



Capital Reinforcing Sustainability Report 2018

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1 Introduction

Capital Reinforcing are suppliers to the construction and building industries of cut and bent steel reinforcing bar. The company also stock and supply a wide range of steel mesh.

The business is a family run enterprise set up in 2004 by the Managing Director, Dermot Owens. The business originated in Ireland and subsequently moved its operations to Bromborough, Merseyside, England in May 2011.

In August 2014, Capital Reinforcing commenced work on its new 32,000 sq. ft. state of the art production facility with adjoining offices in Bromborough. In January 2015 Capital Reinforcing began production in its new facility and continue to operate there to this day.

The company have put in place facilities and machinery, which allow the cutting and bending of steel, and the processes which allow these operations to be carried out successfully.

Sustainability is embedded in our reinforcing bar, operations and people. This report enables us to be transparent with all our stakeholders and inform them of our performance on issues such as greenhouse gas emissions, energy, waste, transport impacts, community engagement, employee's skills and training, and health and safety performance.

2018 was another year of continued growth for Capital Reinforcing. Output for 2018 increased 23% from 2017.

2 Reinforcing Bar Sustainability

The primary aim of this report is to focus on Capital Reinforcing's activities and the Company's sustainable maturity; however, it is important to adapt a whole life cycle approach when assessing the environmental, social and economic impacts of our activities.

2.1 Description of Product

Capital Reinforcing sources 100% of its reinforcing bar stock from Electric Arc Furnace (EAF) Mills. This is reinforcing bar that is obtained from scrap and melted down in the EAF, followed by rolling. The recycled content of our reinforcing bar is 97% recycled content (*source: Carbon Steel Reinforcing Bar, Sector Average Environmental Product Declaration, commissioned by UK CARES, BREG EN EPD No.: 000125*). The other 3% is made up of ferro-alloys and minerals added to the production process to remove impurities from steel and to ensure the finished product has the correct properties.

Material Input	%
Fe	97
C, Mn, Si, V, Ni, Cu, Cr, Mo and others	3

Following melt down in the EAF, molten steel is then cast into billets before being sent to the mill, where they are rolled and shaped to the required dimensions for the finished bars and coils of reinforcing bar. It is in this form that Capital Reinforcing buys the steel for processing in our works.

More information on the manufacture route can be found here:

www.ukcares.com/downloads/guides/PART2.pdf

3 Processing, Construction Installation, Service Life & End of Life

Capital Reinforcing process reinforcing steel in accordance with BS8666:2005, UK CARES appendices 2 & 7, and ISO9001. This system is audited biannually by UK CARES to ensure we are complying with the requirements of the scheme. Ultimately this scheme ensures we are providing a quality product and excellent customer services. This helps to ensure that our waste due to non-conformance is minimal (non-conforming product) and that our economic sustainability is maintained by continued repeat work due to the quality of our product and service. It also provides a framework to ensure continual improvement of our quality management system is considered at all steps of our process.

The composition of reinforcing steel products does not change during use. Reinforcing bar does not cause adverse health effects under normal conditions of use. As reinforcing bar is used in the main building structure, reference service life will equal the lifetime of the building.

Reinforcing steel is not reused at the end of life but can be recycled to the same quality of steel depending upon the metallurgy and processing of the recycling route. As it is a high value resource, efforts are made to recycle steel scrap rather than disposing of it at end of life. A recycling rate of 92% is typical for reinforcing steel. Any disposal will have minimal environmental impacts due to the inert nature of the material.

4 Supply Sources

In 2018 Capital Reinforcing sourced 100% of its reinforcing bar stock from sustainable sources. The table below highlights the accreditations our suppliers of stock reinforcing bar have.

Accreditations	Percentage of stock supplied
Product Conformity/ ISO9001 (traceability)	100%
ISO14001	100%
OHSAS18001/ ISO45001	100%
UK CARE Sustainable Construction Steel Scheme	100%
BES6001	100%

The ability to achieve the above was a result of an ongoing effort by Capital Reinforcing to push sustainability down our supply chain. By promoting the merits of subscribing to sustainability schemes to mills and steel traders they were encouraged to move towards accreditations.

5 Accreditations and Compliance

Capital Reinforcing holds third party accreditations through UK CARES for the following Management Systems:

Accreditations	Certificate Number	Percentage of stock supplied
Product Conformity	050101	Processing of steel reinforcement to BS8666 7 BS4466. Stocking and distribution of BS 4449, BS 4482 and BS 4483. Application of Ancon taper thread couplers.
ISO9001 – Quality	1531	Processing of steel reinforcement products
ISO14001 – Environment	1346	Processing of steel reinforcement products
OHSAS18001/ ISO45001 – Health and Safety	1488	Processing of steel reinforcement products
UK CARE Sustainable Construction Steel Scheme	1430	Processing of steel reinforcement products
BES6001 – Responsible Sourcing	1469	Processing of steel reinforcement products

All certificates are found at www.crsteel.net or on the UK CARES Approved Company database: www.ukcares.com/approved-companies

These managements systems, we believe, create an excellent framework to enable us to continually develop towards sustainability maturity.

6 Waste & Recycling

The vast majority of Capital Reinforcing’s waste is scrap metal which is 100% recycled. However, we still target reduction of scrap metal waste every year in line with the principles of reduction rather than recycle. Recycling still uses energy and indirectly releases GHGs in to the environment.

We have a Waste Management Plan which is reviewed and updated annually, or as circumstances change. The plan sets out guidelines to ensure waste is dealt with according to the principles of the waste hierarchy: reduce, reuse, recycle.

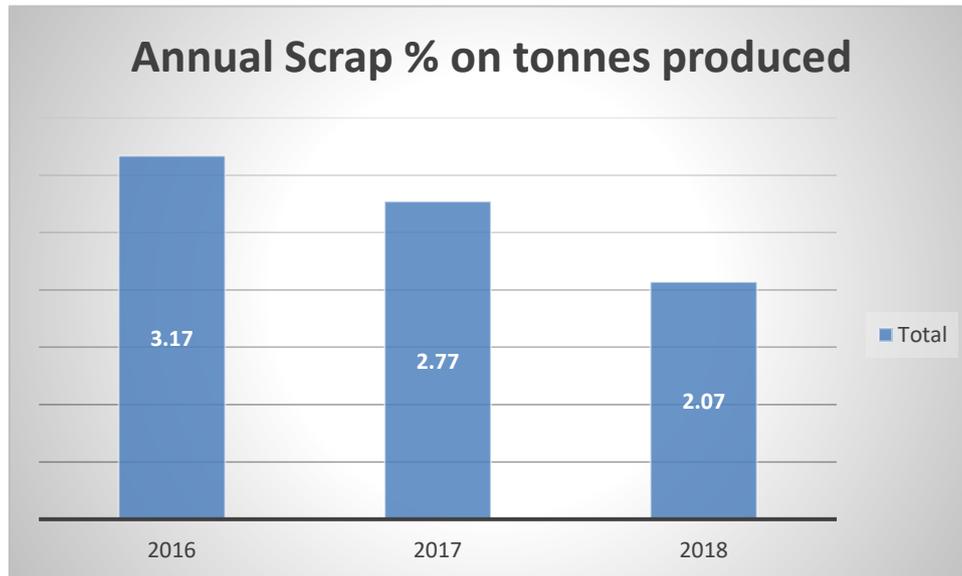
6.1 Material Efficiency

Capital Reinforcing worked closely with Merseywharf port, to educate them on the importance of handling stock carefully, to ensure no damaged stock arrived at our premises. This has helped decrease our scrap figure and increase efficiency. Dealing with damaged stock leaves processing less efficient.

We have procedures in place to minimise scrap and offcuts and this, along with supplier education and a well-trained, skilled workforce (knowledgeable on offcut minimisation and machine process

with a customer focus) has meant we have been able to reduce our scrap level year on year. We have a target of getting our scrap to 1.8% by 2022.

The graph below illustrates scrap as a percentage against tonnes produced 2016 v 2017 v 2018:



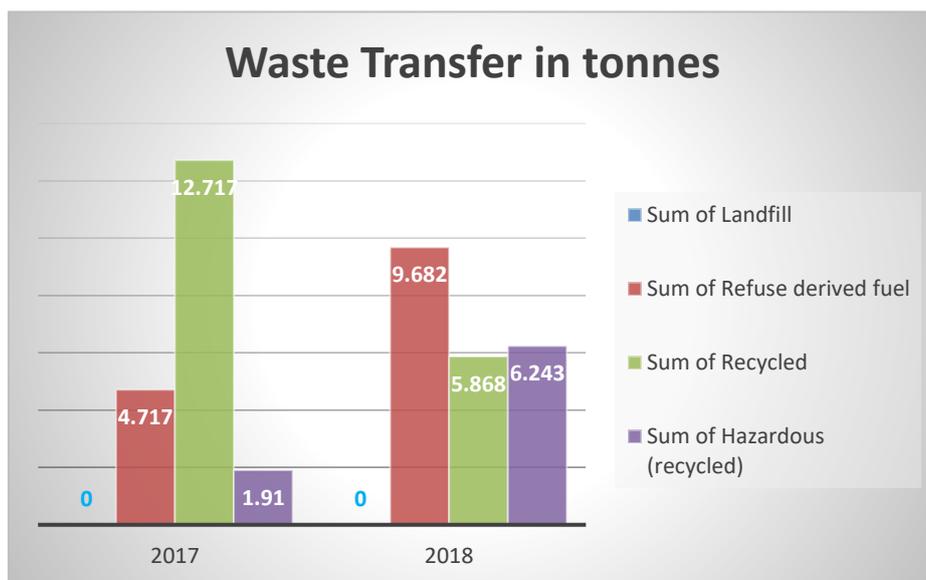
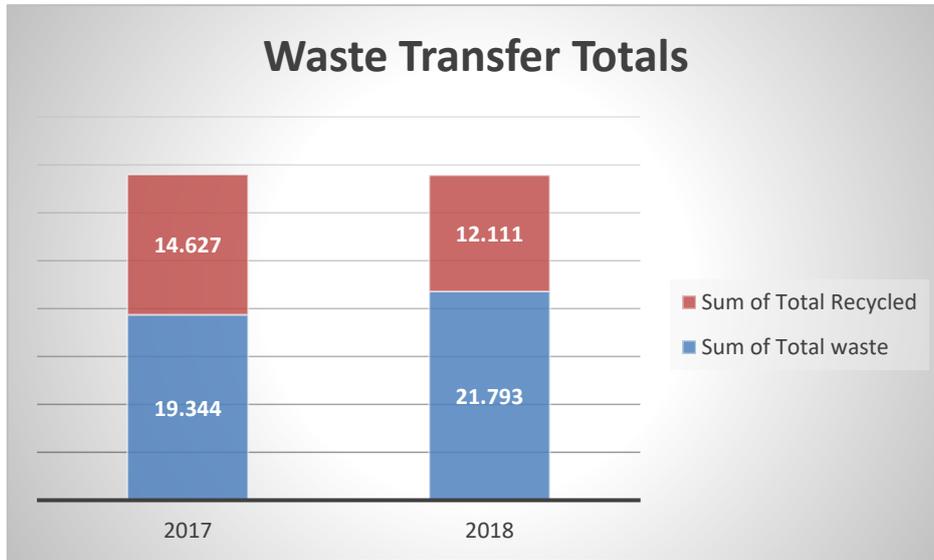
6.2 General, Recyclable and Hazardous Waste

Other waste on site is segregated where reuse is not practical. This waste can be categorised as general waste, recyclable or hazardous waste. Hazardous waste derives from machine maintenance, and is stored as such, complying with hazardous waste regulations.

The waste collection company that we use diverts all waste from landfill. Any waste that cannot be recycled is used for producing refuse-derived fuel. Zero waste from Capital Reinforcing goes to landfill.

Other waste increased 2018 from 2017 due the high quantities of machines that were serviced. Hazardous waste increased due to a high quantity of waste hydraulic and gear oil being disposed of. However, with hazardous deducted from the total waste transfer, general and recycled waste decreased.

The graphs below illustrate waste transfer 2017 v 2018:



7 Greenhouse Gases (GHG) & Energy

Capital Reinforcing directly and indirectly releases GHGs and we are strongly committed to reducing our releases to as low a level as possible.

We build our new premises with GHG release and energy efficiency in mind. All lights within the factory, offices and grounds are day light sensed and when dark, movement sensed. All light fittings are LED which ensures we are not taking more electricity for lighting from the grid than necessary.

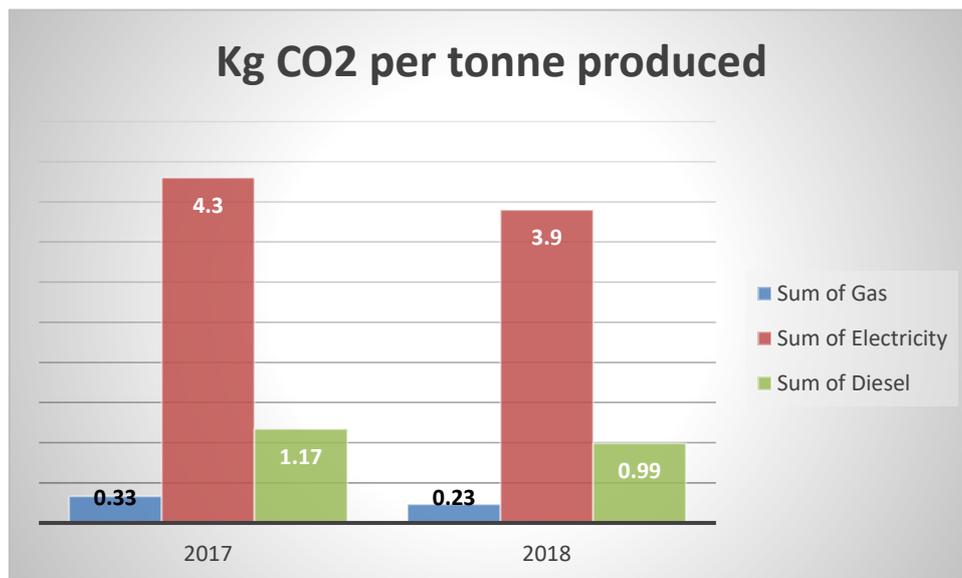
With regards gas for heating the offices our boiler system is temperature sensitive, so it switches off when a room reaches a comfortable temperature.

Employees are made aware of energy conservation and GHG release in their environmental and sustainability awareness training on induction. Maintenance of rebar processing plant is paramount to the Company as an unmaintained machine uses more energy to produce. It also increases the longevity of the machines. We also believe training our operators to the highest standard possible to ensure more efficiently run machines.

Diesel is used for shunting steel around sites in various mobile plant machinery such as forklifts and shunters. These, like rebar processing machinery, have a strict maintenance regime not only for resource efficient and GHG release purposes, but also health and safety reasons. 'Green' driving techniques are a part of training on this plant.

Greenhouse gases for delivery of the finished product is dealt with in the Section 9 of this report.

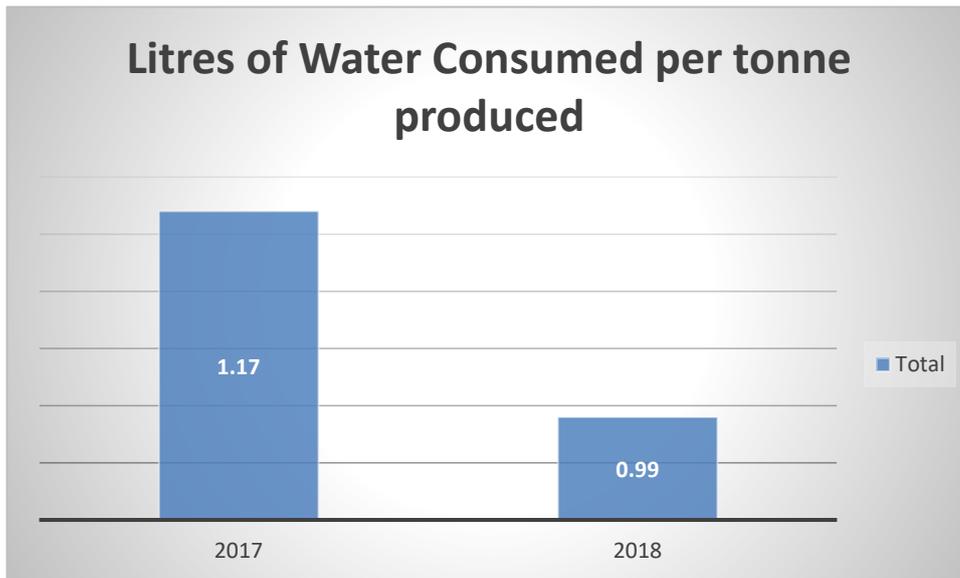
The graph below illustrates Kg Co2e released for electricity, gas and diesel per tonne produced 2017 v 2018:



8 Water

Capital Reinforcing do not use water in our processes and water is for sanitary uses only. However, we do make all employees aware of the importance of water conservation during their environmental & sustainability awareness training in induction. We actively monitor water consumption to ensure there no anomalies which may indicate leakage within the system or excessive water usage by employees.

The graph below shows water consumptions 2017 v 2018:



9 Transport

9.1 Transportation of steel stock for processing

Steel is transported to Capital Reinforcing from various steel mills across the continent of Europe. As stated in Section 4 we ensure our mills are equally sustainability accredited. Our steel primarily arrives by sea, docking in Merseywharf port which is 25 metres from our works. In strategically locating beside a port we are able to reduce transport distance of stock material by land to our process facility and therefore helping decrease our Co2 emissions. Being in such close proximity, steel from the port is shunted to our premises and therefore is assessed under Section 7 GHS & G.

9.2 Delivery of Steel

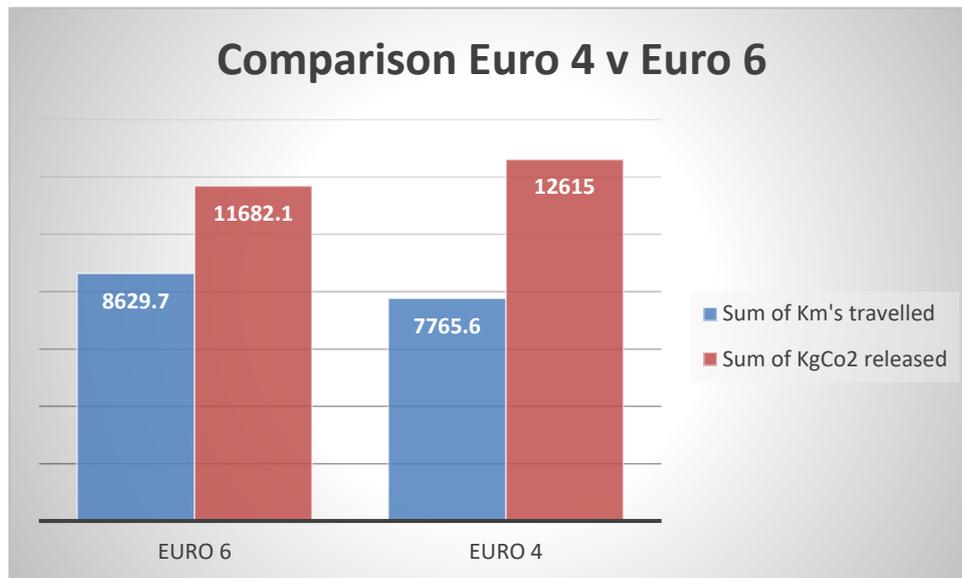
9.2.1 European Emission Standards

European emission standards define the acceptable limits for exhaust emissions of new vehicles sold in the EU. Faced with increasing concerns around global warming and pollution, the EU is striving for cleaner more controlled emissions from our vehicles. Starting back in 1993 with Euro 1, European authorities decided to map out a plan to make the trucks on our roads as clean and efficient as they can be in an attempt to eliminate pollutants such as carbon, NOx, hydrocarbons and particulates.

Capital Reinforcing’s delivery fleet is illustrated in the table below:

Type of Euro vehicle	Quantity
Euro 4 HGV	3
Euro 5 HGV	3
Euro 6 HGV	2

A comparative illustration is shown below.



The above graph shows distance travelled April 2018 for one of Capital Reinforcing's Euro 4 HGV's and one our Euro 6 HGV's. This illustrates how, even though the Euro 6 vehicle travelled more km's than the Euro 6, it still released less Co2.

To help combat our emissions from transport we have plans in place to replace our Euro 4 vehicles with Euro 6 by the end of 2019. By the end of 2020 we aim to have our whole fleet operating under Euro 6.

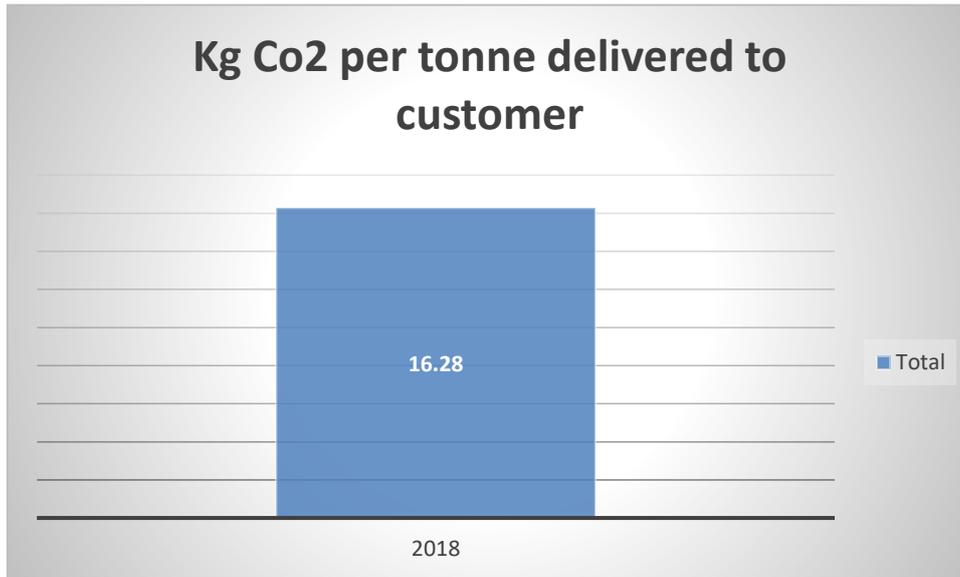
9.3 2018 Performance

As part of Capital Reinforcing's objective to reduce environmental impact from our transport activities all our drivers are provided with information and guidance on 'green' driving techniques from induction. This is further enhanced by putting our drivers through a Certificate in Professional Competence (CPC) in Fuel Efficient Driving.

The above is also enhanced by our transport management system which is accredited by the Fleet Operators Recognition Scheme (FORS). In 2018 Capital Reinforcing maintained their accreditation to Bronze level. The FORS management accreditation is a bespoke standard for the Transport Industry incorporating quality, health and safety and environmental issues.

Capital Reinforcing aim to have achieved silver level accreditation by the end of 2019, with the intention of gaining gold level by the end of 2021.

The graph below illustrates KG CO2 per tonne for our transport activities for 2018. Data was generated from our Quartix monitoring system which is linked to our vehicles digital tachographs. Monthly reports give KG CO2 per vehicle per month:

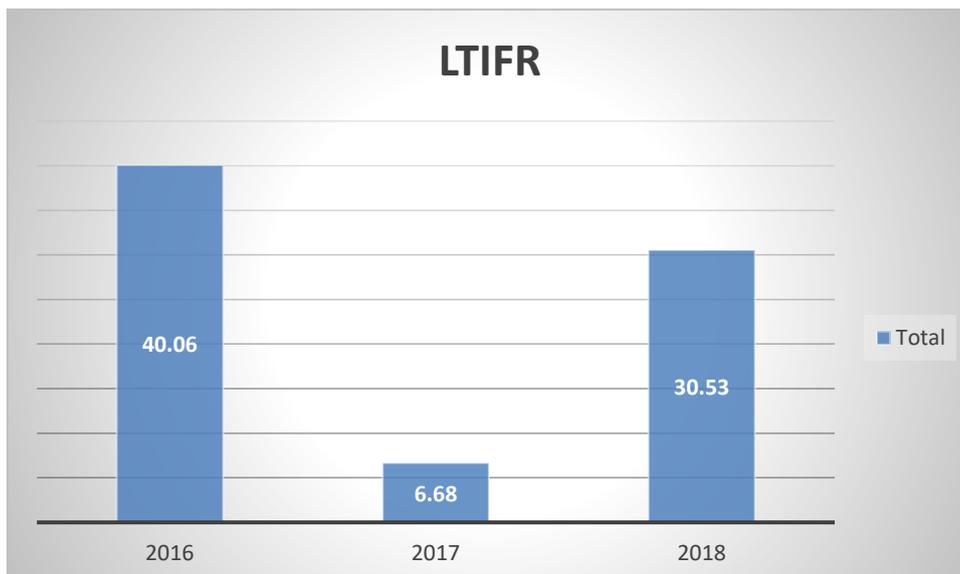


2018 provided a baseline for the Company, and with the above mitigation strategy, we have reduction target of 5% by the end of 2021.

10 Health and Safety

Capital Reinforcing maintained accreditation to OHSAS18001 in 2018 and will transition to ISO45001 in 2019. The Company HSEQ has been put on transition training to help enable this.

The table below shows LTFR for 2017 v 2018 v 2019:



We were extremely disappointed not to meet our target for Lost Time Incidents (LTI's) in 2018. To this end more attention will be focused on significantly reducing our lost time incident rate in 2019 to a similar rate as 2017. All accidents in 2018 were fully investigated and trends analysed. This has enabled

us to pinpoint the areas we need to improve in 2019 to reach our target. We will continue to work at our Health and Safety Management until we achieve zero harm over the next few years.

11 People, Employee Skills & Training

2018 saw significant investment and growth of the Company's Human Resource department. The Company employed an HR Manager which enabled Capital Reinforcing to focus more on our greatest asset – our people. To compliment this, the Company also invested in new Human Resource Management Software. This provides an online system which allows all employees access to Company policies and procedures relevant to their job role. The investment in our Human Resource Management Department has enabled line managers to focus more on process efficiencies which in turn results in increased output and growth for the Company.

The HR management software provides, at a click of a button, competencies for all employees within the Company. Training matrices can be generated with ease alongside training plans for individual employees. This ability goes in hand in hand with Capital Reinforcing's commitment to employee training and development. More skilled and content employees help create a more economically sustainable Company.

Training carried out in 2018 included:

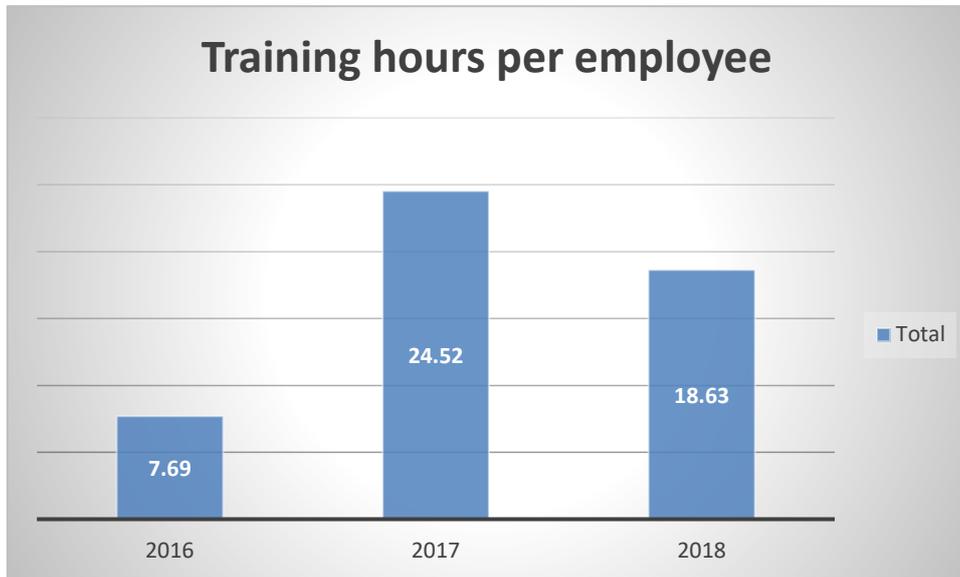
- First Aid Training
- ILM Leadership and Management Level 3
- Level 3 Education and Training Certificate
- IRCA Internal Auditor Training
- Driver CPC

The above external training complimented the extensive internal training programme all employees go through, both when joining the Company and as they progress through new and different processes.

All staff undergo induction training which includes an introduction to the Company, quality awareness, environmental awareness, health & safety awareness, sustainability awareness, manual handling & abrasive wheels. A new starter would then be trained on a specific machine and process and will continually develop their skills and experience during employment. Where external training is a necessity it will be provided.

Capital Reinforcing strongly believes in upskilling employees and, where vacancies become available, will endeavour to upskill an existing employee to take the role. It was for this reason that we upskilled one of our employees by sending him on a education and training course that has enabled him to carry out internal training.

The graph below shows training hours 2016 v 2017 v 2018:



Note: 2017 saw an increased investment in our workforce with the help of Liverpool City Regional Growth funding. 2018's figure will provide the baseline to improve upon.

12 Local Community

Capital Reinforcing strongly recognises the importance of the community we operate within. We believe in running our business in a way that reflects our philosophy of being people orientated. This includes the employees of organisations that we deal with, the general public and our own employees. Our aim is to carry out our operations with integrity and in the safest way possible to manage our environmental impact.

We are proud to say we have had no community complaints since we commenced operations in Bromborough. We have tried to make it as easy as possible for the community to make a complaint by having a complaints section on our website.

As our employees are embedded in the community it is natural that they have an affinity with that community. This results in the use of local suppliers and sub-contractors which in turn provides further employment opportunities. We endeavour to source locally, wherever possible, in the form of human or material resources. In addition, we make a valuable contribution to the community by supporting local charities and social groups.

As an organisation we encourage and support all types of operative and staff training. This follows and compliments the provision of work experience for schools and higher education establishments.

Local community social groups, charities, organisation's and projects are supported in a variety of ways generally on a one-off basis which may be a financial donation or time commitment.

2018 saw us continue our membership as Patron Members of the Wirral Chamber of Commerce. This is the top-level membership which enables us to help the chamber form its strategic direction. We have helped develop different industry forums within the chamber to enable bespoke networking and development for chamber members.

Through the chamber we also work closely with schools and we are paired with a local secondary school to act as advisors and to help bridge the gap between education and the workplace. In 2018 we continued to try and be of assistance to primary and secondary schools as much as possible as we see these young people as the potential future of our business.

The graph below shows money spent per tonne produced on community initiatives:

