



Heidelberg Materials Responsible Land Use Policy

May 2024

heidelbergmaterials.com

The Heidelberg Materials Responsible Land Use Policy is part of our group policy framework and refers to our commitment to biodiversity stewardship and indigenous land rights. Our policies are binding for Heidelberg Materials AG and all companies that Heidelberg Materials AG directly or indirectly controls.

01. Committing to responsible land use and management

Heidelberg Materials understands that as the temporary custodian of land we occupy, we are required to be responsible stewards. We therefore commit to use and manage the land respectfully throughout the period of our control. Whether land is owned by Heidelberg Materials or leased from others, Heidelberg Materials has a responsibility for the effective management and stewardship of land to ensure that it remains a viable resource during its occupation.

As part of our Sustainability Commitments 2030, Heidelberg Materials ensures that all its excavation sites have reclamation plans that meet the company-approved standard and that the environment and social considerations are considered. Therefore, Heidelberg Materials develops after-use proposals in consultation with local stakeholders and authorities. To ensure best practice, we commit to implementing biodiversity management plans at all sites located within one kilometre of a recognised area of high biodiversity value. In order to reduce our demand for land and manage our footprint, Heidelberg Materials combines complimentary activities at its existing sites wherever possible.

02. Understanding our impact and reporting

Heidelberg Materials requires land for its core business activities. Land is a significant asset for the Heidelberg Materials Group as it constitutes both a physical location where business activities are undertaken and a source for raw material supply. We recognise the important role that land plays in contributing to sustainability as a resource that supports local environmental, social, and economic needs. Therefore, responsible land use and management ensures that Heidelberg Materials maintains secure legal access and permission to use land.

Responsible land management practices support effective environmental protection, efficient use and compliance with all regulatory and statutory controls associated with land acquisition and use. Heidelberg Materials has in-house resources for the management of land, maintains internal guidance, and provides best practice examples to support this important function. We maintain records on the status of our land in terms of operational activities,

environmental social governance risks and responsibility, that is integrated into our sustainability reporting targets. As part of our commitment to ensuring all excavation sites have reclamation (after-use) plans, Heidelberg Materials reports annually on progress to achieve this target in combination with reporting the types of habitats and amount of land reclaimed by the Group.

03. Embedding our land use and management ambitions in our corporate strategy and governance

Heidelberg Materials, as a commercial entity, has a primary interest in using land to support its business success, a measure of which is economic performance. However, rights to operate and reputation are also important factors in business success, which may be enhanced by benefits that can arise from the land, such as contributing to wider economic health through providing employment opportunities, conserving or enhancing biodiversity, or creating new development opportunities to support growing populations. Having established key targets and processes, we aim to ensure that we reduce and manage any environmental impacts on the land. We have also established robust governance structures that assign responsibility and accountability for our targets to our Chief Sustainability Officer, who is a member of the Managing Board.

The acquisition and disposal of land is regularly reviewed, monitored and controlled to ensure that the property portfolio is optimised and beneficial to the environment, neighbourhood and society. Heidelberg Materials does not acquire land for speculative purposes and does not engage in 'land banking'. All land acquired and retained is justified based on business need. We maintain internal guidance on property acquisition. Regular reviews of the property portfolio identify idle or surplus land, which is either brought back into use or released for disposal.

04. Land use and management for nature

Management of land to protect and, where possible, enhance biodiversity is a long-standing principle at Heidelberg Materials and remains a golden thread running through all land use proposals. In this regard, we are committed to avoiding any harmful soil change, water pollution or excessive water consumption. We understand the significant impact these factors can have on food production, access to safe drinking water, and the general wellbeing of communities. Heidelberg Materials is committed to contributing to Nature Positive, and proactively manages the biodiversity and water resources wherever possible on land under our control. This includes ensuring responsible water usage and protection of local water resources and quality.

When planning and implementing business activities, we manage our impacts on biodiversity in line with the sequential steps of the mitigation hierarchy, i.e., avoidance, minimisation and mitigation (through habitat creation and offsets where appropriate). In striving to provide net gains for nature, we evaluate opportunities to enhance biodiversity at all stages of our land control and this principle is an important element of responsible land use.

The gradual reclamation of operational areas and, where practicable, phased release for after-use minimises liabilities at the end of our operations and ensures that we do not block access to land that can support sustainable development or contribute to nature conservation within the local area.

05. Land compensation or offsetting

In some countries, or states, it is necessary to provide compensatory land to mitigate disturbance or loss of habitats associated with our operations. Although not in operational or extractive use, such land is necessary for our business and forms part of our land portfolio.

In cases where compensation land is required, this does not alter our commitment to protect and enhance biodiversity in the management of our operational land.

06. Respecting human rights

When acquiring, developing or using land, water and forests that support people's livelihoods, we comply with applicable national and international laws, including the right of indigenous and tribal peoples to free, prior and informed consent and the required environmental impact assessments.

Furthermore, we acknowledge the linkages between armed conflict and the enjoyment of land-related rights, as armed conflict can lead to forced displacement, land grabbing and land expropriation, which disproportionately affect people in vulnerable situations. We respect the enjoyment of land-related rights and therefore act carefully with enhanced due diligence when acquiring or leasing land in conflict and post-conflict regions and adhere to the rules of international humanitarian law.

When dealing with individuals and associations acting in defence of land, water, and forests, we respect their human rights, including the right to peaceful protest and freedom of expression.

07. Engaging with stakeholders

In the context of land management there can be many interested parties, both internal and external. Engagement with these stakeholders is essential to ensure that land use delivers the widest possible benefit.

At many sites – particularly quarries and pits – community engagement before, during and after our use of the land is essential to maintain good relations and to address the needs of all stakeholders in a balanced way to ensure acceptable outcomes. We are aware that our operations are often viewed critically by our neighbours. Therefore, regular and effective community engagement is essential to appropriately address expectations, to maintain acceptance during our period of land control and when planning for after-use.

Land acquired by Heidelberg Materials may not be intended for immediate use, or only part of it may initially be used in the business. Where land is not required for immediate use, we will, where possible and where we protect our future interests, allow third-party access and use, subject to legal agreements. Legal agreements may allow access and use by previous owners (e.g., farmers), or by tenants with other (non-conflicting) business purposes. By allowing third-party use before we need land for operations, Heidelberg Materials ensures that we minimise land competition by displacing activities elsewhere that may consume more land locally.

