

Water Policy

Issued: February 2022



Water Policy

Our commitment to sustainable water management

Access to clean water is a human right in accordance with the UN Sustainable Development Goals (SDGs). The continuously growing demand for water worldwide is leading to global water stress due to competing priorities for the water resources available and stricter rules for resource protection. HeidelbergCement recognises the importance of a professional water management and water conservation strategy. We have a local and global responsibility and commit ourselves to minimising the impact of our business activities on natural water resources. We furthermore acknowledge the access to clean water and sanitation as a human right and support the implementation of the UN SDGs and the Access to Safe Water, Sanitation, and Hygiene at the Workplace Pledge (WASH Pledge) of the World Business Council for Sustainable Development (WBCSD).

Cooperation and governance

At our more than 3,000 production sites worldwide, HeidelbergCement uses water for process conditioning, aggregates washing, ground watering, cooling and cleaning purposes, as well as for the production of concrete. Water is a valuable and essential resource, not only for us within our operations and production processes, but also for our local stakeholders. We cooperate with all relevant stakeholders including associations, non-governmental organisations, policy makers and local communities, as well as other water users at basin level to find a balanced approach and fair agreements for appropriate and sustainable water management practices. To ensure our own compliance with these commitments we have established a governance structure in which a member of the Managing Board of HeidelbergCement oversees the comprehensive implementation of this policy.

Actions

1 Complying with laws and regulations as well as corporate guidelines

We manage our business in accordance with the relevant applicable environmental laws and regulations of the countries in which we operate, and in compliance with our own corporate guidelines and policies, including our Code of Business Conduct. This ensures that our activities do not endanger local water resources and supplies. Our suppliers are obliged to fulfil the environmental standards of our Supplier Code of Conduct, including water management and conservation.

2 Understanding and reducing our impact on water resources

We monitor and meet water quality requirements in our discharge as required per local regulations and permits, and we will continue to work on further minimising the environmental impacts of our discharges. To fully understand our water footprint and enact effective improvement measures, a water recording and reporting system will be implemented at all of our cement, aggregates and concrete plants by 2025, at the latest. Based on this water reporting system, following the standards of the Global Cement and Concrete Association (GCCA), we will introduce water consumption reduction plans, wherever economically and technologically feasible. These will be annually updated and consolidated into a global strategic water consumption reduction plan at Group level.

3 Understanding and addressing climate-related risks and opportunities

In line with the recommendations of the Taskforce on Climate-related Financial Disclosure (TCFD), we analyse and disclose climate-related risks and opportunities, covering water-related risks like droughts and heat waves as well as high precipitation and flooding. We closely monitor the effects of these risks and opportunities, and we are developing plans to adapt our operations, e.g. by investing in water harvesting and drainage systems as well as flood protection.

4 Managing water in water scarce areas¹⁾

Acknowledging that stress on water resources is aggravated by the effects of climate change and competing priorities in different regions of the world, we will implement water management plans at all sites located in water scarce areas by 2030, at the latest. These plans, adjusted to the situation of each individual site, will include concepts and measures to ensure the careful use of scarce water resources, especially freshwater, and to involve local stakeholders so that the water utilization concepts will support the common good and minimise local water risks. Furthermore, the plans will foster continuous improvement with a focus on water consumption reduction as well as the implementation of innovative water protection and conservation practices, including nature-based solutions acknowledging the water-biodiversity nexus.

5 Sharing water resources

Acknowledging that water is a resource that must be shared fairly between all local stakeholders, we engage in raising awareness of the need for water conservation measures as well as a common approach to jointly manage any related challenges. We regularly engage with local stakeholders to ensure that available water resources are distributed in an equitable way. We also aim at offering our own surplus water resources from quarry dewatering or from rainwater harvesting to local users where feasible and agreed through a permitted process.

6 Ensuring safe access to water, sanitation, and hygiene

We are committed to providing a safe workplace for all of our employees and site contractors and ensuring access to drinking water as well as safe sanitation and hygiene at our sites. We are signatories of the WBCSD WASH Pledge, under which we have committed to implement the required measures at all our locations.

1) We define water scarcity based on the Aqueduct tool of the World Resource Institute as high or extremely high water stress in a region, projected for 2030.

HEIDELBERGCEMENT

Contact & further information:

Peter Lukas

Director ESG

HeidelbergCement Group

Phone: +49 6221 481-0

Fax: +49 6221 481-13217

sustainability@heidelbergcement.com

www.heidelbergcement.com



MATERIAL
TO BUILD OUR FUTURE