Hanson UK

2021 Performance and sustainability summary report

Ouse Fen nature reserve is the largest planned nature conservation restoration scheme of its kind in Europe

Hanson
HEIDELBERGCEMENT Group

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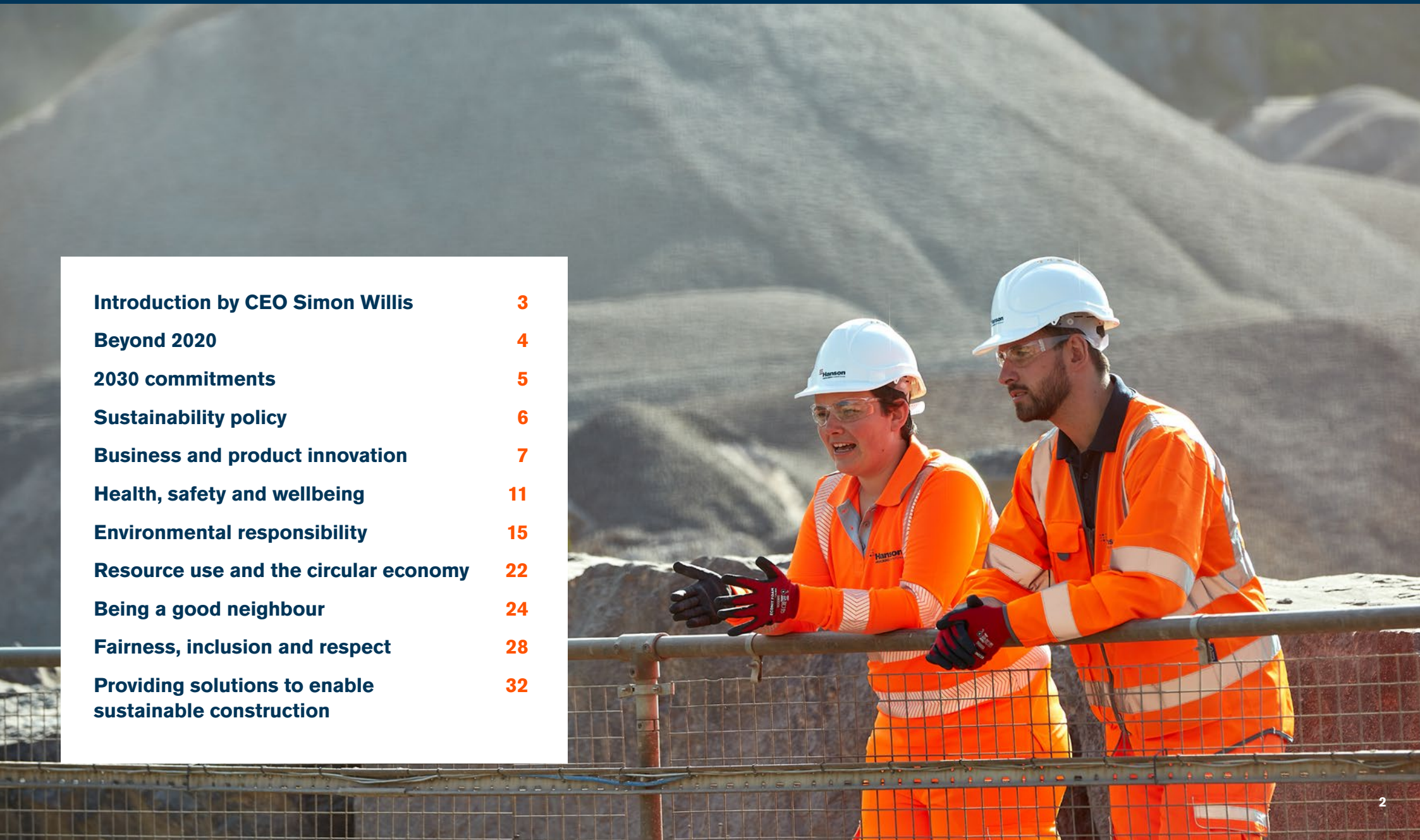


Introduction by CEO Simon Willis

This year has been like no other due to the unprecedented challenges brought about by the Covid-19 crisis and I am extremely proud of the way we have adapted and performed.

As part of a critical industry, we took additional steps to make our sites and workplaces safe for staff, contractors and visitors as we carried on working to supply essential materials to keep roads, rail and infrastructure maintained and operational.

In this report, we highlight our 2030 commitments, and the progress we made during 2020 towards our ambitions across our business.

Like our parent company, HeidelbergCement Group, we are committed to fulfilling our share of the global responsibility to keep the rise in worldwide temperature well below 2 degrees Celsius.

Although we need to be nimble, adapting to changing markets and technologies, we are in our business for the long term, which is why we take our responsibility for sustainability so seriously.

Sustainability is, of course, about conserving water and energy, reducing emissions, enhancing biodiversity and protecting the environment and these are key areas in which we are making big strides. We aim to reach net zero carbon by 2050 and are involved in a number of industry-leading carbon reduction projects. These include trialling carbon capture and storage at our Padeswood cement works and a net zero carbon fuel mix at our Ribblesdale works.

But sustainability is also about working efficiently, making a profit and investing in value-creating projects to grow our business. And, as importantly, it's about people, including health, safety and wellbeing, succession planning, diversity and adding value for our stakeholders and communities. This led to the development of our social value policy in 2020, which is founded on our core values and demonstrates our commitment to responsible leadership and continuous improvement.

We work hard to train, empower, develop and communicate with our employees to ensure they are fully engaged. Our One Team philosophy is underpinned by values and aspirations designed to make our people feel connected, involved and valued. This will allow us to deliver an improved service to our customers and strengthen our sustainability performance.

Effective management of safety, health, environment, quality, energy, carbon reduction, and responsible sourcing is of key importance to the sustained success of our business. Our long-term success depends on sustainable business practices and the UK executive team has given its full backing to ensure the 2030 commitments are achieved.

Simon Willis

Beyond 2020

Our parent company, HeidelbergCement, has a strong track record in reducing CO_2 emissions: by 2019, it had already achieved a 22 per cent reduction of the specific net CO_2 emissions per tonne of cementitious material compared with 1990 levels. It was awarded a place on CDP's 2019 and 2020 Climate Change A-list and was also the first cement company to receive confirmation from Science Based Targets initiative (SBTi) to limit global warming to below 2°C.

In September 2020, HeidelbergCement adopted a 'beyond 2020' strategy, with sustainability as one of six core areas, and it has committed to reduce net CO_2 emissions per tonne of cement by 30 per cent by 2025 (based on 1990 figures) and will realise its vision of carbon neutral concrete by 2050. These are ambitious targets but are based on a bottom-up road map, which has been built plant by plant, country by country, across 50 countries of operations.

A key part of this road map is carbon capture, use and storage; an area in which HeidelbergCement is making significant progress. Work is underway on the first industrial-scale project at a cement production facility at its Brevik plant in Norway and HeidelbergCement is now looking to create the world's first carbon-neutral cement plant in Slite on the Swedish island of Gotland.

HeidelbergCement's Brevik cement plant in Norway

Supporting Covid-19 recovery

As designated key workers, we supported the delivery of materials and construction services to key infrastructure projects and maintained employment throughout the Covid-19 pandemic.

Through strict application of government guidance, understanding and management of risk, we quickly and effectively adapted working practices to keep our stakeholders safe. We completed a five-day continuous pour to construct the base for the second reactor at EDF Energy's Hinkley Point C nuclear power station and supplied concrete for three field hospitals – in Cardiff, Exeter and Swansea – to support increased demands caused by the pandemic, as well as the groundworks for the Vaccine Manufacture and Innovation Centre at Harwell.

We also contributed directly with donations of PPE, including masks, gloves and coveralls to support frontline health and care workers.

2030 COMMITMENTS

The 2030 commitments are the cornerstones of our sustainability strategy. They were first introduced in 2018 and, in 2020, we revised some of the related topics and their deadlines to reflect environmental and social developments. They now include several new or updated targets and an even broader range of responsibilities in corporate sustainability management.

At their heart are our parent company HeidelbergCement Group's six sustainability commitments:

- Business and product innovation
- Health, safety and wellbeing
- Environmental responsibility
- Resource use and the circular economy
- Being a good neighbour
- Fairness, inclusion and respect

We have also adopted and linked the United Nations Sustainable Development Goals (UNSDG's) to the strategy's key areas to demonstrate we are in line with global action.

Key topic	Hanson 2030 commitments	United Nations Sustainable Development Goals
Business and product innovation	We will ensure continuous business improvement through the effective management of all processes and resources and the continuing innovation of product and services.	8 DECENT WORK AND ECONOMIC GROWTH; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 11 SUSTAINABLE CITIES AND COMMUNITIES
Health, safety and wellbeing	We will ensure Hanson is a safe and healthy place to work and are committed to continuously enhancing the health, safety and wellbeing of our employees and contractors.	3 GOOD HEALTH AND WELL-BEING; 4 QUALITY EDUCATION; 8 DECENT WORK AND ECONOMIC GROWTH
Environmental responsibility (air, carbon and energy, land use and water)	We are committed to fulfilling our share of the responsibility to keep the global temperature below 2° Celsius and we will continue to reduce our impacts on air, land and water.	6 CLEAN WATER AND SANITATION; 7 AFFORDABLE AND CLEAN ENERGY; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION; 15 LIFE ON LAND
Resource use and the circular economy	We will conserve natural resources by avoiding or reusing waste and by continuously increasing the use of alternative resources as substitutes for natural raw materials.	8 DECENT WORK AND ECONOMIC GROWTH; 11 SUSTAINABLE CITIES AND COMMUNITIES; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Being a good neighbour	We are committed to making a positive contribution to the communities around our operations and ensuring transparent communication to our stakeholders.	4 QUALITY EDUCATION; 17 PARTNERSHIPS FOR THE GOALS
Fairness, inclusion and respect	We will be a fair, respectful and inclusive company; encouraging a culture that values openness and transparency and recognises individual achievement.	5 GENDER EQUALITY; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS; 17 PARTNERSHIPS FOR THE GOALS

Sustainability policy

Effective management of safety, health, environment, quality, energy, carbon reduction, and responsible sourcing is of key importance to the sustained success of our business.

We have a single sustainability policy, which is regularly reviewed and communicated to employees, contractors, visitors, key stakeholders and our supply chain to inform and promote wider adoption of responsible practices. As a minimum, we comply with all applicable legal and regulatory requirements. Co-operation in the effective implementation of the policy is a condition of employment, partnership and supply.

Business and product innovation

Mortar prism curing at Scunthorpe laboratory

Business and product innovation

Our policy

We will ensure continuous business and product innovation.

Our 2030 commitments	Our progress
We will reduce the carbon impact of our products, with a science-based target of 15% reduction from a 2016 baseline	Development of our range of low carbon concretes e.g. EcoPlus, which can result in CO_2 savings of up to 54% Internally verified Environmental Product Declarations (EPDs) offered to customers, to allow them to choose the lowest carbon products for their projects
100% of our operational sites will have full IMS certification to ISO 9001, ISO 14001, ISO 50001, ISO 45001 and BES 6001	100% of our sites fully comply with IMS certification
A new commitment for the average CO_2 emissions associated with our cementitious products to be reduced to 525 kg/tonne by 2025 and less than 500 kg/tonne by 2030	Average CO_2 emissions associated with our cementitious products was 418 kg/tonne, down 1.4% from 424 kg/tonne in 2019

Business and product innovation in action

Environmental Product Declarations (EPDs)

We have used the BRE LINA online tool to access life cycle assessment data and verify Environmental Product Declarations (EPDs) for eight of our most popular concrete mixes and for the UK average concrete. There are also verified EPDs for cement and Regen. All aggregate, cement and Regen sources are available as materials within LINA to allow the generation of internally verified EPDs for specific products on request, including the calculation of cradle to gate carbon that can be calculated for all products. These are publicly available on the Hanson website.

We have already exceeded the new global HeidelbergCement commitment to reduce the average CO_2 within cementitious products to 525 kg/tonne by 2025 and to less than 500 kg/tonne of by 2030. By using our lower carbon cements in combination with Regen we are already achieving an average CO_2 within our cementitious products at 418 kg/tonne as a national average. EPDs can be provided if our customers require a tailored low carbon solution for their project and are based on the best mix design that balances their performance and environmental impact needs.

Business and product innovation

Business innovation

Over £40 million was invested in capital expenditure projects to improve efficiency and reduce carbon emissions in 2020. These include:

- Upgrading our Greenwich concrete plant at Victoria Deep Water Terminal on the Thames. Storage capacity has been significantly increased, greatly reducing the frequency with which raw materials need to be brought onto the site. Proximity to the Thames allows these materials – and finished products – to be transported by river, keeping over 16,000 vehicle movements off the roads each year, and significantly cutting CO_2 and other associated emissions. The new equipment also improves efficiency and brings a range of sustainability enhancements including reduced energy usage; a water harvesting system; a recycling centre for returned concrete; and the capability to store and incorporate reclaimed and low carbon materials into the concrete mix.
- Launch of our new marine aggregate dredger, Hanson Thames, which forms part of our strategy to replace our existing ageing dredgers. The vessel, which will operate in the North Sea and English Channel, provides increased payload and efficiency and is equipped with enhanced safety features including an enclosed bow to protect equipment and dredge pipes positioned above the main deck.
- A new ship to shore conveyor at our Dagenham aggregates depot and wharf in East London has increased the speed with which sand and gravel from the marine aggregate dredgers is transferred, cutting waiting time and reducing fuel use.
- £1 million investment in our ready-mixed concrete plant in West Byfleet, Surrey, to meet the latest energy efficiency standards and demonstrate our commitment to being a good neighbour by reducing dust and noise.

Victoria Deep Water Terminal concrete plant

New Hanson Thames dredger being launched

Dagenham aggregates depot

Business and product innovation

Low carbon concrete

We supplied specialist low carbon concrete to support BAM Nuttall and Network Rail deliver coastal protection works in Dawlish, Devon.

The bespoke mix contains our Regen GGBS to create a low carbon concrete that is strong enough to withstand storm force winds and seas while reducing the amount of carbon generated by two-thirds.

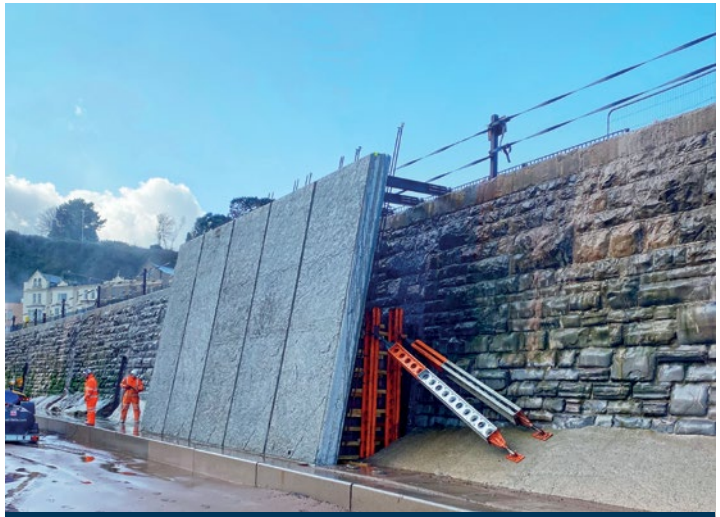
Concrete containing 70% Regen GGBS was also supplied to Renaker for its Deansgate Square development in Manchester saving more than 500 tonnes of CO_2.

Highlights

Supplying low carbon **EcoPlus** concretes with up to **95% GGBS**

100% of our sites fully comply with **IMS certification**

Multicem **Tough Bag** sales up with **95% less plastic**



Coastal protection works in Dawlish, Devon

Deansgate Square, Manchester

Multicem Tough Bag

In 2020 we focussed on increasing sales of our new tough paper bag for Multicem, a premium cement suitable for use in mortar, render, screed and concrete, to replace the previous plastic packaging. It has a laminated plastic outer, which means it contains only 4g of plastic per bag compared to 90g for a conventional plastic bag. This gives a reduction of 95%, saving almost 5kg of plastic per pallet and one tonne for every 10 full loads.

Health, safety and wellbeing

Health, safety and wellbeing

Our policy

We will ensure Hanson is a safe and healthy place to work.

Our 2030 commitments	Our progress
To reduce the number of potentially fatal incidents by more than 50%	**Potentially fatal incidents (PFI):** ▪ **Up 31%** from 48 in 2018 to 63 **Lost time injuries (LTIs):** ▪ **Down 10%** from 20 in 2018 to 18 in 2020 ▪ Frequency rate **down 40%** from 1.77 in 2018 to 1.06 in 2020 ▪ Severity rate **down 80%** from 84.91 in 2018 to 17.34 in 2020 **Total case injuries (TCI):** ▪ **Down 34%** from 77 in 2018 to 51 in 2020 ▪ Employee TCI frequency rate **down 35%** from 4.9 in 2018 to 3.2 in 2020 **Significant near hits:** ▪ **Down 42%** from 403 in 2018 to 233 in 2020 ▪ Frequency rate **down 35%** from 54.8 in 2018 to 35.4 in 2020 **Investigations:** ▪ Number of incidents requiring investigation **dropped by 37%** from 659 in 2018 to 359 in 2020 ▪ Average number of days to close an investigation **up 11%** from 17 days in 2018 to 19 days in 2020
Implement our annual Health & Safety and Health & Wellbeing Improvement Plans at 100% of sites	Health & Safety Improvement Plans and Health & Wellbeing Improvement Plans were implemented at 97% of sites with some restrictions due to Covid-19

Highlights

Lost time injuries since 2018
Down **10%**

LTI severity rate since 2018
Down **80%**

Significant near hits since 2018
Down **42%**

135 mental health first aiders
1 per 25 employees

Health, safety and wellbeing

Allington asphalt plant

Health, safety and well-being in action

Improvements in incident reporting

We have implemented a system of increased incident awareness and reporting in order to drive changes to improve health and safety standards. As a result, the number of potentially fatal incidents has increased while the number of significant near hits has reduced by a similar amount.

Mental health awareness

During Covid-19 the health and wellbeing of our employees became more important than ever. We responded quickly with daily meetings at executive level to ensure appropriate actions were taken and the response to a rapidly changing situation was effectively managed.

We continued our support of industry charity Mates in Mind to break the stigma associated with mental health issues and we ran a programme of activities to support employees during Mental Health Awareness Week. We now have 135 mental health first aiders (4% of workforce, or one for every 25 employees), trained to recognise and support those who have mental health concerns and spot the trigger signs.

Health, safety and wellbeing

Health and Safety Week 2020

Activities were based on the key themes of our 2020 safety improvement plan – control of contractors and risk assessment. All employees received a Covid-19 support pack, with useful items such as a key ring hand sanitiser and a snood which can be used as a neck scarf for the colder months.

Health and safety week pack sent to employees

Vehicle safety award

Early in 2020 we received a 2019 Roadworthiness Award from the Freight Transport Association (now Logistics UK) in recognition of the excellence we have achieved in vehicle safety and our commitment to maintaining the highest standards of compliance and vehicle condition. It was one of only 15 given out based on the association's inspections of 1,000 company fleets.

Hanson UK's customer service centre in Syston, Leicestershire

Environmental responsibility

Ouse Fen nature reserve is the largest planned nature conservation restoration scheme of its kind in Europe

Environmental responsibility

Our policy

We are committed to fulfilling our share of the responsibility to keep the global temperature rise below 2° Celsius and we will continue to reduce our impact on air, land and water.

AIR	
Our 2030 emissions commitments	**Our progress**
We will reduce the carbon impact of our operations, with a science-based target of 15% reduction from a 2016 baseline	Carbon impact of our operations for Scope 1 emissions is up 3.5% from 46.21 kg CO_2/tonne in 2016 to 47.84 kg CO_2/tonne in 2020 When normalised to assume the same product mix ratio as the 2016 baseline, it shows a decrease of 6.5% to 43.19 kg CO_2/tonne in 2020 Absolute thermal energy usage has dropped by 5.6% since 2016 and normalised thermal energy per tonne shows a decrease of 2.6% from 68.78 kWh/tonne in 2016 to 66.97 kWh/tonne in 2020 Scope 1 and 2 net CO_2/tonne of cementitious material is down 54.9% from our 1990 baseline and down 18% from our 2016 baseline
Scope 2 emissions from electrical power consumption within our operations will be reduced by at least 65% compared to 2016	Our 2030 ambition has already been achieved as Scope 2 emissions are down 97.3% from 4.95 kg CO_2/tonne in 2016 to 0.13 kg CO_2/tonne in 2020, with normalised emissions down 97.5% to 0.12 kg CO_2/tonne in 2020 Absolute electrical energy usage has dropped 7.8% since 2016 and normalised electrical energy per tonne has decreased by 2.9% from 11.65 kWh/tonne in 2016 to 11.32 kWh/tonne in 2020.
100% of our car fleet and 50% of our van fleet will be fully electric or hybrid by 2025	38% of our car fleet is now hybrid or fully electric (up from 29% in 2019) Trials of electric/hybrid vans will take place in 2021
We will collaborate with suppliers to enable our transport to be more efficient, including through new technologies for LGVs and heavy machinery such as site excavators, loading shovels and dumper trucks	We continue to explore the potential for new technologies for our fleets to reduce carbon emissions
From our cement operations we will reduce NO_x by 40% and dust emissions by 80% from a 2008 baseline and maintain SO_2 emissions below BAT (best available techniques) requirements	From the 2008 baseline in cement, SO_x is up 20% but remains below the UK average and well below the best available techniques (BAT) guidelines level for new cement plants, NOx is down 11% and dust is down 62%
A new commitment to reduce CO_2 emissions from downstream transportation (the transportation of materials from our sites to customers) by at least 15% compared to 2019	Overall aggregate tonnage moved by rail was less, as a result of decreased demand due to Covid-19, but was up to 27.5% of the total (up 2% compared with 2019) CO_2 emissions from downstream transport have reduced by 0.8% compared to 2019

Environmental responsibility

Reducing emissions in action

Scope 2 emissions

As most of our sites use a zero-carbon electricity tariff, the reduction target of 65% has already been exceeded. We recognise we can do more than purchasing low or zero carbon electricity and that by reducing our own power consumption we can also reduce carbon emissions.

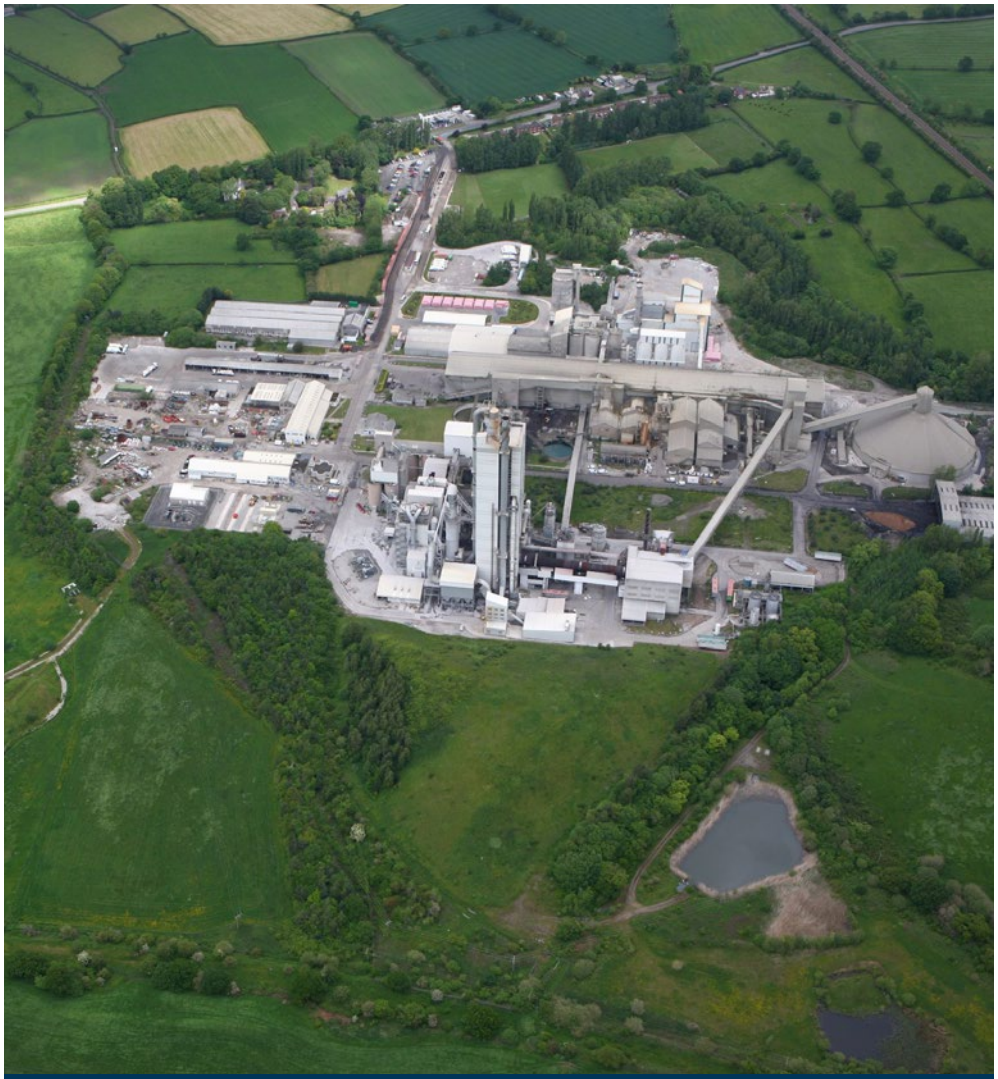
Carbon capture and storage

During the year we have been investigating opportunities for carbon capture and storage at our Padeswood cement works near Mold, Flintshire. We have since formally joined HyNet North West as a consortium partner. The project will play a critical role in the UK's transition to net zero greenhouse gas emissions by 2050 through carbon capture at major industrial sites and the provision of low-cost hydrogen to other industries where carbon capture is not practical. The HyNet North West project will reduce regional CO_2 emissions by up to 10 million tonnes – including up to 800,000 tonnes from our Padeswood plant – every year by 2030; the equivalent of taking four million cars off the road.

Highlights

CO_2 emissions per tonne of cementitious material down **54.9%** since 1990.

CO_2 emissions from electricity down **97.3%** since 2018 due to purchase of carbon neutral energy.



Padeswood cement plant in Mold, Flintshire

Environmental responsibility

Reducing emissions in action

Alternative fuels

We are tackling the emissions from fossil fuels by continuing to use biomass wastes in our kiln fuels and are collaborating with researchers at Swansea University on a project to replace some of the natural gas used to power our Regen GGBS plant in Port Talbot, south Wales, with green hydrogen. A demonstration unit has been installed which produces green hydrogen through the process of electrolysis from rainwater, using renewable energy generated through solar panels and small wind turbines.

On a much larger scale, we are also working on a demonstration of a net zero kiln fuel mix at our Ribblesdale cement works in Clitheroe, Lancashire. This is part of a £6.2 million project being funded by the Department for Business, Energy and Industrial Strategy (BEIS) and has been awarded through the Mineral Products Association (MPA). It follows a BEIS-funded feasibility study in 2019, which found that a combination of 70% biomass, 20% hydrogen and 10% plasma energy could lead to cement and lime kilns operating with a net zero carbon fuel mix. We are replacing our current fossil fuels used in the kiln with hydrogen and biomass to assess the impacts on the process and product quality and performance.

Green hydrogen demonstration unit at Port Talbot GGBS plant

Reduced emission asphalt (REA)

In 2020 we introduced a new range of REA products to help minimise the impact of asphalt production and laying on local air quality. REA uses Shell Bitumen FreshAir, a specialist binder, which helps reduce emissions from asphalt mixes by an average of 40 per cent compared with conventional bitumen. It acts directly with some of the chemical compounds affecting air quality, as well as odour-releasing molecules, helping to cut NO_x, SO_x and particulate matter.

REA can be produced using our energy reducing asphalt (ERA) warm mix technology, which provides a significant reduction in CO_2 emissions, providing a complete sustainable solution which reduces embodied carbon as well as emissions from the asphalt. This combination was specified by Tesco to resurface four of its customer car parks across the country in 2020. Using ERA realised a saving of 7,630kg of CO_2 emissions, compared with conventional hot rolled asphalt, while the REA used is estimated to have a similar effect on particulate matter as planting 146 trees and a similar impact on the reduction of NO_x as removing 366 cars from the road.

Walking floor articulated HGV delivering asphalt in London

Environmental responsibility

LAND	
Our 2030 land use commitments	**Our progress**
Biodiversity net gain will be fully integrated into our business for new quarry developments	We are tracking and await the legislation contained within the Environment Bill We are working with the MPA to understand the implications for our business
A new commitment to carry out biodiversity net impact studies at all quarry sites by 2025	Plans are underway for all our quarrying operations to carry out biodiversity net impact assessments in conjunction with BirdLife International
A new commitment to have biodiversity management plans (BMPs) – also referred to as biodiversity action plans (BAPs) – at all our operational sites located within 1km of a high value nature conservation area by 2025. This previously only applied to quarries	100% of our quarry sites already have a BMP All operational sites within 1km of a high value nature conservation area are being identified so BMPs can be developed

Highlight

100%
of our quarry sites have a biodiversity management plan (BMP).

Environmental responsibility

Reducing impact on land use in action

Hanson-RSPB wetland project

Our partnership wetland project with the RSPB at Ouse Fen in Cambridgeshire is an outstanding example of minerals extraction leading to habitat creation and highlights the benefits that managing the land left behind after quarrying can make in shaping and improving habitats for wildlife. In 2020 we restored the latest 80-hectare section of worked out land from our Needingworth quarry ready for it to be transferred to the RSPB, which took place in early 2021.

Our partnership project with the RSPB is the largest planned nature conservation restoration scheme of its kind in Europe and, once complete, the reserve will incorporate the UK's largest created reedbed – an extremely rare habitat – much of which has been lost in Britain. Ouse Fen nature reserve is already home to a nationally important population of bitterns, a rare heron species, as well as other iconic wetland wildlife including marsh harriers, bearded tits, otters and water voles.

Ouse Fen nature reserve is the largest planned nature conservation restoration scheme of its kind in Europe

Environmental responsibility

WATER	
Our 2030 water use commitments	**Our progress**
We will reduce mains and abstracted water consumption by 10% from a 2018 baseline	Mains water use up 7.7% from 17.5 litres/tonne in 2018 to 18.9 litres/tonne in 2020 Abstracted water use down 15.4% from 170.5 litres/tonne in 2018 to 144.2 litre/tonne in 2020
A new commitment to have formal water management plans for sites in areas of water scarcity by 2023 and all remaining sites by 2025	108 of our operational sites have been assessed to be in an area of high water stress by 2030 These will be prioritised for the implementation of a water management plan

Reducing impact on water use in action

Water monitoring and improvement plans

Throughout the year, members of our graduate team have been gathering detailed information about water use from all our quarrying operations. This will allow us to implement improved water monitoring plans and, ultimately, improved consumption reduction plans.

For the first time, we will be able to implement a targeted and prioritised plan of action to reduce our water consumption. We have used a water stress software tool to predict where water shortages within the business could occur by 2030, so these plans will be crucial to ensure we conserve water where possible and reduce the impact on potentially fragile water systems. We will extend these techniques to other areas of the business during 2021; along with improving our procedures to ensure we continue to comply with our legal obligations.

Ready-mixed concrete truck at King's Cross concrete plant

Resource use and the circular economy

Asphalt road being recycled in Bournemouth

Resource use and the circular economy

Our policy

We will conserve natural resources.

Our 2030 commitments	Our progress
Maximise use of recycled asphalt planings (RAP), Regen GGBS (ground granulated blastfurnace slag) and alternative fuels within our cement plants	RAP usage was 11.1% in 2020, down 3% (Hanson 9.1%; Midland Quarry Products 16.9%) Regen GGBS use up from 36.3% in 2019 to 36.6% in 2020 Alternative fuel use within our cement plants increased from 45% in 2016 to 56% in 2020; by-products or waste used as raw material in cement were up from 9.7% in 2019 to 10.0% in 2020; the biomass content in our alternative fuels also increased from 14% in 2016 to 20% in 2020
A new commitment to develop formal targets for the use of recycled aggregates in ready-mixed concrete	No recycled aggregates were used in our ready-mixed concrete and recycled aggregate sales reduced from 3.0k tonnes in 2019 to 1.9k tonnes in 2020
Reduce non-product site waste by 20% and waste to landfill by 50% from a 2018 baseline	Non-product site waste was up 39% from 0.23 kg/tonne in 2018 to 0.32 kg/tonne in 2020, although general waste to landfill was down 31% since 2018 which makes up 7% of non-product site waste Waste to landfill was up 18% from 0.06 kg/tonne in 2018 to 0.08 kg/tonne in 2020

Highlights

General waste to landfill down
31% since 2018

56%
increase of alternative fuels
at our cement plants since 2016

36.6%
more Regen GGBS used
since 2019

Conserving natural resources in action

EnviroAsh Project

Throughout 2020 we have been involved in the EnviroAsh Project, a government funded project involving a wide range of industry partners. It looks at the wastes or by-products generated from these businesses and makes an assessment to see if waste from one company can be used as a raw material for another.

By being involved in the project we have identified a number of potential raw materials that could be used within our cement business which could reduce virgin raw materials and reduce CO_2 by up to 10,000 tonnes per year.

Being a good neighbour

Ready-mixed concrete being delivered to NHS Nightingale hospital in Exeter

Being a good neighbour

Our policy

We are committed to making a positive contribution to the communities close to our operations and ensuring transparent communication to all our stakeholders.

Our 2030 commitments	Our progress
We will fully integrate our social value policy and practices together with social value impact measurements	We have accelerated our commitment to have social value fully integrated within our business by five years to 2025 A social value policy has been introduced and a social value steering committee has been formed with full support from the executive team to accelerate activities
All employees will take advantage of one paid day per year for volunteering activities	Volunteering leave has now been integrated into our leave booking system making the process much easier for employees

Social value policy

As a responsible business and good neighbour within local communities, we are committed to delivering social value through our business activities. In 2020 we further enhanced our sustainability policy by the inclusion of a social value policy. The social value policy reinforces our core values and responsible leadership principles, formalising our approach to generating social value and integrating existing people, health, safety and wellbeing, economic and environmental commitments.

It also aligns to the UK Government's Procurement Policy Note 06/20, an extension to the Public Services (Social Value) Act 2012, requiring measurement of social value impact achieved in delivery of its contracts, using outcomes aligned with government priorities. This enables us to demonstrate the social value impact achieved in delivery of our public service contracts, using outcomes aligned with stakeholder priorities – including Covid-19 recovery.

Our social value commitments

To drive maximum social value across all business lines, we have established a steering committee, sponsored by the executive team, to oversee the development and implementation of strategies, themes and outcomes that are linked to a social value management framework. This framework covers our six key policy areas and provides the mechanism for outcomes to be measured, monitored and reported.

Highlight

Introduction of our

Social Value Policy

Being a good neighbour

	Our social value commitments	Our progress
	**Collaboration and innovation:** sharing our knowledge, skills, and expertise with those of our clients, peers, partners, supply chain, academia, and the local communities to tackle global challenges and increase potential for innovation	We work with the Centre for Partnering, a collaboration with UK universities to drive partnering approaches that deliver social value. We are partners of the Supply Chain Sustainability School, a collaboration between clients, contractors and first tier suppliers who want to build the skills of their supply chains
	**Employment and skills infrastructure:** to ensure a local and diverse workforce that are upskilled through a structured development programme and supported to achieve their potential – to both meet today's needs and to inspire future generations	We developed a new Learning Management System called Pathway, which ensures our employees' training and skills are fully up to date, with defined requirements for all roles. eLearning is being expanded where possible to reduce travel time and make learning more convenient for our employees
	**Promoting the local economy:** through engagement of local SMEs, including hauliers and franchisees, thereby delivering local social economic benefits, and building supply chain capability, capacity, and resilience	We offer inclusive, fair, and responsible procurement practices, including fair payment principles, and work together with our supply chain to build competence, resilience, and capacity that we can all benefit from. Throughout the Covid-19 pandemic, we were able to support our supply chain with continued trade, reliable payment and application of government guidance, helping to reduce the impact and uncertainty created at this time. Purchasing data is under review to give us the ability to make monitoring data more accurate. Currently available data shows that 91% of our suppliers are SMEs and that 65% of our overall expenditure is with these companies
	**Community outreach and engagement:** Hanson embodies fairness, inclusion, and respect principles; involving people in decisions that affect them, listening to their needs, and recognising the potential of our business to bring people together and promote social interaction within communities	Volunteering activities were severely limited due to Covid-19 but many community donations and activities still took place with the help and support of Hanson and its employees. Over 50 smaller good causes received donations totalling more than £30,000 as a result of activities organised by our employees
	**Environmental responsibility:** we are fighting climate change through committing to carbon reduction in our products and delivery, in fulfilling our share of the responsibility to minimise global temperature rise, and in our effective stewardship of the environment to reduce our impact on local air, land and water systems	Through our 2030 commitments we are tracking carbon reductions and many other environmental impacts in all areas of our business; with fixed targets to be achieved as detailed in this report
	**Understanding and communicating impacts:** we are committed to defining and measuring our social value objectives, themes and outcomes, considering potential impacts in our decision-making processes, communicating our impacts using common language, driving continual improvement and promoting strong key messages that are widely understood throughout our business and externally	We have a business-wide social value roll out programme underway with the aim of driving continual improvement in knowledge and understanding – both internally and externally Measurement and management systems are being developed to drive the change

Being a good neighbour

Being a good neighbour in action

Volunteering

Volunteering activities were severely limited due to Covid-19 but we continued to support communities through the donation of funds and materials as well as PPE to frontline healthcare workers. In 2020 we were delighted to support, among others:

- DIY SOS with 40 tonnes of aggregate from our Penderyn quarry as they built the world's first all-inclusive surf centre in Caswell Bay, Swansea.
- Wakefield Hospice in West Yorkshire with a donation of 138 tonnes of asphalt – worth around £10,000 – to resurface the car park to improve accessibility. The works were carried out through CRASH – the construction industry's charity which helps homelessness and hospice charities improve their buildings. As one of the charity's patron companies, we provided the material needed to undertake the project.
- Divoky Riding School, neighbours to our Whatley quarry in Somerset, with a donation towards a new indoor arena for its disabled riders.
- Karios Community Trust with a donation of the sand, cement and mortar needed to extend their home in South London through our support of CRASH charity and with our partner Gibbs and Dandy.
- The Trussell Trust, which provides emergency food and support for people locked in poverty and campaigns for change to end the need for food banks in the UK.

138 tonnes of asphalt supplied and laid free of charge for Wakefield hospice

Karios Community Trust sand, cement and mortar donation

Fairness, inclusion and respect

Whatley Quarry

Fairness, inclusion and respect

Our policy

We will be a fair, respectful, and inclusive company; encouraging a culture that values openness and transparency and recognises individual achievement.

Our 2030 commitments	Our progress
We will employ a minimum of 10% of women in operational roles and 20% overall within Hanson	4% of women (102) in operational roles and 17% overall (up from 15% in 2019)
20% of our senior roles will be filled by women by 2025	12% of senior roles filled by women
We will ensure all employees are fully trained and competent for their roles	There was a reduction in training hours in 2020 to 21,020 (38,025 in 2019) due to Covid-19 and employees being furloughed E-learning hours increased in 2020 to 7,140 (6,705 in 2019) as employees worked remotely
We will identify the specific diversity-related requirements of our employees, and fully integrate these into our business culture	Fairness, inclusion and respect (FIR) committee adapted to be more inclusive

The overall number of employees on 1 January 2020 was 3,474. At the peak of the lockdown caused by the Covid-19 pandemic, 1,560 employees were furloughed; although the vast majority of these have now returned to work with a small number remaining on furlough due to their vulnerable status and the requirement to isolate. Throughout the pandemic, furloughed employees' wages were topped up to 80% of normal salary.

Highlights

4% of women in operational roles.

12% of women in senior roles.

Fairness, inclusion and respect

FIR in action

We believe in the effectiveness of engaged and empowered employees, where everyone, whatever their background, gender, ethnicity or sexuality, has the opportunity to reach their full potential and contribute to the success of our business.

We have expanded our activities within our fairness, inclusion and respect (FIR) committee within the year, building on the experience of members from diverse backgrounds, in terms of seniority, age, gender, race, sexuality or disability. The committee meets quarterly to monitor business progress in this area, promote FIR throughout the company and ensure that resources are directed as necessary.

The FIR committee is chaired by a member of the Hanson UK Executive Committee, who updates the board on progress periodically and will divert sufficient resources to FIR initiatives. We count on the support of all employees and stakeholders to further the FIR principles in our strategy, our policies and in our day-to-day work.

A key objective of the FIR committee is to increase awareness and support for persons with disabilities as well as ensure Hanson UK is known as a place where persons from any background feel happy and comfortable and able to achieve a successful, long-term career.

Rebecca Smith, for example, an employee within our Customer Service Centre, was diagnosed with multiple sclerosis four years ago. The company was committed to ensuring she was treated fairly and offered every opportunity to maintain a future within the business. To assist in adapting to the condition, Rebecca was offered counselling, medical appointments and physiotherapy sessions along with other support. Meanwhile, Rebecca has continued to develop her career – having progressed from orders team leader to sales and haulier admin team leader in 2020. She is now also part of the FIR Committee; assisting the business in shaping our current and future FIR strategy as well as providing key insights in our journey to change perceptions throughout the industry and close the disability employment gap.

Improvements in maternity and shared parental leave, setting recruitment equality targets and launching an unconscious bias education programme are some of the other changes we've implemented in 2020 as part of our FIR initiative.

Highlight

Launched Network of Women (NOW UK), providing a platform to facilitate collaboration, discuss challenges and support female colleagues.

Employees at Padeswood cement works

Fairness, inclusion and respect

Women in business

By 2025 we want 20% of our senior and executive roles to be filled by women. To achieve this, we are participating in the Women in Science and Engineering (WISE) campaign '10 steps' workshop which aims to ensure women in industries like ours have the same opportunities to progress their careers as men. In 2020 we also launched Network of Women in the UK (NOW UK). NOW UK is part of a Group-wide initiative, providing a networking platform to facilitate collaboration, discuss challenges and support female colleagues in fulfilling their career goals. It will also work to raise awareness of the changing demands of work and life and is open to all employees.

Earn and learn training

In 2020 we also joined The 5% Club, a dynamic movement of employers committed to driving 'earn and learn' training opportunities, helping to address the skills shortage and youth unemployment in the UK. We have already achieved our pledge of having a minimum of 5% of our workforce enrolled on formalised apprentice, sponsored student and/or graduate development schemes, with 7.9% of our workforce in earn and learn positions. These include our established graduate, LEAD (leadership, education and development) and craft apprenticeship programmes.

Test concrete cubes at Rochester concrete plant

Graduates at Whatley quarry

Congratulations to Mawgan Naylor, one of our graduate trainee managers, who was named Best UK Mineral Extractives Diploma Student 2020 at the Institute of Quarrying student awards.

Providing solutions to enable sustainable construction

Logistics

We make 6,000 deliveries of aggregates, asphalt, cement and concrete per day in the UK and are committed to minimising the impact of these by using the best and most sustainable transport option.

This includes the large-scale use of rail and water for transporting our raw materials and products. We have invested in a new marine aggregate dredger, Hanson Thames, which provides increased payload and efficiency and are extending our network of rail-connected depots to reduce vehicle movements.

As part of our 2030 commitments, we have pledged that all of our car fleet and half of our van fleet will be fully electric or hybrid by 2025 and we continue to collaborate with suppliers to enable our transport to be more efficient. For example, we have more than 40 Euro 6 LEC ready-mixed concrete trucks in our fleet, which offer an increased load size as well as improved safety for drivers and road users. We also have 'moving floor' asphalt trucks, which offer a 40% larger capacity, meaning fewer and more efficient road movements.

Aggregates

We produce and distribute aggregates (crushed rock, sand and gravel) from a network of over 70 quarries, depots, and wharves for a variety of construction uses. To preserve virgin raw materials and reduce waste, we also process waste materials to make recycled aggregates for use in ready-mixed concrete and asphalt.

Asphalt

Asphalt is 100% recyclable back into road surfaces and we are committed to maximising the use of recycled asphalt planings. In 2020 we introduced a new range of reduced emissions asphalt (REA) products to help minimise the impact of asphalt production and laying on local air quality. REA – and our other asphalt ranges – can be produced using our energy reducing asphalt (ERA) warm mix technology, which provides a significant reduction in CO_2 emissions.

Concrete

We are the UK's largest supplier of low carbon concrete and are committed to producing net zero carbon concrete by 2050. We can help our customers meet their own carbon reduction targets by designing and supplying EcoPlus low carbon concretes which contain Regen GGBS (ground granulated blastfurnace slag) and we are developing formal targets for the use of recycled aggregates in our ready-mixed concrete.

Cement

We produce Regen GGBS (ground granulated blastfurnace slag), a cement replacement product which can help to significantly reduce the CO_2 emissions associated with the production of concrete as well as provide durability benefits. We also substitute the CO_2-intensive clinker in cement (in line with national cement standards) with secondary cementitious materials to produce CEM II cements which reduce embodied carbon.

Webinars

To find out more about some of our sustainable product solutions, visit **www.hanson.co.uk/webinars**

Where you can watch a number of free webinars on demand.

hanson.co.uk/sustainability/report

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