet since that time, approximately 70, have been fitted with bypass filtration systems and a further 60 trucks, split between Christchurch and Auckland, have been retrofitted with these systems.

Sarah Sutherland, Environmental and Sustainability Manager, said it's great to be able to recognise Allied's efforts to challenge their business as usual. We have worked with Allied to develop sustainability targets relevant to the supply of their products to our project, and we monitor performance to ensure they are achieving sustainable outcomes. This initiative is above and beyond their sustainability targets with DSB JV. We have been really impressed with their passion for creating change in their business and it's lovely to be able to recognise their efforts with this year's sustainability award.



Supporting Woman in Trades.

Brian Godfrey Allied Concrete's National Training Manager and industry representative to the BCITO National Advisory Group for Concrete attended the BCITO Skills Summit in Auckland, the theme of the summit was Your Team, Find. Train and Retain.

At the conference celebration dinner, BCITO recognised 15 individual companies who had demonstrated the development and growth of woman in the trades.

Brian, on behalf of Allied Concrete, accepted an award in recognition for the growth of female employees in what has been a male-dominated industry.

The increase of female employees within Allied Concrete has been reasonably rapid, rising from 20 in 2015 to 55 in 2018.

The roles being filled are across the entire range of the company's operations from management trainees to drivers, quality technicians, plant supervisors and managers.

This increase can only be attributed to the acceptance of the staff and management that women can do anything. Brian is sure that the presence of company directors,

Shona Richardson and Joc O'Donnell throughout many of the company's concrete plants, and Joc's ability to be able to demonstrate that she can do anything her staff can, has contributed to this acceptance.

Brian believes further increases in the female workforce within Allied Concrete are only hampered by building awareness and understanding that a career in the Concrete Industry exists for women.

Concrete Weather App.

Allied Concrete's weather advisory won the Technology Award at the 2013 Concrete Awards.

This is a smart-phone based weather forecasting application designed to give concrete placers and contractors an indication of the weather over a 7-day timeframe that will enable the user to assess the potential influence of the weather on the concrete being placed. It is using meteorological data that is used to generate official forecasts and uses additional inputs for relative humidity and wind speed.

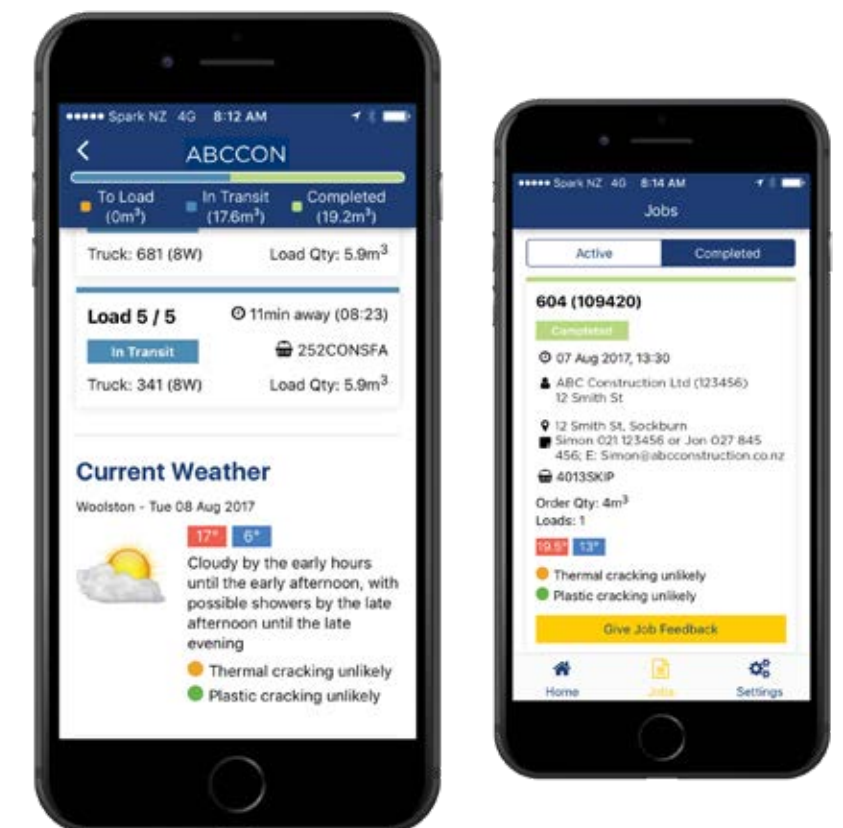
What the judges said:

The ability to better manage the risks associated with the decision on whether to proceed with a concrete pour is important in New Zealand, where the risks of unsightly plastic cracking are well known to be very high.

The new Allied Concrete Weather App is a clever and comprehensive smartphone tool that can provide a local 7-day forecast, outline the potential risk associated with thermal cracking, and allows you to ask specific questions about whatever weather event you have in mind.

Designed in New Zealand and customised to the specific risks we face, this application will assist concrete placers and contractors in assessing the potential influences of the weather on the concrete being placed, providing a technical reason why we should or shouldn't pour.

Whilst developed by Allied Concrete for its customers the tool is readily accessible by anyone in the industry - the potential to avoid making bad calls is ultimately good for everyone. Simply put, this clever and innovative tool has provided the industry with a smart way to assess and manage the risk of thermal cracking.



You can now access the Weather Advisory through Allied Concrete's 'My Concrete' App

Our Products.

12%

Reduction of CO² emissions and energy consumption when using READY Floor compared to standard floors.

100%

Recyclable plastic pods introduced as a more sustainable foundation solution.

15 READY Super Slab QPOD Floors completed in first three months

750 m³ of READY Floor supplied in 2019 YTD

Super Slab QPOD.

Made from recycled material, READY Super Slab QPOD now offers homeowners, specifiers and installers a more sustainable and eco-friendly foundation solution.

READY Super Slab QPOD is the latest solution in Allied Concrete's READY Solutions range and is a system designed to be easy to install and 100% recyclable.

Benefits include:

- Easy transportation - QPOD's required for standard residential floor build can be delivered on a standard single axle trailer or back of a ute.
- Easy to store - QPOD's stack

neatly taking up minimal storage space.

- Clean work site - No styrene fly-aways and poly beads.
- 100% Recycled - QPOD is manufactured from 100% recycled and reprocessed plastics.
- 100% Recyclable - QPOD offcuts and surplus are 100% recyclable at all NZ recycling depots.
- NZ Made - QPOD is proudly 100% NZ owned and manufactured in the Hawke's Bay.
- Lightweight - Each QPOD weighs in at just 1.2 kg for ease of handling.
- Super stable - Unique

interlocking system keeps them in place during concrete pour and in windy conditions.

- Fast - Steel falls into place requiring fewer ties for an easy install.
- Built-in 40mm spacer spacing the mesh for the correct cover every time.

100%

Recyclable with zero landfill waste.

READY Floor.

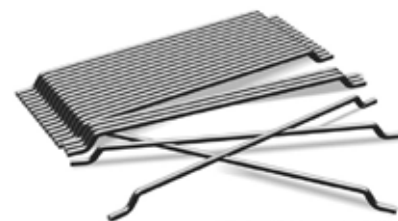
There are many benefits of READY Floor, including the use of recycled steel fibres, allowing a reduction of CO² emissions and energy consumption of up to 12% when compared to standard mesh solutions.

READY Floor is easy to place, faster to build, and proven to work. Applications include any lightly loaded ground slab built on 'good ground'.

READY Floor concrete arrives on site pre-reinforced with no additional mesh required as fibres are added to the mix during batching at the plant. This saves significant time and

disruption on site for contractors, and by eliminating traditional steel mesh reinforcing, READY Floor can provide a 20% efficiency in build costs.

- Less time spent on ordering, uploading, cutting, tying steel, mesh and chairs.
- One pour - no separate foundation and floor bookings.
- Can be poured straight from the chute if access permits.
- No internal boxing and pegs if the foundation is READY Floor.
- Faster - improve productivity from existing resources.



READY Eco Glass.

READY Eco Glass is part of Allied Concrete's ongoing commitment to providing sustainable solutions.

READY Eco Glass incorporates recycled glass in the concrete; the glass replaces some of the sand in the mix without compromising

quality, consistency or the environment.

It started for Allied Concrete in Wellington where it was discovered that beer and wine bottles from the Kapiti Coast were being shipped overseas to be dumped, this causing three environmental issues right

here; wasting of glass resources, waste of shipping overseas, our waste in someone else's landfill. So with the assistance of Government funding, READY Eco Glass was developed and is now used in Auckland and available on request from Allied Concrete branches across the country.

Excellence in Concrete Innovation Award.

At the 2012 NZRMCA Awards, READY Eco Glass was awarded the 2012 Concrete³ Sustainability - Excellence in Concrete Innovation Award.

*What the judges said:
Excellence in Concrete Innovation*

was awarded to Allied Concrete Limited for its Recycled Glass Sand Initiative. The company has converted three of its plants to be able to use crushed glass as a sand replacement in a selection of lower strength concrete mixes.

The environmental benefits resulting from the kerbside collections, processing and use of waste glass

in concrete include landfill life extension, reduced transportation of recycled materials and conservation of natural resources.

By committing to the efficient and effective use of recycled glass as an on-going business practice, Allied Concrete have demonstrated true sustainability that yields benefits for everyone.



Our Community.



6,000

Sun hats, sunscreen, drink bottles and other gear has been donated to our local communities.

We frequently host BBQ's and support small local projects across New Zealand.

Community Involvement.

'Doing things for good' in our communities remains a cornerstone in how we do things. Being able to give something back and support organisations that are enriching people's lives makes sense.

Allied Concrete support local communities throughout New Zealand from supporting school visits, sports teams and community

initiatives to working with Cycling Action Network to improve awareness of cyclists and truck drivers to each other while on our

roads by supplying trucks and driver trainers to education days.



Bishopdale Village Mall

A group of locals joined forces to form the Bishopdale Beautification Project group.

Lindsay Dell, of the Enliven Bishopdale Group, is one of the members of the BBP, and he hoped

the way the community has been involved could be a good model for other groups in the city.

The project is led by the city council, but run by the community, with multiple organisations being

involved and local businesses offering resources for the project.

"The Bishopdale Village Green path now provides a colourful link between the mall and library," Mr Greenwood said.

A path, water fountain and planting on the new village green are complete. The path is orange and yellow – the colours of Bishopdale Village Mall, it curves through the village green and is lined by flowering cherry trees

Mr Greenwood said workers from Allied Concrete played a big role in the path, the two members that poured the concrete, Dave Barker and Mike Smith gave their time freely and spent an extra two hours applying a non-slip coating to the path.



Matangi School Visit.

Students from the Rimu Hub class at Matangi School in the Waikato were studying reuse/recycle and sustainability. Allied Concrete was asked to do a presentation about sustainable concrete and recycled/reusable materials at the school. Peter McDermott (Waikato & Bay of Plenty Plant Engineer) presented to the class on the use of flyash, slag, silica fume, glass, plastic aggregates, recycled paint and recycled/reclaimed water in concrete mixes and showed the kids some samples of materials. During the presentation, Peter dialled into a concrete batch plant online and showed the children a load of concrete being batched in Tauranga on Command Batch.

After the presentation, all children (under supervision of teachers) went outside to the reserve where kids were able to have a look at a concrete truck, which was organised by Neil McLaren (Horotiu Plant manager) with Jimmy Thompson driving.

The kids had an opportunity to sit in the truck and used the remote control to mix the bowl, which they got a surprise when we spun the bowl to discharge coloured plastic balls. The children had lots of fun learning about concrete and the environment, and the school was very appreciative of the support from Allied Concrete.



Matangi School pupils and staff pictured in front of the Allied truck with Peter McDermott and Jimmy Thompson from Allied Concrete



Matangi School pupils participating during the presentation with Peter McDermott Waikato & Bay of Plenty Plant Engineer



Share the Road

Share the Road's mission is to enable road users' understanding of each other when sharing the road.

Our Christchurch Drivers recently took part in a practical workshop with presenters from the Share the Road program to educate our team on what it is like on the road for a cyclist and build awareness surrounding safe practice when passing cyclists in trucks on our roads.



Lenza Green recycled paper produced of 100% recovered fibre.
Manufactured without chlorine bleaching.