



Heidelberg Materials

2024 CDP Corporate Questionnaire 2024

Word version

Important: this export excludes unanswered questions

This document is an export of your organization's CDP questionnaire response. It contains all data points for questions that are answered or in progress. There may be questions or data points that you have been requested to provide, which are missing from this document because they are currently unanswered. Please note that it is your responsibility to verify that your questionnaire response is complete prior to submission. CDP will not be liable for any failure to do so.

[Terms of disclosure for corporate questionnaire 2024 - CDP](#)

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C1. Introduction

(1.3) Provide an overview and introduction to your organization.

(1.3.2) Organization type

Select from:

Publicly traded organization

(1.3.3) Description of organization

At Heidelberg Materials, we've been contributing to progress for 150 years. Heidelberg Materials is one of the world's largest integrated manufacturers of building materials and solutions and operates on 5 continents. Our core products are cement, aggregates (sand, gravel, and crushed rock), ready-mixed concrete, and asphalt. The key business processes include extraction of raw materials and production of building materials, as well as their sales and distribution to the customers. Other services offered are sea worldwide trading, especially in cement and clinker. Cement, aggregates, and concrete form the core of our business activities. In a market with largely standardised building materials, customer focus and service quality are crucial in order to successfully market our products and solutions. By further developing our product and customer portfolio, we are striving for profitable growth in line with our sustainability targets. In particular, we rely on the market knowledge and entrepreneurial spirit of our local management. The basis and prerequisite for business excellence is a culture of continuous improvement. We compare performance both internally and in relation to competitors in order to identify improvement potential. We operate around 130 cement plants (plus a further 16 as part of joint ventures), just under 600 quarries and aggregates pits (thereof 32 locations of joint ventures), as well as around 1,310 ready-mixed concrete production sites (plus a further 254 as part of joint ventures) worldwide. In total, the Group employs 50,997 people (based on full-time equivalents) at around 2,500 locations on five continents. There are additionally around 330 production sites belonging to joint ventures. In 2023, the Group revenue amounted to 21.2 bn. The top priority of our strategy and all our entrepreneurial activity is to sustainably increase the enterprise value while limiting the impact of our business activities on the environment and society. The United Nations Sustainable Development Goals (SDGs) shape our strategy and our new Sustainability Commitments 2023: 1. Net zero: We drive the decarbonisation of our sector and provide low-carbon products. 2. Safe and inclusive: We place the health and wellbeing of employees, communities, and suppliers at the core of our business operations. 3. Nature positive: We contribute to a nature positive world through our industry-leading biodiversity programme & sustainable water management 4. Circular and resilient: We drive circularity to reduce and reuse materials and natural resources. The purpose adopted in 2020, "Material to build our future," reinforces our intention to develop and produce innovative (building) materials for the future and to play a material role going forward. Four culture principles form the basis for our activity: Be stronger together! Get the customer excited! Unleash innovation! Think and act long term! In March 2023, we published our first "combined Annual Report"- by providing in-depth information about both our financial development and our sustainability commitment. While doing so, we are considering reporting standards such as GRI, HGB, IFRS, SASB, and TCFD.

[Fixed row]

(1.4) State the end date of the year for which you are reporting data. For emissions data, indicate whether you will be providing emissions data for past reporting years.

	End date of reporting year	Alignment of this reporting period with your financial reporting period	Indicate if you are providing emissions data for past reporting years
	12/31/2023	Select from: <input checked="" type="checkbox"/> Yes	Select from: <input checked="" type="checkbox"/> No

[Fixed row]

(1.5) Provide details on your reporting boundary.

	Is your reporting boundary for your CDP disclosure the same as that used in your financial statements?
	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(1.6) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

ISIN code - bond

(1.6.1) Does your organization use this unique identifier?

Select from:

Yes

(1.6.2) Provide your unique identifier

DE0006047004

ISIN code - equity

(1.6.1) Does your organization use this unique identifier?

Select from:

No

CUSIP number

(1.6.1) Does your organization use this unique identifier?

Select from:

No

Ticker symbol

(1.6.1) Does your organization use this unique identifier?

Select from:

No

SEDOL code

(1.6.1) Does your organization use this unique identifier?

Select from:

No

LEI number

(1.6.1) Does your organization use this unique identifier?

Select from:

No

D-U-N-S number

(1.6.1) Does your organization use this unique identifier?

Select from:

No

Other unique identifier

(1.6.1) Does your organization use this unique identifier?

Select from:

No

[Add row]

(1.8) Are you able to provide geolocation data for your facilities?

(1.8.1) Are you able to provide geolocation data for your facilities?

Select from:

Yes, for some facilities

(1.8.2) Comment

To ensure we maintain an updated evaluation of our land asset and physical operational footprint, Heidelberg Materials conducts by means of third-party and using the Integrated Biodiversity Assessment Tool (IBAT) geospatial data, a proximity assessment every 3 years. This assessment is conducted for all quarries as well as

processing and production sites for which Heidelberg Materials owns or has a majority share. Our last assessment was conducted in 2021 with the new study planned for 2024.

[Fixed row]

(1.8.1) Please provide all available geolocation data for your facilities.

Row 1

(1.8.1.1) Identifier

Egypt, Suez Canal/ Red Sea

(1.8.1.2) Latitude

29.775861

(1.8.1.3) Longitude

32.208694

(1.8.1.4) Comment

The Suez Plant in Egypt is located in a region facing significant water scarcity and depletion risks, as identified by the World Resources Institute (WRI). Suez, situated in an arid area with limited freshwater resources, is highly vulnerable to water scarcity due to its dependence on the Nile River, which is under increasing pressure from population growth, agricultural demands, and upstream water use. The region's arid climate and infrequent rainfall exacerbate the challenge of water availability, potentially affecting the plant's operations, which rely on consistent water supply for production processes. Additionally, climate change is expected to worsen water scarcity in the region, further depleting already scarce resources. HM is acutely aware of these risks and takes proactive measures, such as optimizing water usage, implementing water recycling systems to reduce water consumption, and ensure the sustainability of the Suez Plant's operations in the face of water scarcity.

Row 2

(1.8.1.1) Identifier

Bangladesh, Karnaphuli River / Indian Ocean / Gulf of Benga

(1.8.1.2) Latitude

40.47377

(1.8.1.3) Longitude

-75.88977

(1.8.1.4) Comment

The Chittagong Plant in Bangladesh is located in a region highly vulnerable to flooding, as identified by the World Resources Institute (WRI). Chittagong, situated on the southeastern coast of Bangladesh, is prone to both coastal and riverine flooding due to its proximity to the Bay of Bengal and multiple river systems. The risk of flooding is exacerbated by heavy monsoon rains, rising sea levels, and storm surges. Flooding can disrupt plant operations, damage infrastructure, and lead to costly downtime. Additionally, climate change is likely to increase the frequency and severity of these flood events, further heightening the plant's vulnerability. Heidelberg Materials is aware of these risks and actively implements preventive measures, including flood defense systems and emergency plans, to mitigate the impact of potential flooding on the plant's operations.

Row 3

(1.8.1.1) Identifier

USA, Ontelaunee Lake

(1.8.1.2) Latitude

22.279847

(1.8.1.3) Longitude

91.795721

(1.8.1.4) Comment

The Evansville Plant in the USA is located in a region that faces moderate risks of water scarcity, as identified by the World Resources Institute (WRI). Although Evansville is situated near the Ohio River, which provides a significant water source, the region can still experience water scarcity during periods of drought or high demand. Water scarcity risks are primarily driven by increasing agricultural and industrial demands, as well as climate change, which may lead to prolonged dry spells and reduced water availability. These factors can impact the plant's operations, which rely on a steady and sufficient water supply for production processes. HM is

aware of these water scarcity risks and actively implements measures to mitigate them, such as optimizing water use efficiency, incorporating water recycling technologies, and developing strategies to reduce the overall water footprint of the Evansville Plant.

[Add row]

(1.24) Has your organization mapped its value chain?

(1.24.1) Value chain mapped

Select from:

Yes, we have mapped or are currently in the process of mapping our value chain

(1.24.2) Value chain stages covered in mapping

Select all that apply

Upstream value chain

(1.24.3) Highest supplier tier mapped

Select from:

Tier 1 suppliers

(1.24.4) Highest supplier tier known but not mapped

Select from:

Tier 2 suppliers

(1.24.7) Description of mapping process and coverage

Heidelberg Materials has mapped its upstream value chain. We currently have more than 120,000 suppliers and business partners from more than 50 countries. Owing to the complexity of global networks and the predominantly local business relationships (about 90% of all expenditure worldwide- the value is based on an analysis in the countries that use our central SAP system and relates to 58% of the annual procurement volume), it is extremely important for Heidelberg Materials to ensure that information is exchanged reliably at all levels of their supply chain. We take a transparent, sustainable, and forward-looking approach to our procurement of products and services by having a comprehensive overview of our suppliers, processes, and the flow of products and services throughout our supply chain. Our sourcing activities, risk management, and supplier relationship management are consolidated in the SAP Ariba platform.

[Fixed row]

(1.24.1) Have you mapped where in your direct operations or elsewhere in your value chain plastics are produced, commercialized, used, and/or disposed of?

(1.24.1.1) Plastics mapping

Select from:

Yes, we have mapped or are currently in the process of mapping plastics in our value chain

(1.24.1.2) Value chain stages covered in mapping

Select all that apply

End-of-life management

(1.24.1.4) End-of-life management pathways mapped

Select all that apply

Waste to Energy

[Fixed row]

C2. Identification, assessment, and management of dependencies, impacts, risks, and opportunities

(2.1) How does your organization define short-, medium-, and long-term time horizons in relation to the identification, assessment, and management of your environmental dependencies, impacts, risks, and opportunities?

Short-term

(2.1.1) From (years)

0

(2.1.3) To (years)

1

(2.1.4) How this time horizon is linked to strategic and/or financial planning

Short-term (0-1 year): within the risk management and the double materiality assessment framework, we define short-term as the time frame current – 2025. This relates to our regular financial and business planning routines as well as existing and readily foreseeable regulatory requirements.

Medium-term

(2.1.1) From (years)

1

(2.1.3) To (years)

3

(2.1.4) How this time horizon is linked to strategic and/or financial planning

The medium-term is defined as the time frame beyond our regular business planning covering the next 12 months, but for which a broad strategy and an adequate evaluation is in place and strategic roadmaps exist. Furthermore, we have a CO2 strategic plan already in place that sets out a path for CO2 reduction plant by plant until 2030.

Long-term

(2.1.1) From (years)

3

(2.1.2) Is your long-term time horizon open ended?

Select from:

No

(2.1.3) To (years)

30

(2.1.4) How this time horizon is linked to strategic and/or financial planning

We define long-term as the time frame beyond 3 years and typically until at least 2050. This includes investments in assets, R&D for new product lines, and strategic investments in new technologies, such as research into CCUS as well as recarbonation (recarbonation refers to returning CO2 into the material cycle of cement and concrete by making use of CO2 from ambient air being absorbed by concrete). This time frame and the technologies we are developing now in order to be deployed then will be crucial for achieving the targets of the Paris Agreement. Also, Heidelberg Materials' goal is to be net-zero across our product portfolio by 2050 at the latest.

[Fixed row]

(2.2) Does your organization have a process for identifying, assessing, and managing environmental dependencies and/or impacts?

	Process in place	Dependencies and/or impacts evaluated in this process
	Select from: <input checked="" type="checkbox"/> Yes	Select from: <input checked="" type="checkbox"/> Both dependencies and impacts

[Fixed row]

(2.2.1) Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities?

	Process in place	Risks and/or opportunities evaluated in this process	Is this process informed by the dependencies and/or impacts process?
	Select from: <input checked="" type="checkbox"/> Yes	Select from: <input checked="" type="checkbox"/> Both risks and opportunities	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(2.2.2) Provide details of your organization's process for identifying, assessing, and managing environmental dependencies, impacts, risks, and/or opportunities.

Row 1

(2.2.2.1) Environmental issue

Select all that apply

- Climate change

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

- Dependencies
- Impacts
- Risks
- Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply

- Direct operations
- Upstream value chain
- Downstream value chain
- End of life management

(2.2.2.4) Coverage

Select from:

- Full

(2.2.2.5) Supplier tiers covered

Select all that apply

- Tier 1 suppliers

(2.2.2.7) Type of assessment

Select from:

- Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

- More than once a year

(2.2.2.9) Time horizons covered

Select all that apply

- Short-term
- Medium-term
- Long-term

(2.2.2.10) Integration of risk management process

Select from:

- Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply

- Site-specific
- Local
- Sub-national
- National

(2.2.2.12) Tools and methods used

Enterprise Risk Management

- Enterprise Risk Management
- Internal company methods
- ISO 31000 Risk Management Standard

International methodologies and standards

- IPCC Climate Change Projections

Other

- Internal company methods
- Materiality assessment
- Partner and stakeholder consultation/analysis
- Scenario analysis
- Other, please specify :Assessment tool and Modelling software (provided by external insurance company, consideration of SSP scenarios)

(2.2.2.13) Risk types and criteria considered

Acute physical

- Drought
- Tornado
- Avalanche
- Landslide
- Wildfires
- Heavy precipitation (rain, hail, snow/ice)
- Flood (coastal, fluvial, pluvial, ground water)
- Storm (including blizzards, dust, and sandstorms)
- Heat waves
- Subsidence
- Cold wave/frost
- Glacial lake outburst
- Cyclones, hurricanes, typhoons

Chronic physical

- Heat stress
- Soil erosion
- Solifluction
- Water stress
- Sea level rise
- Changing wind patterns
- Temperature variability
- Water quality at a basin/catchment level
- Precipitation or hydrological variability
- Increased severity of extreme weather events
- Coastal erosion
- Soil degradation
- Change in land-use
- Permafrost thawing
- Ocean acidification
- Water availability at a basin/catchment level
- Changing temperature (air, freshwater, marine water)
- Changing precipitation patterns and types (rain, hail, snow/ice)

Policy

- Carbon pricing mechanisms
- Changes to national legislation
- Poor coordination between regulatory bodies
- Poor enforcement of environmental regulation
- Increased difficulty in obtaining operations permits
- Changes to international law and bilateral agreements
- Lack of mature certification and sustainability standards

Market

- Availability and/or increased cost of certified sustainable material
- Availability and/or increased cost of raw materials
- Changing customer behavior
- Uncertainty in the market signals
- Other market, please specify

Reputation

- Impact on human health
- Increased partner and stakeholder concern and partner and stakeholder negative feedback
- Negative press coverage related to support of projects or activities with negative impacts on the environment (e.g. GHG emissions, deforestation & conversion, water stress)
- Stakeholder conflicts concerning water resources at a basin/catchment level
- Stigmatization of sector

Technology

- Dependency on water-intensive energy sources
- Data access/availability or monitoring systems
- Transition to lower emissions technology and products
- Transition to water intensive, low carbon energy sources
- Unsuccessful investment in new technologies

Liability

- Exposure to litigation
- Non-compliance with regulations

- Other liability, please specify

(2.2.2.14) Partners and stakeholders considered

Select all that apply

- NGOs
- Customers
- Employees
- Investors
- Suppliers
- Regulators
- Local communities
- Indigenous peoples
- Other, please specify :**Users/producers at a local level**

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:

- No

(2.2.2.16) Further details of process

The analysis of climate-related risks is part of our overall risk management approach and climate related risks are fully integrated in the regular risk management process of the Group. The process of identifying risks is performed regularly a) bottom-up in a decentralised way by the country management on a quarterly basis b) top-down from a global perspective by the ESG department at least yearly. The analysis focuses on the impact on our own operations but also covers value chain risks, e.g. the impact on droughts or floods on receiving or delivering goods. a) Bottom-up approach: ESG coordinators were nominated in each country as experts for climate related risks. Based on the Group's risk policy, the risks are identified and assessed every quarter in a quantitative way whenever possible, based on impact reporting thresholds established at country level. The operational planning cycle is used as the period for the forecast. A specific risk reporting process was designed for physical climate risks. Each country must assess their physical climate risks at plant level annually (including potential impact on financial items such as revenue or book value), covering short-term, mid-term and long-term time horizons. Specific plants were selected around the world based on multiples criteria (Munich Re Scoring, EU Taxonomy relevance, Total insured value). The results of this analysis are consolidated by the ESG department and flow into the Group's overall risk assessment. b) Top-down approach: climate-related risks are also identified and assessed annually at Group level by the departments GICR, ESG and Group Strategy and Development/M&A. We distinguish between physical and transition risks. For the physical risks, we developed a standardized approach to estimate the potential impact of chronic or acute physical events on selected plants, enabling us to get an estimate of our exposure to physical climate risks within the next 12 months. Moreover, transition risks are analyzed annually at Group level in close collaboration between relevant departments and are assessed on a strategic level in a qualitative and quantitative way. Identified risks are discussed at local level by Country management and reported to Group to be consolidated into our Global risk, which is presented on a quarterly basis to the Managing Board. The Managing Board sets up and supervises the internal control and risk management system and has overall responsibility for the scope and organization of the established systems. The process of identification within the regular risk management process is supplemented with an ad-hoc risk report in the event of a sudden occurrence of serious risk. Additionally to this specific climate risk assessment process, we conduct

a Double Materiality Assessment (DMA). Here besides the climate risks also the dependencies, impacts and opportunities are being assessed and validated yearly. In this DMA, individual subject matter experts assess the three sub-topics climate change adaptation, climate change mitigation and energy along all value chain steps of our business model. The risks out of the overall risk management process are considered consistently. For impact materiality these are scale, scope, remediability & likelihood as evaluation criteria, and for the financial materiality magnitude & likelihood. If the calculated impact/financial materiality threshold exceeds a defined value a sub-topic is considered as substantial.

Row 2

(2.2.2.1) Environmental issue

Select all that apply

- Water

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

- Dependencies
- Impacts
- Risks
- Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply

- Direct operations
- Upstream value chain
- Downstream value chain
- End of life management

(2.2.2.4) Coverage

Select from:

- Full

(2.2.2.5) Supplier tiers covered

Select all that apply

- Tier 1 suppliers

(2.2.2.7) Type of assessment

Select from:

- Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

- Annually

(2.2.2.9) Time horizons covered

Select all that apply

- Short-term
- Medium-term
- Long-term

(2.2.2.10) Integration of risk management process

Select from:

- Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply

- Not location specific

(2.2.2.12) Tools and methods used

Commercially/publicly available tools

- WRI Aqueduct
- WWF Water Risk Filter

International methodologies and standards

- IPCC Climate Change Projections
- Other international methodologies and standards, please specify : WBCSD WASH Pledge Self-Assessment tool and Modelling software provided by external insurance company)

Other

- Internal company methods
- Materiality assessment
- Partner and stakeholder consultation/analysis
- Scenario analysis
- Other, please specify :WBCSD WASH Pledge Self-Assessment tool and Modelling software provided by external insurance company

(2.2.2.13) Risk types and criteria considered

Acute physical

- Drought
- Tornado
- Avalanche
- Landslide
- Wildfires
- Glacial lake outburst
- Cyclones, hurricanes, typhoons
- Heavy precipitation (rain, hail, snow/ice)
- Flood (coastal, fluvial, pluvial, ground water)
- Storm (including blizzards, dust, and sandstorms)
- Heat waves
- Subsidence
- Toxic spills
- Cold wave/frost
- Pollution incident
- Other acute physical risk, please specify

Chronic physical

- Soil erosion
- Solifluction
- Water stress
- Sea level rise
- Coastal erosion
- Groundwater depletion
- Declining water quality
- Temperature variability
- Poorly managed sanitation
- Declining ecosystem services
- Water availability at a basin/catchment level
- Seasonal supply variability/interannual variability
- Changing temperature (air, freshwater, marine water)
- Changing precipitation patterns and types (rain, hail, snow/ice)
- Increased levels of environmental pollutants in freshwater bodies
- Saline intrusion
- Soil degradation
- Change in land-use
- Permafrost thawing
- Ocean acidification
- Increased ecosystem vulnerability
- Rationing of municipal water supply
- Water quality at a basin/catchment level
- Precipitation or hydrological variability
- Increased severity of extreme weather events
- Other chronic physical driver, please specify

Policy

- Increased pricing of water
- Changes to national legislation
- Regulation of discharge quality/volumes
- Limited or lack of river basin management
- Poor coordination between regulatory bodies
- Increased difficulty in obtaining water withdrawals permit
- Statutory water withdrawal limits/changes to water allocation
- Mandatory water efficiency, conservation, recycling, or process standards
- Uncertainty and/or conflicts involving land tenure rights and water rights
- Introduction of regulatory standards for previously unregulated contaminants
- Poor enforcement of environmental regulation
- Limited or lack of transboundary water management
- Increased difficulty in obtaining operations permits
- Changes to international law and bilateral agreements
- Lack of mature certification and sustainability standards
- Other policy, please specify

Market

- Availability and/or increased cost of certified sustainable material

- Availability and/or increased cost of raw materials
- Changing customer behavior
- Inadequate access to water, sanitation, and hygiene services (WASH)
- Uncertainty in the market signals

Reputation

- Impact on human health
- Increased partner and stakeholder concern and partner and stakeholder negative feedback
- Negative press coverage related to support of projects or activities with negative impacts on the environment (e.g. GHG emissions, deforestation & conversion, water stress)
- Stakeholder conflicts concerning water resources at a basin/catchment level
- Stigmatization of sector

Technology

- Unsuccessful investment in new technologies
- Dependency on water-intensive energy sources
- Data access/availability or monitoring systems
- Transition to water intensive, low carbon energy sources
- Transition to water efficient and low water intensity technologies and products
- Other technology, please specify

Liability

- Exposure to litigation
- Moratoria and voluntary agreement
- Non-compliance with regulations

(2.2.2.14) Partners and stakeholders considered

Select all that apply

- NGOs
- Employees
- Investors
- Local communities
- Other water users at the basin/catchment level
- Other, please specify :**Water users at the basin/catchment level**

- Suppliers
- Regulators

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:

- No

(2.2.2.16) Further details of process

As part of our comprehensive risk management approach, we also conduct a thorough assessment of potential and actual water risks faced by Heidelberg Materials. Prior to establishing new operations, we conduct both environmental and conventional business assessments. Additionally, we utilize the WRI Aqueduct tool to assess water-related risks in our operations, providing insights into current river basin conditions and future scenarios. This risk assessment is conducted for all our facilities. When assessing the different water regions, care was taken to ensure that the focus was not only on water scarcity but also on water risk. Recently, physical water risks, water quality and groundwater depletion have also been taken into account. Water scarcity, water stress and water risk were prioritized. In line with the Task Force on Climate-related Financial Disclosures (TCFD) methodology, we have individually rated each of our global operations based on their exposure to key acute and chronic risks, including water-related risks such as flooding, drought, and extreme precipitation. To evaluate different climate scenarios and time horizons, we employ a global modelling software developed by a leading insurance company. Furthermore, we utilize the WBCSD WASH Pledge Self-Assessment tool to assess risks related to access to safe water, sanitation, and hygiene for our global workforce. To ensure a decentralized approach, risks are identified by country management and reported to the Managing Board on a quarterly basis. This reporting encompasses water-related risks within our own operations, as well as supply chain and customer market disruptions. It takes into account regulatory, physical, and transition implications. Additionally, to this specific climate risk assessment process there is the general Double Materiality Assessment (DMA). Here besides the water risks also the dependencies, impacts and opportunities are being assessed and validated yearly. In this DMA individual subject matter experts assess the five sub-sub-topics water consumption, water withdrawals, water discharges, water discharges in the oceans and extraction and use of marine resources along all value chain steps of Heidelberg Materials business model. The risks out of the overall risk management process are considered consistently. The assessment is done along certain evaluation criteria. For impact materiality these are scale, scope, remediability (all three together severity) and likelihood. For the financial materiality these are magnitude and likelihood. If the calculated impact materiality threshold or financial materiality threshold is exceeding a defined value a sub-topic is being considered as substantial respectively material.

Row 3

(2.2.2.1) Environmental issue

Select all that apply

- Biodiversity

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

- Dependencies
- Impacts
- Risks
- Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply

- Direct operations
- Upstream value chain
- Downstream value chain
- End of life management

(2.2.2.4) Coverage

Select from:

- Full

(2.2.2.5) Supplier tiers covered

Select all that apply

- Tier 1 suppliers

(2.2.2.7) Type of assessment

Select from:

- Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

- Annually

(2.2.2.9) Time horizons covered

Select all that apply

- Short-term
- Medium-term
- Long-term

(2.2.2.10) Integration of risk management process

Select from:

- Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply

- Not location specific

(2.2.2.12) Tools and methods used

Commercially/publicly available tools

- Biodiversity indicators for site-based impacts
- TNFD – Taskforce on Nature-related Financial Disclosures

International methodologies and standards

- Other international methodologies and standards, please specify :Modelling software provided by external insurance company)

Other

- Internal company methods
- Materiality assessment
- Partner and stakeholder consultation/analysis
- Scenario analysis

- Other, please specify :Modelling software provided by external insurance company

(2.2.2.13) Risk types and criteria considered

Acute physical

- Drought
- Tornado
- Avalanche
- Landslide
- Wildfires
- Heavy precipitation (rain, hail, snow/ice)
- Flood (coastal, fluvial, pluvial, ground water)
- Storm (including blizzards, dust, and sandstorms)
- Heat waves
- Subsidence
- Cold wave/frost
- Glacial lake outburst
- Cyclones, hurricanes, typhoons

Chronic physical

- Soil erosion
- Solifluction
- Water stress
- Sea level rise
- Coastal erosion
- Increased ecosystem vulnerability
- Water quality at a basin/catchment level
- Precipitation or hydrological variability
- Increased severity of extreme weather events
- Water availability at a basin/catchment level
- Soil degradation
- Change in land-use
- Ocean acidification
- Temperature variability
- Declining ecosystem services
- Changing temperature (air, freshwater, marine water)
- Changing precipitation patterns and types (rain, hail, snow/ice)
- Increased levels of environmental pollutants in freshwater bodies

Policy

- Changes to national legislation
- Poor coordination between regulatory bodies
- Poor enforcement of environmental regulation
- Increased difficulty in obtaining operations permits
- Lack of mature certification and sustainability standards
- Uncertainty and/or conflicts involving land tenure rights and water rights

- Changes to international law and bilateral agreements

Market

- Availability and/or increased cost of certified sustainable material
- Availability and/or increased cost of raw materials
- Changing customer behavior
- Uncertainty in the market signals

Reputation

- Impact on human health
- Increased partner and stakeholder concern and partner and stakeholder negative feedback
- Negative press coverage related to support of projects or activities with negative impacts on the environment (e.g. GHG emissions, deforestation & conversion, water stress)
- Stakeholder conflicts concerning water resources at a basin/catchment level
- Stigmatization of sector

Technology

- Data access/availability or monitoring systems
- Unsuccessful investment in new technologies

Liability

- Exposure to litigation
- Non-compliance with regulations
- Other liability, please specify

(2.2.2.14) Partners and stakeholders considered

Select all that apply

- Local communities
- Indigenous peoples
- NGOs
- Regulators

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:

Yes

(2.2.2.16) Further details of process

The process for identifying, assessing, and managing dependencies, impacts, risks, and/or opportunities for the issue “Biodiversity” is mainly based on the newly established ESRS aligned Double Materiality Assessment. The dependencies, impacts, risks and opportunities are being assessed and validated yearly. In this DMA individual subject matter experts assess the four sub-topics direct impact drivers of biodiversity loss, impacts on the state of species, impacts on the extent and condition of ecosystems and impacts and dependencies on ecosystem services along all value chain steps of Heidelberg Materials business model. The risks out of the overall risk management process are considered consistently. The assessment is done along certain evaluation criteria. For impact materiality these are scale, scope, remediability (all three together severity) and likelihood. For the financial materiality these are magnitude and likelihood. If the calculated impact materiality threshold or financial materiality threshold is exceeding a defined value a sub-topic is being considered as substantial respectively material.

[Add row]

(2.2.7) Are the interconnections between environmental dependencies, impacts, risks and/or opportunities assessed?

(2.2.7.1) Interconnections between environmental dependencies, impacts, risks and/or opportunities assessed

Select from:

Yes

(2.2.7.2) Description of how interconnections are assessed

Our holistic resource management approach prioritizes circularity and as per our definition, covers minerals and water. The primary goal of our circularity strategy is saving virgin raw materials, so, reducing resource consumption. This includes recycling both inert materials (concrete, aggregates) and water. Water recycling is crucial to our sustainability commitments, offering significant opportunities for our plants: 1. Reduced material footprint 2. Preservation of natural resources 3. Ensured license to operate 4. Cost savings compared to town water consumption. Currently, 82% of our cement plants and 60% of our aggregate plants have water recycling systems in place, demonstrating our commitment to this initiative. For CSRD reporting purposes, we will jointly report on circularity, recycling, water recycling and CO2 reduction through energy recovery (RDF fuels) under section E5 as well as the IRO assessment of the double materiality analysis. This integrated approach reflects the interconnectedness of these practices in our overall sustainability strategy. By implementing circular water management, we address environmental risks, capture sustainability opportunities, and enhance our operational resilience while contributing to resource and nature conservation.

[Fixed row]

(2.3) Have you identified priority locations across your value chain?

(2.3.1) Identification of priority locations

Select from:

- Yes, we are currently in the process of identifying priority locations

(2.3.2) Value chain stages where priority locations have been identified

Select all that apply

- Upstream value chain

(2.3.3) Types of priority locations identified

Locations with substantive dependencies, impacts, risks, and/or opportunities

- Locations with substantive dependencies, impacts, risks, and/or opportunities relating to water

(2.3.4) Description of process to identify priority locations

To identify priority locations within the supply chain with a focus on water sustainability, a structured three-step framework was piloted. By evaluating environmental pressures and identifying high-impact commodities using the SBTN Materiality Screening Tool the impact was assessed. Procurement categories were aligned with ISIC groups for standardized reporting, prioritizing categories based on water-related environmental pressures, and determining spend per country and supplier for each prioritized category. Data was interpreted and suppliers ranked by using the WRI's Aqueduct Water Risk Atlas to consider water risk and prioritize suppliers in high-risk areas in line with Heidelberg Materials own Nature, in particular Water Strategy. This water-related pilot project focuses on an incentive-based approach to raise awareness and encourage know-how within the upstream value-chain.

(2.3.5) Will you be disclosing a list/spatial map of priority locations?

Select from:

- No, we have a list/geospatial map of priority locations, but we will not be disclosing it

[Fixed row]

(2.4) How does your organization define substantive effects on your organization?

Risks

(2.4.1) Type of definition

Select all that apply

- Qualitative
- Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:

- EBITDA

(2.4.3) Change to indicator

Select from:

- Absolute decrease

(2.4.5) Absolute increase/ decrease figure

120

(2.4.6) Metrics considered in definition

Select all that apply

- Time horizon over which the effect occurs
- Likelihood of effect occurring

(2.4.7) Application of definition

At Heidelberg Materials, we consider events that may have a negative impact on the achievement of short-term and long-term operational and strategic corporate targets to be risks. We distinguish between quantitative and qualitative risks. For short term quantitative risks (next 12 months), we consider an impact on the key parameters „Results from current operations“, „profit for the financial year“ or „cash flow“ as substantive financial impact for the Group if the effect is 120 million. For mid- to long-term risks of strategic nature, we consider an impact of 300 million as a substantive impact. Those impacts thresholds were defined as tolerance limits in relation to current Group's RCOBD (result from current operations before depreciation and amortisation). While we strive for quantification of all risks, specific risks

such as reputation risk are of qualitative nature. The potential extent of damage of non-financial risks is assessed according to qualitative criteria from low to critical in a top-down approach based on specific loss scenarios that could trigger the event. Those risks might represent a threat to our business model requiring a shift or adjustment in activity in the future and are therefore might also be considered as significant. Most of the transition risks are of qualitative nature.

Opportunities

(2.4.1) Type of definition

Select all that apply

- Qualitative
- Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:

- Direct operating costs

(2.4.3) Change to indicator

Select from:

- Absolute increase

(2.4.5) Absolute increase/ decrease figure

110

(2.4.6) Metrics considered in definition

Select all that apply

- Time horizon over which the effect occurs
- Likelihood of effect occurring

(2.4.7) Application of definition

We give careful consideration to both the risks and opportunities of climate change for our industry. We see a key role for the cement industry in the transition to a low-carbon, climate-resilient global economy: our building materials enable the construction of robust infrastructure protected against the physical effects of climate change. The urbanisation trend and growing world population are also likely to increase the demand for cement and concrete. We therefore expect greater demand for sustainable products and are reviewing our entire product portfolio accordingly. Heidelberg Materials' target is to achieve net-zero emissions by 2050 at the latest. By 2030, half of the Group revenue is to be generated with sustainable products. We also consider it our responsibility to actively convince customers of the quality of CO2-reduced products. Weather-related dependencies, the design of regulatory frameworks with regard to carbon pricing, and market risks arising from shifting consumer preferences are some of the risks we see as relevant to our company. The current analysis indicates that there is no immediate or significant opportunity from water itself. However, an opportunity can be estimated based on the reciprocal value derived from the financial risk associated with water withdrawal. It is assumed that water recycling can reduce the need for water withdrawal, which predominantly presents a financial risk and therefore recycling a potential opportunity for upstream and own operations, while the impact on downstream operations is minimal. The impact and risk assessment within our double materiality analysis categorizes risks on a scale from 0 to 5, with water withdrawal risks rated between 2 to 3 for activities such as quarrying, clinker and cement production, RMC, and precast/other, leading to a financial impact ranging from 110 to 420 million EUR for own operations. Given that water recycling cannot completely replace withdrawal, and considering the investment costs for recycling systems, a conservative estimate of 110 million EUR can be used to assess the financial opportunities from water recycling in reducing water withdrawal globally.

[Add row]

(2.5) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?

(2.5.1) Identification and classification of potential water pollutants

Select from:

Yes, we identify and classify our potential water pollutants

(2.5.2) How potential water pollutants are identified and classified

We systematically identify and classify potential water pollutants on site level. Adhering to local governmental regulations, we determine permissible pollutant limits in water and follow established guidelines and standards for water quality. Our water management plans include stakeholder analyses and risk assessments to address potential environmental risks, including those related to water quality. In line with the Group's globally applicable water policy, we aim to minimize the environmental impacts of water discharges. Compliance with permits and the ISO 14001 standard ensures that potential pollutants are identified and managed appropriately across all sites and business activities. At the plant level, monitoring is carefully conducted and supervised by the responsible regulatory authority. Water quality is routinely tested in external laboratories using various water samples. In addition, direct on-site measures, such as temperature checks, are carried out on the basis of specific monitoring and reporting requirements.

[Fixed row]

(2.5.1) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your activities.

Row 1

(2.5.1.1) Water pollutant category

Select from:

- Oil

(2.5.1.2) Description of water pollutant and potential impacts

Due to the individual nature and circumstances of the individual plants, various water pollutants are taken into account. The machines/equipment and warehouses contain oils and/or greases that could spill if damaged and, in the worst case, contaminate the groundwater and soil, hence affecting water bodies, ecosystems and/or human health. This impacts the micro- and macrofauna as well as the population and imply potential impacts regarding toxicity, coverage and persistence which we also take into consideration. Water recycling is in the aspect crucial as it enables the treatment and reuse of wastewater and other sources, preventing the discharge of pollutants into natural water bodies. This conserves freshwater, reduces the need for additional withdrawals and maintains the ecological balance, minimizing the impact on ecosystems and human health. High water quality through recycling systems further reduces health risks. Our integrated water resource management promotes comprehensive planning, coordination, protection and prevention of pollution. Suppliers' compliance with our Supplier Code of Conduct and guidelines are an indicator for successfully measuring and evaluating accountability. To promote progress, we provide sustainability trainings and guidelines. Additional measures include reducing or eliminating the use of hazardous substances, ensuring compliance with regulations through permitting, and reducing the use of hazardous substances.

(2.5.1.3) Value chain stage

Select all that apply

- Direct operations
- Upstream value chain

(2.5.1.4) Actions and procedures to minimize adverse impacts

Select all that apply

- Water recycling
- Resource recovery
- No formal procedure(s) in place
- Reduction or phase out of hazardous substances
- Provision of best practice instructions on product use
- Implementation of integrated solid waste management systems

- Upgrading of process equipment/methods
- Requirement for suppliers to comply with regulatory requirements
- Beyond compliance with regulatory requirements
- Industrial and chemical accidents prevention, preparedness, and response
- Discharge treatment using sector-specific processes to ensure compliance with regulatory requirements
- Assessment of critical infrastructure and storage condition (leakages, spillages, pipe erosion etc.) and their resilience
- Other, please specify :Integrated Water Resource Management: site-specific Water Management Plans

(2.5.1.5) Please explain

Water recycling is crucial as it enables the treatment and reuse of wastewater and other sources, preventing the discharge of pollutants into natural water bodies. This conserves freshwater, reduces the need for additional withdrawals and maintains the ecological balance, minimizing the impact on ecosystems and human health. High water quality through recycling systems further reduces health risks. Our integrated water resource management (IWRM) promotes comprehensive planning, coordination, protection and prevention of pollution. Given the challenges within the supply chain in relation to freshwater availability, involving suppliers in responsible water management is essential. Suppliers' compliance with our Supplier Code of Conduct and guidelines are an indicator for successfully measuring and evaluating accountability. Holding suppliers accountable ensures sustainable and effective water management. To promote progress, we encourage an approach of education and training. In order to facilitate awareness, we provide sustainability training and guidelines. The involvement of additional stakeholders beyond suppliers helps to identify suitable remedial measures. Additional measures include reducing or eliminating the use of hazardous substances, ensuring compliance with regulations through permitting, and reducing the use of hazardous substances.

Row 2

(2.5.1.1) Water pollutant category

Select from:

- Pesticides

(2.5.1.2) Description of water pollutant and potential impacts

It is very uncommon that we face water quality related challenges since our production processes are well managed and do not pollute the water. In principle, our production processes do not release any water emissions and our extraction and processing activities do not lead to nitrate, phosphate, or pesticides emissions. However groundwater, which we also partly use, may carry some contamination originating from external sources, e.g. from agricultural activities causing pesticide residues. This is currently the only potential impact we see regarding pesticides. We do discuss this topic proactively with our key stakeholders, and also in initiatives as e.g. die Global Water Partnership. Here, for example water filters as a potential solution play a role. In the very specific case when using imported materials extracted from tunnels, washing the material may require nitrogen management. This is related to the nitrogen inherent to the use of explosive. Nevertheless, the topic is relevant at less than 1 % of our sites.

(2.5.1.3) Value chain stage

Select all that apply

- Direct operations

(2.5.1.4) Actions and procedures to minimize adverse impacts

Select all that apply

- Water recycling
- Resource recovery
- Reduction or phase out of hazardous substances
- Requirement for suppliers to comply with regulatory requirements
- Discharge treatment using sector-specific processes to ensure compliance with regulatory requirements
- Other, please specify :Integrated Water Resource Management

(2.5.1.5) Please explain

Water recycling plays an important role since it allows for the treatment and reuse of wastewater and other water sources. This prevents the discharge of pollutants into natural water bodies. Moreover, freshwater can be preserved, minimizes the need for further water withdrawals which thereby maintains ecological balance and reduces impact on ecosystem and human health. By ensuring and maintaining high water quality through recycling systems the risks on human health are further minimized. We evaluate the success of our water management by various metrics as for example the number of investments in on-site water recycling systems and the number of sites which are equipped with water recycling systems. Our Integrated Water Resource Management promotes comprehensive planning and coordination of water sources as well as protection and pollution prevention. The involvement and engagement with further stakeholders beyond suppliers promote to find appropriate mitigation measures. Involving our suppliers in a responsible water management will be reflected in collaborations on reducing water consumption and addressing water-related challenges. Also, suppliers' compliance with guidelines are an indicator for successfully measuring and evaluating accountability. With metrics as e.g. the number of suppliers and the coverage we are evaluating the success on an ongoing basis. Holding suppliers accountable establishes a framework for responsible and sustainable water recycling practices.

[Add row]

C3. Disclosure of risks and opportunities

(3.1) Have you identified any environmental risks which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

Climate change

(3.1.1) Environmental risks identified

Select from:

Yes, both in direct operations and upstream/downstream value chain

Water

(3.1.1) Environmental risks identified

Select from:

No

(3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

Select from:

Environmental risks exist, but none with the potential to have a substantive effect on our organization

(3.1.3) Please explain

We recognize local water risks within our operations, including water scarcity, flooding, and regulatory constraints. For instance, production sites in Spain, Italy, Turkey, Kazakhstan, and Belgium are located in areas where future water scarcity could be a concern according to WRI business as usual 2030. In Australia and France, coastal locations face potential disruptions from extreme weather and flooding. Challenges like heavy rainfall, groundwater decline, and drought are also considered in our assessments. We take necessary measures, such as implementing water management plans, recycling systems, and storing critical materials on higher ground. Our global operations are highly diversified, with almost 3,000 cement production sites, quarries, aggregates pits, and ready-mixed concrete production sites worldwide. Consequently, adverse impacts would likely affect less than 1% of our facilities, falling below the substantive risk threshold in our risk

catalogue. Given the localized nature of water-related challenges, our diversified operations help mitigate substantial impacts on Heidelberg Materials at the group level. This assessment aligns with our defined substantive risk criteria

Plastics

(3.1.1) Environmental risks identified

Select from:

No

(3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

Select from:

Not an immediate strategic priority

(3.1.3) Please explain

*Plastics is not a material topic for us as we are not involved in that value chain
[Fixed row]*

(3.1.1) Provide details of the environmental risks identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

(3.1.1.1) Risk identifier

Select from:

Risk1

(3.1.1.3) Risk types and primary environmental risk driver

Policy

- Carbon pricing mechanisms

(3.1.1.4) Value chain stage where the risk occurs

Select from:

- Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

- | | |
|--|---|
| <input checked="" type="checkbox"/> Italy | <input checked="" type="checkbox"/> Norway |
| <input checked="" type="checkbox"/> Spain | <input checked="" type="checkbox"/> Poland |
| <input checked="" type="checkbox"/> France | <input checked="" type="checkbox"/> Sweden |
| <input checked="" type="checkbox"/> Greece | <input checked="" type="checkbox"/> Belgium |
| <input checked="" type="checkbox"/> Latvia | <input checked="" type="checkbox"/> Croatia |
| <input checked="" type="checkbox"/> Czechia | <input checked="" type="checkbox"/> Iceland |
| <input checked="" type="checkbox"/> Denmark | <input checked="" type="checkbox"/> Romania |
| <input checked="" type="checkbox"/> Estonia | <input checked="" type="checkbox"/> Bulgaria |
| <input checked="" type="checkbox"/> Germany | <input checked="" type="checkbox"/> Lithuania |
| <input checked="" type="checkbox"/> Hungary | <input checked="" type="checkbox"/> Netherlands |
| <input checked="" type="checkbox"/> Bosnia & Herzegovina | |
| <input checked="" type="checkbox"/> United Kingdom of Great Britain and Northern Ireland | |

(3.1.1.9) Organization-specific description of risk

Heidelberg Materials is present in more than 50 countries and 40% of the clinker production fall into the scope of emissions trading systems. The main markets affected for this type of risk are EU countries. The magnitude of this risk depends on the regulatory climate requirements, the market price for allowances, the volume of free allocation, and our cement or clinker production volume. The trading system that has established very detailed requirements to our operations is the EU ETS. The cost of CO2 emissions is directly linked to the clinker production and the ability of Heidelberg Material plants to achieve a lower level than the benchmark (693 kg CO2/t clinker). In 2023 the average price for EUAs was around 70 and 90/tonne. Although prices in 2024 have dropped to 50.63 - 75.23/ tonne, it is expected that the CO2 price drop recovers and keep increasing due to the increase of EU ETS requirements and demand. The emission rights that were allocated free of charge according to the benchmark rules, and will be reduced after 2026 with the implementation of the Carbon Border Adjustment Mechanism. As announced by the EU the

reduction of allowances will be as follows: 2026: 2.5%, 2027: 5%, 2028:10%, 2029: 22.5%, 2030: 48.5%, 2031:61%, 2032:73.5%, 2033: 86%, and 2034: 100%. The main risk is a competitive disadvantage with respect to producers from outside emissions trading (carbon leakage).

(3.1.1.11) Primary financial effect of the risk

Select from:

Increased direct costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

Medium-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

Likely

(3.1.1.14) Magnitude

Select from:

Medium-high

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

180,000,000

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

Yes

(3.1.1.21) Anticipated financial effect figure in the medium-term – minimum (currency)

(3.1.1.22) Anticipated financial effect figure in the medium-term – maximum (currency)

180000000

(3.1.1.25) Explanation of financial effect figure

The potential financial impact of the CO2 cost in the EU ETS countries has been estimated based on the estimated yearly EU Allowances requirements based on EU production levels and free allowance allocation. We have assumed a minimum potential impact figure considering the CO2 price of 90 and a maximum potential impact figure of 100. The review of the scenarios reflects different yearly needs of the plants that could range between deficit and surplus. Since the results of this analysis depend greatly on production figures, the bottom-up review performed showed that depending on market needs, in the short term, if changes are implemented, there might not be an impact within this time frame, however, if the CO2 reductions are not achieved, in the EU countries the monetary impact could reach a total of 180,000,000 in the period up to 2026. The potential financial impact could increase in the following years once there is more certainty on the market price of CO2, changes in EU regulation, as well as the production needs of Heidelberg Materials plants

(3.1.1.26) Primary response to risk

Engagement

Engage with regulators/policy makers

(3.1.1.27) Cost of response to risk

174000000

(3.1.1.28) Explanation of cost calculation

We have updated the investment planning on which our internal CO2 roadmap is based. In order to increase taxonomy-aligned revenue while complying with the technical screening criteria, Heidelberg Materials now expects to invest a total of 1,740 million and incur operating expenses of 101 million in the economic activity “CCM 3.7. Manufacture of cement” by 2030. The figures are lower than the investment requirements reported in the previous year, as the investment volume defined in the CapEx plan for achieving the CO2 thresholds was reduced on the basis of updated analyses. In addition to the plants remaining in the CapEx plan, the analysis identified further opportunities to reduce CO2 emissions, which primarily require operating expenses such as the procurement and use of alternative raw materials.

(3.1.1.29) Description of response

We have updated the investment planning on which our internal CO2 roadmap is based. In order to increase taxonomy-aligned revenue while complying with the technical screening criteria, Heidelberg Materials now expects to invest a total of 1,740 million and incur operating expenses of 101 million in the economic activity “CCM 3.7. Manufacture of cement” by 2030. The figures are lower than the investment requirements reported in the previous year, as the investment volume defined in the CapEx plan for achieving the CO2 thresholds was reduced on the basis of updated analyses. In addition to the plants remaining in the CapEx plan, the analysis identified further opportunities to reduce CO2 emissions, which primarily require operating expenses such as the procurement and use of alternative raw materials. Based on the current CapEx plan for the 2023 reporting year, the taxonomy-aligned investments in the previous year would amount to 347.9 million or 22.2%, while the taxonomy-aligned OpEx would amount to 37.9 million or 2.4%. In 2023, investments towards the CapEx plan amounted to 296.2 million. The operating expenses incurred under the CapEx plan for the 2023 financial year came to 21.4 million. The Capex related to the manufacture of cement will be mainly distributed across our 3 pillars 1) Products: Clinker incorporation/low carbon products 2) Process: alternative fuels incl. biomass initiatives 3) New emission reduction technologies, like CCUS To set up the transition plan, all countries have to develop a long-term plan to reduce CO2 emissions among these 3 pillars.

[Add row]

(3.1.2) Provide the amount and proportion of your financial metrics from the reporting year that are vulnerable to the substantive effects of environmental risks.

Climate change

(3.1.2.1) Financial metric

Select from:

Assets

(3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

0

(3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

Select from:

Less than 1%

(3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

(3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue

Select from:

Less than 1%

(3.1.2.7) Explanation of financial figures

Transition risks: we considered the potential increased pricing of CO2 and its financial impact on all cement production sites falling into the scope of emission trading systems (requiring emission certificates in the present or in the future) worldwide. For the reporting period, this includes all cement sites in Europa and in the UK. We considered the asset monetary amount at risk as required by the CSRD. Currently we do not provide the amount of financial metric vulnerable to physical risks' and 'the % of total financial metric vulnerable to physical risks for' as this is a) sensitive company internal information and b) we stick to the CSRD requirements which do not requests those figures so far.

[Add row]

(3.2) Within each river basin, how many facilities are exposed to substantive effects of water-related risks, and what percentage of your total number of facilities does this represent?

Row 1

(3.2.1) Country/Area & River basin

Afghanistan

Helmand

[Add row]

(3.3) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

(3.3.1) Water-related regulatory violations

Select from:

Yes

(3.3.2) Fines, enforcement orders, and/or other penalties

Select all that apply

Fines

(3.3.3) Comment

There were 3 countries were subjected to water related fines in 2023. USA, Turkey were subjected for more than 10,000 USD fines in 2023, Romania was subjected to less than 5,000 USD.

[Fixed row]

(3.3.1) Provide the total number and financial value of all water-related fines.

(3.3.1.1) Total number of fines

7

(3.3.1.2) Total value of fines

351598

(3.3.1.3) % of total facilities/operations associated

0.33

(3.3.1.4) Number of fines compared to previous reporting year

Select from:

Higher

(3.3.1.5) Comment

*There was no Water related fines in 2022. 2023 we had 7 cases from USA, Turkey, Romania that needed to pay for Water-related fines.
[Fixed row]*

(3.3.2) Provide details for all significant fines, enforcement orders and/or other penalties for water-related regulatory violations in the reporting year, and your plans for resolving them.

Row 1

(3.3.2.1) Type of penalty

Select from:

Fine

(3.3.2.2) Financial impact

29.63

(3.3.2.3) Country/Area & River basin

Zimbabwe

Other, please specify :Glens Falls, NY, USA

(3.3.2.4) Type of incident

Select from:

Other, please specify :Unauthorized discharge

(3.3.2.5) Description of penalty, incident, regulatory violation, significance, and resolution

Settlement for exceedances of Hg standard and unauthorized discharge and associated effluent limitation exceedance. It was an unintentional release of lime slurry to the pond that ultimately went to discharge. The valve was fixed and excess lime from the pond was cleaned up. The plant is permanently shut down with no plans to reoperate.

Row 2

(3.3.2.1) Type of penalty

Select from:

Fine

(3.3.2.2) Financial impact

300.31

(3.3.2.3) Country/Area & River basin

Zimbabwe

Other, please specify :Cupertino, CA USA

(3.3.2.4) Type of incident

Select from:

Other, please specify :Unauthorized discharge

(3.3.2.5) Description of penalty, incident, regulatory violation, significance, and resolution

Discharged approximately 15.55 million gallons of fresh potable water to Permanente Creek. Fresh water supply line corroded and leaked at the underground joint. Water leaked into creek unnoticed. Corroded joint was replaced, and unused piping removed. A city water supply line monitoring project and daily visual inspections was initiated. There is a daily meter reading as a part of monitoring fresh water supply. A professional engineering firm was retained to improve system reliability and their recommendations were incorporated, including installation of a Booster Pump.

[Add row]

(3.5.2) Provide details of each Emissions Trading Scheme (ETS) your organization is regulated by.

EU ETS

(3.5.2.1) % of Scope 1 emissions covered by the ETS

100

(3.5.2.2) % of Scope 2 emissions covered by the ETS

0

(3.5.2.3) Period start date

12/31/2022

(3.5.2.4) Period end date

12/30/2023

(3.5.2.5) Allowances allocated

19.9

(3.5.2.6) Allowances purchased

0

(3.5.2.7) Verified Scope 1 emissions in metric tons CO₂e

100

(3.5.2.8) Verified Scope 2 emissions in metric tons CO₂e

0

(3.5.2.9) Details of ownership

Select from:

Facilities we own and operate

(3.5.2.10) Comment

*The reported data corresponds to all consolidated entities under the Scope of the EU ETS trading scheme
[Fixed row]*

(3.5.3) Complete the following table for each of the tax systems you are regulated by.

BC carbon tax

(3.5.3.1) Period start date

12/31/2022

(3.5.3.2) Period end date

12/30/2023

(3.5.3.3) % of total Scope 1 emissions covered by tax

100

(3.5.3.4) Total cost of tax paid

0

(3.5.3.5) Comment

Heidelberg Materials has not had the need to purchase allowances to comply with its obligations

Sweden carbon tax

(3.5.3.1) Period start date

12/31/2022

(3.5.3.2) Period end date

12/30/2023

(3.5.3.3) % of total Scope 1 emissions covered by tax

100

(3.5.3.4) Total cost of tax paid

0

(3.5.3.5) Comment

Heidelberg Materials has not had the need to purchase allowances to comply with its obligations

[Fixed row]

(3.6) Have you identified any environmental opportunities which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

	Environmental opportunities identified
Climate change	<i>Select from:</i> <input checked="" type="checkbox"/> Yes, we have identified opportunities, and some/all are being realized
Water	<i>Select from:</i> <input checked="" type="checkbox"/> Yes, we have identified opportunities, and some/all are being realized

[Fixed row]

(3.6.1) Provide details of the environmental opportunities identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

(3.6.1.1) Opportunity identifier

Select from:

Opp1

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Products and services

Other products and services opportunity, please specify :Low-carbon products

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

Downstream value chain

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

- | | |
|---|---|
| <input checked="" type="checkbox"/> Italy | <input checked="" type="checkbox"/> Norway |
| <input checked="" type="checkbox"/> Spain | <input checked="" type="checkbox"/> Poland |
| <input checked="" type="checkbox"/> France | <input checked="" type="checkbox"/> Sweden |
| <input checked="" type="checkbox"/> Greece | <input checked="" type="checkbox"/> Belgium |
| <input checked="" type="checkbox"/> Latvia | <input checked="" type="checkbox"/> Croatia |
| <input checked="" type="checkbox"/> Czechia | <input checked="" type="checkbox"/> Iceland |
| <input checked="" type="checkbox"/> Denmark | <input checked="" type="checkbox"/> Romania |
| <input checked="" type="checkbox"/> Estonia | <input checked="" type="checkbox"/> Bulgaria |
| <input checked="" type="checkbox"/> Germany | <input checked="" type="checkbox"/> Lithuania |

- Hungary
- Bosnia & Herzegovina
- United Kingdom of Great Britain and Northern Ireland

- Netherlands

(3.6.1.8) Organization specific description

Cement and concrete products with low CO2 emissions to meet increasing demand for sustainable building materials and rising costs for CO2 emission (e.g., EU ETS). Sustainable building materials with the smallest possible carbon footprint are playing an increasingly important role for us and our customers. Our research and product innovation labs have developed various alternatives to traditional cement with reduced environmental impacts, including cements and concretes with improved carbon footprints as well as building materials with characteristics that support the use of less material and enable society to implement climate-friendly solutions. We provide such resilient infrastructure solutions in over 50 countries. Our climate-related products imply a strong strategic impact on our business and offer a business opportunity for our company. We are observing an increasing demand for climate change adaptation products, which both address our overall sustainability commitment and enhance our sustainable revenue. Special concrete products' use includes flood barriers and other protective structures, hydraulic works and coastal defenses, sustainable urban drainage systems that can cope with heavy rainfall and protect the built environment against flash floods, water conservation and management in dams and reservoirs.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

- Increased revenues resulting from increased demand for products and services

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

- Short-term
- Medium-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

- Likely (66–100%)

(3.6.1.12) Magnitude

Select from:

High

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

In the upcoming years, we anticipate that our focus on climate resilience and infrastructure solutions will continue to positively impact our financial position, performance, and cash flows. As climate change drives an increasing demand for adaptive infrastructure, we assume that our specialized products will remain in high demand, generating sustained revenue growth. We expect our investments in innovative, climate-resilient technologies to enhance our competitive edge, leading to increased market share and profitability. The strategic expansion of our product portfolio will attract new clients and create long-term partnerships, ensuring a steady revenue stream. Our alignment with global sustainability trends and regulatory requirements will mitigate risks and open new market opportunities. This proactive approach will not only bolster our financial performance but also ensure robust cash flows, supporting our long-term growth and stability. In summary, our commitment to addressing climate change through innovative solutions is projected to secure a strong financial future for our organization.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

Yes

(3.6.1.17) Anticipated financial effect figure in the short-term - minimum (currency)

0

(3.6.1.18) Anticipated financial effect figure in the short-term – maximum (currency)

6300000000

(3.6.1.19) Anticipated financial effect figure in the medium-term - minimum (currency)

0

(3.6.1.20) Anticipated financial effect figure in the medium-term - maximum (currency)

6300000000

(3.6.1.23) Explanation of financial effect figures

We expect a growth in the quantity demand of sustainable products and concrete for building resilient infrastructures to adapt to climate change within the next decade or two. Our aim is that 50% of our total revenue is coming from sustainable products and applications. Currently our sustainable revenue is 35% of total revenue of 21.178 bn. This translates to ca. 7.400 m. In our target year 2030, we expect, due to inflation and GDP growth that our total revenue will reach 27.000 bn. If we meet our 50% goal, sustainable revenue would therefore be 13.500 bn in 2030. The difference of additional sustainable products and applications is thus 6.100 m. Cost calculation: Current group Revenue (21.178 bn) * GDP Growth & Inflation until 2030 Total Revenue 2030 (27.000 bn) Sustainable Revenue 2030 (50% of total revenue 13.500 bn) – current sustainable revenue (35% * 21.178 bn) 6.100 bn.

(3.6.1.24) Cost to realize opportunity

102000000

(3.6.1.25) Explanation of cost calculation

Costs associated with the management of this opportunity stem from R&D activities in the fields of consumer-related development and technical service, which focus on developing special added value products e.g., suited for special infrastructure purposes. This refers to our activities of our subsidiaries, to develop and optimise the products that are tailored to local needs, often in close cooperation with customers. In 2023, we spend 95.3 m on central R&D, mainly salary costs, as well as costs for equipment and testing applications as well as the own financial contribution in publicly funded research projects. Cost calculation/breakdown of costs: If we calculate with constant R&D costs for the next 7 years, we end up with cumulative costs by 2030 of 102.3m 95.3 m (annual R&D costs) * 7 years.

(3.6.1.26) Strategy to realize opportunity

We are engaging in peer-group specific marketing initiatives, e.g., the Concrete Initiative. The initiative promotes the capabilities of concrete to tackle future infrastructure and climate change challenges by disseminating information. Heidelberg Materials with the Concrete Initiative has, e.g., published on how concrete can enhance thermal comfort by minimising or avoiding overheating during heat waves, especially when combined with natural ventilation and appropriate building architecture

Water

(3.6.1.1) Opportunity identifier

Select from:

Opp1

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Products and services

Increased sales of existing products and services

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

- Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

- Italy

(3.6.1.6) River basin where the opportunity occurs

Select all that apply

- Po

(3.6.1.8) Organization specific description

In Italy, climate change has caused significant flood disasters in recent years. We have this expanded our product portfolio to include specialized offerings designed for flood protection and climate resilience. These products cater to various applications, including flood barriers, protective structures, hydraulic works, coastal defenses, sustainable urban drainage systems, and water conservation and management in dams and reservoirs. Our innovative product, i.idro DRAIN, features a unique concrete formulation with exceptional drainage capacity. Its carefully selected aggregate size and air entrainment agent enable it to achieve a draining capacity 100 times higher than that of silt and clay. This product allows for the creation of functional pavements that enhance non-motorized and sustainable transportation, providing improved regularity, traction, and water permeability. It helps prevent slippery surfaces and eliminates gaps between tiles or stone elements by utilizing a continuous water-permeable concrete surface. In line with our sustainability commitments for 2030, we will consider areas where marketing i.idro DRAIN makes sense and has positive value, taking into account water risk factors. By offering these specialized solutions, we actively address the demand for climate change adaptation measures, contributing to the creation of resilient infrastructure and seizing opportunities for revenue growth.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

- Increased revenues through access to new and emerging markets

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

Long-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

More likely than not (50–100%)

(3.6.1.12) Magnitude

Select from:

Medium-high

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

In the upcoming years, we anticipate that our focus on climate resilience and infrastructure solutions will continue to positively impact our financial position, performance, and cash flows. As climate change drives an increasing demand for adaptive infrastructure, our specialized products, such as i.idro DRAIN, will remain in high demand, generating sustained revenue growth. We expect our investments in innovative, climate-resilient technologies to enhance our competitive edge, leading to increased market share and profitability. The strategic expansion of our product portfolio will attract new clients and create long-term partnerships, ensuring a steady revenue stream. Our alignment with global sustainability trends and regulatory requirements will mitigate risks and open new market opportunities. This proactive approach will not only bolster our financial performance but also ensure robust cash flows, supporting our long-term growth and stability. In summary, our commitment to addressing climate change through innovative solutions is projected to secure a strong financial future for our organization.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

Yes

(3.6.1.21) Anticipated financial effect figure in the long-term - minimum (currency)

0

(3.6.1.22) Anticipated financial effect figure in the long-term – maximum (currency)

6088000

(3.6.1.23) Explanation of financial effect figures

We anticipate an increase in the demand for sustainable products and concrete for building resilient infrastructures to adapt to climate change within the next decade or two. Our goal is to have 50% of our total revenue coming from sustainable products and applications by 2030. Currently, sustainable revenue accounts for 35% of our total revenue of 21,177.65 million, translating to approximately 7,412.18 million. By 2030, considering inflation and GDP growth, we project our total revenue to reach 27,000 million. Achieving our 50% target would mean sustainable revenue would be 13,500 million in 2030. The additional sustainable products and applications revenue would therefore be 6,087.82 million and can include water-related revenues.

(3.6.1.24) Cost to realize opportunity

2100000

(3.6.1.25) Explanation of cost calculation

Cost Calculation: - Current Group Revenue: 21,177.65 million - Projected Total Revenue 2030: 27,000 million (considering GDP growth and inflation) - Sustainable Revenue 2030: 50% of total revenue 13,500 million - Current Sustainable Revenue: 35% of total revenue 7,412.18 million - Additional Sustainable Revenue needed: 13,500 million - 7,412.18 million 6,087.82 million

(3.6.1.26) Strategy to realize opportunity

To become a global leader in sustainable construction solutions and achieve 50% of our total revenue from sustainable products by 2030, we are implementing a comprehensive strategy encompassing several key initiatives. Our primary objectives include increasing sustainable revenue from 35% (7,412.18 million) to 50% (13,500 million) of total projected revenue by 2030, enhancing market presence in over 50 countries, and positioning our organization at the forefront of innovation in sustainable construction technologies. We continue to invest in R&D to focus on new sustainable products and enhance existing ones. This includes materials with lower environmental impact and higher performance, such as i.idro DRAIN. We also integrate advanced technologies for smart, sustainable infrastructure solutions. We are launching marketing campaigns to educate customers on the benefits of sustainable products and expand into new markets. Collaborating with customers to develop customized sustainable solutions that meet their needs and regulatory requirements will further enhance our market expansion efforts. Moreover, it is essential to ensure our products and operations meet international sustainability standards and obtain necessary certifications. Regularly reviewing and updating our sustainability practices to comply with evolving regulations and industry standards help us stay ahead. By strategically investing in innovation, infrastructure, market expansion, and workforce development, we will capitalize on the growing demand for sustainable construction solutions, drive revenue growth, and contribute to global climate resilience

Climate change

(3.6.1.1) Opportunity identifier

Select from:

- Opp2

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Resource efficiency

- Other resource efficiency opportunity, please specify :Carbon use cases

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

- Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

- | | |
|--|---|
| <input checked="" type="checkbox"/> Italy | <input checked="" type="checkbox"/> Norway |
| <input checked="" type="checkbox"/> Spain | <input checked="" type="checkbox"/> Poland |
| <input checked="" type="checkbox"/> France | <input checked="" type="checkbox"/> Sweden |
| <input checked="" type="checkbox"/> Greece | <input checked="" type="checkbox"/> Belgium |
| <input checked="" type="checkbox"/> Latvia | <input checked="" type="checkbox"/> Croatia |
| <input checked="" type="checkbox"/> Czechia | <input checked="" type="checkbox"/> Iceland |
| <input checked="" type="checkbox"/> Denmark | <input checked="" type="checkbox"/> Romania |
| <input checked="" type="checkbox"/> Estonia | <input checked="" type="checkbox"/> Bulgaria |
| <input checked="" type="checkbox"/> Germany | <input checked="" type="checkbox"/> Lithuania |
| <input checked="" type="checkbox"/> Hungary | <input checked="" type="checkbox"/> Netherlands |
| <input checked="" type="checkbox"/> Bosnia & Herzegovina | |
| <input checked="" type="checkbox"/> United Kingdom of Great Britain and Northern Ireland | |

(3.6.1.8) Organization specific description

CCU: Captured CO2 from clinker production as raw material in manufacturing applications (e.g. chemicals, food) Recarbonation of recycled concrete paste: concrete as carbon sink

(3.6.1.9) Primary financial effect of the opportunity

Select from:

- Increased revenues through access to new and emerging markets

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

- Medium-term
- Long-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

- More likely than not (50–100%)

(3.6.1.12) Magnitude

Select from:

- High

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

In the upcoming years, we anticipate that our focus on climate resilience and infrastructure solutions will continue to positively impact our financial position, performance, and cash flows. As climate change drives an increasing demand for adaptive infrastructure, our specialized products will remain in high demand, generating sustained revenue growth. We expect our investments in innovative, climate-resilient technologies to enhance our competitive edge, leading to increased market share and profitability. The strategic expansion of our product portfolio will attract new clients and create long-term partnerships, ensuring a steady revenue stream. Our alignment with global sustainability trends and regulatory requirements will mitigate risks and open new market opportunities. This proactive approach will not only bolster our financial performance but also ensure robust cash flows, supporting our long-term growth and stability. In summary, our commitment to addressing climate change through innovative solutions is projected to secure a strong financial future for our organization.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

Yes

(3.6.1.19) Anticipated financial effect figure in the medium-term - minimum (currency)

900000000

(3.6.1.20) Anticipated financial effect figure in the medium-term - maximum (currency)

1500000000

(3.6.1.21) Anticipated financial effect figure in the long-term - minimum (currency)

900000000

(3.6.1.22) Anticipated financial effect figure in the long-term – maximum (currency)

1500000000

(3.6.1.23) Explanation of financial effect figures

The potential financial impact of this opportunity is to save indirect operating costs by reducing CO₂ emissions through Carbon Capture and Storage and reduce / avoid the costs that would incur for these emissions through emission trading systems. While we analyse various scenarios in order to forecast or estimate the financial impact of cap and-trade schemes, it is important to note that the following estimate is merely the outcome of one of the scenarios we have looked at. The price for emissions certificates in the European Emissions Trading System (EU-ETS) reached a record high of 100.34 per tonne of CO₂ in February 2023, but fell to around 70 per tonne of CO₂ by the end of August 2024. By 2030, we expect an increase up to 150/t CO₂. This is an estimate based the development of prices in the past years and on the fact that prices for emission rights are expected to increase, because the EU's ambitious climate targets (Green Deal) and the implementation of the Carbon Border Adjustment Mechanism (CBAM) are expected to lead to a tightening of the reduction target in the EU ETS, which will be reflected in increased demand for CO₂ allowances on the market. We expect mechanical completion for Brevik by the end of 2024 so that we will start production in 2025. The absorber, in which CO₂ will be separated from the flue gas flow, was installed in the third quarter of 2023. We plan to supply our customers with evoZero products from 2025. Our customers will be able to choose between two products: evoZero Carbon Captured Brevik is our mass-balanced product, produced in and delivered from Brevik. The carbon capture and emission accounting mechanisms have been reviewed by a third-party verifier, ensuring that each tonne of captured CO₂ is only accounted for once. The CCS plant will reduce CO₂ emissions by around 0.4 million tonnes CO₂ per year x 2 years ahead of others is 0.8 million tonnes CO₂ avoided for EU ETS payments. Cumulatively, we will capture a total of 10mtCO₂ until 2030 and see a competitive advantage of a total of 1,500 bn.

(3.6.1.24) Cost to realize opportunity

1740000000

(3.6.1.25) Explanation of cost calculation

We have updated the investment planning on which our internal CO2 roadmap is based. In order to increase taxonomy-aligned revenue while complying with the technical screening criteria, Heidelberg Materials now expects to invest a total of 1,740 million (reported in the previous year: 3,250 million) and incur operating expenses of 101 million (reported in the previous year: 280 million) in the economic activity “CCM 3.7. Manufacture of cement” by 2030. The figures are significantly lower than the investment requirements reported in the previous year, as the investment volume defined in the CapEx plan for achieving the CO2 thresholds was reduced on the basis of updated analyses. In addition to the plants remaining in the CapEx plan, the analysis identified further opportunities to reduce CO2 emissions, which primarily require operating expenses such as the procurement and use of alternative raw materials. Furthermore, significant expenditure was already made on major projects and finalised in 2022. This expenditure is therefore no longer part of the CapEx plan. The Capex related to the manufacture of cement will be mainly distributed across our 3 pillars 1) Products: Clinker incorporation/low carbon products 2) Process: alternative fuels incl. biomass initiatives 3) New emission reduction technologies, like CCUS To set up the transition plan, all countries have to develop a long-term plan to reduce CO2 emissions among these 3 pillars. Heidelberg Materials targets are clearly linked to the pillars above. 1. Products: low clinker products, for which its revenue will be considered sustainable, must reach 50% of our company revenue 2. Processes: as energy intensive company, we aim to use less fossil fuels, and more alternative fuels in our burning processes, so we aim to achieve 45% of alternative fuels ratio and 20% of biomass. 3. New technologies: we aim to capture and store 10 million tons of CO2, like our plant in Edmonton.

(3.6.1.26) Strategy to realize opportunity

To set up the transition plan, all countries have to develop a long-term plan to reduce CO2 emissions among these 3 pillars. Heidelberg Materials targets are clearly linked to the pillars above. 1. Products: low clinker products, for which its revenue will be considered sustainable, must reach 50% of our company revenue 2. Processes: as energy intensive company, we aim to use less fossil fuels, and more alternative fuels in our burning processes, so we aim to achieve 45% of alternative fuels ratio and 20% of biomass 3. New technologies: we aim to capture and store 10 million tons of CO2, like our plant in Edmonton. At our plant in Edmonton, we are developing North America’s first large-scale CCUS facility for the cement industry. A memorandum of understanding has been signed with Enbridge Inc. for the captured CO2, which will be transported via a pipeline and permanently stored. A detailed FEED study will be carried out before the final investment decision is made. Subject to the granting of carbon sequestration rights and regulatory approvals, the project could go into operation as early as 2027. [Add row]

(3.6.2) Provide the amount and proportion of your financial metrics in the reporting year that are aligned with the substantive effects of environmental opportunities.

Climate change

(3.6.2.1) Financial metric

Select from:

Revenue

(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

6.09

(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

Select from:

21-30%

(3.6.2.4) Explanation of financial figures

This issue relates to the opportunity to realize additional revenue with sustainable low-carbon cement and low-carbon concrete (definition of these products, see module 7.74.1) with the aim to limit climate change. - Current Group Revenue: 21,177.65 million - Projected Total Revenue 2030: 27,000 million (considering GDP growth and inflation) - Sustainable Revenue 2030: 50% of total revenue (Group target) 13,500 million - Current Sustainable Revenue: 35% of total revenue 7,412.18 million - Additional Sustainable Revenue Needed: 13,500 million - 7,412.18 million 6,087.82 million

Water

(3.6.2.1) Financial metric

Select from:

Revenue

(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

3.67

(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

Select from:

Less than 1%

(3.6.2.4) Explanation of financial figures

Based on an estimation of the total volume consumed withdrawal - discharge in relation to total revenue generated.

[Add row]

C4. Governance

(4.1) Does your organization have a board of directors or an equivalent governing body?

(4.1.1) Board of directors or equivalent governing body

Select from:

Yes

(4.1.2) Frequency with which the board or equivalent meets

Select from:

More frequently than quarterly

(4.1.3) Types of directors your board or equivalent is comprised of

Select all that apply

Executive directors or equivalent

(4.1.4) Board diversity and inclusion policy

Select from:

Yes, and it is publicly available

(4.1.5) Briefly describe what the policy covers

Our Board diversity and inclusion policy describes our diversity concept we have in place for our Board. As a leading producer of building materials, we are aware that part of our transformation process to a net-zero future is to also act as a social role model. The construction sector has traditionally been male dominated, with women facing certain challenges regarding hiring and gender biases across its value chain. As part of our transformation, it is therefore important to us to promote equality of opportunity in employment or occupation and strive for equal gender participation at all levels- regardless of aspects as age, gender, geography, education, ethnicity, and professional background. Through our Sustainability Commitments 2030, we are supporting the UN Sustainable Development Goals (SDGs). We are convinced that diversity in our workforce, in harmony with an appreciative corporate culture, has a positive effect on our innovative strength and the commitment of our employees. Hiring and professional development decisions must be made based on our own defined requirements regarding qualification, professional suitability, quality of work, and personal commitment, but they also need to be based on diversity factors.

(4.1.6) Attach the policy (optional)

Board Diversity Policy.pdf
 [Fixed row]

(4.1.1) Is there board-level oversight of environmental issues within your organization?

	Board-level oversight of this environmental issue
Climate change	Select from: <input checked="" type="checkbox"/> Yes
Water	Select from: <input checked="" type="checkbox"/> Yes
Biodiversity	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(4.1.2) Identify the positions (do not include any names) of the individuals or committees on the board with accountability for environmental issues and provide details of the board's oversight of environmental issues.

Climate change

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

- Director on board
- Board-level committee
- Chief Executive Officer (CEO)
- Chief Sustainability Officer (CSO)
- Other, please specify :**Director ESG**

- Chief Compliance Officer (CCO)
- Chief Procurement Officer (CPO)

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

- Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

- Board Terms of Reference
- Board mandate
- Individual role descriptions
- Other policy applicable to the board, please specify :Climate Transition Plan (CTP), Climate Policy

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

- Scheduled agenda item in every board meeting (standing agenda item)

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

- Reviewing and guiding annual budgets
- Overseeing and guiding scenario analysis
- Overseeing the setting of corporate targets
- Monitoring progress towards corporate targets
- Approving corporate policies and/or commitments
- Overseeing reporting, audit, and verification processes
- Monitoring the implementation of a climate transition plan
- Overseeing and guiding the development of a business strategy
- Overseeing and guiding acquisitions, mergers, and divestitures
- Overseeing and guiding public policy engagement
- Reviewing and guiding innovation/R&D priorities
- Approving and/or overseeing employee incentives
- Overseeing and guiding major capital expenditures
- Monitoring the implementation of the business strategy

- Monitoring supplier compliance with organizational requirements
- Monitoring compliance with corporate policies and/or commitments
- Overseeing and guiding the development of a climate transition plan
- Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities

(4.1.2.7) Please explain

As climate-related targets and activities are an essential part of our overall Heidelberg Materials strategy, our CEO is directly responsible for ESG and climate issues. The CEO is also responsible for M&A decisions which are strongly aligned with our climate-related targets. We have defined specific ESG criteria which serve as a basis for both our investment and divestment decisions. Our CEO has the overall responsibility of sustainability transformation with a focus on sustainable products, our CO2 roadmap and reporting (part of the CEOs individual target achievement). Our Chief Sustainability & New Technologies Officer (who is also a member of the Managing Board) is the highest-level individual with direct responsibility for all issues pertaining to ESG. The CSO is heading the Sustainability Office which is focused on transforming our industry towards a net-zero future. It consists of 4 departments: The Group department ESG drives our key sustainability topics to ensure that they are anchored in our strategy, business processes, and decisions. Global R&D plays a leading role in developing innovative new materials and technologies. Our ESG department regularly identifies the most material ESG topics in terms of risk and opportunity via a double materiality analysis. Moreover, our CSO is driving our strategic approach to foster a Net-Zero pathway by developing a CO2 roadmap on the basis of our Climate Transition Plan. Our CSO is briefed and informed on a daily basis by the Director ESG and all other related Group functions. The CSO also heads the interdisciplinary working group on CO2 management which ensures the involvement of all relevant internal stakeholders as well as structured and efficient management of climate-related issues and risks, called the CO2 Program Management Office (PMO). Overseeing, driving and regularly reviewing and updating of the CO2 roadmap and implementation of sustainability projects is an integral part of the CSOs individual target achievement. The reduction of the carbon footprint through increase of sustainable revenues, the development of new products, the volume scale-up of innovative products as well as sustainability reporting and improvement of ratings are part of the CSOs Individual target achievement. The Sustainability and Innovation Committee focuses on the company's plan to reduce specific CO2 emissions. The Director ESG is heading the ESG department and is responsible for the achievement of our net-zero targets and our ESG commitments. The development and establishment of sustainable products, ESG reporting and rating improvement and the development of our CO2 roadmaps are part of the individual target agreement. Our Chief Procurement Officer is responsible for the achievement of CO2 emissions in the value chain by defining a clinker/cement substitution. The engagement of suppliers on increasing transparency and compliance with our ESG standards are part of individual targets of the CPO.

Water

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

- Chief Sustainability Officer (CSO)

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

- Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

- Board Terms of Reference
- Board mandate
- Individual role descriptions
- Other policy applicable to the board, please specify :Water Policy

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

- Scheduled agenda item in every board meeting (standing agenda item)

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

- Reviewing and guiding annual budgets
- Overseeing the setting of corporate targets
- Monitoring progress towards corporate targets
- Approving corporate policies and/or commitments
- Overseeing and guiding public policy engagement
- Monitoring supplier compliance with organizational requirements
- Monitoring compliance with corporate policies and/or commitments
- Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities
- Reviewing and guiding innovation/R&D priorities
- Approving and/or overseeing employee incentives
- Overseeing and guiding major capital expenditures
- Monitoring the implementation of the business strategy
- Overseeing and guiding the development of a business strategy

(4.1.2.7) Please explain

Our Chief Sustainability & New Technologies Officer holds a comprehensive role in overseeing all ESG-related matters, including water management, and possesses a broad understanding of sustainability issues across various domains. Monthly meetings are held with the ESG team including the responsible water manager, where water-related topics are discussed, among other things. Part of the Sustainability Commitments 2030 is a strong commitment on water, the implementation and progress of which are tracked in these meetings and reported in board meetings through the CSO on a regular basis. At the same time, area board members follow

up on the implementation of the sustainability commitments at country level together with the business managers during quarterly management meetings, including allocated budgets and business plans. Current events that may be related to water are also discussed at the monthly board meeting. The Heads of Competence Centres for our operations inform the Board, for example, on water issues related to cement, aggregates and ready-mixed concrete production, water-related due diligence for acquisitions, and innovation reviews, while the Director ESG updates the Managing Board on water policy issues and the implementation of Group-wide water targets and KPIs and the corporate sustainability strategy. General Managers inform the Board on plant- and country-specific water matters, for example water-related impacts on production or sales in a specific country.

Biodiversity

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

- Chief Sustainability Officer (CSO)

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

- Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

- Board Terms of Reference
- Board mandate
- Individual role descriptions
- Other policy applicable to the board, please specify :Biodiversity Policy, Land use policy

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

- Scheduled agenda item in some board meetings – less than annually

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

- Reviewing and guiding annual budgets
- Overseeing the setting of corporate targets
- Monitoring progress towards corporate targets
- Approving corporate policies and/or commitments
- Overseeing and guiding public policy engagement
- Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities
- Reviewing and guiding innovation/R&D priorities
- Approving and/or overseeing employee incentives
- Monitoring the implementation of the business strategy
- Overseeing and guiding the development of a business strategy
- Monitoring compliance with corporate policies and/or commitments

(4.1.2.7) Please explain

Nature Positive forms a key chapter of our sustainability strategy. To support the achievement of our targets, we have established robust governance structures assigning responsibility and accountability for our nature targets to our Chief Sustainability & New Technologies Officer, who is a member of the Managing Board. The impact of operations on biodiversity is a material topic for Heidelberg Materials and is overseen by the Managing Board. Our Chief Sustainability & New Technologies Officer is responsible for the strategic management and implementation of all our biodiversity activities and has the overall target of biodiversity protection. Working together with national operations, the Environmental Social Governance (ESG) team responsible for the respective areas ensure the highest level of management is engaged in the process with the target roadmap being presented to the Managing Board for approval. Progress is reviewed regularly to ensure that the targets are met. In our Group department ESG, our Senior Biodiversity Manager is jointly working with all our countries worldwide in order to both ensure a constant and consistent implementation of biodiversity-related activities and an integration of key priorities in our biodiversity agenda. We are committed to a long-standing partnership with the conservation NGO, BirdLife International, that provides both guidance and governance support in achieving our nature positive objectives. In line with the UN Sustainable Development Goals and the Kunming-Montreal Global Biodiversity Framework adopted at COP15 of the UN Convention on Biological Biodiversity, Heidelberg Materials commits to ensuring that all its quarries have integrated biodiversity into their site management. As part of our commitment to contributing to Nature Positive, we maintain a minimum of 15% space for nature within our active quarries, we are taking measures to become biodiversity net positive by 2030, and we contribute to global restoration targets.

[Fixed row]

(4.2) Does your organization's board have competency on environmental issues?

Climate change

(4.2.1) Board-level competency on this environmental issue

Select from:

- Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

- Consulting regularly with an internal, permanent, subject-expert working group
- Engaging regularly with external stakeholders and experts on environmental issues
- Integrating knowledge of environmental issues into board nominating process
- Regular training for directors on environmental issues, industry best practice, and standards (e.g., TCFD, SBTi)
- Having at least one board member with expertise on this environmental issue

(4.2.3) Environmental expertise of the board member

Academic

- Undergraduate education (e.g., BSc/BA in environment and sustainability, climate science, environmental science, water resources management, environmental engineering, forestry, etc.), please specify :Executive Education: Transformative Leadership for Sustainability and Resilience, School of Earth, Energy and Environmental Sciences, Andlinger Center for Energy and the Environment, Leadership in Energy Innovation and Environmental Consideration
- Postgraduate education (e.g., MSc/MA/PhD in environment and sustainability, climate science, environmental science, water resources management, forestry, etc.), please specify :Executive Education: Transformative Leadership for Sustainability and Resilience, School of Earth, Energy and Environmental Sciences, Andlinger Center for Energy and the Environment, Leadership in Energy Innovation and Environmental Consideration

Additional training

- Course certificate (relating to environmental issues), please specify

Experience

- Active member of an environmental committee or organization
- Experience in an academic role focused on environmental issues
- Staff-level experience in a role focused on environmental issues
- Executive-level experience in a role focused on environmental issues
- Management-level experience in a role focused on environmental issues
- Experience in an organization that is exposed to environmental-scrutiny and is going through a sustainability transition

Water

(4.2.1) Board-level competency on this environmental issue

Select from:

- Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

- Consulting regularly with an internal, permanent, subject-expert working group
- Engaging regularly with external stakeholders and experts on environmental issues
- Integrating knowledge of environmental issues into board nominating process
- Regular training for directors on environmental issues, industry best practice, and standards (e.g., TCFD, SBTi)
- Having at least one board member with expertise on this environmental issue

(4.2.3) Environmental expertise of the board member

Academic

- Undergraduate education (e.g., BSc/BA in environment and sustainability, climate science, environmental science, water resources management, environmental engineering, forestry, etc.), please specify :Executive Education: Transformative Leadership for Sustainability and Resilience, School of Earth, Energy and Environmental Sciences, Andlinger Center for Energy and the Environment, Leadership in Energy Innovation and Environmental Consideration
- Postgraduate education (e.g., MSc/MA/PhD in environment and sustainability, climate science, environmental science, water resources management, forestry, etc.), please specify :Executive Education: Transformative Leadership for Sustainability and Resilience, School of Earth, Energy and Environmental Sciences, Andlinger Center for Energy and the Environment, Leadership in Energy Innovation and Environmental Consideration

Additional training

- Course certificate (relating to environmental issues), please specify

Experience

- Active member of an environmental committee or organization
- Experience in an academic role focused on environmental issues
- Staff-level experience in a role focused on environmental issues
- Executive-level experience in a role focused on environmental issues
- Management-level experience in a role focused on environmental issues
- Experience in an organization that is exposed to environmental-scrutiny and is going through a sustainability transition

[Fixed row]

(4.3) Is there management-level responsibility for environmental issues within your organization?

	Management-level responsibility for this environmental issue
Climate change	Select from: <input checked="" type="checkbox"/> Yes
Water	Select from: <input checked="" type="checkbox"/> Yes
Biodiversity	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(4.3.1) Provide the highest senior management-level positions or committees with responsibility for environmental issues (do not include the names of individuals).

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Executive level

Chief Sustainability Officer (CSO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- Assessing environmental dependencies, impacts, risks, and opportunities
- Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- Managing environmental dependencies, impacts, risks, and opportunities

Engagement

- Managing public policy engagement related to environmental issues

Policies, commitments, and targets

- Monitoring compliance with corporate environmental policies and/or commitments
- Measuring progress towards environmental corporate targets
- Measuring progress towards environmental science-based targets
- Setting corporate environmental policies and/or commitments
- Setting corporate environmental targets

Strategy and financial planning

- Developing a climate transition plan
- Implementing a climate transition plan
- Conducting environmental scenario analysis
- Managing annual budgets related to environmental issues
- Implementing the business strategy related to environmental issues
- Developing a business strategy which considers environmental issues
- Managing major capital and/or operational expenditures relating to environmental issues
- Managing priorities related to innovation/low-environmental impact products or services (including R&D)

Other

- Providing employee incentives related to environmental performance

(4.3.1.4) Reporting line

Select from:

- Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- More frequently than quarterly

(4.3.1.6) Please explain

Our Sustainability Commitments 2030 serve as guiding principles for the Heidelberg Materials sustainability strategy. They cover topics under four headings: Net Zero, Circular & Resilient, Safe & Inclusive, and Nature Positive. At Group level, the topic of sustainability is organizationally combined under the umbrella of the Sustainability Office. The overall responsibility for the achievement of this commitments lies with the Managing Board and in particular with the Chief Sustainability & New Technologies Officer. The structure of the Sustainability Office, designed for cooperation and interdisciplinarity, is intended to ensure that sustainability criteria are incorporated into every decision taken at Heidelberg Materials. The CSO is responsible for the development and establishment of sustainable products, ESG reporting and rating improvement, water management, and the protection of biodiversity. The CSO is heading the Sustainability Office which is intended to ensure that sustainability criteria are incorporated into every decision taken. The Sustainability Office is responsible for the reduction of the carbon footprint through increase of sustainable revenues, the development und volume scale-up of sustainable and innovative products (3D printing, ultra-high-performance concrete, low-carbon concrete), the update of the CO₂ roadmap, and the improvement of sustainability ratings. Our Climate Transition Plan (CTP) forms the basis for our pathway to a net-zero future. Our target is to achieve specific net CO₂ emissions of 400 kg per tonne of cementitious material by 2030 and to achieve net zero emissions by 2050 at the latest. The Group ESG department drives our key sustainability topics to ensure that they are anchored in our strategy, business processes, and decisions. Teams from the Global Research & Development department play a leading role in developing innovative new materials and technologies, and in optimising conventional products and processes.

Water

(4.3.1.1) Position of individual or committee with responsibility

Executive level

- Chief Sustainability Officer (CSO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- Assessing environmental dependencies, impacts, risks, and opportunities
- Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- Managing environmental dependencies, impacts, risks, and opportunities

Engagement

- Managing public policy engagement related to environmental issues

Policies, commitments, and targets

- Monitoring compliance with corporate environmental policies and/or commitments
- Measuring progress towards environmental corporate targets
- Setting corporate environmental policies and/or commitments
- Setting corporate environmental targets

Strategy and financial planning

- Developing a business strategy which considers environmental issues
- Implementing the business strategy related to environmental issues
- Managing annual budgets related to environmental issues
- Managing major capital and/or operational expenditures relating to environmental issues
- Managing priorities related to innovation/low-environmental impact products or services (including R&D)

Other

- Providing employee incentives related to environmental performance

(4.3.1.4) Reporting line

Select from:

- Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- More frequently than quarterly

(4.3.1.6) Please explain

The Chief Sustainability & New Technologies Officer and the ESG department are responsible for the management of water, including the implementing water-related strategies, monitoring progress toward goals via tangible key performance indicators, and supporting operational efforts in the area of water management. The CSO

and ESG stay informed about latest trends and discussions on water, also through exchange with key external stakeholders. The CSO submits regular policies, commitments and reports on water-related issues, to the Managing Board: These reports cover a range of topics, e.g. internal & external developments, risks & policy discussions, benchmarking, progress toward water-related targets, KPIs, and respective measures. The CSO enables the exchange within the Sustainability Office and its underlying departments through monthly meetings. External representation of water-related topics in context of sustainability takes place through participation in global events, on conferences, political discussions, COP etc.

Biodiversity

(4.3.1.1) Position of individual or committee with responsibility

Executive level

- Chief Sustainability Officer (CSO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- Assessing environmental dependencies, impacts, risks, and opportunities
- Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- Managing environmental dependencies, impacts, risks, and opportunities

Policies, commitments, and targets

- Monitoring compliance with corporate environmental policies and/or commitments
- Measuring progress towards environmental corporate targets
- Setting corporate environmental policies and/or commitments
- Setting corporate environmental targets

Strategy and financial planning

- Developing a business strategy which considers environmental issues
- Managing annual budgets related to environmental issues
- Managing major capital and/or operational expenditures relating to environmental issues
- Managing priorities related to innovation/low-environmental impact products or services (including R&D)

Other

- Providing employee incentives related to environmental performance

(4.3.1.4) Reporting line

Select from:

- Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- More frequently than quarterly

(4.3.1.6) Please explain

The Chief Sustainability & New Technologies Officer and the group department ESG department are responsible for the management of biodiversity. Heidelberg Materials commits to ensuring that all its quarries have integrated biodiversity into their site management. As part of our commitment to contributing to Nature Positive, we maintain a minimum of 15% space for nature within our active quarries, we are taking measures to become biodiversity net positive by 2030, and we contribute to global restoration targets. The CSO and our Group department ESG together with a dedicated Senior Biodiversity Manager are jointly working with all our countries worldwide to both ensure a constant and consistent implementation of biodiversity-related activities and an integration of key priorities in our biodiversity agenda. They stay informed about latest trends and discussions on biodiversity, also through exchange with key external stakeholders. The CSO submits regular reports on biodiversity -related issues, to the Managing Board: These reports cover a range of topics, e.g. internal & external developments, risks & policy discussions, benchmarking, progress toward biodiversity-related targets, KPIs, and respective measures. The CSO enables the exchange within the Sustainability Office and its underlying departments through monthly meetings. External representation of biodiversity-related topics in context of sustainability takes place through participation in global events, on conferences, political discussions, COP etc.

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Executive level

- Chief Executive Officer (CEO)

(4.3.1.2) Environmental responsibilities of this position

Policies, commitments, and targets

- Measuring progress towards environmental corporate targets
- Measuring progress towards environmental science-based targets
- Setting corporate environmental targets

Strategy and financial planning

- Developing a climate transition plan
- Managing annual budgets related to environmental issues
- Developing a business strategy which considers environmental issues
- Managing acquisitions, mergers, and divestitures related to environmental issues
- Managing major capital and/or operational expenditures relating to environmental issues
- Managing priorities related to innovation/low-environmental impact products or services (including R&D)

(4.3.1.4) Reporting line

Select from:

- Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- More frequently than quarterly

(4.3.1.6) Please explain

The acceleration of sustainability transformation is an integral part of the individual target achievement of the CEO. By focusing on our pathway to a net-zero future, the alignment of the corporate strategy and M&A activities, the increase of share of sustainable products, and the improvement of ratings are key. As climate-related targets and activities are an essential part of our overall Heidelberg Materials strategy, our CEO is directly responsible for ESG and climate issues. Our CCUS (carbon capture, utilisation, and storage) roadmap as the key to decarbonisation describes our journey towards Net Zero and is a crucial tool for us when it comes to dealing with the raw material-related process emissions that have been unavoidable up to now. The CEO is also responsible for M&A decisions which are strongly aligned with our climate-related targets. We have defined specific ESG criteria which serve as a basis for both our investment and divestment decisions. Our CEO has the overall responsibility of sustainability transformation with a focus on sustainable products, our CO2 roadmap and reporting. We aim to achieve a share of 50% of our Group revenue coming from sustainable products by 2030. The CEO is informed and briefed regularly by the CSO and our Director ESG. This might be in one-on-one meetings, board meetings or any kind of possible communication channel.

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Other

- Other, please specify :Director ESG

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- Assessing environmental dependencies, impacts, risks, and opportunities
- Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- Managing environmental dependencies, impacts, risks, and opportunities

Engagement

- Managing public policy engagement related to environmental issues

Policies, commitments, and targets

- Monitoring compliance with corporate environmental policies and/or commitments
- Measuring progress towards environmental corporate targets
- Measuring progress towards environmental science-based targets
- Setting corporate environmental policies and/or commitments

Strategy and financial planning

- Developing a climate transition plan
- Implementing a climate transition plan
- Conducting environmental scenario analysis
- Managing annual budgets related to environmental issues
- Implementing the business strategy related to environmental issues
- Developing a business strategy which considers environmental issues
- Managing priorities related to innovation/low-environmental impact products or services (including R&D)

Other

- Providing employee incentives related to environmental performance

(4.3.1.4) Reporting line

Select from:

- Reports to the Chief Sustainability Officer (CSO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- More frequently than quarterly

(4.3.1.6) Please explain

Based on the development and implementation of our Climate Transition Plan, the Director ESG is responsible for the achievement of our net-zero targets and as well as for the successful implementation of our ESG strategy and its defined commitments. As part of this, the development and establishment of sustainable products, the improvement and development of our CO2 roadmaps, the setting and monitoring of corporate environmental policies and measuring progress towards environmental corporate targets are part of the individual target agreement of the Director ESG. He is heading the ESG department in which several ESG experts are working on topics as CO2, biodiversity, water, associations, ESG controlling and sustainable construction. The Director ESG is informed and briefed regularly by the employees of the Group ESG department. This might be in one-on-one meetings or monthly ESG department meetings where all employees of the ESG department come together.

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Executive level

- Chief Procurement Officer (CPO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- Assessing environmental dependencies, impacts, risks, and opportunities

- Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- Managing environmental dependencies, impacts, risks, and opportunities

Engagement

- Managing supplier compliance with environmental requirements
- Managing value chain engagement related to environmental issues

Policies, commitments, and targets

- Monitoring compliance with corporate environmental policies and/or commitments
- Setting corporate environmental policies and/or commitments

Other

- Providing employee incentives related to environmental performance

(4.3.1.4) Reporting line

Select from:

- Reports to the Chief Financial Officer (CFO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- More frequently than quarterly

(4.3.1.6) Please explain

Responsible sourcing plays a decisive role in meeting our Sustainability Commitments 2030 as well as supporting the UN's Sustainable Development Goals. We are working towards a transparent, sustainable, and forward-looking approach to procuring products and services by going beyond the legal requirements for our business activity. We select and evaluate our suppliers not only on the basis of economic criteria, but also integrate social, ethical, and environmental performance factors into the process. Most importantly, human and labour rights are non-negotiable for us when forming and maintaining a business relationship. The Chief Procurement Officer (CPO) is responsible for the achievement of CO2 emissions in the value chain by defining a clinker/cement substitution, use of alternative fuels, energy efficiency and CCUS related activities. Moreover, the engagement of suppliers on increasing transparency and compliance with Heidelberg Materials' ESG standards (including emissions) are part of individual targets of the CPO. The CPO is briefed by its Responsible Procurement team on a daily basis. The Responsible

Procurement team is driving a focus on human rights and fostering a sustainable supply chain. This indicates the calls upon suppliers to commit to reducing greenhouse gases.

Water

(4.3.1.1) Position of individual or committee with responsibility

Other

- Other, please specify :Director ESG

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- Assessing environmental dependencies, impacts, risks, and opportunities
- Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- Managing environmental dependencies, impacts, risks, and opportunities

Engagement

- Managing public policy engagement related to environmental issues

Policies, commitments, and targets

- Monitoring compliance with corporate environmental policies and/or commitments
- Measuring progress towards environmental corporate targets
- Setting corporate environmental policies and/or commitments
- Setting corporate environmental targets

Strategy and financial planning

- Implementing the business strategy related to environmental issues
- Managing annual budgets related to environmental issues

Other

- Providing employee incentives related to environmental performance

(4.3.1.4) Reporting line

Select from:

- Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- More frequently than quarterly

(4.3.1.6) Please explain

The Director ESG reports directly to the CSO. The ESG department plays a crucial role in overseeing the implementation of the Sustainability Commitments 2030, which encompasses water-related aspects. They are responsible for monitoring progress & ensuring alignment with goals and targets related to water stewardship. To stay abreast of water-related developments, the Director ESG and his team actively engage with NGOs, policy makers & trade associations. This allows them to keep a close watch on emerging topics & trends in the water domain. In regular meetings with the CSO or Sustainability Office in general, which take place at least twice a month & more frequently, the Director ESG provides comprehensive briefings on sustainability matters. Water-related topics are a part of the agenda regularly. The CSO is updated on internal and external developments related to water, such as ongoing political discussions, as well as the progress within the company aligned with water-related targets.

[Add row]

(4.5) Do you provide monetary incentives for the management of environmental issues, including the attainment of targets?

Climate change

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

- Yes

(4.5.2) % of total C-suite and board-level monetary incentives linked to the management of this environmental issue

(4.5.3) Please explain

The CO2 component is part of the variable pay component of the majority of bonus-eligible employees. The absolute Group performance is the key indicator for the benefit of all management positions. On CEO and Board Management level CO2 is also key directive payment indicator as CO2 is an integral part of our sustainability commitments and associated KPIs.

Water

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

Yes

(4.5.2) % of total C-suite and board-level monetary incentives linked to the management of this environmental issue

20

(4.5.3) Please explain

As water activities are an integral part of our sustainability commitments, we do measure them with the help of targeted KPIs, as e.g. the number and coverage of water management plans as well as water recycling systems. Success is being tracked and measured via variable pay components of ESG expert managers. Incentives to all Managing Board members for the management of climate-related issues are provided. Several Board members have further Sustainability-related incentives. Personal target agreements on water for other Top Management employees or similar are agreed upon, if it fits into the job profile. Pay for performance and the focus on the sustainable and long-term development of the company are central principles of the remuneration.
[Fixed row]

(4.5.1) Provide further details on the monetary incentives provided for the management of environmental issues (do not include the names of individuals).

Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

- Chief Executive Officer (CEO)

(4.5.1.2) Incentives

Select all that apply

- Bonus - % of salary

(4.5.1.3) Performance metrics

Targets

- Progress towards environmental targets
- Achievement of environmental targets
- Organization performance against an environmental sustainability index
- Reduction in absolute emissions in line with net-zero target

Strategy and financial planning

- Board approval of climate transition plan
- Achievement of climate transition plan
- Shift to a business model compatible with a net-zero carbon future
- Increased investment in environmental R&D and innovation
- Increased proportion of revenue from low environmental impact products or services

Emission reduction

- Reduction in emissions intensity
- Reduction in absolute emissions

Pollution

- Reduction/elimination of environmental incidents and/or environmental notices (notices of violation)

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

The remuneration system of the Managing Board is aligned with the Group strategy. It is based on the principle that members of the Managing Board should be remunerated appropriately according to their performance. On 13 November 2023, the Supervisory Board adopted a revised Managing Board remuneration system (2024 Remuneration System) and will submit the 2024 Remuneration System to the Annual General Meeting for approval in 2024. Under the 2024 Remuneration System, variable remuneration will be granted predominantly as share-based remuneration. Please find a detailed description of the remuneration system in our Annual and Sustainability Report 2023 on pages 168ff. By selecting appropriate performance criteria for the variable remuneration, incentives are given to implement the Group strategy and to promote the long-term and sustainable development of Heidelberg Materials. Both financial and non-financial performance criteria are used to represent the company's success as a whole. The consideration of ESG targets in the variable remuneration underlines the desire for excellent economic performance as well as environmentally and socially responsible conduct. With the high proportion of variable and thus performance-based remuneration elements, the Supervisory Board pursues a strict pay-for-performance approach. Sustainability as important component of Managing Board remuneration through CO2 component in variable remuneration. Pay for performance and the focus on the sustainable and long-term development of the company are central principles of the remuneration of its Managing Board. With these principles in mind, 71% of the target direct remuneration for the Chairman of the Managing Board and around 67% for the members of the Managing Board consist of variable remuneration elements. The fixed annual salary thus accounts for 29% of the target direct remuneration for the Chairman of the Managing Board and around 33% for the members of the Managing Board. To ensure the long-term focus of the remuneration of the Managing Board, the share of the long-term bonus exceeds that of the annual bonus within the variable remuneration elements.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

Our Climate Transition Plan (CTP) which can be found on our corporate website consists of several elements and our CO2 roadmap is a crucial part of it. The CEO's variable pay is linked with the climate transition plan as it is dependent on the achievement of the group-wide CO2 Roadmap set by Heidelberg Materials. The main levers to achieve the reductions are CO2 emissions reductions in the operations, clinker/cement substitution, use of alternative fuels, energy efficiency and CCUS related activities. Incentivized KPIs: Heidelberg Materials CO2 roadmap has different components, including emissions reduction. The KPIs applicable also relate to clinker/cement substitution, use of alternative fuels and energy efficiency, as these are the main levers for GHG reduction in our company. KPIs are set out in the Sustainability Commitments 2030 with clear targets. Besides the mentioned senior management positions, the CO2 component is also part of the variable pay component of the majority of bonus-eligible employees.

Water

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

Chief Sustainability Officer (CSO)

(4.5.1.2) Incentives

Select all that apply

- Bonus - % of salary

(4.5.1.3) Performance metrics

Targets

- Progress towards environmental targets
- Achievement of environmental targets
- Organization performance against an environmental sustainability index

Resource use and efficiency

- Reduction of water withdrawals – direct operations
- Reduction in water consumption volumes – direct operations
- Improvements in water efficiency – direct operations
- Improvements in water efficiency – upstream value chain (excluding direct operations)
- Improvements in water efficiency – downstream value chain (excluding direct operations)

Pollution

- Reduction of water pollution incidents
- Reduction or phase out of hazardous substances
- Improvements in wastewater quality – direct operations
- Improvements in wastewater quality – downstream value chain (excluding direct operations)
- Increase in discharge treatment compliance and meeting regulatory requirements – direct operations
- Reduction/elimination of environmental incidents and/or environmental notices (notices of violation)

Policies and commitments

- Adopting UN International Labour Organization principles
- Implementation of water-related community project
- Increased access to workplace WASH – direct operations

- Increased access to workplace WASH – downstream value chain (excluding direct operations)

Engagement

- Implementation of employee awareness campaign or training program on environmental issues

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

- Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

As water activities are an integral part of our sustainability commitments, we do measure them with the help of targeted KPIs, as e.g. the number and coverage of water management plans as well as water recycling systems. Success is being tracked and measured via variable pay components, e.g. water-related KPIs which are set out in the Sustainability Commitments 2030. The remuneration system of the Managing Board is aligned with the Group strategy. By selecting appropriate performance criteria for the variable remuneration, incentives (monetary rewards in form of a bonus) are given to implement the Group strategy and to promote the long-term and sustainable development of Heidelberg Materials (both short-term and long-term incentive plans). Both financial and non-financial performance criteria are used to represent the company's success. The consideration of ESG targets in the variable remuneration underlines our commitment towards a strategic and measurable sustainability management. The remuneration of the company's Managing Board is based on the principle that members of the Managing Board should be remunerated appropriately according to their performance. With the high proportion of variable and thus performance-based remuneration elements, the Supervisory Board pursues a strict pay for performance approach.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

Pay for performance and the focus on the sustainable and long-term development of the company are central principles of the remuneration of its Managing Board. With these principles in mind, 71% of the target direct remuneration for the Chairman of the Managing Board and around 67% for the members of the Managing Board consist of variable remuneration elements. The fixed annual salary thus accounts for 29% of the target direct remuneration for the Chairman of the Managing Board and around 33% for the members of the Managing Board. To ensure the long-term focus of the remuneration of the Managing Board, the share of the long-term bonus exceeds that of the annual bonus within the variable remuneration elements.

Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

- Chief Sustainability Officer (CSO)

(4.5.1.2) Incentives

Select all that apply

- Bonus - % of salary

(4.5.1.3) Performance metrics

Targets

- Progress towards environmental targets
- Achievement of environmental targets
- Organization performance against an environmental sustainability index
- Reduction in absolute emissions in line with net-zero target

Strategy and financial planning

- Board approval of climate transition plan
- Achievement of climate transition plan
- Shift to a business model compatible with a net-zero carbon future
- Increased investment in environmental R&D and innovation
- Increased proportion of revenue from low environmental impact products or services

Emission reduction

- Implementation of an emissions reduction initiative
- Reduction in emissions intensity
- Increased share of renewable energy in total energy consumption
- Reduction in absolute emissions

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

The remuneration system of the Managing Board is aligned with the Group strategy. By selecting appropriate performance criteria for the variable remuneration, incentives are given to implement the Group strategy and to promote the long-term and sustainable development of Heidelberg Materials. Both financial and non-financial performance criteria are used to represent the company's success as a whole. The consideration of ESG targets in the variable remuneration underlines the desire for excellent economic performance as well as environmentally and socially responsible conduct. The remuneration of the company's Managing Board is based on the principle that members of the Managing Board should be remunerated appropriately according to their performance. With the high proportion of variable and thus performance-based remuneration elements, the Supervisory Board pursues a strict pay-for-performance approach. Sustainability as important component of Managing Board remuneration through CO2 component in variable remuneration. Pay for performance and the focus on the sustainable and long-term development of the company are central principles of the remuneration of its Managing Board. With these principles in mind, 71% of the target direct remuneration for the Chairman of the Managing Board and around 67% for the members of the Managing Board consist of variable remuneration elements. The fixed annual salary thus accounts for 29% of the target direct remuneration for the Chairman of the Managing Board and around 33% for the members of the Managing Board. To ensure the long-term focus of the remuneration of the Managing Board, the share of the long-term bonus exceeds that of the annual bonus within the variable remuneration elements.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

Our Climate Transition Plan (CTP) which can be found on our corporate website consists of several elements and our CO2 roadmap is a crucial part of it. The CSO's variable pay is linked with the climate transition plan as it is dependent on the achievement of the group-wide CO2 Roadmap set by Heidelberg Materials. The main levers to achieve the reductions are CO2 emissions reductions in the operations, clinker/cement substitution, use of alternative fuels, energy efficiency and CCUS related activities. Incentivized KPIs: Heidelberg Materials CO2 roadmap has different components, including emissions reduction. The KPIs applicable also relate to clinker/cement substitution, use of alternative fuels and energy efficiency, as these are the main levers for GHG reduction in our company. KPIs are set out in the Sustainability Commitments 2030 with clear targets. Besides the mentioned senior management positions, the CO2 component is also part of the variable pay component of the majority of bonus-eligible employees.

Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

Board/Executive board

(4.5.1.2) Incentives

Select all that apply

- Bonus - % of salary

(4.5.1.3) Performance metrics

Targets

- Progress towards environmental targets
- Achievement of environmental targets
- Organization performance against an environmental sustainability index
- Reduction in absolute emissions in line with net-zero target

Strategy and financial planning

- Achievement of climate transition plan taxonomy
- Increased alignment of capex with transition plan and/or sustainable finance
- Board approval of climate transition plan
- Increased investment in environmental R&D and innovation
- Shift to a business model compatible with a net-zero carbon future
- Increased proportion of revenue from low environmental impact products or services

Emission reduction

- Implementation of an emissions reduction initiative
- Reduction in emissions intensity
- Increased share of renewable energy in total energy consumption
- Reduction in absolute emissions

Pollution

- Reduction/elimination of environmental incidents and/or environmental notices (notices of violation)

Policies and commitments

- Adopting UN International Labour Organization principles

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

The remuneration system of the Managing Board is aligned with the Group strategy. By selecting appropriate performance criteria for the variable remuneration, incentives are given to implement the Group strategy and to promote the long-term and sustainable development of Heidelberg Materials. Both financial and non-financial performance criteria are used to represent the company's success as a whole. The consideration of ESG targets in the variable remuneration underlines our commitment towards a strategic and measurable sustainability management. The remuneration of the company's Managing Board is based on the principle that members of the Managing Board should be remunerated appropriately according to their performance. With the high proportion of variable and thus performance-based remuneration elements, the Supervisory Board pursues a strict pay-for-performance approach. Sustainability as important component of Managing Board remuneration through CO2 component in variable remuneration. Pay for performance and the focus on the sustainable and long-term development of the company are central principles of the remuneration of its Managing Board. With these principles in mind, 71% of the target direct remuneration for the Chairman of the Managing Board and around 67% for the members of the Managing Board consist of variable remuneration elements. The fixed annual salary thus accounts for 29% of the target direct remuneration for the Chairman of the Managing Board and around 33% for the members of the Managing Board. To ensure the long-term focus of the remuneration of the Managing Board, the share of the long-term bonus exceeds that of the annual bonus within the variable remuneration elements.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

Our Climate Transition Plan (CTP) which can be found on our corporate website consists of several elements and our CO2 roadmap is a crucial part of it. Given the global ambition of our CO2 roadmap, all Area Board Members of the Management Board have their variable pay linked with its achievement. The main levers to achieve the reductions are CO2 emissions reductions in the operations, clinker/cement substitution, use of alternative fuels, and energy efficiency. Moreover, collaboration with scientific institutions as well as the development of low-carbon products are relevant goals for specific board members as well. Incentivized KPIs: Heidelberg Materials CO2 roadmap has different components, including emissions reduction. The KPIs applicable also relate to clinker/cement substitution, use of alternative fuels, energy efficiency and CCUS related activities, as these are the main levers for GHG reduction in our company. KPIs are set out in the Sustainability Commitments 2030 with clear targets. Besides the mentioned senior management positions, the CO2 component is also part of the variable pay component of the majority of bonus-eligible employees.

Water

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

- Chief Procurement Officer (CPO)

(4.5.1.2) Incentives

Select all that apply

- Bonus - % of salary

(4.5.1.3) Performance metrics

Targets

- Progress towards environmental targets
- Achievement of environmental targets

Resource use and efficiency

- Reduction of water withdrawal and/or consumption volumes – upstream value chain (excluding direct operations)
- Improvements in water efficiency – upstream value chain (excluding direct operations)
- Improvements in water accounting, reporting, and third-party verification

Pollution

- Improvements in wastewater quality – upstream value chain (excluding direct operations)
- Increase in discharge treatment compliance and meeting regulatory requirements – upstream value chain (excluding direct operations)

Policies and commitments

- Increased supplier compliance with environmental requirements
- New or tighter environmental requirements applied to purchasing practices
- Increased access to workplace WASH – upstream value chain (excluding direct operations)

Engagement

- Increased engagement with suppliers on environmental issues
- Increased value chain visibility (traceability, mapping)

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

- Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

By selecting appropriate performance criteria for the variable remuneration, incentives (monetary rewards in form of a bonus) are given to implement the Group strategy and to promote the long-term and sustainable development of Heidelberg Materials (both short-term and long-term incentive plans). Both financial and non-financial performance criteria are used to represent the company's success. The consideration of ESG targets in the variable remuneration underlines our commitment towards a strategic and measurable sustainability management. The variable pay is linked with water related KPIs which are set out in the Sustainability Commitments 2030. As water activities are an integral part of our sustainability commitments, we do measure them with the help of targeted KPIs, as e.g. the number and coverage of water management plans as well as water recycling systems. Success is being tracked and measured via variable pay components. The CPO ensures that water related requirements are integrated in our supply chain management.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

KPIs are set out in the Sustainability Commitments 2030 with clear targets. Water is an important component of the remuneration through a water management component in the variable remuneration.

Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

- Chief Procurement Officer (CPO)

(4.5.1.2) Incentives

Select all that apply

- Bonus - % of salary

(4.5.1.3) Performance metrics

Targets

- ✓ Progress towards environmental targets
- ✓ Achievement of environmental targets
- ✓ Reduction in absolute emissions in line with net-zero target

Strategy and financial planning

- ✓ Increased proportion of revenue from low environmental impact products or services

Emission reduction

- ✓ Reduction in emissions intensity
- ✓ Increased share of renewable energy in total energy consumption
- ✓ Reduction in absolute emissions

Resource use and efficiency

- ✓ Improvements in emissions data, reporting, and third-party verification
- ✓ Energy efficiency improvement
- ✓ Reduction in total energy consumption

Pollution

- ✓ Reduction/elimination of environmental incidents and/or environmental notices (notices of violation)

Policies and commitments

- ✓ Increased supplier compliance with environmental requirements
- ✓ New or tighter environmental requirements applied to purchasing practices
- ✓ Adopting UN International Labour Organization principles

Engagement

- ✓ Increased engagement with suppliers on environmental issues
- ✓ Increased engagement with smallholders on environmental issues
- ✓ Increased value chain visibility (traceability, mapping)

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

By selecting appropriate performance criteria for the variable remuneration, incentives (monetary rewards in form of a bonus) are given to implement the Group strategy and to promote the long-term and sustainable development of Heidelberg Materials (both short-term and long-term incentive plans). Both financial and non-financial performance criteria are used to represent the company's success. The consideration of ESG targets in the variable remuneration underlines our commitment towards a strategic and measurable sustainability management. The variable pay is linked with CO2 targets and KPIs which are set out in the Sustainability Commitments 2030. Climate-related activities are a crucial element of those commitments and our CSO as well as 6 (out of 9) members of our Board do have agreements on climate. The CPO ensures that climate-related requirements are integrated in our supply chain management.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

KPIs are set out in the Sustainability Commitments 2030 with clear targets. Climate is an important component of the remuneration through a climate management component in the variable remuneration.

[Add row]

(4.6) Does your organization have an environmental policy that addresses environmental issues?

	Does your organization have any environmental policies?
	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(4.6.1) Provide details of your environmental policies.

Row 1

(4.6.1.1) Environmental issues covered

Select all that apply

- Climate change

(4.6.1.2) Level of coverage

Select from:

- Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply

- Direct operations
- Upstream value chain
- Downstream value chain
- Portfolio

(4.6.1.4) Explain the coverage

The Heidelberg Materials Climate Policy refers to our commitment to address climate change and is part of our policy framework. It describes our commitment to net-zero emissions by 2050 and a medium-term target by 2030, our impact and reporting, the embedment of our CO2 ambitions in our corporate strategy and governance, the decarbonization of our operations, the decarbonization of our products (sustainable products and circularity), the cooperation with our suppliers, and the engagement with stakeholders and advocacy.

(4.6.1.5) Environmental policy content

Environmental commitments

- Commitment to a circular economy strategy
- Commitment to comply with regulations and mandatory standards
- Commitment to take environmental action beyond regulatory compliance
- Commitment to stakeholder engagement and capacity building on environmental issues
- Other environmental commitment, please specify :Our medium-term target, validated by SBTi under its new 1.5°C framework, is to reduce our specific Scope 1 CO2 emissions by 24% and our Scope 2 CO2 emissions – indirect emissions from purchased energy – by 65% between 2020 and 2025.

Climate-specific commitments

- Commitment to net-zero emissions
- Commitment to not funding climate-denial or lobbying against climate regulations
- Other climate-related commitment, please specify :Embedding our CO2 ambitions in our corporate strategy and governance

Additional references/Descriptions

- Description of environmental requirements for procurement
- Description of membership and financial support provided to organizations that seek to influence public policy
- Description of renewable electricity procurement practices
- Reference to timebound environmental milestones and targets

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

- Yes, in line with the Paris Agreement
- Yes, in line with another global environmental treaty or policy goal, please specify :SDGs

(4.6.1.7) Public availability

Select from:

- Publicly available

(4.6.1.8) Attach the policy

Climate_Policy (4).pdf

Row 2

(4.6.1.1) Environmental issues covered

Select all that apply

- Climate change

(4.6.1.2) Level of coverage

Select from:

- Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply

- Direct operations
- Upstream value chain
- Downstream value chain
- Portfolio

(4.6.1.4) Explain the coverage

The Alternative Fuels & Raw Materials (AFR) Policy of Heidelberg Materials refers to our commitment to help reduce our consumption of fossil fuels and natural raw materials. We achieve this by co-processing waste-derived materials and by-products of other industries. This policy is part of the global policy framework of Heidelberg Materials which is binding for Heidelberg Materials AG and all companies that Heidelberg Materials AG directly or indirectly controls. We only use AFR whose sources are known and which comply with the regulations and our own standards. We select our suppliers based on company procedures and audit them regularly to ensure that the supply chain meets our standards and regulatory requirements.

(4.6.1.5) Environmental policy content

Environmental commitments

- Commitment to a circular economy strategy
- Commitment to comply with regulations and mandatory standards
- Commitment to take environmental action beyond regulatory compliance
- Commitment to stakeholder engagement and capacity building on environmental issues
- Other environmental commitment, please specify :Sustainability Commitments 2023

Climate-specific commitments

- Commitment to not invest in fossil-fuel expansion
- Commitment to not funding climate-denial or lobbying against climate regulations
- Other climate-related commitment, please specify :Responsible sourcing

Additional references/Descriptions

- Description of membership and financial support provided to organizations that seek to influence public policy
- Reference to timebound environmental milestones and targets

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

- Yes, in line with the Paris Agreement
- Yes, in line with another global environmental treaty or policy goal, please specify :SDGs

(4.6.1.7) Public availability

Select from:

- Publicly available

(4.6.1.8) Attach the policy

Heidelberg_Materials_AFR_Policy.pdf

Row 3

(4.6.1.1) Environmental issues covered

Select all that apply

- Climate change

(4.6.1.2) Level of coverage

Select from:

- Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply

- Direct operations
- Upstream value chain
- Downstream value chain
- Portfolio

(4.6.1.4) Explain the coverage

The world needs smart, sustainable, and resilient infrastructure, buildings, and public spaces. Climate change as one of the major global challenges is for us of highest priority as we are operating in a highly energy-intensive industry. At Heidelberg Materials, we support the aim of the UNFCCC Paris Agreement to limit global warming to 1.5C. We have made a clear commitment to help build a net zero future, which is why we are transforming our business and placing sustainability at the core of what we do. Our 1.5C-aligned climate transition plan serves as a guiding principle and outlines our net zero journey. The Climate Transition Plan covers our own operations and products, as well as our interaction with suppliers, customers and the political landscape.

(4.6.1.5) Environmental policy content

Environmental commitments

- Commitment to a circular economy strategy
- Commitment to comply with regulations and mandatory standards
- Commitment to take environmental action beyond regulatory compliance
- Commitment to stakeholder engagement and capacity building on environmental issues
- Other environmental commitment, please specify :SBTi commitment

Climate-specific commitments

- Commitment to 100% renewable energy
- Commitment to net-zero emissions
- Commitment to not invest in fossil-fuel expansion
- Commitment to not funding climate-denial or lobbying against climate regulations
- Other climate-related commitment, please specify :2030 Sustainability Commitments

Additional references/Descriptions

- Recognition of environmental linkages and trade-offs
- Description of environmental requirements for procurement

- Description of renewable electricity procurement practices
- Reference to timebound environmental milestones and targets
- Description of membership and financial support provided to organizations that seek to influence public policy
- Description of grievance/whistleblower mechanism to monitor non-compliance with the environmental policy and raise/address/escalate any other greenwashing concerns

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

- Yes, in line with the Paris Agreement
- Yes, in line with another global environmental treaty or policy goal, please specify :SDGs

(4.6.1.7) Public availability

Select from:

- Publicly available

(4.6.1.8) Attach the policy

12-2023_Heidelberg_Materials_Climate_Transition_Plan (14).pdf

Row 4

(4.6.1.1) Environmental issues covered

Select all that apply

- Water

(4.6.1.2) Level of coverage

Select from:

- Selected facilities, businesses or geographies only

(4.6.1.3) Value chain stages covered

Select all that apply

- Direct operations
- Upstream value chain
- Portfolio

(4.6.1.4) Explain the coverage

Heidelberg Materials recognises the importance of a professional water management and water conservation. We have a local and global responsibility and are committed to minimising the impact of our business activities on natural water resources. We will continue to further minimise the environmental impacts of our discharges. We acknowledge that access to clean water and sanitation is a human right and continue to 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). 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 to offer our own surplus water resources from quarry dewatering or from rainwater harvesting to local users where feasible and agreed through a permitted process. The water policy covers both our own operations, as well as our interaction along the value chain with our suppliers.

(4.6.1.5) Environmental policy content

Environmental commitments

- Commitment to comply with regulations and mandatory standards
- Commitment to take environmental action beyond regulatory compliance
- Commitment to engage in integrated, multi-stakeholder landscape (including river basin) initiatives to promote shared sustainability goals
- Commitment to stakeholder engagement and capacity building on environmental issues
- Other environmental commitment, please specify :2030 Sustainability Commitments

Water-specific commitments

- Commitment to reduce water consumption volumes
- Commitment to reduce water withdrawal volumes
- Commitment to reduce or phase out hazardous substances
- Commitment to the conservation of freshwater ecosystems
- Commitment to water stewardship and/or collective action
- Other water-related commitment, please specify :WBCSD Wash Pledge and

TCDF

- Commitment to control/reduce/eliminate water pollution

- Commitment to safely managed WASH in local communities

Additional references/Descriptions

- Recognition of environmental linkages and trade-offs
- Description of environmental requirements for procurement
- Description of impacts on natural resources and ecosystems
- Acknowledgement of the human right to water and sanitation
- Reference to timebound environmental milestones and targets
- Description of dependencies on natural resources and ecosystems
- Description of membership and financial support provided to organizations that seek to influence public policy
- Description of grievance/whistleblower mechanism to monitor non-compliance with the environmental policy and raise/address/escalate any other greenwashing concerns

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

- Yes, in line with Sustainable Development Goal 6 on Clean Water and Sanitation
- Yes, in line with another global environmental treaty or policy goal, please specify :SDGs

(4.6.1.7) Public availability

Select from:

- Publicly available

(4.6.1.8) Attach the policy

HC Water Policy_EN_final (10).pdf

Row 5

(4.6.1.1) Environmental issues covered

Select all that apply

- Biodiversity

(4.6.1.2) Level of coverage

Select from:

- Selected facilities, businesses or geographies only

(4.6.1.3) Value chain stages covered

Select all that apply

- Direct operations
- Portfolio

(4.6.1.4) Explain the coverage

The Heidelberg Materials Biodiversity Policy refers to our commitment to address the biodiversity crisis and is part of our policy framework. Our policies are binding for Heidelberg Materials AG and all companies that Heidelberg Materials AG directly or indirectly controls. In line with the UN Sustainable Development Goals and the Kunming-Montreal Global Biodiversity Framework adopted at COP15 of the UN Convention on Biological Biodiversity, Heidelberg Materials commits to ensuring that all its quarries have integrated biodiversity into their site management. As part of our commitment to contributing to Nature Positive, we maintain a minimum of 15% space for nature within our active quarries, we are taking measures to become biodiversity net positive by 2030, and we contribute to global restoration targets. It is clear that expert knowledge is required to preserve the complexity and geographical uniqueness of natural landscapes. This is why Heidelberg Materials works closely with NGOs, especially BirdLife International and its national, regional, and local branches, to analyse and optimise our existing work and define new activities to promote the conservation of biodiversity more effectively in our extraction sites.

(4.6.1.5) Environmental policy content

Environmental commitments

- Commitment to No Net Loss
- Commitment to Net Positive Gain
- Commitment to respect legally designated protected areas
- Commitment to comply with regulations and mandatory standards
- Commitment to take environmental action beyond regulatory compliance
- Commitment to avoidance of negative impacts on threatened and protected species
- Commitment to stakeholder engagement and capacity building on environmental issues

- Commitment to implementation of nature-based solutions that support landscape restoration and long-term protection of natural ecosystems
- Other environmental commitment, please specify :Sustainability Commitments 2030

Social commitments

- Commitment to respect and protect the customary rights to land, resources, and territory of Indigenous Peoples and Local Communities
- Commitment to respect internationally recognized human rights

Additional references/Descriptions

- Recognition of environmental linkages and trade-offs
- Description of biodiversity-related performance standards
- Description of impacts on natural resources and ecosystems
- Reference to timebound environmental milestones and targets
- Description of dependencies on natural resources and ecosystems
- Description of membership and financial support provided to organizations that seek to influence public policy
- Description of grievance/whistleblower mechanism to monitor non-compliance with the environmental policy and raise/address/escalate any other greenwashing concerns

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

- Yes, in line with the Kunming-Montreal Global Biodiversity Framework
- Yes, in line with another global environmental treaty or policy goal, please specify :SDG 15

(4.6.1.7) Public availability

Select from:

- Publicly available

(4.6.1.8) Attach the policy

Heidelberg_Materials_Biodiversity_Policy.pdf

Row 6

(4.6.1.1) Environmental issues covered

Select all that apply

- Biodiversity

(4.6.1.2) Level of coverage

Select from:

- Selected facilities, businesses or geographies only

(4.6.1.3) Value chain stages covered

Select all that apply

- Direct operations
- Portfolio

(4.6.1.4) Explain the coverage

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. 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. 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.

(4.6.1.5) Environmental policy content

Environmental commitments

- Commitment to Net Positive Gain
- Commitment to respect legally designated protected areas
- Commitment to comply with regulations and mandatory standards
- Commitment to take environmental action beyond regulatory compliance
- Commitment to avoidance of negative impacts on threatened and protected species

- Commitment to stakeholder engagement and capacity building on environmental issues
- Commitment to implementation of nature-based solutions that support landscape restoration and long-term protection of natural ecosystems
- Other environmental commitment, please specify :2030 Sustainability Commitments

Social commitments

- Commitment to respect and protect the customary rights to land, resources, and territory of Indigenous Peoples and Local Communities
- Commitment to respect internationally recognized human rights
- Commitment to secure Free, Prior, and Informed Consent (FPIC) of indigenous people and local communities

Additional references/Descriptions

- Recognition of environmental linkages and trade-offs
- Description of biodiversity-related performance standards
- Description of impacts on natural resources and ecosystems
- Reference to timebound environmental milestones and targets
- Description of dependencies on natural resources and ecosystems
- Description of membership and financial support provided to organizations that seek to influence public policy
- Description of grievance/whistleblower mechanism to monitor non-compliance with the environmental policy and raise/address/escalate any other greenwashing concerns

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

- Yes, in line with the Kunming-Montreal Global Biodiversity Framework
- Yes, in line with another global environmental treaty or policy goal, please specify :SDG 15

(4.6.1.7) Public availability

Select from:

- Publicly available

(4.6.1.8) Attach the policy

Row 8

(4.6.1.1) Environmental issues covered

Select all that apply

- Climate change
- Water
- Biodiversity

(4.6.1.2) Level of coverage

Select from:

- Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply

- Direct operations
- Upstream value chain
- Downstream value chain
- Portfolio

(4.6.1.4) Explain the coverage

The Environmental Policy of Heidelberg Materials refers to our commitment to the environment and is part of our policy framework, which also includes underlying policies, such as our Biodiversity Policy, Water Policy, Responsible Land Use Policy and Climate Policy. These policies apply to Heidelberg Materials AG and all companies that Heidelberg Materials AG directly or indirectly controls. The Environmental policy covers our own operations and employees, as well as our interaction along the value chain and with the political landscape.

(4.6.1.5) Environmental policy content

Environmental commitments

- Commitment to No Net Loss
- Commitment to Net Positive Gain
- Commitment to a circular economy strategy
- Commitment to respect legally designated protected areas
- Commitment to comply with regulations and mandatory standards
- Commitment to take environmental action beyond regulatory compliance
- Commitment to avoidance of negative impacts on threatened and protected species
- Commitment to stakeholder engagement and capacity building on environmental issues
- Commitment to implementation of nature-based solutions that support landscape restoration and long-term protection of natural ecosystems
- Commitment to engage in integrated, multi-stakeholder landscape (including river basin) initiatives to promote shared sustainability goals

Climate-specific commitments

- Commitment to 100% renewable energy
- Commitment to net-zero emissions
- Commitment to not invest in fossil-fuel expansion
- Commitment to not funding climate-denial or lobbying against climate regulations

Water-specific commitments

- Commitment to reduce water consumption volumes
- Commitment to reduce water withdrawal volumes
- Commitment to reduce or phase out hazardous substances
- Commitment to control/reduce/eliminate water pollution
- Commitment to safely managed WASH in local communities
- Commitment to the conservation of freshwater ecosystems
- Commitment to water stewardship and/or collective action
- Other water-related commitment, please specify

Social commitments

- Commitment to respect and protect the customary rights to land, resources, and territory of Indigenous Peoples and Local Communities
- Commitment to respect internationally recognized human rights
- Commitment to secure Free, Prior, and Informed Consent (FPIC) of indigenous people and local communities

Additional references/Descriptions

- Recognition of environmental linkages and trade-offs

- Description of environmental requirements for procurement
- Description of biodiversity-related performance standards
- Description of impacts on natural resources and ecosystems
- Acknowledgement of the human right to water and sanitation
- Description of renewable electricity procurement practices
- Reference to timebound environmental milestones and targets
- Description of dependencies on natural resources and ecosystems
- Description of membership and financial support provided to organizations that seek to influence public policy
- Description of grievance/whistleblower mechanism to monitor non-compliance with the environmental policy and raise/address/escalate any other greenwashing concerns

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

- Yes, in line with the Paris Agreement
- Yes, in line with the Kunming-Montreal Global Biodiversity Framework
- Yes, in line with Sustainable Development Goal 6 on Clean Water and Sanitation
- Yes, in line with another global environmental treaty or policy goal, please specify :SDG 15

(4.6.1.7) Public availability

Select from:

- Publicly available

(4.6.1.8) Attach the policy

Heidelberg_Materials_Environmental_Policy.pdf

Row 9

(4.6.1.1) Environmental issues covered

Select all that apply

- Climate change

(4.6.1.2) Level of coverage

Select from:

- Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply

- Direct operations
- Upstream value chain
- Downstream value chain
- Portfolio

(4.6.1.4) Explain the coverage

At Heidelberg Materials, we are dedicated to promoting circularity and contributing to a more sustainable development of the building materials industry. The Circularity Policy is part of our policy framework. Our policies are binding for Heidelberg Materials AG and all companies that Heidelberg Materials AG directly or indirectly controls. Our Circularity Policy is an integral part of our commitment to the environment to protect resources and promote circularity. It guides our operations and decision-making processes. Through the implementation of the principles of a circular economy, we aim to continuously improve our processes, business operations, and value chain, with a focus on minimising our ecological footprint.

(4.6.1.5) Environmental policy content

Environmental commitments

- Commitment to a circular economy strategy
- Commitment to comply with regulations and mandatory standards
- Commitment to take environmental action beyond regulatory compliance
- Commitment to stakeholder engagement and capacity building on environmental issues
- Other environmental commitment, please specify :2030 Sustainability Commitments

Climate-specific commitments

- Commitment to 100% renewable energy
- Commitment to net-zero emissions
- Commitment to not invest in fossil-fuel expansion
- Commitment to not funding climate-denial or lobbying against climate regulations

Additional references/Descriptions

- Description of dependencies on natural resources and ecosystems
- Description of impacts on natural resources and ecosystems
- Description of environmental requirements for procurement
- Recognition of environmental linkages and trade-offs
- Reference to timebound environmental milestones and targets

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

- Yes, in line with the Paris Agreement
- Yes, in line with another global environmental treaty or policy goal, please specify :SDG

(4.6.1.7) Public availability

Select from:

- Publicly available

(4.6.1.8) Attach the policy

Circularity_policy_1 (1).pdf
[Add row]

(4.10) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

(4.10.1) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

Select from:

- Yes

(4.10.2) Collaborative framework or initiative

Select all that apply

- Business 4 Nature
- UN Global Compact
- We Mean Business
- Climate Action 100+
- Race to Zero Campaign
- Task Force on Nature-related Financial Disclosures (TNFD)
- Task Force on Climate-related Financial Disclosures (TCFD)
- World Business Council for Sustainable Development (WBCSD)
- Other, please specify :**Global Alliance for Buildings and Construction, First Movers Coalition, World GBC**
- Mission Possible Partnership
- Transition Pathway Initiative
- Science-Based Targets for Nature (SBTN)
- Science-Based Targets Initiative (SBTi)
- Global Reporting Initiative (GRI) Community Member

(4.10.3) Describe your organization's role within each framework or initiative

Heidelberg Materials is a member or supporter of multiple environmental collaborative initiatives. Our climate targets are validated under the SBTi 1.5 framework, and we have supported its developments. We are equally involved around the work for SBTN. We are closely engaged with the financial community in forums such as GRI, TCFD as well as TNFD to drive reporting standards and transparency forward. HM is a long-time member of UN Global Compact and regularly reports on our progress. We are also a member of WBCSD and actively contribute to their work for a sustainable Built environment. Same is valid for the Global Alliance for Buildings and Construction. We are cooperating closely with the Mission Possible Partnership, with the CEO of HM serving as a member of their board. Finally, we are signatories of commitments/statements provided by We Mean Business, Race to Zero as well as Business for Nature. Latest development is that HM has signed and supported work on BfN's business statement ahead of COP16.

[Fixed row]

(4.11) In the reporting year, did your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may (positively or negatively) impact the environment?

(4.11.1) External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the environment

Select all that apply

- Yes, we engaged directly with policy makers
- Yes, we engaged indirectly through, and/or provided financial or in-kind support to a trade association or other intermediary organization or individual whose activities could influence policy, law, or regulation

(4.11.2) Indicate whether your organization has a public commitment or position statement to conduct your engagement activities in line with global environmental treaties or policy goals

Select from:

- Yes, we have a public commitment or position statement in line with global environmental treaties or policy goals

(4.11.3) Global environmental treaties or policy goals in line with public commitment or position statement

Select all that apply

- Paris Agreement
- Kunming-Montreal Global Biodiversity Framework
- Sustainable Development Goal 6 on Clean Water and Sanitation

(4.11.4) Attach commitment or position statement

Climate-Advocacy-and-Association-Review.pdf

(4.11.5) Indicate whether your organization is registered on a transparency register

Select from:

- Yes

(4.11.6) Types of transparency register your organization is registered on

Select all that apply

- Mandatory government register
- Voluntary government register

(4.11.7) Disclose the transparency registers on which your organization is registered & the relevant ID numbers for your organization

EU Transparency register: 81970148701-15 Search the register - European Union (europa.eu) German Transparency Register: R001318 Registereintrag "Heidelberg Materials AG" - Lobbyregister beim Deutschen Bundestag

(4.11.8) Describe the process your organization has in place to ensure that your external engagement activities are consistent with your environmental commitments and/or transition plan

Heidelberg Materials aims to continuously reduce CO2 emissions in line with the Paris agreement that aims to limit global warming to 1.5C. As one of the world's largest construction material companies, we aim to lead the transformation of our sector globally. Our company's commitment to the Paris Agreement is implemented through an internal CO2 roadmap with country and even plant-specific CO2 roadmaps. Our remuneration system for local and group management also depends on achieving the assigned CO2 reduction targets. We therefore seek and – directly as well as indirectly – advocate for policy frameworks that are aligned with our own climate ambition and targets and meet the goals of the Paris agreement. Such frameworks must promote innovative low-emission building materials, processes, and business models that foster the transition towards a net-zero society while also strengthening industrial competitiveness. Innovation should also be inclusive towards all promising technologies. Our commitment to the Paris agreement and our recently updated Group Climate Policy are binding and applicable company-wide and guide all our advocacy activities in the markets we operate in. This includes our direct political engagements as well as broader stakeholder outreach with associations, international and societal organisations, communities, and sectoral business partners. As a company, we have established governance structures that assign responsibility for sustainability and climate protection, including target achievement, to the Chief Sustainability Officer (CSO) and member of the Managing Board. Operational responsibility for implementing the sustainability and climate protection goals of Heidelberg Materials lies with the respective country management teams. The implementation is tracked and overseen by the Senior Management and responsible Board Members. We also initiate a regular exchange with company representatives in trade associations to ensure the associations' lobbying is in line with the goals of the Paris Agreement. The alignment of trade associations with goals of the Paris Agreement is quarterly reviewed with the CSO and the board member responsible for associations.

[Fixed row]

(4.11.1) On what policies, laws, or regulations that may (positively or negatively) impact the environment has your organization been engaging directly with policy makers in the reporting year?

Row 1

(4.11.1.1) Specify the policy, law, or regulation on which your organization is engaging with policy makers

Carbon pricing and Emission Trading Scheme(s), e.g. EU ETS Review.

(4.11.1.2) Environmental issues the policy, law, or regulation relates to

Select all that apply

- Climate change

(4.11.1.3) Focus area of policy, law, or regulation that may impact the environment

Financial mechanisms (e.g., taxes, subsidies, etc.)

- Emissions trading schemes

(4.11.1.4) Geographic coverage of policy, law, or regulation

Select from:

- Global

(4.11.1.6) Your organization's position on the policy, law, or regulation

Select from:

- Support with no exceptions

(4.11.1.8) Type of direct engagement with policy makers on this policy, law, or regulation

Select all that apply

- Ad-hoc meetings
- Regular meetings
- Discussion in public forums
- Responding to consultations
- Submitting written proposals/inquiries
- Participation in working groups organized by policy makers

(4.11.1.9) Funding figure your organization provided to policy makers in the reporting year relevant to this policy, law, or regulation (currency)

0

(4.11.1.10) Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement

The transformation towards net-zero will require significant investments along the entire value chain sustainable construction value chain. When designed in the right way, carbon pricing can be an effective instrument to incentivize emission reductions, as it internalizes external carbon cost and incentivizes investment in emission reduction. Please find our financial figures for direct and indirect advocacy in our annual 'Climate Advocacy and Association Review'. We do not specify financial figures per topic as these often overlap or data is not provided by our associations / initiatives. <https://www.heidelbergmaterials.com/sites/default/files/2024-04/Climate-Advocacy-and-Association-Review.pdf>

(4.11.1.11) Indicate if you have evaluated whether your organization's engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals

Select from:

Yes, we have evaluated, and it is aligned

(4.11.1.12) Global environmental treaties or policy goals aligned with your organization's engagement on this policy, law or regulation

Select all that apply

Paris Agreement

Row 2

(4.11.1.1) Specify the policy, law, or regulation on which your organization is engaging with policy makers

Funding Schemes (e.g. U.S. Inflation Reduction Act / EU Innovation Fund)

(4.11.1.2) Environmental issues the policy, law, or regulation relates to

Select all that apply

Climate change

(4.11.1.3) Focus area of policy, law, or regulation that may impact the environment

Financial mechanisms (e.g., taxes, subsidies, etc.)

- Subsidies on infrastructure

(4.11.1.4) Geographic coverage of policy, law, or regulation

Select from:

- Global

(4.11.1.6) Your organization's position on the policy, law, or regulation

Select from:

- Support with no exceptions

(4.11.1.8) Type of direct engagement with policy makers on this policy, law, or regulation

Select all that apply

- Ad-hoc meetings
- Regular meetings
- Discussion in public forums
- Responding to consultations
- Submitting written proposals/inquiries
- Participation in working groups organized by policy makers

(4.11.1.9) Funding figure your organization provided to policy makers in the reporting year relevant to this policy, law, or regulation (currency)

0

(4.11.1.10) Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement

Funding for large-scale decarbonisation project is required during the transition phase and for early movers until they achieve a business case and economy-of-scale. When it comes to renewable energy and CCUS, infrastructures still need to be deployed at wide scale, which do not only benefit Heidelberg Materials but require support by the entire value chain and governments. Please find our financial figures for direct and indirect advocacy in our annual 'Climate Advocacy and Association

Review". We do not specify financial figures per topic as these often overlap or data is not provided by our associations / initiatives.
<https://www.heidelbergmaterials.com/sites/default/files/2024-04/Climate-Advocacy-and-Association-Review.pdf>

(4.11.1.11) Indicate if you have evaluated whether your organization's engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals

Select from:

Yes, we have evaluated, and it is aligned

(4.11.1.12) Global environmental treaties or policy goals aligned with your organization's engagement on this policy, law or regulation

Select all that apply

Paris Agreement

Row 3

(4.11.1.1) Specify the policy, law, or regulation on which your organization is engaging with policy makers

Renewable Energy

(4.11.1.2) Environmental issues the policy, law, or regulation relates to

Select all that apply

Climate change

(4.11.1.3) Focus area of policy, law, or regulation that may impact the environment

Energy and renewables

Renewable energy generation

(4.11.1.4) Geographic coverage of policy, law, or regulation

Select from:

- Global

(4.11.1.6) Your organization's position on the policy, law, or regulation

Select from:

- Support with no exceptions

(4.11.1.8) Type of direct engagement with policy makers on this policy, law, or regulation

Select all that apply

- Ad-hoc meetings
- Regular meetings
- Discussion in public forums
- Responding to consultations
- Submitting written proposals/inquiries
- Participation in working groups organized by policy makers

(4.11.1.9) Funding figure your organization provided to policy makers in the reporting year relevant to this policy, law, or regulation (currency)

0

(4.11.1.10) Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement

The transformation process will require the rapid phase out of fossil fuels while, at the same time, climate mitigation technologies, require additional use of renewable energy capacity. Please find our financial figures for direct and indirect advocacy in our annual 'Climate Advocacy and Association Review'. We do not specify financial figures per topic as these often overlap or data is not provided by our associations / initiatives. <https://www.heidelbergmaterials.com/sites/default/files/2024-04/Climate-Advocacy-and-Association-Review.pdf>

(4.11.1.11) Indicate if you have evaluated whether your organization's engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals

Select from:

- Yes, we have evaluated, and it is aligned

(4.11.1.12) Global environmental treaties or policy goals aligned with your organization's engagement on this policy, law or regulation

Select all that apply

- Paris Agreement

Row 4

(4.11.1.1) Specify the policy, law, or regulation on which your organization is engaging with policy makers

Construction and Building Codes

(4.11.1.2) Environmental issues the policy, law, or regulation relates to

Select all that apply

- Climate change

(4.11.1.3) Focus area of policy, law, or regulation that may impact the environment

Other

- Other, please specify :Construction and Housing

(4.11.1.4) Geographic coverage of policy, law, or regulation

Select from:

- Global

(4.11.1.6) Your organization's position on the policy, law, or regulation

Select from:

- Support with no exceptions

(4.11.1.8) Type of direct engagement with policy makers on this policy, law, or regulation

Select all that apply

- Ad-hoc meetings
- Regular meetings
- Discussion in public forums
- Responding to consultations
- Submitting written proposals/inquiries
- Participation in working groups organized by policy makers

(4.11.1.9) Funding figure your organization provided to policy makers in the reporting year relevant to this policy, law, or regulation (currency)

0

(4.11.1.10) Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement

The construction sector requires new and updated standards in line with innovation and low-carbon cement and concrete types. We actively engaged with policymakers to speed up the process and advocate for higher share of low-carbon solutions. Please find our financial figures for direct and indirect advocacy in our annual 'Climate Advocacy and Association Review'. We do not specify financial figures per topic as these often overlap or data is not provided by our associations / initiatives. <https://www.heidelbergmaterials.com/sites/default/files/2024-04/Climate-Advocacy-and-Association-Review.pdf>

(4.11.1.11) Indicate if you have evaluated whether your organization's engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals

Select from:

- Yes, we have evaluated, and it is aligned

(4.11.1.12) Global environmental treaties or policy goals aligned with your organization's engagement on this policy, law or regulation

Select all that apply

- Paris Agreement

Row 5

(4.11.1.1) Specify the policy, law, or regulation on which your organization is engaging with policy makers

Circular Economy

(4.11.1.2) Environmental issues the policy, law, or regulation relates to

Select all that apply

- Climate change

(4.11.1.3) Focus area of policy, law, or regulation that may impact the environment

Low-impact production and innovation

- Circular economy
- Low environmental impact innovation and R&D

(4.11.1.4) Geographic coverage of policy, law, or regulation

Select from:

- Global

(4.11.1.6) Your organization's position on the policy, law, or regulation

Select from:

- Support with no exceptions

(4.11.1.8) Type of direct engagement with policy makers on this policy, law, or regulation

Select all that apply

- Ad-hoc meetings
- Regular meetings
- Discussion in public forums
- Responding to consultations
- Submitting written proposals/inquiries
- Participation in working groups organized by policy makers

(4.11.1.9) Funding figure your organization provided to policy makers in the reporting year relevant to this policy, law, or regulation (currency)

0

(4.11.1.10) Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement

Heidelberg Materials goal is to close the carbon and materials cycle. The use of by-products from other industrial sectors for the production of clinker and cement and the recycling of demolition concrete enables us to produce in a more resource-efficient way and with lower CO₂ emissions. Please find our financial figures for direct and indirect advocacy in our annual 'Climate Advocacy and Association Review'. We do not specify financial figures per topic as these often overlap or data is not provided by our associations / initiatives. <https://www.heidelbergmaterials.com/sites/default/files/2024-04/Climate-Advocacy-and-Association-Review.pdf>

(4.11.1.11) Indicate if you have evaluated whether your organization's engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals

Select from:

Yes, we have evaluated, and it is aligned

(4.11.1.12) Global environmental treaties or policy goals aligned with your organization's engagement on this policy, law or regulation

Select all that apply

Paris Agreement

Row 6

(4.11.1.1) Specify the policy, law, or regulation on which your organization is engaging with policy makers

Waste framework directives and Alternative fuel legislation

(4.11.1.2) Environmental issues the policy, law, or regulation relates to

Select all that apply

- Climate change

(4.11.1.3) Focus area of policy, law, or regulation that may impact the environment

Energy and renewables

- Alternative fuels

(4.11.1.4) Geographic coverage of policy, law, or regulation

Select from:

- Global

(4.11.1.6) Your organization's position on the policy, law, or regulation

Select from:

- Support with no exceptions

(4.11.1.8) Type of direct engagement with policy makers on this policy, law, or regulation

Select all that apply

- Ad-hoc meetings
- Regular meetings
- Discussion in public forums
- Responding to consultations
- Submitting written proposals/inquiries
- Participation in working groups organized by policy makers

(4.11.1.9) Funding figure your organization provided to policy makers in the reporting year relevant to this policy, law, or regulation (currency)

0

(4.11.1.10) Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement

In order to phase out fossil fuels, we need to deploy waste-based alternative fuels and biomass to produce the heat for our kilns. We also conduct research concerning hydrogen and kiln electrification, but these are still a low technology readiness level. We are therefore advocating for waste landfill bans and more effective waste management systems. We also support co-processing to be acknowledged as effective waste management practice.

(4.11.1.11) Indicate if you have evaluated whether your organization's engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals

Select from:

- Yes, we have evaluated, and it is aligned

(4.11.1.12) Global environmental treaties or policy goals aligned with your organization's engagement on this policy, law or regulation

Select all that apply

- Paris Agreement

Row 7

(4.11.1.1) Specify the policy, law, or regulation on which your organization is engaging with policy makers

Green procurement schemes (such as the U.S. buy clean programmes)

(4.11.1.2) Environmental issues the policy, law, or regulation relates to

Select all that apply

- Climate change

(4.11.1.3) Focus area of policy, law, or regulation that may impact the environment

Financial mechanisms (e.g., taxes, subsidies, etc.)

- Subsidies on products or services

(4.11.1.4) Geographic coverage of policy, law, or regulation

Select from:

Global

(4.11.1.6) Your organization's position on the policy, law, or regulation

Select from:

Support with no exceptions

(4.11.1.8) Type of direct engagement with policy makers on this policy, law, or regulation

Select all that apply

Ad-hoc meetings

Participation in working groups organized by policy makers

Regular meetings

Discussion in public forums

Responding to consultations

Submitting written proposals/inquiries

(4.11.1.9) Funding figure your organization provided to policy makers in the reporting year relevant to this policy, law, or regulation (currency)

0

(4.11.1.10) Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement

Already today, Heidelberg Materials can offer low-carbon construction products with a reduced CO2 emission footprint of up to 70% or a high content of recycled materials. evoZero and evoBuild complement the picture with a full-range sustainable product portfolio. Stimulating demand measures will need to be put in place to ensure the uptake of more sustainable construction materials. We thus advocate for lead markets and incentives to procure low carbon products. We also support green public procurement programs as around 30-40% of concrete goes into public projects. Please find our financial figures for direct and indirect advocacy in our annual 'Climate Advocacy and Association Review'. We do not specify financial figures per topic as these often overlap or data is not provided by our associations / initiatives. <https://www.heidelbergmaterials.com/sites/default/files/2024-04/Climate-Advocacy-and-Association-Review.pdf>

(4.11.1.11) Indicate if you have evaluated whether your organization's engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals

Select from:

- Yes, we have evaluated, and it is aligned

(4.11.1.12) Global environmental treaties or policy goals aligned with your organization's engagement on this policy, law or regulation

Select all that apply

- Paris Agreement

Row 8

(4.11.1.1) Specify the policy, law, or regulation on which your organization is engaging with policy makers

CCUS (such as Net Zero Industry Act)

(4.11.1.2) Environmental issues the policy, law, or regulation relates to

Select all that apply

- Climate change

(4.11.1.3) Focus area of policy, law, or regulation that may impact the environment

Environmental impacts and pressures

- Emissions – CO2

(4.11.1.4) Geographic coverage of policy, law, or regulation

Select from:

- Global

(4.11.1.6) Your organization's position on the policy, law, or regulation

Select from:

- Support with no exceptions

(4.11.1.8) Type of direct engagement with policy makers on this policy, law, or regulation

Select all that apply

- Ad-hoc meetings
- Regular meetings
- Discussion in public forums
- Responding to consultations
- Submitting written proposals/inquiries
- Participation in working groups organized by policy makers

(4.11.1.9) Funding figure your organization provided to policy makers in the reporting year relevant to this policy, law, or regulation (currency)

0

(4.11.1.10) Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement

Two thirds of direct emissions in cement production are unavoidable process emissions from calcinating limestone during the clinker production process. Carbon capture, utilisation and storage technologies are one of the main current solutions to deal with unavoidable process emissions and must therefore be industrialised and deployed at large scale. Please find our financial figures for direct and indirect advocacy in our annual 'Climate Advocacy and Association Review'. We do not specify financial figures per topic as these often overlap or data is not provided by our associations / initiatives.

<https://www.heidelbergmaterials.com/sites/default/files/2024-04/Climate-Advocacy-and-Association-Review.pdf>

(4.11.1.11) Indicate if you have evaluated whether your organization's engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals

Select from:

- Yes, we have evaluated, and it is aligned

(4.11.1.12) Global environmental treaties or policy goals aligned with your organization's engagement on this policy, law or regulation

Select all that apply

- Paris Agreement

Row 9

(4.11.1.1) Specify the policy, law, or regulation on which your organization is engaging with policy makers

Sustainable Finance (e.g. taxonomy)

(4.11.1.2) Environmental issues the policy, law, or regulation relates to

Select all that apply

Climate change

(4.11.1.3) Focus area of policy, law, or regulation that may impact the environment

Financial mechanisms (e.g., taxes, subsidies, etc.)

Subsidies on products or services

(4.11.1.4) Geographic coverage of policy, law, or regulation

Select from:

Global

(4.11.1.6) Your organization's position on the policy, law, or regulation

Select from:

Support with no exceptions

(4.11.1.8) Type of direct engagement with policy makers on this policy, law, or regulation

Select all that apply

Ad-hoc meetings

Regular meetings

Discussion in public forums

Responding to consultations

Participation in working groups organized by policy makers

- Submitting written proposals/inquiries

(4.11.1.9) Funding figure your organization provided to policy makers in the reporting year relevant to this policy, law, or regulation (currency)

0

(4.11.1.10) Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement

If designed in the right way, enabling financial frameworks can channel investment into industry transformation with better access to finance and lower capital cost. Please find our financial figures for direct and indirect advocacy in our annual 'Climate Advocacy and Association Review'. We do not specify financial figures per topic as these often overlap or data is not provided by our associations / initiatives. <https://www.heidelbergmaterials.com/sites/default/files/2024-04/Climate-Advocacy-and-Association-Review.pdf>

(4.11.1.11) Indicate if you have evaluated whether your organization's engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals

Select from:

- Yes, we have evaluated, and it is aligned

(4.11.1.12) Global environmental treaties or policy goals aligned with your organization's engagement on this policy, law or regulation

Select all that apply

- Paris Agreement

[Add row]

(4.11.2) Provide details of your indirect engagement on policy, law, or regulation that may (positively or negatively) impact the environment through trade associations or other intermediary organizations or individuals in the reporting year.

Row 1

(4.11.2.1) Type of indirect engagement

Select from:

- Indirect engagement via a trade association

(4.11.2.4) Trade association

Europe

- CEMBUREAU: The European Cement Association

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

- Climate change

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

- Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

- Yes, and they have changed their position

(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

Cembureau fully supports the goals of Paris Agreement. In June 2024, Cembureau published its updated Carbon Neutrality Roadmap 2050 that outlines the European's cement industry's ambition to reach net zero emissions along the cement and concrete value chain by 2050. Cembureau welcomes carbon pricing and the European Emission Trading Scheme, including the support it provides through funding. Cembureau also supports the introduction of a Carbon Border Adjustment

Mechanism (CBAM) to equalise carbon costs between cement producers in the EU and importers to the EU. For legal and competition reasons, we are not allowed to provide the funding figure for the reporting year. Cembureau is European cement and concrete association and closely involved in environmental and climate files being discussed at EU level. Heidelberg Materials' representatives are very active in Cembureau's governing bodies & working groups. Heidelberg Materials is chair or co-chair in several working groups and task forces. In this function, representatives are actively steering the internal discussions for developing Cembureau's position on EU environmental and climate policy. Heidelberg Materials is furthermore represented in the Steering Committee and the Board of Cembureau, which is tasked with defining the strategic orientation of the association. Heidelberg Materials will hold the position of the Cembureau Vice President in 2023.

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

0

(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:

Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply

Paris Agreement

Row 2

(4.11.2.1) Type of indirect engagement

Select from:

Indirect engagement via a trade association

(4.11.2.4) Trade association

Global

Other global trade association, please specify :Global Cement and Concrete Association (GCCA)

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

Climate change

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

Yes, and they have changed their position

(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

GCCA fully supports the goals of Paris Agreement. In 2021, the Global Cement and Concrete Association (GCCA) published the GCCA 2050 Cement and Concrete Industry Roadmap for Net Zero Concrete. With this roadmap GCCA member companies commit to producing carbon neutral concrete by 2050. In 2022, the GCCA launched the Net Zero Accelerator Program to help national cement and concrete industries lay down the foundation to decarbonise in line with the GCCA's 2050 Net Zero Global Industry Roadmap. GCCA supports the use of market-based carbon pricing to incentivise decarbonisation at lowest cost. For legal and competition reasons, we are not allowed to provide the funding figure for the reporting year. GCCA is the global Cement and Concrete association and advocates on a global level for measures that support the decarbonisation of the cement & concrete sector. GCCA also represents our sector in global conferences such as the New York Climate Week and COP. Our representatives are involved in all aspects of the initiative's work Heidelberg Materials' representatives are chairs and/or members of the following Working Groups: Health & Safety, Policy & Thought Leadership, Communication & Outreach, Net Zero Delivery, Innovation, ESG. As a company we are also represented in the GCCA Steering Committee and Board. Heidelberg Materials is also one of the founding members of GCCA.

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

0

(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:

- Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply

- Paris Agreement

Row 3

(4.11.2.1) Type of indirect engagement

Select from:

- Indirect engagement via a trade association

(4.11.2.4) Trade association

North America

- Other trade association in North America, please specify :Cement Association Canada (CAC)

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

- Climate change

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

Yes, and they have changed their position

(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

CAC fully supports the goals of Paris Agreement. The Cement Association of Canada (CAC) has developed the Roadmap to Net-Zero Carbon Concrete and Action Plan to 2030 in close collaboration with the federal ministry 'Innovation, Science and Economic Development Canada'. It was published in May 2023 and is closely aligned with the Global Cement and Concrete Association's (GCCA) Roadmap for Net Zero Concrete. For legal and competition reasons, we are not allowed to provide the funding figure of the reporting year. CAC represents the Canadian cement sector towards the Canadian government. It advocates for a further development of the Canadian carbon pricing scheme and policies. Heidelberg Materials is represented in the Board of CAC and has representatives in most association committees. In some committees Heidelberg Materials' representatives are either chair or co-chair.

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

0

(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:

Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply

Paris Agreement

Row 4

(4.11.2.1) Type of indirect engagement

Select from:

- Indirect engagement via a trade association

(4.11.2.4) Trade association

Europe

- Other trade association in Europe, please specify :Verein Deutscher Zementwerke e.V. (VDZ), the German cement industry association

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

- Climate change

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

- Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

- Yes, and they have changed their position

(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

VDZ fully supports the goals of Paris Agreement. VDZ is member of Cembureau, the European Cement Association and thus support the Cembureau 2050 Roadmap that targets carbon neutrality of the European Cement sector by 2050. VDZ published its 2050 carbon neutrality roadmap in 2020 how the German cement sector can achieve net zero emissions by 2050. The VDZ calls for a comprehensive policy package along the entire cement and concrete value chain to provide the right incentives and to create an environment in which business activities can be geared to the needs of climate protection. It includes the creation of a level playing field where low carbon products can compete on an equal footing with less cost-intensive conventional technologies and where carbon leakage is also effectively prevented. For legal and competition reasons, we are not allowed to provide the funding figure of this reporting year. VDZ is the national cement and concrete association in Germany, the home country of Heidelberg Materials. We are active in all committees of VDZ and is represented in the Board with several representatives. Additionally, the current president of VDZ is a Heidelberg Materials employee. The VDZ represents the German cement sector towards the German government.

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

0

(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:

Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply

Paris Agreement

Row 5

(4.11.2.1) Type of indirect engagement

Select from:

Indirect engagement via a trade association

(4.11.2.4) Trade association

North America

Portland Cement Association

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

Climate change

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

Yes, and they have changed their position

(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

PCA fully supports the goals of Paris Agreement. In 2021, PCA has published its Roadmap committed to achieving carbon neutrality across the cement and concrete value chain by 2050. The roadmap outlines a portfolio of reduction strategies and immediate opportunities across the various phases of the built environment. For legal and competition reasons, we are not allowed to provide the funding figure of this reporting year. Our representatives are involved in all aspects of PCA's and regularly participated in their gatherings at state and federal level. Heidelberg Materials is also represented in PCA's Board of Directors.

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

0

(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:

- Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply

- Paris Agreement

[Add row]

(4.12.1) Provide details on the information published about your organization's response to environmental issues for this reporting year in places other than your CDP response. Please attach the publication.

Row 1

(4.12.1.1) Publication

Select from:

- In voluntary communications

(4.12.1.3) Environmental issues covered in publication

Select all that apply

- Climate change

(4.12.1.4) Status of the publication

Select from:

- Complete

(4.12.1.5) Content elements

Select all that apply

- Content of environmental policies
- Governance
- Strategy
- Emissions figures
- Emission targets

(4.12.1.6) Page/section reference

8-15

(4.12.1.7) Attach the relevant publication

Heidelberg_Materials_Governance_Presentation_2024.pdf

(4.12.1.8) Comment

Our HM Governance presentation reports about our pathway to a net-zero future by providing concrete examples, targets and KPIs for achieving this.

Row 2

(4.12.1.1) Publication

Select from:

- In mainstream reports, in line with environmental disclosure standards or frameworks

(4.12.1.2) Standard or framework the report is in line with

Select all that apply

- GRI
- IFRS
- TCFD

(4.12.1.3) Environmental issues covered in publication

Select all that apply

- Climate change
- Water
- Biodiversity

(4.12.1.4) Status of the publication

Select from:

- Complete

(4.12.1.5) Content elements

Select all that apply

- | | |
|---|--|
| <input checked="" type="checkbox"/> Strategy | <input checked="" type="checkbox"/> Value chain engagement |
| <input checked="" type="checkbox"/> Governance | <input checked="" type="checkbox"/> Dependencies & Impacts |
| <input checked="" type="checkbox"/> Emission targets | <input checked="" type="checkbox"/> Biodiversity indicators |
| <input checked="" type="checkbox"/> Emissions figures | <input checked="" type="checkbox"/> Public policy engagement |
| <input checked="" type="checkbox"/> Risks & Opportunities | <input checked="" type="checkbox"/> Water accounting figures |
| <input checked="" type="checkbox"/> Water pollution indicators | |
| <input checked="" type="checkbox"/> Content of environmental policies | |

(4.12.1.6) Page/section reference

Climate: pp 39-47; Water: p. 72; Biodiversity: p. 70

(4.12.1.7) Attach the relevant publication

HM_ASR_2023.pdf

(4.12.1.8) Comment

Since 2023, we are publishing a combined Annual and Sustainability Report. We have been reporting in accordance with the EU Taxonomy requirements since its inception. The data is audited externally by PwC.

Row 3

(4.12.1.1) Publication

Select from:

- In voluntary sustainability reports

(4.12.1.3) Environmental issues covered in publication

Select all that apply

- Climate change

(4.12.1.4) Status of the publication

Select from:

- Complete

(4.12.1.5) Content elements

Select all that apply

- Strategy
- Governance
- Emission targets
- Emissions figures
- Risks & Opportunities
- Value chain engagement
- Dependencies & Impacts
- Public policy engagement
- Content of environmental policies

(4.12.1.6) Page/section reference

1-13

(4.12.1.7) Attach the relevant publication

(4.12.1.8) Comment

In June 2023, we released our first Climate Transition Plan (CTP) which clearly outlines our SBTi 1.5C pathway to a net-zero future. Our climate-related engagement is the most important part of the CTP. Heidelberg Materials transition plan explains the involvement of the Managing Board in climate decisions, and the strategy to reduce its carbon footprint. The Board is constantly informed about the CO2 performance and the developments done in a monthly and quarterly basis.

Row 4

(4.12.1.1) Publication

Select from:

- In voluntary sustainability reports

(4.12.1.3) Environmental issues covered in publication

Select all that apply

- Water

(4.12.1.4) Status of the publication

Select from:

- Complete

(4.12.1.5) Content elements

Select all that apply

- Strategy
- Governance
- Risks & Opportunities
- Value chain engagement
- Dependencies & Impacts
- Public policy engagement
- Water accounting figures
- Water pollution indicators
- Content of environmental policies
- Other, please specify : **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).**

(4.12.1.6) Page/section reference

1-6

(4.12.1.7) Attach the relevant publication

HC Water Policy_EN_final (10).pdf

(4.12.1.8) Comment

Heidelberg Materials recognises the importance of a professional water management and water conservation. We have a local and global responsibility and are committed to minimising the impact of our business activities on natural water resources. We will continue to further minimise the environmental impacts of our discharges. We acknowledge that access to clean water and sanitation is a human right and continue to 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).

Row 5

(4.12.1.1) Publication

Select from:

In other regulatory filings

(4.12.1.3) Environmental issues covered in publication

Select all that apply

Climate change

Water

Biodiversity

(4.12.1.4) Status of the publication

Select from:

Complete

(4.12.1.5) Content elements

Select all that apply

- Governance
- Emissions figures
- Risks & Opportunities
- Dependencies & Impacts
- Biodiversity indicators
- Public policy engagement
- Water accounting figures
- Water pollution indicators
- Content of environmental policies

(4.12.1.6) Page/section reference

1-2

(4.12.1.7) Attach the relevant publication

EU_Nature_Restoration_Law_Industry_Statement (4).pdf

(4.12.1.8) Comment

The EU Nature Restoration law is a generation's opportunity to take concrete and effective action to reverse the biodiversity and climate crises by restoring EU land and sea areas at large scale. We, the undersigned businesses and business associations, are calling for the urgent adoption of an ambitious and legally binding EU Nature Restoration Law to bring nature back to Europe. The EU Nature Restoration Law will be a key tool to tackle our climate and biodiversity crises and to guarantee the long-term sustainability and viability of our society and economy.

Row 6

(4.12.1.1) Publication

Select from:

- In mainstream reports, in line with environmental disclosure standards or frameworks

(4.12.1.2) Standard or framework the report is in line with

Select all that apply

- Other, please specify :UN Guiding Principles on Business and Human Rights, the core labour standards of the International Labour Organization (ILO) in our supply chain, and the German Act on Corporate Due Diligence Obligations in Supply Chains.

(4.12.1.3) Environmental issues covered in publication

Select all that apply

- Climate change
- Water

(4.12.1.4) Status of the publication

Select from:

- Complete

(4.12.1.5) Content elements

Select all that apply

- | | |
|---|--|
| <input checked="" type="checkbox"/> Strategy | <input checked="" type="checkbox"/> Value chain engagement |
| <input checked="" type="checkbox"/> Governance | <input checked="" type="checkbox"/> Dependencies & Impacts |
| <input checked="" type="checkbox"/> Emission targets | <input checked="" type="checkbox"/> Public policy engagement |
| <input checked="" type="checkbox"/> Emissions figures | <input checked="" type="checkbox"/> Water accounting figures |
| <input checked="" type="checkbox"/> Risks & Opportunities | <input checked="" type="checkbox"/> Water pollution indicators |
| <input checked="" type="checkbox"/> Content of environmental policies | |

(4.12.1.6) Page/section reference

1-3

(4.12.1.7) Attach the relevant publication

Supplier_Code_of_Conduct_English_October_2023.pdf

(4.12.1.8) Comment

Building on our Heidelberg Materials „Code of Business Conduct“, our Supplier Code of Conduct seeks compliance with international worker safety and well-being standards and demands proper compliance management systems, which are based on the United Nations Guiding Principles on Business and Human Rights, the core labour standards of the International Labour Organization (ILO) in our supply chain, and the German Act on Corporate Due Diligence Obligations in Supply

Chains. Furthermore, the compliance systems are based on international recognized human rights standards agreed on the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights.

Row 7

(4.12.1.1) Publication

Select from:

- In mainstream reports, in line with environmental disclosure standards or frameworks

(4.12.1.2) Standard or framework the report is in line with

Select all that apply

- Other, please specify :The International Covenant on Civil and Political Rights The International Covenant on Social, Economic and Cultural Rights. The core labour standards of the ILO, The OECD Guidelines for Multinational Enterprises.

(4.12.1.3) Environmental issues covered in publication

Select all that apply

- Climate change
- Water
- Biodiversity

(4.12.1.4) Status of the publication

Select from:

- Complete

(4.12.1.5) Content elements

Select all that apply

- Strategy
- Governance
- Emission targets
- Value chain engagement
- Dependencies & Impacts
- Biodiversity indicators

- Emissions figures
- Risks & Opportunities
- Water pollution indicators
- Content of environmental policies
- Public policy engagement
- Water accounting figures

(4.12.1.6) Page/section reference

1-16

(4.12.1.7) Attach the relevant publication

Policy_Statement_on_Human_Rights (7).pdf

(4.12.1.8) Comment

This Policy Statement sets out our human rights strategy and applies to all Heidelberg Materials companies. It encompasses our commitment to responsible corporate governance, guiding principles and main objectives with regard to human rights and the environmental, including the promotion of diversity, equity, and inclusion, as well as the protection of the climate and the environment.

Row 8

(4.12.1.1) Publication

Select from:

- In voluntary sustainability reports

(4.12.1.3) Environmental issues covered in publication

Select all that apply

- Climate change

(4.12.1.4) Status of the publication

Select from:

- Underway - this is our first year

(4.12.1.5) Content elements

Select all that apply

- Strategy
- Governance
- Emission targets
- Emissions figures
- Risks & Opportunities
- Value chain engagement
- Dependencies & Impacts
- Public policy engagement
- Content of environmental policies

(4.12.1.8) Comment

Climate change and urbanization are trends and challenges which are of highest priority for Heidelberg Materials, as we are operating in one of the key industries which have a major impact on these global challenges. On the one hand, we are conducting our business in a highly energy-intensive industry and on the other hand, we can significantly contribute to a sustainable urban development by providing materials to construct buildings which give people shelter, offer them space to work and live, and which serve education and health care. At Heidelberg Materials, we support the aim of the UNFCCC Paris Agreement to limit global warming to 1.5C. We have made a clear commitment to help build a net zero future, which is why we are transforming our business and placing sustainability at the core of what we do. Our 1.5C-aligned climate transition plan serves as a guiding principle and outlines our net zero journey.

Row 9

(4.12.1.1) Publication

Select from:

- In voluntary sustainability reports

(4.12.1.3) Environmental issues covered in publication

Select all that apply

- Climate change

(4.12.1.4) Status of the publication

Select from:

- Complete

(4.12.1.5) Content elements

Select all that apply

- Strategy
- Governance
- Emission targets
- Emissions figures
- Risks & Opportunities
- Value chain engagement
- Public policy engagement
- Content of environmental policies

(4.12.1.6) Page/section reference

1-12

(4.12.1.7) Attach the relevant publication

Climate-Advocacy-and-Association-Review.pdf

(4.12.1.8) Comment

To achieve our goal of net-zero emissions by 2050, Heidelberg Materials cooperates proactively with associations, policymakers, communities, business partners, and other stakeholders to create the appropriate framework conditions to support the implementation of sustainable solutions for climate change mitigation and adaptation.

Row 10

(4.12.1.1) Publication

Select from:

- In voluntary sustainability reports

(4.12.1.3) Environmental issues covered in publication

Select all that apply

- Climate change

(4.12.1.4) Status of the publication

Select from:

- Underway - this is our first year

(4.12.1.5) Content elements

Select all that apply

- Strategy
- Governance
- Emission targets
- Emissions figures
- Risks & Opportunities
- Value chain engagement
- Dependencies & Impacts
- Public policy engagement
- Content of environmental policies
- Other, please specify :**Social factors**

(4.12.1.8) Comment

We are currently developing a Just Transition Plan which combines both our environmental (climate-related) and social transformation. Climate change and urbanization are trends and challenges which are of highest priority for Heidelberg Materials, as we are operating in one of the key industries which have a major impact on these global challenges. On the one hand, we are conducting our business in a highly energy-intensive industry and on the other hand, we can significantly contribute to a sustainable urban development by providing materials to construct buildings which give people shelter, offer them space to work and live, and which serve education and health care. At Heidelberg Materials, we support the aim of the UNFCCC Paris Agreement to limit global warming to 1.5C. We have made a clear commitment to help build a net zero future, which is why we are transforming our business and placing sustainability at the core of what we do. Our 1.5C-aligned climate transition plan serves as a guiding principle and outlines our net zero journey.

[Add row]

C5. Business strategy

(5.1) Does your organization use scenario analysis to identify environmental outcomes?

Climate change

(5.1.1) Use of scenario analysis

Select from:

Yes

(5.1.2) Frequency of analysis

Select from:

Annually

Water

(5.1.1) Use of scenario analysis

Select from:

Yes

(5.1.2) Frequency of analysis

Select from:

Annually

[Fixed row]

(5.1.1) Provide details of the scenarios used in your organization's scenario analysis.

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios

- RCP 8.5

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

- SSP1

(5.1.1.3) Approach to scenario

Select from:

- Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

- Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

- Acute physical
- Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

- 1.5°C or lower

(5.1.1.7) Reference year

2023

(5.1.1.8) Timeframes covered

Select all that apply

- 2030
- 2040
- 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

- Changes to the state of nature
- Number of ecosystems impacted
- Changes in ecosystem services provision
- Speed of change (to state of nature and/or ecosystem services)
- Climate change (one of five drivers of nature change)

Finance and insurance

- Cost of capital
- Sensitivity of capital (to nature impacts and dependencies)

Stakeholder and customer demands

- Consumer sentiment
- Consumer attention to impact
- Impact of nature footprint on reputation
- Impact of nature service delivery on consumer
- Sensitivity to inequity of nature impacts

Regulators, legal and policy regimes

- Global regulation
- Political impact of science (from galvanizing to paralyzing)
- Level of action (from local to global)
- Global targets

- ☑ Methodologies and expectations for science-based targets

Relevant technology and science

- ☑ Granularity of available data (from aggregated to local)
- ☑ Data regime (from closed to open)

Direct interaction with climate

- ☑ On asset values, on the corporate
- ☑ Perception of efficacy of climate regime

Macro and microeconomy

- ☑ Domestic growth
- ☑ Globalizing markets

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

Climate scenarios are models or representations of future climatic developments based on various assumptions and parameters. They are used to investigate possible developments of the climate system and to predict their impacts on the environment, society, and the economy. Climate scenarios facilitate a better understanding of the risks and opportunities of climate change and make it possible to plan policy decisions as well as adaptation and mitigation strategies. They provide insights into possible changes in temperature and precipitation, sea level rise, extreme weather events, and other climate-related trends that are critical when it comes to planning and developing strategies to manage climate change. There are significant geographical variations in climate risks within the Group countries. The impact of extreme weather scenarios, such as floods or droughts, can lead to damage to our production sites, interrupt the supply to our customers, or have adverse effects on the supply of upstream products to our operating units. Based on the SSP scenarios, we analysed our global exposure to material climate risks and assessed them over different time periods using a third-party tool. Based on the proportion of assets that are particularly exposed to the respective risks, we have classified the risks as low, medium, and high. The scenarios and assessments described do not represent conclusive findings for Heidelberg Materials. The scenario analysis is based on current assumptions that may or may not materialise. The scenarios may be influenced by additional factors that go beyond the assumptions taken into consideration

(5.1.1.11) Rationale for choice of scenario

Climate scenarios have been steadily refined by climate scientists in recent decades. As a result, Heidelberg Materials switched from Representative Concentration Pathways (RCP) scenarios to Shared Socioeconomic Pathways (SSP) scenarios in 2023. SSP scenarios focus on global social, demographic, and economic changes. SSP1 is based on achieving the Paris Agreement's 1.5 C target, SSP2 is a moderate scenario, and SSP5 is a scenario based on the continued use of fossil fuels.

Water

(5.1.1.1) Scenario used

Water scenarios

- WWF Water Risk Filter

(5.1.1.3) Approach to scenario

Select from:

- Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

- Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

- Acute physical
- Chronic physical

(5.1.1.7) Reference year

2020

(5.1.1.8) Timeframes covered

Select all that apply

- 2030
- Other, please specify :current risks

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

- ☑ Changes to the state of nature
- ☑ Number of ecosystems impacted
- ☑ Speed of change (to state of nature and/or ecosystem services)
- ☑ Other local ecosystem asset interactions, dependencies and impacts driving forces, please specify :water scarcity, water quality, physical water risks

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

As part of our TCFD assessment, we evaluated climate-related risks, including water-related hazards like flooding, drought, and extreme precipitation. We rated our global operations' exposure to these risks using IPCC scenarios: RCP 2.6 (optimistic), RCP 4.5 (stabilization), and RCP 8.5 (pessimistic), focusing on impacts through 2030 and 2050. We also assessed transition risks, including legal and market challenges in the shift to a low-carbon economy. Additionally, we conducted a water stress analysis for each site using the WRI Aqueduct tool to evaluate projected water stress by 2030. These evaluations provide critical insights into our operations' exposure to climate and water risks, allowing us to develop strategies, implement measures, and proactively address these risks to ensure business resilience and sustainability. As part of our assessment in accordance with TCFD, we have conducted a comprehensive evaluation of climate-related risks, including water-related risks. Our assessment involves rating our global operations based on their exposure to physical risks, which encompass various acute and chronic water-related hazards such as flooding, drought, and extreme precipitation. To gauge the potential impact of these risks, we utilize three scenarios recommended by the Intergovernmental Panel on Climate Change (IPCC): RCP 2.6 (optimistic scenario), RCP 4.5 (stabilization scenario), and RCP 8.5 (pessimistic scenario). These scenarios help us understand the potential climate-related risks and their implications for our operations over the time horizons of 2030 and 2050. Additionally, our assessment encompasses transition risks, which include legal and market risks associated with the transition to a low-carbon economy. In addition to our climate-related risk assessment, we also conduct a water stress analysis for each of our sites. Using the WRI Aqueduct tool, we evaluate the projected water stress levels expected by 2030. This analysis considers a business-as-usual scenario, allowing us to assess the potential risks associated with water scarcity and availability. By conducting these assessments and utilizing tools like the WRI Aqueduct tool, we gain valuable insights into the exposure of our operations to climate-related and water-related risks. This information enables us to develop robust strategies, implement necessary measures, and proactively address the identified risks to ensure the resilience and sustainability of our business.

(5.1.1.11) Rationale for choice of scenario

To comprehensively assess water-related risks and ensure the sustainability of our operations, we have adopted the WRI Aqueduct tool. The WRI Aqueduct tool is chosen for its comprehensive and reliable global water risk data, which provides detailed projections of future water stress levels. This tool's robust and updated methodology and widespread recognition make it an ideal choice for understanding potential water availability and identifying risks to our operations. We have focused on the 2030 business-as-usual scenario to understand the future water stress levels if current water management practices and policies remain unchanged. This scenario aligns with our strategic planning horizon, allowing us to implement necessary measures and adjust our operations to mitigate identified risks effectively. By projecting water stress levels for 2030, we can better prepare for continued trends in water usage and climate change impacts. Combining this with an analysis of current qualitative and quantitative water risks allows us to develop robust strategies, ensuring the resilience and sustainability of our business in the face

of evolving climate and water challenges. By proactively addressing these risks, we are better equipped to maintain operational stability and contribute to global efforts in sustainable water management. Our evaluation considers both qualitative and quantitative water risks to provide a holistic understanding of the challenges we face. Qualitative risks include water quality, while quantitative risks involve specific metrics such as water scarcity, groundwater table decline, and projected physical water risk. This dual approach ensures we address immediate areas of concern and prioritize actions to mitigate both current and future risks.

Climate change

(5.1.1.1) Scenario used

Climate transition scenarios

- Customized publicly available climate transition scenario, please specify :Climate Transition Plan (CTP)

(5.1.1.3) Approach to scenario

Select from:

- Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

- Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

- Policy
- Market
- Reputation
- Technology
- Liability

(5.1.1.6) Temperature alignment of scenario

Select from:

- 1.5°C or lower

(5.1.1.7) Reference year

2023

(5.1.1.8) Timeframes covered

Select all that apply

- 2030
- 2040
- 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

- Changes to the state of nature
- Number of ecosystems impacted
- Changes in ecosystem services provision
- Speed of change (to state of nature and/or ecosystem services)
- Climate change (one of five drivers of nature change)

Finance and insurance

- Cost of capital
- Sensitivity of capital (to nature impacts and dependencies)

Stakeholder and customer demands

- Consumer sentiment
- Consumer attention to impact
- Impact of nature footprint on reputation
- Impact of nature service delivery on consumer
- Sensitivity to inequity of nature impacts

Regulators, legal and policy regimes

- ✓ Global regulation
- ✓ Political impact of science (from galvanizing to paralyzing)
- ✓ Level of action (from local to global)
- ✓ Global targets
- ✓ Other regulators, legal and policy regimes driving forces, please specify :Local carbon ETS / tax systems

Relevant technology and science

- ✓ Granularity of available data (from aggregated to local)
- ✓ Data regime (from closed to open)

Direct interaction with climate

- ✓ On asset values, on the corporate
- ✓ Perception of efficacy of climate regime

Macro and microeconomy

- ✓ Domestic growth
- ✓ Globalizing markets

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

Climate scenarios are models or representations of future climatic developments based on various assumptions and parameters. They are used to investigate possible developments of the climate system and to predict their impacts on the environment, society, and the economy. Climate scenarios facilitate a better understanding of the risks and opportunities of climate change and make it possible to plan policy decisions as well as adaptation and mitigation strategies. They provide insights into possible changes in temperature and precipitation, sea level rise, extreme weather events, and other climate-related trends that are critical when it comes to planning and developing strategies to manage climate change. The scenarios and assessments described do not represent conclusive findings for Heidelberg Materials. The scenario analysis is based on current assumptions that may or may not materialise. The scenarios may be influenced by additional factors that go beyond the assumptions taken into consideration. Heidelberg Materials has actively engaged in assessing climate transition risks as part of our commitment to sustainability and environmental stewardship. In our analysis, we have considered various assumptions, uncertainties, and constraints that could impact our climate scenarios. Assumptions: We assume a gradual increase in the adoption of green building materials, influenced by regulatory changes and a shift in consumer preferences. Our scenarios are based on the assumption that carbon pricing will become more stringent, reflecting global efforts to mitigate climate change. Uncertainties: The pace of technological advancements in alternative energy sources and carbon capture is uncertain and could significantly alter our risk landscape. Market dynamics, such as the supply and demand for low-carbon products, present uncertainties that we continuously monitor. Constraints: There are constraints related to the availability of raw materials and the scalability of sustainable production methods. Regulatory constraints, including the variability of environmental

policies across different regions, can affect our transition pathways. Heidelberg Materials recognizes these factors in our strategic planning and is committed to adapting our business model to navigate the transition towards a low-carbon economy effectively.

(5.1.1.11) Rationale for choice of scenario

Climate scenarios have been steadily refined by climate scientists in recent decades. As a result, Heidelberg Materials switched from Representative Concentration Pathways (RCP) scenarios to Shared Socioeconomic Pathways (SSP) scenarios in 2023. SSP scenarios focus on global social, demographic, and economic changes. SSP1 is based on achieving the Paris Agreement's 1.5 C target, SSP2 is a moderate scenario, and SSP5 is a scenario based on the continued use of fossil fuels.

[Add row]

(5.1.2) Provide details of the outcomes of your organization's scenario analysis.

Climate change

(5.1.2.1) Business processes influenced by your analysis of the reported scenarios

Select all that apply

- Risk and opportunities identification, assessment and management
- Strategy and financial planning
- Resilience of business model and strategy
- Capacity building
- Target setting and transition planning

(5.1.2.2) Coverage of analysis

Select from:

- Organization-wide

(5.1.2.3) Summarize the outcomes of the scenario analysis and any implications for other environmental issues

1. In the assessment of exposure to physical risks, all production plants have been evaluated. We determined the most relevant sites according to criteria such as high exposure to physical climate risks, relevance from EU-Taxonomy perspective or high value. We performed for those sites a more detailed risk assessment at plant level based on a climate scenario analysis considering different emission trajectories and timeframes to understand the exposure to potential impact of climate

events. The severity of the physical risk is accounted as well as the financial and strategic considerations. We estimate costs of up to 700 m until 2030. Now, the plants started to develop site and risk specific adaptation plans. In doing so, we aim to reduce the unmanaged risk within the next five years. 2. Our Sustainability Commitments 2030 as well as our Climate Transition Plan (CTP) are clearly aligned with our business targets. With the help of scenario analysis, we are able to monitor long-term effects and implement measures to mitigate risks and adapt to climate change. Under our Sustainability Commitments 2030, we have the following targets: Reduction of our Scope 1 CO2 emissions to 400 kg per tonne of cementitious material, reduction of our total CO2 footprint according to the SBTi 1.5C pathway, capturing 10 million tonnes of CO2 cumulatively through our CCUS projects, reduction of sulphur and nitrogen oxide emissions (SOx and NOx) by 40% compared with 2008 and achievement of 50% of our revenue from sustainable products and solutions by 2030. 3. The market environment was characterised by varying local economic development with difficult global trade conditions as a result of the Russia-Ukraine war and by a rapidly growing population as well as increasing internal migration to cities and urban areas. A key indicator is the rising per capita consumption of cement, which is still significantly lower in the Sub-Saharan countries than in more developed countries. In the overall market, we expect that the specifications will change to cope with the increasing likelihood of extreme weather events and natural disasters as a result of climate change. In the mid to long term, we expect an increased demand for sustainable products, and we are reviewing our entire product portfolio accordingly. 4. In the acquisition of new sites and companies, considering climate risks as well as different climate change scenarios and their potential impact is part of our standard due diligence. Scenario analysis are the basis for our strategic future activities.

Water

(5.1.2.1) Business processes influenced by your analysis of the reported scenarios

Select all that apply

- Risk and opportunities identification, assessment and management
- Strategy and financial planning
- Resilience of business model and strategy
- Capacity building
- Target setting and transition planning

(5.1.2.2) Coverage of analysis

Select from:

- Organization-wide

(5.1.2.3) Summarize the outcomes of the scenario analysis and any implications for other environmental issues

Our scenario analysis has identified significant global risks from high precipitation and flooding, which threaten our assets and operations. To mitigate these risks, we have invested in advanced drainage systems and flood protection measures, ensuring operational continuity during extreme weather events. In arid regions, we face drought-related climate risks. Although our production processes are not highly water-intensive, water scarcity can still disrupt operations. To address this, we employ water-saving techniques and invest in on-site water recycling systems, reducing the risk of production interruptions. In 2021, a global water-risk study using the WRI

Aqueduct tool revealed that about 38% of our plants are in regions projected to experience water scarcity by 2030 under a business-as-usual scenario. In response, we developed individual water management plans for these plants, aligning with our Sustainability Commitments 2030. By 2023, an updated methodology broadened our assessment, indicating that most of our sites are now in water risk areas. This prompted us to enhance our water stewardship practices. Addressing water-related risks improves our operations' resilience and sustainability. Investments in water-saving and recycling technologies not only mitigate water scarcity risks but also promote resource efficiency, reducing our environmental footprint. Our proactive approach ensures compliance with emerging regulations, positioning us favorably with stakeholders. Measures to combat water-related risks also enhance our capacity to adapt to other climate challenges, such as temperature extremes. Ensuring reliable water supply and effective flood protection contributes to uninterrupted operations, maintaining productivity and reducing potential financial losses. In summary, our scenario analysis has led to strategic investments and proactive water management practices. This approach ensures the resilience and sustainability of our operations, aligning with our long-term strategic goals and sustainability commitments.

[Fixed row]

(5.2) Does your organization's strategy include a climate transition plan?

(5.2.1) Transition plan

Select from:

Yes, we have a climate transition plan which aligns with a 1.5°C world

(5.2.3) Publicly available climate transition plan

Select from:

Yes

(5.2.4) Plan explicitly commits to cease all spending on, and revenue generation from, activities that contribute to fossil fuel expansion

Select from:

Yes

(5.2.5) Description of activities included in commitment and implementation of commitment

In June 2023, we released our first Climate Transition Plan (CTP) which clearly outlines our SBTi 1.5C pathway to a net zero future. Our climate-related engagement is the most important part of the CTP. Heidelberg Materials transition plan explains the involvement of the Management board in climate decisions, and the strategy to

reduce its carbon footprint. The Board and C level managers are constantly informed about the CO2 performance and the developments done in a monthly and quarterly basis. The Climate Transition Plan describes all activities included in the commitment and also the implementation of commitment, e.g. Governance and Stakeholder Engagement, CO2 roadmaps, Risks and opportunities, Targets, Financial Planning and Production and Products.

(5.2.7) Mechanism by which feedback is collected from shareholders on your climate transition plan

Select from:

- We have a different feedback mechanism in place

(5.2.8) Description of feedback mechanism

With the help of established feedback mechanisms, we ensure that we both track progress and engage with our key stakeholders regarding our climate transition activities on a regular basis. We initiate direct dialogue with them during, for example, our AGMs, regular Capital Markets Days, quarterly conference calls, investor roadshows, and conferences. With regard to customers, we offer a broad variety of customer events in which we discuss and challenge our climate transition plans. Through these actions, we continuously share the latest developments in our low-carbon products with all customers and promote their usage in order to help reduce the carbon footprint of buildings and construction projects and cut emissions overall. We believe that engaging with all our customers is a must. Therefore, our country-level efforts address our full country portfolio. We take different approaches to our customers, tailored to the specific market. As a global company with a presence across more than 50 countries, we focus on each local market via our sales teams, who are in continuous contact with our customers to understand their needs and expectations. On the supplier side, we are conducting open feedback discussions and surveys, as well as pursuing targets in terms of external green ratings, which are clearly tailored to address our sustainability activities. To ensure the integration of climate transition into the political landscape, we are facilitating an open exchange with policymakers on a global scale. We actively engage with suppliers to learn about them and incentivise them to take measures to reduce their carbon emissions, including encouraging them to set science-based targets for CO₂ reduction.

(5.2.9) Frequency of feedback collection

Select from:

- More frequently than annually

(5.2.10) Description of key assumptions and dependencies on which the transition plan relies

Our Climate Transition Plan (CTP) relies of 6 key assumptions and dependencies which determine the cornerstones: Governance & Stakeholder, Engagement, CO₂ Roadmaps, Risks & Opportunities, Targets, Financial planning, Production & Products. The CTP outlines our strong governance structures we have in place and our commitments to engage with our key stakeholders as e.g. suppliers, customers and the political environment. It describes the key assumptions and dependencies on how we identify, assess and respond to o climate related risks and opportunities. It serves as a framework on our pathway to a net-zero future and is a guiding principle for sharing this approach with our stakeholders. The CTP is underpinned by robust roadmaps that consider the long-term plan and a yearly improvement in each of the reduction levers: alternative fuels, biomass, process efficiency, clinker incorporation factor, etc. Our targets which are depending on our financial planning and our product portfolio management are a crucial part of the CTP. These interconnections support our strong commitment towards a net-zero future.

(5.2.11) Description of progress against transition plan disclosed in current or previous reporting period

Based on our commitments in the Climate Transition Plan, we strongly progressed in several ways. With regard to sustainable revenues, our target is to achieve 50% of our revenue from sustainable products that are either low-carbon or circular by 2030. In 2023, we improved and achieved a share of 35.4%. Moreover, we are currently further developing our transition planning by also providing a Just transition plan which also incorporates social factors. The Just transition aims to show the increasing requirements of addressing both environmental and social key assumptions and dependencies at the same time. Our investors value our Climate Transition Plan a lot and the feedback we are getting so far is consistently positive.

(5.2.12) Attach any relevant documents which detail your climate transition plan (optional)

Heidelberg_Materials_Climate_Transition_Plan.pdf

(5.2.13) Other environmental issues that your climate transition plan considers

Select all that apply

Other, please specify :Circularity, pollution, R&D with incorporation of environmental factors, alternative fuels, biomass, process efficiency, clinker incorporation factor, etc

(5.2.14) Explain how the other environmental issues are considered in your climate transition plan

Our Climate Transition Plan considers several environmental issues. Besides our decarbonization activities, we address environmental activities in both our supplier and customer activities. Our commitment to circularity shows that we consider our environmental contribution in many ways. Our principle is to avoid waste and pollution, using products and materials for as long as possible, and ensuring the regenerative capacity of natural systems. Circularity in terms of product development focusses on material reduction, reuse, recycling, and recovery. We strive to further optimise our processes to improve the quality of recycled materials, achieve high recovery rates, and thereby minimise waste disposal. We optimise our processes according to circular principles, enabling the recycling of materials in our operating business. We combine circularity with the reduction of CO2 emissions where possible, for example through the substitution of clinker with more sustainable materials. The increased use of alternative fuels and biomass also contribute to reducing emission. Our strong Innovation and R&D activities constantly incorporate environmental aspects into decision making processes.

[Fixed row]

(5.3) Have environmental risks and opportunities affected your strategy and/or financial planning?

(5.3.1) Environmental risks and/or opportunities have affected your strategy and/or financial planning

Select from:

Yes, both strategy and financial planning

(5.3.2) Business areas where environmental risks and/or opportunities have affected your strategy

Select all that apply

- Products and services
- Upstream/downstream value chain
- Investment in R&D
- Operations

[Fixed row]

(5.3.1) Describe where and how environmental risks and opportunities have affected your strategy.

Products and services

(5.3.1.1) Effect type

Select all that apply

- Risks
- Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

- Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

We drive the decarbonisation of our sector and provide low-carbon products. By reducing our Scope 1 CO₂ emissions to 400 kg per tonne of cementitious material, our Scope 2 emissions by 65% per tonne of cementitious material and our Scope 3 emissions by 25% in absolute terms – all by 2030 and compared with the base year 2020 – we reduce our total CO₂ footprint according to the SBTi 1.5C pathway. We succeeded in reducing our specific net CO₂ emissions by a further 3% in the 2023 financial year and, in line with our CO₂ reduction roadmap, progress will accelerate over the coming year. The share of revenue generated with sustainable products serving sustainable construction has increased to 35% in 2023. We are offering a comprehensive portfolio of sustainable products under the brand name EvoBuild which offer significant CO₂ reductions vs. benchmark products. Time horizon: We consider the time horizon covered to be short- to medium-term, because we have a low carbon transition plan in place which identifies on a plant-by-plant level which emission reduction levers may be used and to what extent until 2030. We define short-term as a time horizon of 0 to 5 years and medium-term until 2030. As part of the low carbon transition plan, we have already invested in emission

reduction initiatives in our operations and will continue to do so until 2030. Substantial strategic decision: Climate-related risks and opportunities have impacted our strategy regarding our products insofar that a low carbon transition plan considers local conditions for each plant and then outlines the emission reduction levers that will be used there. We are also making greater use of waste materials and by-products from other industries as valuable raw materials and fuels. We aim to increase the proportion of alternative fuels in the fuel mix to 45% by 2030, thereby reducing both CO2 emissions and our dependence on natural resources and fossil fuels. The consistent and ongoing implementation of measures to increase efficiency, reduce costs, and improve margins in production, logistics, and distribution is an integral part of our Group strategy. The opportunity exists for all projects to produce higher than anticipated results and margin improvements that exceed previous expectations.

Upstream/downstream value chain

(5.3.1.1) Effect type

Select all that apply

- Risks
- Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

- Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

Climate-related risks and opportunities have influenced our strategy concerning the supply chain as we have experienced disruptions to our supply chain due to extreme weather events in the past. The impact of extreme weather scenarios, such as floods or droughts, can lead to damage to our production sites, interrupt the supply to our customers, or have adverse effects on the supply of upstream products to our operating units. We respond to weather scenarios in various ways by using water-saving production techniques and by optimising our wastewater management. In this context, river flooding is currently a major concern for our business. Time horizon: As we examine future time horizons, it is worth noting that many risks already exist today, so we would consider the time horizon covered here to be short-term. We already experienced disruptions in our supply chain due to climate-related risks such as e.g. extreme weather events. Short-term for us means 0 to 5 years and refers to our regular financial and business planning time horizon. We include such issues in our short-term strategy and work on optimising negative impacts from interruptions of the supply chain. Substantial strategic decision: In order to minimise the above-described negative impacts from interruptions of the supply chain. As the risks are already significant, we began a more in-depth analysis in 2022 and, based on the risk exposure and strategic importance, identified around 100 plants, which are being examined in detail. For this purpose, further risks were included in the modelling and made available to the plants. They have verified the findings, compared them with their own experiences, and are now tasked with developing location-specific adaptation measures for the critical risks, including necessary investment plans. With this analysis, we have also begun to quantify the specific financial impact on our locations. We aim to develop this analysis further, utilise it more intensively, and integrate it into accounting processes in the future. The topic of responsible procurement is the responsibility of the Group Procurement department, which reports to the Chief Financial Officer. An internal working group, which is made up of occupational safety, compliance, and

ESG experts as well as procurement staff, meets regularly to further develop existing approaches to responsible procurement, ensure that they are firmly anchored in the organisation, and respond to changing requirements. These activities are brought together in the Responsible Procurement initiative.

Investment in R&D

(5.3.1.1) Effect type

Select all that apply

- Risks
- Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

- Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

Climate-related risks and opportunities have influenced our R&D strategy. The cement industry can make a decisive contribution in the transition to a low-emission and climate-resilient global economy. In the medium term, we see opportunities in a growing demand for durable building materials produced using resource-efficient processes for the construction of resilient infrastructure. With the increasing likelihood of extreme weather events and natural disasters, the importance of robust concrete infrastructure capable of withstanding and protecting against the impacts of such events in the regions affected is growing. The main technological risk is the substitution of existing products with lower-emission ones that will be available in sufficient volumes in the future and are currently being tested on the market. Time horizon: We consider to be short- to medium-term because we have been investing into rather short-term R&D projects, such as low-carbon products like the EcoCrete as well as medium-term technologies for instance Carbon Capture. We define short-term as a time horizon of 0 to 5 years and medium-term until 2030. Substantial strategic decision: Our strategic position on climate protection and circularity is validation of our many years of research. Our R&D is to develop innovative products, new product formulations, and process improvements in order to lower energy consumption, conserve resources, strengthen the circular economy, and thereby reduce both CO₂ emissions and costs. R&D activities consist of areas of focus: – Development of products with improved carbon footprints: We are developing composite cements and concretes with less clinker and cement. Reducing the proportion of clinker in cement is the most important lever when it comes to minimising energy consumption and CO₂ emissions during production. – Circular economy for concrete: We are working on innovative recycling technologies that allow waste concrete to be fully reused in fresh concrete. – We are developing projects for carbon capture, utilisation, and storage (CCUS), which are essential tools to help our sector achieve net zero. – Innovative concrete systems: The main priority is the development and improvement of binders and concrete with optimised properties and innovative functionalities.

Operations

(5.3.1.1) Effect type

Select all that apply

- Risks
- Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

- Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

Operational risks particularly include risks related to the cost development and availability of energy and raw materials. We also take into account regulatory risks associated with environmental constraints, as well as production, quality, and IT risks. Operational risks have increased in comparison with the previous year. For an energy-intensive company such as Heidelberg Materials, price trends in raw materials and energy markets represent a risk. There is a risk that the costs for individual energy sources and raw materials will increase, and thus total expenses will be higher in the future than planned. The Russia-Ukraine war continued to have a significant impact on raw material prices in the 2023 financial year. We minimise the price risks for energy and raw materials by bundling and structuring procurement processes across the Group and securing mining concessions over the long term. We also make increased use of alternative fuels and raw materials as well as renewable energies in order to minimise price risks, while reducing CO2 emissions. Time horizon: We consider the time horizon covered to be short- to medium-term, because we have a low carbon transition plan in place which identifies on a plant-by-plant level which emission reduction levers may be used and to what extent until 2030. As part of the low carbon transition plan, we have already invested in emission reduction initiatives in our operations and will continue to do so until 2030. Substantial strategic decision: Climate-related risks and opportunities have impacted our strategy regarding our products insofar that a low carbon transition plan considers local conditions for each plant and then outlines the emission reduction levers that will be used there. It defines the specific measures for each plant, such as implementation of alternative fuels or improving plant efficiency e.g., through modernisation. The defined measures serve to reach our target of specific net CO2 emissions reduction to below 400 kg per tonne of cementitious material by 2030. With this global strategy e.g., regarding alternative fuels, many operations have been impacted by climate-related risks and opportunities, with large investments having taken place. The impact is likely to increase with plants not being able to be competitive anymore if they emit too much CO2.

Operations

(5.3.1.1) Effect type

Select all that apply

- Risks
- Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

- Water

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

Environmental risks and opportunities related to water management are central to Heidelberg Materials' operational strategy. Water is critical for cement, aggregates, and concrete production, especially in regions prone to water scarcity. To address these challenges, the company has implemented water-saving technologies, optimized recycling, and explored alternative sources like rainwater harvesting. Heidelberg Materials also prioritizes regulatory compliance, employing advanced monitoring systems to ensure adherence to local and international water usage standards. We develop site-specific water management plans, often exceeding regulatory requirements to minimize environmental impact. Community engagement is another key focus. In water-stressed areas, Heidelberg Materials actively collaborates with local communities to balance operational needs with local water availability. This includes participating in water conservation projects and fostering transparent communication. Additionally, the company addresses climate change impacts by integrating climate resilience into its water management strategy, investing in water recycling technologies. By leading in sustainable water practices, Heidelberg Materials not only mitigates risks but also enhances its reputation and meets investor expectations, solidifying its position as a sustainability leader in the building materials industry.

[Add row]

(5.3.2) Describe where and how environmental risks and opportunities have affected your financial planning.

Row 1

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

- Revenues
- Indirect costs
- Capital expenditures

(5.3.2.2) Effect type

Select all that apply

- Risks
- Opportunities

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

- Climate change

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

Our Climate Transition Plan (CTP) clearly outlines our approach here. Climate-related risks and opportunities have influenced multiple elements of our financial planning. Revenue: Sustainable products and solutions are a revenue stream for us. We see Heidelberg Materials as strongly positioned to play a key role in the transition to a low-carbon and climate-resilient economy. In the medium-term, we see an opportunity in the increased demand for durable and sustainable building materials for the construction of robust infrastructure protected against the physical effects of climate change. In addition, we aim to offer a product portfolio that fulfils all requirements of sustainability. We see this as an important prerequisite and at the same time as a great opportunity to increase the use of mineral-based building materials. By 2030, half of the Group revenue is to be generated with sustainable products and solutions. We expect an increased demand for sustainable products and are reviewing our entire product portfolio accordingly. Capex: Risk related to cap-and-trade schemes have impacted our Capex, especially in the EU where we are subject to the EU Emission Trading Scheme. With the announced measures within the EU ETS, a significant curtailment in the allocation of CO2 emission rights is to be expected within the fourth trading period. Prices for emission allowances have roughly tripled since 2020 and averaged around 80 in 2023. A further price increase in the fourth trading period could lead to additional costs for covering the required emission rights, accompanied by a decrease in the freely allocated allowances. So far, we have a sufficient number of emission rights across the Group for the next two years. The time horizon of this planning is short- (0 to 5 years) to medium-term (until 2030), as we integrate projects like the modernisation/ construction of kilns completed in 2020, as well as medium-term projects like the investments in Carbon Capture until 2030.

Row 2

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

- Acquisitions and divestments

(5.3.2.2) Effect type

Select all that apply

- Risks
- Opportunities

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

- Climate change

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

We take into account climate-related issues such as specific CO2 emissions when considering an acquisition. We especially focus on the potential to improve the acquisition target's CO2 performance. Indirect costs: Cap and trade schemes have already impacted our financial planning regarding indirect costs. The reform of the Emissions Trading System was adopted in December 2022. The Carbon Border Adjustment Mechanism (CBAM) will be implemented from 2026 and, in parallel with the reduction in free allocations for European plants, will introduce gradually increasing CO2 import fees for cement and clinker. With the announced measures within the EU ETS, a significant curtailment in the allocation of CO2 emission rights is to be expected within the fourth trading period. Prices for emission allowances have roughly tripled since 2020 and averaged around 80 in 2023. A further price increase in the fourth trading period could lead to additional costs for covering the required emission rights, accompanied by a decrease in the freely allocated allowances. So far, Heidelberg Materials has a sufficient number of emission rights across the Group for the next two years. The time horizon of this planning is short- (0 to 5 years) to medium-term (until 2030), as we integrate projects like the modernisation/construction of kilns completed in 2020, as well as medium-term projects like the investments in Carbon Capture until 2030.

Row 3

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

- Capital expenditures

(5.3.2.2) Effect type

Select all that apply

- Risks
- Opportunities

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

Water

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

Water Recycling Systems require an initial capital expenditure, which can pose financial risks if the systems remain underutilized or inefficient. However, when strategically implemented, these systems offer substantial benefits, including the potential for considerable reductions in water-related operational costs. By recycling and reusing water, Heidelberg Materials can achieve greater sustainability, lower their environmental footprint, and enhance their resilience against water scarcity and rising utility costs.

[Add row]

(5.4) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?

	Identification of spending/revenue that is aligned with your organization's climate transition	Methodology or framework used to assess alignment with your organization's climate transition	Indicate the level at which you identify the alignment of your spending/revenue with a sustainable finance taxonomy
	Select from: <input checked="" type="checkbox"/> Yes	Select all that apply <input checked="" type="checkbox"/> A sustainable finance taxonomy	Select from: <input checked="" type="checkbox"/> At both the organization and activity level

[Fixed row]

(5.4.1) Quantify the amount and percentage share of your spending/revenue that is aligned with your organization's climate transition.

Row 1

(5.4.1.1) Methodology or framework used to assess alignment

Select from:

A sustainable finance taxonomy

(5.4.1.2) Taxonomy under which information is being reported

Select from:

EU Taxonomy for Sustainable Activities

(5.4.1.3) Objective under which alignment is being reported

Select from:

Climate change mitigation

(5.4.1.4) Indicate whether you are reporting eligibility information for the selected objective

Select from:

Yes

(5.4.1.5) Financial metric

Select from:

CAPEX

(5.4.1.6) Amount of selected financial metric that is aligned in the reporting year (currency)

307.5

(5.4.1.7) Percentage share of selected financial metric aligned in the reporting year (%)

14

(5.4.1.8) Percentage share of selected financial metric planned to align in 2025 (%)

8

(5.4.1.9) Percentage share of selected financial metric planned to align in 2030 (%)

9

(5.4.1.10) Percentage share of financial metric that is taxonomy-eligible in the reporting year (%)

68

(5.4.1.11) Percentage share of financial metric that is taxonomy non-eligible in the reporting year (%)

32

(5.4.1.12) Details of the methodology or framework used to assess alignment with your organization's climate transition

Total CapEx pursuant to the Taxonomy Regulation amounts to 2,199.6 million (previous year: 1,570.1 million). Of this, 1,439.8 million or 65.5% (previous year: 952.5 million or 60.7%) is attributable to taxonomy eligible CapEx for the cement business line and 55.2 million or 2.5% (previous year: 33.1 million or 2.1%) to the recycled aggregates operating line. The taxonomy-aligned share of CapEx is 307.5 million or 14.0% (previous year: 360.8 million or 23.0%) for the cement business line. The decline is primarily attributable to the modernisation of the Mitchell cement plant in Indiana, USA, which was commissioned in June 2023. The taxonomy-aligned share of CapEx is 4.3 million or 0.2% for the recycled aggregates operating line (previous year: 5.1 million or 0.3%). This taxonomy-aligned CapEx includes 299.3 million (previous year: 365.9 million) from additions to property, plant and equipment as well as 12.5 million (previous year: 0.0 million) from additions to intangible assets and 0.0 million (previous year: 0.0 million) from additions to right-of-use assets and business combinations. The achievement of our 2030 and 2050 targets depends on the realisation of several projects and initiatives that are outlined at the country and plant level. This entrepreneurial activity is accompanied by a consistent allocation of capital. With net investments of 1.1 billion per year, including 100 to 150 million in CCUS, we have reached the required level of investment to operate our production sites efficiently and to meet market requirements. A detailed overview of the yearly expenses on research and development, Capex and Opex is incorporated on a yearly basis in the annual report on pp 126. The numbers for 2025 and 2030 are estimations. We assume that by 2030 many major CapEx projects will be implemented and mainly regular "maintenance" CapEx is required, thus the relatively low share of aligned CapEx.

[Add row]

(5.4.2) Quantify the percentage share of your spending/revenue that was associated with eligible and aligned activities under the sustainable finance taxonomy in the reporting year.

Row 1

(5.4.2.1) Economic activity

Select from:

Manufacture of cement

(5.4.2.2) Taxonomy under which information is being reported

Select from:

EU Taxonomy for Sustainable Activities

(5.4.2.3) Taxonomy alignment

Select from:

Taxonomy-aligned

(5.4.2.4) Financial metrics

Select all that apply

Turnover

CAPEX

OPEX

(5.4.2.5) Types of substantial contribution

Select all that apply

Transitional activity

(5.4.2.6) Taxonomy-aligned turnover from this activity in the reporting year (currency)

124.5

(5.4.2.7) Taxonomy-aligned turnover from this activity as % of total turnover in the reporting year

0.6

(5.4.2.8) Taxonomy-aligned turnover from this activity that substantially contributed to climate change mitigation as a % of total turnover in the reporting year

0.6

(5.4.2.9) Taxonomy-aligned turnover from this activity that substantially contributed to climate change adaptation as a % of total turnover in the reporting year

0

(5.4.2.13) Taxonomy-aligned CAPEX from this activity in the reporting year (currency)

307.5

(5.4.2.14) Taxonomy-aligned CAPEX from this activity as % of total CAPEX in the reporting year

14

(5.4.2.15) Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change mitigation as a % of total CAPEX in the reporting year

14

(5.4.2.16) Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change adaptation as a % of total CAPEX in the reporting year

0

(5.4.2.20) Taxonomy-aligned OPEX from this activity in the reporting year (currency)

42.6

(5.4.2.21) Taxonomy-aligned OPEX from this activity as % of total OPEX in the reporting year

2.5

(5.4.2.22) Taxonomy-aligned OPEX from this activity that substantially contributed to climate change mitigation as a % of total OPEX in the reporting year

2.5

(5.4.2.23) Taxonomy-aligned OPEX from this activity that substantially contributed to climate change adaptation as a % of total OPEX in the reporting year

0

(5.4.2.27) Calculation methodology and supporting information

The key figure for sustainable revenue pursuant to the Taxonomy Regulation is calculated on the basis of revenue related to the taxonomy-aligned economic activities (numerator) divided by total revenue (denominator). Revenue is defined as the revenue shown in the consolidated income statement that relates to revenue from contracts with customers pursuant to IFRS 15. CapEx comprises all additions of tangible and intangible assets, including leases but excluding goodwill and revaluations. CapEx thus results from the additions to intangible assets and from property, plant and equipment including right-of-use assets in the Notes to the balance sheet. Besides additions from ordinary business operations (see line “Additions”), additions from business combinations (see line “Business combinations”) are also included in the total CapEx. The following non-capitalised expenses are considered operating expenditure: – Research and development: Our research and development expenditure is a key driver of innovation. This includes central innovation hubs focused on the development of new technologies, improved processes, and breakthrough digital technologies, as well as the local optimisation of products and applications for an elevated customer experience. The total amount for all business lines corresponds to the presentation in the Research and development section. – Lease expenses for short-term leases and low-value assets: Expenses that meet the definition of IFRS 16 Leases but are not recognised as a right-of-use asset or lease liability because they relate to a short-term lease (

(5.4.2.28) Substantial contribution criteria met

Select from:

Yes

(5.4.2.29) Details of substantial contribution criteria analysis

To review the criteria determining whether a substantial contribution to climate change mitigation (“substantial contribution” criteria) is made, internal reporting systems and data were used to verify compliance with the respective limit values at plant level. A distinction is made between the various types of plants (integrated plants, clinker plants, grinding plants) and is based on the reporting definitions set out by the GCCA industry association.

(5.4.2.30) Do no significant harm requirements met

Select from:

Yes

(5.4.2.31) Details of do no significant harm analysis

For the somewhat more qualitative DNSH criteria, the individual (legal) requirements and their applicability to Heidelberg Materials were reviewed and potential approaches for proving the alignment of the individual plants were devised. For example, a location-based assessment for climate change adaptation was developed, covering various climate scenarios and time horizons. If risks are identified, the plants will be expected to implement appropriate adaptation measures. At the same time, for criteria such as “protection and restoration of biodiversity and ecosystems” or “sustainable use and protection of water and marine resources,” use is made of existing processes. We regularly assess the proximity of our operational sites to protected areas and, if necessary, develop biodiversity management plans. For the “sustainable use and protection of water and marine resources” criterion, we have extended our existing approach of creating water management plans and make use of the assessment of (potential) risks and impacts carried out for this purpose. For the “manufacture of cement” activity and the “pollution prevention and control” criterion, we use, among other things, our long-established processes for monitoring air pollutants to verify compliance. We have also examined the additional requirements for the products we manufacture, such as those relating to placing hazardous substances on the market. We conclude that these criteria have been fulfilled.

(5.4.2.32) Minimum safeguards compliance requirements met

Select from:

Yes

(5.4.2.33) Attach any supporting evidence

HM_ASR_2023.pdf

Row 2

(5.4.2.1) Economic activity

Select from:

Material recovery from non-hazardous waste

(5.4.2.2) Taxonomy under which information is being reported

Select from:

EU Taxonomy for Sustainable Activities

(5.4.2.3) Taxonomy alignment

Select from:

Taxonomy-aligned

(5.4.2.4) Financial metrics

Select all that apply

- Turnover
- CAPEX
- OPEX

(5.4.2.5) Types of substantial contribution

Select all that apply

- Own performance

(5.4.2.6) Taxonomy-aligned turnover from this activity in the reporting year (currency)

11.6

(5.4.2.7) Taxonomy-aligned turnover from this activity as % of total turnover in the reporting year

0.1

(5.4.2.8) Taxonomy-aligned turnover from this activity that substantially contributed to climate change mitigation as a % of total turnover in the reporting year

0.1

(5.4.2.9) Taxonomy-aligned turnover from this activity that substantially contributed to climate change adaptation as a % of total turnover in the reporting year

0

(5.4.2.13) Taxonomy-aligned CAPEX from this activity in the reporting year (currency)

4.3

(5.4.2.14) Taxonomy-aligned CAPEX from this activity as % of total CAPEX in the reporting year

0.2

(5.4.2.15) Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change mitigation as a % of total CAPEX in the reporting year

0.2

(5.4.2.16) Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change adaptation as a % of total CAPEX in the reporting year

0

(5.4.2.20) Taxonomy-aligned OPEX from this activity in the reporting year (currency)

1

(5.4.2.21) Taxonomy-aligned OPEX from this activity as % of total OPEX in the reporting year

0.1

(5.4.2.22) Taxonomy-aligned OPEX from this activity that substantially contributed to climate change mitigation as a % of total OPEX in the reporting year

0.1

(5.4.2.23) Taxonomy-aligned OPEX from this activity that substantially contributed to climate change adaptation as a % of total OPEX in the reporting year

0

(5.4.2.27) Calculation methodology and supporting information

The key figure for sustainable revenue pursuant to the Taxonomy Regulation is calculated on the basis of revenue related to the taxonomy-aligned economic activities (numerator) divided by total revenue (denominator). Revenue is defined as the revenue shown in the consolidated income statement that relates to revenue from contracts with customers pursuant to IFRS 15. CapEx comprises all additions of tangible and intangible assets, including leases but excluding goodwill and

revaluations. CapEx thus results from the additions to intangible assets and from property, plant and equipment including right-of-use assets in the Notes to the balance sheet. Besides additions from ordinary business operations (see line “Additions”), additions from business combinations (see line “Business combinations”) are also included in the total CapEx. The following non-capitalised expenses are considered operating expenditure: – Research and development: Our research and development expenditure is a key driver of innovation. This includes central innovation hubs focused on the development of new technologies, improved processes, and breakthrough digital technologies, as well as the local optimisation of products and applications for an elevated customer experience. The total amount for all business lines corresponds to the presentation in the Research and development section. – Lease expenses for short-term leases and low-value assets: Expenses that meet the definition of IFRS 16 Leases but are not recognised as a right-of-use asset or lease liability because they relate to a short-term lease (

(5.4.2.28) Substantial contribution criteria met

Select from:

Yes

(5.4.2.29) Details of substantial contribution criteria analysis

The recovery rate plays a decisive role for the taxonomy-eligible recycling activities under CCM 5.9. We use internal material stream statistics to assess whether the substantial contribution has been achieved.

(5.4.2.30) Do no significant harm requirements met

Select from:

Yes

(5.4.2.31) Details of do no significant harm analysis

For the somewhat more qualitative DNSH criteria, the individual (legal) requirements and their applicability to Heidelberg Materials were reviewed and potential approaches for proving the alignment of the individual plants were devised. For example, a location-based assessment for climate change adaptation was developed, covering various climate scenarios and time horizons. If risks are identified, the plants will be expected to implement appropriate adaptation measures. At the same time, for criteria such as “protection and restoration of biodiversity and ecosystems” or “sustainable use and protection of water and marine resources,” use is made of existing processes. We regularly assess the proximity of our operational sites to protected areas and, if necessary, develop biodiversity management plans. For the “sustainable use and protection of water and marine resources” criterion, we have extended our existing approach of creating water management plans and make use of the assessment of (potential) risks and impacts carried out for this purpose. For the “manufacture of cement” activity and the “pollution prevention and control” criterion, we use, among other things, our long-established processes for monitoring air pollutants to verify compliance. We have also examined the additional requirements for the products we manufacture, such as those relating to placing hazardous substances on the market. We conclude that these criteria have been fulfilled.

(5.4.2.32) Minimum safeguards compliance requirements met

Select from:

Yes

(5.4.2.33) Attach any supporting evidence

HM_ASR_2023.pdf

[Add row]

(5.4.3) Provide any additional contextual and/or verification/assurance information relevant to your organization's taxonomy alignment.

(5.4.3.1) Details of minimum safeguards analysis

In order to comply with the minimum safeguards, we have closely coordinated with the Group Legal & Compliance department and compared our existing measures on human rights, anti-corruption, fair competition, and taxation with the requirements of the Taxonomy Regulation. As we have been implementing compliance processes in these areas for many years and are continuously reviewing and expanding them, we have come to the conclusion that the minimum safeguards are being met. One current example of our continuous optimisation efforts is our work in the field of human rights to further expand our analysis of significant risks and their impact on potentially affected parties. Particularly with respect to our supply chains, we have supplemented our existing risk management with suitable processes (in the context of the requirements of the German Supply Chain Due Diligence Act (LkSG), among others)

(5.4.3.2) Additional contextual information relevant to your taxonomy accounting

We have outlined a long-term proposal in our CAPEX and OPEX planning as described above. The technical screening criteria for taxonomy alignment with the Climate Mitigation objective were reviewed by an interdisciplinary working group and with the involvement of further experts, in particular with regard to the interpretation of the "do no significant harm" (DNSH) criteria. The requirements of the Climate Change Adaptation Delegated Act were not pursued further, as we are currently unable to achieve taxonomy-aligned revenue, capital expenses, and operating expenses in accordance with the Taxonomy Regulation. To review the criteria determining whether a substantial contribution to climate change mitigation ("substantial contribution" criteria) is made, internal reporting systems and data were used to verify compliance with the respective limit values at plant level. A distinction is made between the various types of plants (integrated plants, clinker plants, grinding plants) and is based on the reporting definitions set out by the GCCA industry association. The recovery rate plays a decisive role for the taxonomy-eligible recycling activities under CCM 5.9. We use internal material stream statistics to assess whether the substantial contribution has been achieved.

(5.4.3.3) Indicate whether you will be providing verification/assurance information relevant to your taxonomy alignment in question 13.1

Select from:

Yes

[Fixed row]

(5.5) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?

(5.5.1) Investment in low-carbon R&D

Select from:

Yes

(5.5.2) Comment

The aim of research and development (R&D) at Heidelberg Materials is to develop innovative products, new product formulations, and process improvements in order to lower energy consumption, conserve resources, strengthen the circular economy, and thereby reduce both CO2 emissions and costs. Focus is the development of cements and concrete with improved carbon footprints: We are developing composite cements and concretes with less clinker and cement. Reducing the proportion of clinker in cement is the most important lever when it comes to minimising energy consumption and CO2 emissions during production and helps to preserve natural raw materials. We have made further progress in the development of cements containing less clinker, thereby reducing CO2 emissions. In several countries, the proportion of blast furnace slag, fly ash, and limestone in cement has been increased, thus reducing the clinker content. We are also evaluating and developing the use of alternative cement components, such as natural pozzolans, calcined clays, or beneficiated ashes for various locations. Clinker ratio– the proportion of clinker in cement – was around 70% in the financial year 2023. By 2030, we aim to generate half of our revenue from sustainable products, for which we expect increased demand. More details about our sustainable products and solutions can be found in the Non-financial statement chapter of the 2023 Annual Report. Our strategic position on climate protection and circularity is validation of our many years of research and the attention we have given to exploring possible uses for recycled concrete. Another focus is on the recarbonation of cement in recycled fractions. The aim of this process called “enforced recarbonation” is to store the same amount of CO2 in this material as was previously released during the cement production process. The results of our R&D efforts are encouraging, demonstrating a CO2 uptake potential close to the amount of process greenhouse gases emitted during clinker production. This can contribute immensely to the decarbonisation of the industry, and it gives us the opportunity to access new markets with recarbonated products.

[Fixed row]

(5.5.1) Provide details of your organization’s investments in low-carbon R&D for cement production activities over the last three years.

Row 1

(5.5.1.1) Technology area

Select from:

Alternative low-CO2 cements/binders

(5.5.1.2) Stage of development in the reporting year

Select from:

Applied research and development

(5.5.1.3) Average % of total R&D investment over the last 3 years

10

(5.5.1.4) R&D investment figure in the reporting year (unit currency as selected in 1.2) (optional)

12.94

(5.5.1.5) Average % of total R&D investment planned over the next 5 years

10

(5.5.1.6) Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan

In this project, we are currently in the transition phase from applied research and development to a concrete pilot demonstration. Our low-carbon investments for cement production activities are completely aligned with our Climate Transition Plan (CTP). The R&D performed on non-Ordinary Portland clinker based alternative low-CO2 cements/binders is a cornerstone of Heidelberg Material's decarbonisation journey and will support achieving our approved SBTi 1.5C target. Our R&D on alternative low-CO2 cements/binders is indeed a key pillar of implementing and achieving targets as set forth in our CO2 roadmap where we have committed to reducing our Scope 1 emission to 400 kg CO2/t of cementitious material (net) by 2030. This is the most ambitious near-term target set in the cement sector.

Row 2

(5.5.1.1) Technology area

Select from:

Carbon capture, utilization, and storage (CCUS)

(5.5.1.2) Stage of development in the reporting year

Select from:

Full/commercial-scale demonstration

(5.5.1.3) Average % of total R&D investment over the last 3 years

5

(5.5.1.4) R&D investment figure in the reporting year (unit currency as selected in 1.2) (optional)

6.47

(5.5.1.5) Average % of total R&D investment planned over the next 5 years

5

(5.5.1.6) Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan

Our Climate Transition Plan (CTP) clearly outlines our CCUS activities. With the continuous expansion of our CCUS activities, we expect to reduce costs and increase revenue. Firstly, capturing and storing CO₂ removes the need to purchase emission allowances. The financial effect will increase as we emit less CO₂ and as the price of carbon allowances rises. Secondly, we expect a significant revenue effect in the medium term due to higher sales prices for sustainable products. We anticipate that these two effects will exceed the expected annual investment costs of expanding our CCUS projects.

Row 3

(5.5.1.1) Technology area

Select from:

Low clinker cement

(5.5.1.2) Stage of development in the reporting year

Select from:

Small scale commercial deployment

(5.5.1.3) Average % of total R&D investment over the last 3 years

60

(5.5.1.4) R&D investment figure in the reporting year (unit currency as selected in 1.2) (optional)

77.64

(5.5.1.5) Average % of total R&D investment planned over the next 5 years

60

(5.5.1.6) Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan

Our low-carbon investments for cement production activities are completely aligned with our Climate Transition Plan (CTP). The production of clinker is the main source of CO2 emissions in cement production. This is why the development and implementation low-clinker cements constitutes a very important lever to cut CO2 emissions. R&D at Heidelberg Materials explores a broad portfolio of approaches on low clinker cements including the development of multi-component cements and cements with elevated amounts of limestone, and pozzolana. Heidelberg Materials also develops process and product know-how on calcined clays. If calcined, many clay types can be transformed into reactive secondary cementitious materials (SCMs) which can replace significant amounts of the clinker used for cement production. R&D also addresses the beneficiation of alternative cementitious materials, such as ponded fly ashes or steel slags, to enable their use as SCM. R&D efforts to reduce the clinker content are also made at the level of concrete production, i.e. in dedicated research on low clinker concrete. Low clinker cements are an essential pillar of Heidelberg Material's CO2 roadmap which will lead to achieving our recently approved SBTi 1.5C target and our 2030 Scope 1 emission target of 400 kgCO2/t cementitious material (net). This near-term CO2 emission reduction target is the most ambitious one in the cement sector.

Row 4

(5.5.1.1) Technology area

Select from:

Other, please specify :Recycling and recarbonation of concrete

(5.5.1.2) Stage of development in the reporting year

Select from:

Pilot demonstration

(5.5.1.3) Average % of total R&D investment over the last 3 years

25

(5.5.1.4) R&D investment figure in the reporting year (unit currency as selected in 1.2) (optional)

32.35

(5.5.1.5) Average % of total R&D investment planned over the next 5 years

25

(5.5.1.6) Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan

Our low-carbon investments for cement production activities are completely aligned with our Climate Transition Plan (CTP). We perform significant R&D on recycling and recarbonation of concrete. R&D on recycling of concrete supports the transition to a circular economy by means of enabling the reuse of all recycled concrete fractions: While recycled sand and aggregates are reused in fresh concrete, special recycling techniques permit to also extract the fine fraction mainly consisting of the recycled hardened cement paste. These recycled concrete fines can be used as a raw material component in clinker production and according to the European non-harmonized standard EN 197-6 as SCM in cement production. The use of the fines in clinker production reduces CO2 emissions related to the calcination of the raw material, while the use as SCM reduces the CO2 footprint of the cement. Heidelberg Materials has engaged into the recycling business and is scaling up its R&D findings at the level of pilot demonstrations in Germany and Poland. Our research on recarbonation of concrete enables further reduction of the process emissions. Enhanced CO2 uptake (enforced recarbonation) is achieved by exposing the recycled concrete fines to CO2 under well controlled conditions. Hence, R&D on recycling and recarbonation of concrete significantly contributes to realising Heidelberg Materials's CO2 roadmap which will lead to achieving our approved SBTi 1.5C target and our 2030 Scope 1 emission target of 400 kgCO2/t cementitious material (net).

Row 5

(5.5.1.1) Technology area

Select from:

Fuel switching

(5.5.1.2) Stage of development in the reporting year

Select from:

Large scale commercial deployment

(5.5.1.3) Average % of total R&D investment over the last 3 years

0

(5.5.1.4) R&D investment figure in the reporting year (unit currency as selected in 1.2) (optional)

0

(5.5.1.5) Average % of total R&D investment planned over the next 5 years

0

(5.5.1.6) Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan

Fuel switching know-how and technologies were developed by Heidelberg Materials in the past and are state-of-the art in our cement production process. Our low-carbon investments for cement production activities are completely aligned with our Climate Transition Plan (CTP).

Row 6

(5.5.1.1) Technology area

Select from:

Control systems

(5.5.1.2) Stage of development in the reporting year

Select from:

Large scale commercial deployment

(5.5.1.3) Average % of total R&D investment over the last 3 years

0

(5.5.1.4) R&D investment figure in the reporting year (unit currency as selected in 1.2) (optional)

0

(5.5.1.5) Average % of total R&D investment planned over the next 5 years

0

(5.5.1.6) Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan

Know-how and technologies on control systems were developed by Heidelberg Materials in the past and are state-of-the art in our cement production process. Our low-carbon investments for cement production activities are completely aligned with our Climate Transition Plan (CTP).

Row 7

(5.5.1.1) Technology area

Select from:

Waste heat recovery

(5.5.1.2) Stage of development in the reporting year

Select from:

Large scale commercial deployment

(5.5.1.3) Average % of total R&D investment over the last 3 years

0

(5.5.1.4) R&D investment figure in the reporting year (unit currency as selected in 1.2) (optional)

0

(5.5.1.5) Average % of total R&D investment planned over the next 5 years

0

(5.5.1.6) Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan

Know-how and technologies on waste heat recovery were developed by Heidelberg Materials in the past and are state-of-the art in our cement production process. Our low-carbon investments for cement production activities are completely aligned with our Climate Transition Plan (CTP).

Row 8

(5.5.1.1) Technology area

Select from:

High temperature heating

(5.5.1.2) Stage of development in the reporting year

Select from:

Large scale commercial deployment

(5.5.1.3) Average % of total R&D investment over the last 3 years

0

(5.5.1.4) R&D investment figure in the reporting year (unit currency as selected in 1.2) (optional)

0

(5.5.1.5) Average % of total R&D investment planned over the next 5 years

0

(5.5.1.6) Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan

Know-how and technologies on high temperature heating were developed by Heidelberg Materials in the past and are state-of-the art in our cement production process. Our low-carbon investments for cement production activities are completely aligned with our Climate Transition Plan (CTP).

[Add row]

(5.9) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

(5.9.1) Water-related CAPEX (+/- % change)

100

(5.9.2) Anticipated forward trend for CAPEX (+/- % change)

0

(5.9.3) Water-related OPEX (+/- % change)

100

(5.9.4) Anticipated forward trend for OPEX (+/- % change)

0

(5.9.5) Please explain

In 2022 we for the first time estimated the amount of water-related CapEx. For 2023 we have more robust data basis and see and see a strong increase of water related CapEx in vs. the previous year. We expect however, that the CapEx remains constant going forward in line with our overall CapEx projections. In 2023 we had around 100 individual CapEx water related projects, e.g. focusing on water monitoring or water recycling. OpEx is mainly related to maintenance of existing equipment and installations to ensure the regular operations of our production. Thus, we estimate a parallel development of CapEx and OpEx
 [Fixed row]

(5.10) Does your organization use an internal price on environmental externalities?

	Use of internal pricing of environmental externalities	Environmental externality priced
	Select from: <input checked="" type="checkbox"/> Yes	Select all that apply <input checked="" type="checkbox"/> Carbon

[Fixed row]

(5.10.1) Provide details of your organization’s internal price on carbon.

Row 1

(5.10.1.1) Type of pricing scheme

Select from:

- Shadow price

(5.10.1.2) Objectives for implementing internal price

Select all that apply

- Drive low-carbon investment
- Incentivize consideration of climate-related issues in decision making
- Identify and seize low-carbon opportunities

- Influence strategy and/or financial planning

(5.10.1.3) Factors considered when determining the price

Select all that apply

- Alignment to scientific guidance
- Alignment with the price of allowances under an Emissions Trading Scheme
- Other, please specify :Include assessment of other market long term forecast (Economic analyst reports, banks)

(5.10.1.4) Calculation methodology and assumptions made in determining the price

For the calculation of the price, different CO2 price forecasts have been assessed (Bloomberg, Moodys, S&P Global, Commerzbank, Vertis, etc.) The average of all price forecast is taken as starting point for the reporting years (2023) and as well as an end point for 2030. The difference between 2023 and 2030 is then distributed between the years 2024-2029. For the period 2030-2050 we calculate the overall price increase rate until 2030 considering a slight reduction between the periods 2030-2040 and 2040-2050; as we consider that the steep price increase will slowly reduce after 2030.

(5.10.1.5) Scopes covered

Select all that apply

- Scope 1

(5.10.1.6) Pricing approach used – spatial variance

Select from:

- Uniform

(5.10.1.8) Pricing approach used – temporal variance

Select from:

- Evolutionary

(5.10.1.9) Indicate how you expect the price to change over time

As the price of CO2 is very volatile, we follow several investment and analyst forecasts, in which we can see an increase of more than 70% by 2030 reaching an increase of almost 200% by 2050.

(5.10.1.10) Minimum actual price used (currency per metric ton CO2e)

60

(5.10.1.11) Maximum actual price used (currency per metric ton CO2e)

60

(5.10.1.12) Business decision-making processes the internal price is applied to

Select all that apply

- Capital expenditure
- Product and R&D
- Opportunity management
- Public policy engagement

(5.10.1.13) Internal price is mandatory within business decision-making processes

Select from:

- Yes, for some decision-making processes, please specify :This is because the price is affecting directly countries under ETS systems. For other countries investments decisions the CO2 impact is assessed but not necessarily a CO2 cost impact as there is no cost in that specific country

(5.10.1.14) % total emissions in the reporting year in selected scopes this internal price covers

40

(5.10.1.15) Pricing approach is monitored and evaluated to achieve objectives

Select from:

- Yes

(5.10.1.16) Details of how the pricing approach is monitored and evaluated to achieve your objectives

The price has a direct impact on investment decisions. During the reporting year, the price is monitored every quarter and it is reflected in the financial assessment. This information is distributed among the affected countries. The long-term forecast is reviewed yearly, and it governs all investment projects evaluated during the

respective reporting year. In the monitoring of the price several group functions are involved (Finance, ESG, Controlling) then the long-term assessment is reviewed by the CFO and CSO.

[Add row]

(5.11) Do you engage with your value chain on environmental issues?

	Engaging with this stakeholder on environmental issues	Environmental issues covered
Suppliers	Select from: <input checked="" type="checkbox"/> Yes	Select all that apply <input checked="" type="checkbox"/> Climate change <input checked="" type="checkbox"/> Water
Customers	Select from: <input checked="" type="checkbox"/> Yes	Select all that apply <input checked="" type="checkbox"/> Climate change <input checked="" type="checkbox"/> Water
Investors and shareholders	Select from: <input checked="" type="checkbox"/> Yes	Select all that apply <input checked="" type="checkbox"/> Climate change <input checked="" type="checkbox"/> Water
Other value chain stakeholders	Select from: <input checked="" type="checkbox"/> Yes	Select all that apply <input checked="" type="checkbox"/> Climate change <input checked="" type="checkbox"/> Water

[Fixed row]

(5.11.1) Does your organization assess and classify suppliers according to their dependencies and/or impacts on the environment?

Climate change

(5.11.1.1) Assessment of supplier dependencies and/or impacts on the environment

Select from:

- Yes, we assess the dependencies and/or impacts of our suppliers

(5.11.1.2) Criteria for assessing supplier dependencies and/or impacts on the environment

Select all that apply

- Contribution to supplier-related Scope 3 emissions
- Other, please specify :energy and water intensity, water pollution, biodiversity impacts, GHG and other emissions (NOx, SOx, PM) of processes, waste value

(5.11.1.3) % Tier 1 suppliers assessed

Select from:

- 100%

(5.11.1.4) Define a threshold for classifying suppliers as having substantive dependencies and/or impacts on the environment

We use our internal specialized risk matrix that considers factors such as the material category suppliers deliver and the country of origin to assess them and their impact on environment as well as human rights on a scale from 1 (low risk) to 6 (high risk). Combined risk value above 4.59 is considered "high risk"

(5.11.1.5) % Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

Select from:

- 1-25%

(5.11.1.6) Number of Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

1212

Water

(5.11.1.1) Assessment of supplier dependencies and/or impacts on the environment

Select from:

- Yes, we assess the dependencies and/or impacts of our suppliers

(5.11.1.2) Criteria for assessing supplier dependencies and/or impacts on the environment

Select all that apply

- Dependence on water
- Impact on water availability
- Impact on pollution levels
- Other, please specify :Water risk

(5.11.1.3) % Tier 1 suppliers assessed

Select from:

- 100%

(5.11.1.4) Define a threshold for classifying suppliers as having substantive dependencies and/or impacts on the environment

To define a threshold for classifying suppliers with substantive environmental dependencies and/or impacts, Heidelberg Materials uses a structured approach: environmental pressures were assessed, and high-impact commodities identified via the SBTN Materiality Screening Tool; supplier locations and water risks were mapped with the WRI's Aqueduct Water Risk Atlas. This ensures focus on significant environmental impacts and compliance with SBTN standards.

(5.11.1.5) % Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

Select from:

- 1-25%

(5.11.1.6) Number of Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

1000

[Fixed row]

(5.11.2) Does your organization prioritize which suppliers to engage with on environmental issues?

Climate change

(5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

- Yes, we prioritize which suppliers to engage with on this environmental issue

(5.11.2.2) Criteria informing which suppliers are prioritized for engagement on this environmental issue

Select all that apply

- Material sourcing
- Procurement spend
- Product lifecycle
- Regulatory compliance
- Business risk mitigation
- Leverage over suppliers
- Product safety and compliance
- In line with the criteria used to classify suppliers as having substantive dependencies and/or impacts relating to climate change

(5.11.2.4) Please explain

Heidelberg Materials currently has more than 120,000 suppliers and business partners from more than 50 countries. Owing to the complexity of global networks and the predominantly local business relationships (about 90% of all expenditure worldwide- the value is based on an analysis in the countries that use our central SAP system and relates to 58% of the annual procurement volume), it is extremely important to ensure that supplier engagement efforts remain effective and responsive to changing circumstances. Our supplier prioritization is based on an initial risk screening using a specialized risk matrix that considers factors such as the material category suppliers deliver and the country of origin. Each material category and country are assessed not only on environmental, but also on other criteria that include but not limited to energy, water, working conditions, waste, biodiversity, child labour etc. using sources and references recommended by UN Global Compact.

Water

(5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

- Yes, we prioritize which suppliers to engage with on this environmental issue

(5.11.2.2) Criteria informing which suppliers are prioritized for engagement on this environmental issue

Select all that apply

- In line with the criteria used to classify suppliers as having substantive dependencies and/or impacts relating to water

(5.11.2.4) Please explain

Heidelberg Materials uses a structured approach to define a threshold for classifying suppliers with substantive environmental dependencies and/or impacts: environmental pressures were assessed and high-impact commodities identified via the SBTN Materiality Screening Tool; supplier locations and water risks were mapped with the WRI's Aqueduct Water Risk Atlas; suppliers in high-risk areas and those accounting for at least 67% (2/3) of procurement spend were considered to have a priority in engagement activities. This ensures focus on significant environmental impacts and compliance with SBTN standards*
[Fixed row]

(5.11.5) Do your suppliers have to meet environmental requirements as part of your organization's purchasing process?

Climate change

(5.11.5.1) Suppliers have to meet specific environmental requirements related to this environmental issue as part of the purchasing process

Select from:

- Yes, environmental requirements related to this environmental issue are included in our supplier contracts

(5.11.5.2) Policy in place for addressing supplier non-compliance

Select from:

- Yes, we have a policy in place for addressing non-compliance

(5.11.5.3) Comment

Group-wide procurement guidelines provide clear instructions regarding our supplier relations and procurement activities. The most important tool used for this purpose is our Supplier Code of Conduct, which we communicate to our global and local suppliers so that they accept the principles defined in the Code and follow the guidelines. Suppliers are expected to commit to implementing appropriate environmental measures and to continuously improving their environmental performance. In the event that a supplier does not comply with our sustainability standards, we together with local Human Rights and ESG coordinators will endeavour to work closely with the supplier to remedy the shortcomings and provide support in drawing up and implementing improvement plans. If corrective actions fail, Heidelberg Materials reserves the right to terminate the contractual relationship as a last resort.

Water

(5.11.5.1) Suppliers have to meet specific environmental requirements related to this environmental issue as part of the purchasing process

Select from:

Yes, environmental requirements related to this environmental issue are included in our supplier contracts

(5.11.5.2) Policy in place for addressing supplier non-compliance

Select from:

Yes, we have a policy in place for addressing non-compliance

(5.11.5.3) Comment

Group-wide procurement guidelines provide clear instructions regarding our supplier relations and procurement activities. The most important tool used for this purpose is our Supplier Code of Conduct, which we communicate to our global and local suppliers so that they accept the principles defined in the Code and follow the guidelines. Our suppliers are obliged to fulfil the environmental standards of our Supplier Code of Conduct, including water management and conservation, as stated in the Heidelberg Materials Water Policy. Suppliers are expected to commit to implementing appropriate environmental measures and to continuously improving their environmental performance. In the event that a supplier does not comply with our sustainability standards, we together with local Human Rights and ESG coordinators will endeavour to work closely with the supplier to remedy the shortcomings and provide support in drawing up and implementing improvement plans. If corrective actions fail, Heidelberg Materials reserves the right to terminate the contractual relationship as a last resort.

[Fixed row]

(5.11.6) Provide details of the environmental requirements that suppliers have to meet as part of your organization's purchasing process, and the compliance measures in place.

Climate change

(5.11.6.1) Environmental requirement

Select from:

- Adoption of the UN International Labour Organization Principles

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

- First-party verification
- Grievance mechanism/ Whistleblowing hotline
- Supplier scorecard or rating
- Supplier self-assessment

(5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:

- 100%

(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:

- 51-75%

(5.11.6.7) % tier 1 supplier-related scope 3 emissions attributable to the suppliers required to comply with this environmental requirement

Select from:

- 100%

(5.11.6.8) % tier 1 supplier-related scope 3 emissions attributable to the suppliers in compliance with this environmental requirement

Select from:

- 76-99%

(5.11.6.9) Response to supplier non-compliance with this environmental requirement

Select from:

- Retain and engage

(5.11.6.10) % of non-compliant suppliers engaged

Select from:

- 1-25%

(5.11.6.11) Procedures to engage non-compliant suppliers

Select all that apply

- Providing information on appropriate actions that can be taken to address non-compliance

(5.11.6.12) Comment

Heidelberg Materials requires its suppliers to comply with applicable laws and regulations pertaining to environmental standards. For example, suppliers must systematically control their environmental impacts with regard to emissions, energy, water, waste, and biodiversity and avoid, minimise, or compensate for any such impacts. This includes environmental impacts that affect access to food, drinking water, sanitation, or health. In addition, suppliers are expected to commit to implementing appropriate environmental measures and to continuously improving their environmental performance, among other things, via the Supplier Code of Conduct. This globally applicable Supplier Code of Conduct acts as a basis for all our contractual relationships. Therefore, all suppliers shall adhere to the principles set forth in this Supplier Code of Conduct and take reasonable efforts to implement these standards within their supply chains. Furthermore, suppliers shall take responsibility to require adherence to these principles from their direct suppliers and exercise diligence in verifying that these principles are being adhered to in their supply chains. Heidelberg Materials will work together with its suppliers towards compliance, but also reserves the right to discontinue the relationship with a supplier if all efforts to remedy an identified non-compliance with this Supplier Code of Conduct fail.

Water

(5.11.6.1) Environmental requirement

Select from:

- Adoption of the UN International Labour Organization Principles

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

- First-party verification
- Grievance mechanism/ Whistleblowing hotline
- Supplier scorecard or rating
- Supplier self-assessment

(5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:

- 100%

(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:

- 51-75%

(5.11.6.5) % tier 1 suppliers with substantive environmental dependencies and/or impacts related to this environmental issue required to comply with this environmental requirement

Select from:

- 100%

(5.11.6.6) % tier 1 suppliers with substantive environmental dependencies and/or impacts related to this environmental issue that are in compliance with this environmental requirement

Select from:

- 76-99%

(5.11.6.9) Response to supplier non-compliance with this environmental requirement

Select from:

- Retain and engage

(5.11.6.10) % of non-compliant suppliers engaged

Select from:

- 26-50%

(5.11.6.11) Procedures to engage non-compliant suppliers

Select all that apply

- Providing information on appropriate actions that can be taken to address non-compliance

(5.11.6.12) Comment

Heidelberg Materials requires its suppliers to comply with applicable laws and regulations pertaining to environmental standards. For example, suppliers must systematically control their environmental impacts with regard to emissions, energy, water, waste, and biodiversity and avoid, minimise, or compensate for any such impacts. This includes environmental impacts that affect access to food, drinking water, sanitation, or health. In addition, suppliers are expected to commit to implementing appropriate environmental measures and to continuously improving their environmental performance, among other things, via the Supplier Code of Conduct. This globally applicable Supplier Code of Conduct acts as a basis for all our contractual relationships. Therefore, all suppliers shall adhere to the principles set forth in this Supplier Code of Conduct and take reasonable efforts to implement these standards within their supply chains. Furthermore, suppliers shall take responsibility to require adherence to these principles from their direct suppliers and exercise diligence in verifying that these principles are being adhered to in their supply chains.

Climate change

(5.11.6.1) Environmental requirement

Select from:

- Disclosure of GHG emissions to your organization (Scope 1, 2 and 3)

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

- First-party verification
- Supplier scorecard or rating
- Supplier self-assessment

(5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:

51-75%

(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:

26-50%

(5.11.6.7) % tier 1 supplier-related scope 3 emissions attributable to the suppliers required to comply with this environmental requirement

Select from:

26-50%

(5.11.6.8) % tier 1 supplier-related scope 3 emissions attributable to the suppliers in compliance with this environmental requirement

Select from:

26-50%

(5.11.6.9) Response to supplier non-compliance with this environmental requirement

Select from:

No response

(5.11.6.12) Comment

Heidelberg Materials asks their suppliers to disclose GHG emissions in their organization (Scope 1, 2 and 3). This is done via our sustainability partner IntegrityNext. If a supplier does not measure their carbon emissions, we refer them to the partner offerings of IntegrityNext such as ClimatePartner, Forward Earth, and Greenly. We also ask our suppliers if they are climate neutral or have a goal towards climate neutrality. Moreover our suppliers are asked if they have emission reduction targets or if they plan to have such targets in the future.

Climate change

(5.11.6.1) Environmental requirement

Select from:

- Measuring product-level emissions

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

- Certification
- First-party verification
- Second-party verification
- Supplier scorecard or rating
- Supplier self-assessment

(5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:

- 1-25%

(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:

- 1-25%

(5.11.6.7) % tier 1 supplier-related scope 3 emissions attributable to the suppliers required to comply with this environmental requirement

Select from:

- 1-25%

(5.11.6.8) % tier 1 supplier-related scope 3 emissions attributable to the suppliers in compliance with this environmental requirement

Select from:

- 1-25%

(5.11.6.9) Response to supplier non-compliance with this environmental requirement

Select from:

- No response

(5.11.6.12) Comment

Heidelberg Materials requests their cement and clinker suppliers to provide information on product level emissions. This requirement goes in line with our 2030 carbon reduction targets and supports our journey to reduce the absolute GHG emissions from purchased goods and services (related to purchased cement and clinker) by 25% vs 2020."

Climate change

(5.11.6.1) Environmental requirement

Select from:

- Regular environmental risk assessments (at least once annually)

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

- Certification
- First-party verification
- Supplier scorecard or rating
- Supplier self-assessment

(5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:

- 51-75%

(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:

26-50%

(5.11.6.7) % tier 1 supplier-related scope 3 emissions attributable to the suppliers required to comply with this environmental requirement

Select from:

26-50%

(5.11.6.8) % tier 1 supplier-related scope 3 emissions attributable to the suppliers in compliance with this environmental requirement

Select from:

51-75%

(5.11.6.9) Response to supplier non-compliance with this environmental requirement

Select from:

Retain and engage

(5.11.6.10) % of non-compliant suppliers engaged

Select from:

100%

(5.11.6.11) Procedures to engage non-compliant suppliers

Select all that apply

Providing information on appropriate actions that can be taken to address non-compliance

(5.11.6.12) Comment

Heidelberg Materials conducts regular environmental risk assessments on annual basis. The abstract risk assessment is based on a specialized risk matrix that considers factors such as the material category suppliers deliver and the country of origin. Concrete risk assessment is done via our sustainability partner IntegrityNext. In addition to supplier self-assessment, we ask our suppliers to provide an environmental certificate, where applicable, such as, but not limited to ISO 14001 and EMAS.

Water

(5.11.6.1) Environmental requirement

Select from:

- Regular environmental risk assessments (at least once annually)

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

- First-party verification
- Supplier scorecard or rating
- Supplier self-assessment

(5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:

- 51-75%

(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:

- 26-50%

(5.11.6.5) % tier 1 suppliers with substantive environmental dependencies and/or impacts related to this environmental issue required to comply with this environmental requirement

Select from:

- 26-50%

(5.11.6.6) % tier 1 suppliers with substantive environmental dependencies and/or impacts related to this environmental issue that are in compliance with this environmental requirement

Select from:

76-99%

(5.11.6.9) Response to supplier non-compliance with this environmental requirement

Select from:

Retain and engage

(5.11.6.10) % of non-compliant suppliers engaged

Select from:

100%

(5.11.6.11) Procedures to engage non-compliant suppliers

Select all that apply

Providing information on appropriate actions that can be taken to address non-compliance

(5.11.6.12) Comment

Heidelberg Materials conducts regular environmental risk assessments on annual basis. The abstract risk assessment is based on a specialized risk matrix that considers factors such as the material category suppliers deliver and the country of origin. Concrete risk assessment is done via our sustainability partner IntegrityNext. In addition to supplier self-assessment, we ask our suppliers to provide an environmental certificate, where applicable, such as, but not limited to ISO 14001 and EMAS.

[Add row]

(5.11.7) Provide further details of your organization's supplier engagement on environmental issues.

Climate change

(5.11.7.2) Action driven by supplier engagement

Select from:

Adoption of the United Nation's International Labour Organization principles

(5.11.7.3) Type and details of engagement

Capacity building

- Provide training, support and best practices on how to mitigate environmental impact

Information collection

- Collect environmental risk and opportunity information at least annually from suppliers

Innovation and collaboration

- Run a campaign to encourage innovation to reduce environmental impacts on products and services

(5.11.7.4) Upstream value chain coverage

Select all that apply

- Tier 1 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

- 51-75%

(5.11.7.6) % of tier 1 supplier-related scope 3 emissions covered by engagement

Select from:

- 26-50%

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

We work proactively with our suppliers on sustainability topics and help them to meet the ESG requirements that they are expected to fulfill. In addition to individualized training and best-practice-sharing activities, we offer sustainability training videos, produced together with our ESG and Compliance experts. Suppliers are asked to watch these videos, distribute them in their organizations and their own value chain to increase awareness of and compliance with key aspects of human rights, environmental protection and occupational health and safety. In order to increase suppliers' awareness on sustainability, we also engage with suppliers at different get-together events and virtual supplier days on various ESG topics. As a campaign to encourage innovation to reduce environmental impacts on products and services, the Virtual Supplier Day 2023 with a focus on CO2 emissions reduction was attended by more than 150 participants. Those engagements have a positive impact on supplier compliance and ensure their commitment to the climate-related requirements addressed in our Supplier Code of Conduct. The success of

this engagement is measured based on the percentage of contracts that are compliant with our Supplier Code of Conduct. This reporting year such percentage increased to 75% (the success-threshold for this measure was defined as 70% for the same year). Suppliers with elevated ESG risks are assessed by external partners (Avetta and IntegrityNext) and classified into red, yellow, or green categories based on their risk levels. Red suppliers are approached by HM Human Rights and ESG coordinators to annually collect environmental risk information and work together towards compliance. The questions are based on – among other standards – the United Nations Guiding Principles on Business and Human Rights, the core labour standards of the International Labour Organization as well as the fundamentals of the German Supply Chain Due Diligence Act. To ensure that both global and local requirements in the areas of human rights and environmental regulations are met, we require clear answers from our suppliers, which can be verified by Heidelberg Materials if necessary.

(5.11.7.10) Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue

Select from:

Yes, please specify the environmental requirement :water & air pollution, mercury related requirements, waste management, use of land, forest, and waters etc., ILO conventions

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

Yes

Water

(5.11.7.2) Action driven by supplier engagement

Select from:

Adoption of the United Nation's International Labour Organization principles

(5.11.7.3) Type and details of engagement

Capacity building

Provide training, support and best practices on how to make credible renewable energy usage claims

Information collection

Collect environmental risk and opportunity information at least annually from suppliers

(5.11.7.4) Upstream value chain coverage

Select all that apply

Tier 1 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

51-75%

(5.11.7.7) % tier 1 suppliers with substantive impacts and/or dependencies related to this environmental issue covered by engagement

Select from:

26-50%

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

We work proactively with our suppliers on sustainability topics and help them to meet the ESG requirements that they are expected to fulfill. In addition to individualized training and best-practice -sharing activities, we offer sustainability training videos, produced together with our ESG and Compliance experts. Suppliers are asked to watch these videos, distribute them in their organizations and their own value chain to increase awareness of and compliance with key aspects of human rights, environmental protection and occupational health and safety. This engagement has a positive impact on compliance of those suppliers with substantive impacts and/or dependencies related to water and ensures their commitment to the environmental requirements addressed in our Supplier Code of Conduct. The success of this engagement is measured based on the percentage of contracts that are compliant with our Supplier Code of Conduct. This reporting year such percentage for suppliers with substantive impacts and/or dependencies related to water increased to 97%. Additionally, suppliers with elevated ESG risks are assessed by external partners (Avetta and IntegrityNext) and classified into red, yellow, or green categories based on their risk levels to annually collect environmental risk information and work together towards compliance. The questions are based on – among other standards – the United Nations Guiding Principles on Business and Human Rights, the core labour standards of the International Labour Organization as well as the fundamentals of the German Supply Chain Due Diligence Act. To ensure that both global and local requirements in the areas of human rights and environmental regulations are met, we require clear answers from our suppliers, which can be verified by Heidelberg Materials if necessary. Red suppliers are addressed separately by our ESG coordinators to mitigate the risks

(5.11.7.10) Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue

Select from:

- Yes, please specify the environmental requirement :promoting suitable measures in place to ensure that supplier is not causing water pollution & excessive water consumption

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

- Yes

Climate change

(5.11.7.2) Action driven by supplier engagement

Select from:

- Emissions reduction

(5.11.7.3) Type and details of engagement

Capacity building

- Develop or distribute resources on how to map upstream value chain
- Provide training, support and best practices on how to measure GHG emissions

Information collection

- Collect GHG emissions data at least annually from suppliers

(5.11.7.4) Upstream value chain coverage

Select all that apply

- Tier 1 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

- 51-75%

(5.11.7.6) % of tier 1 supplier-related scope 3 emissions covered by engagement

Select from:

- 26-50%

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

HM's vision for a sustainable supply chain also means that we call upon our suppliers to commit to reducing greenhouse gases. Together with our business partners, Heidelberg Materials is already driving various innovative CO₂ reduction projects and initiatives (e.g. in cement and clinker production and transport) to address climate change. Since the end of 2021, we have been proactively reaching out to suppliers as part of our Responsible Procurement Initiative – not only at bilateral meetings, but also through virtual supplier days on the topic of sustainability, which are very well received. As a result of the Virtual Supplier Day 2023 that was focus on CO₂ reduction, trusting business partnerships based on full transparency are essential for seamless cooperation and sustainable operational performance.

(5.11.7.10) Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue

Select from:

- Yes, please specify the environmental requirement :Emissions reduction + transparency

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

- Yes

Climate change

(5.11.7.2) Action driven by supplier engagement

Select from:

- Upstream value chain transparency and human rights

(5.11.7.3) Type and details of engagement

Capacity building

- Provide training, support and best practices on how to make credible renewable energy usage claims

Information collection

- Collect environmental risk and opportunity information at least annually from suppliers

Innovation and collaboration

- Run a campaign to encourage innovation to reduce environmental impacts on products and services

(5.11.7.4) Upstream value chain coverage

Select all that apply

- Tier 1 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

- 51-75%

(5.11.7.6) % of tier 1 supplier-related scope 3 emissions covered by engagement

Select from:

- 26-50%

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

As our network of suppliers spans the globe, we collaborate with two partners (Avetta and IntegrityNext) to efficiently engage with suppliers on different ESG aspects. This is done through standardized questionnaires for suppliers. The questions are based on – among other standards – the United Nations Guiding Principles on Business and Human Rights, the core labour standards of the International Labour Organization as well as the fundamentals of the German Supply Chain Due Diligence Act. To ensure that both global and local requirements in the areas of human rights and environmental regulations are met, we require clear answers from our suppliers, which can be verified by Heidelberg Materials if necessary.

(5.11.7.10) Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue

Select from:

Yes, please specify the environmental requirement : water & air pollution, mercury related requirements, waste management, use of land, forest, and waters etc., ILO conventions

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

Yes

Climate change

(5.11.7.2) Action driven by supplier engagement

Select from:

Emissions reduction

(5.11.7.3) Type and details of engagement

Innovation and collaboration

Collaborate with suppliers on innovations to reduce environmental impacts in products and services

Run a campaign to encourage innovation to reduce environmental impacts on products and services

(5.11.7.4) Upstream value chain coverage

Select all that apply

Tier 1 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

1-25%

(5.11.7.6) % of tier 1 supplier-related scope 3 emissions covered by engagement

Select from:

1-25%

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

Heidelberg Materials is a front runner on the path to carbon neutrality and circular economy in the building materials industry. We have several ongoing projects with our critical suppliers on emission reductions activities especially on carbon capture, utilisation, and storage (CCUS). Heidelberg Materials and our business partner Linde have established a joint venture under the name Capture-to-Use (CAP2U) to build and operate a state-of-the-art carbon dioxide capture and liquefaction plant. Besides that Heidelberg Materials has signed a collaboration agreement with Volvo Group with the potential to significantly reduce carbon emissions in the construction industry. As part of the agreement, Volvo Group's emission-free solutions, a mix of its electric trucks and construction equipment machines, will be put to work in several Heidelberg Materials' Northern European sites and quarries. Electrification of the Northern European fleet has the potential to reduce annual CO₂ emissions by up to 200.000 tonnes

(5.11.7.10) Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue

Select from:

Yes, please specify the environmental requirement :Emissions reduction + transparency

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

Yes

[Add row]

(5.11.9) Provide details of any environmental engagement activity with other stakeholders in the value chain.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

Customers

(5.11.9.2) Type and details of engagement

Education/Information sharing

- Educate and work with stakeholders on understanding and measuring exposure to environmental risks
- Run an engagement campaign to educate stakeholders about the environmental impacts about your products, goods and/or services
- Share information about your products and relevant certification schemes
- Share information on environmental initiatives, progress and achievements

Innovation and collaboration

- Collaborate with stakeholders in creation and review of your climate transition plan
- Collaborate with stakeholders on innovations to reduce environmental impacts in products and services
- Engage with stakeholders to advocate for policy or regulatory change
- Run a campaign to encourage innovation to reduce environmental impacts

(5.11.9.3) % of stakeholder type engaged

Select from:

- 100%

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

- 1-25%

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

In Heidelberg Materials we set sustainability at the core of our activities. Therefore, we continuously share with all customers the latest developments in our low carbon products, and we promote its usage to contribute with the reduction of their CO2 footprint in buildings, construction projects and overall emission reduction. We believe that engaging with all our customers is a must, therefore our country efforts address to our full country portfolio. In terms of Scope 3 we aim to provide and promote low carbon products to ensure that our customers reduce their emissions, that's why we focus on the largest share of our customers, and we will narrow down this approach according to the needs and expectations that are communicated by them to us. We have different approaches to our customers tailoring the market in which we are present. As a global company with presence across more than 50 countries we focus on each local market via our sales teams, who are in continuous contact with our customers to understand their needs and expectations. We aim to provide enough information to our customers so that they make informed decisions, especially when it comes to the CO2 footprint. We aim to contribute to our customers CO2 reduction by encouraging the usage of low carbon products. The engagement with customers is in a first step market driven. We focus initially on markets in which there is a high incentive to use low carbon products, and in countries which have regulatory requirements in terms of sustainability. So, in the first stage we are onboarding customers that are located in Europe as they

would benefit more from the interactions in sustainability. With our sustainability academy we invite our customers to take part on a series of workshops, roundtables, meetups or webinars to support customers and other stakeholders to integrate sustainability into their practices. Our "sustainability maturity tracker" brings us one step forward to our customers and provides a more tailored support in their sustainability development, from sharing information about the relevance of climate change and the relevance to engage, to form partnerships with our customers and to find new solutions that help to reduce our customers CO2 footprint.

(5.11.9.6) Effect of engagement and measures of success

This engagement allows us to better understand where our customers are in their sustainability journey and to track how they mature over time. We measure the impact of our engagement by the increase of the share of our sustainable revenue in relation with the achievement of the sustainable revenue target. The sustainable revenue target is that 50% of the revenue should come from sustainable products by 2030 and 35% of the revenue in 2023 was coming from sustainable products. We also measure the success by the participation of our customers. On the customer experience system per example we have a response rate of 78% while the sustainability academy. We are confident that by further developing our customer-centricity, we will keep achieving our business goals in line with group strategy and world trends. Our Sustainability Maturity Tracker is a powerful tool that allows us to provide customers with more personalised and tailored solutions, addressing their unique requirements in the most effective way possible. The SMT helps us channel our efforts towards specific groups of customers that may be ready to partner with us on various initiatives and those who are ready to start a conversation around sustainability. Early efforts to educate these less mature customers is a worthy investment — it positions us as experts, makes us a top-of-mind sustainable brand and secures a revenue stream as they grow larger.

Water

(5.11.9.1) Type of stakeholder

Select from:

- Investors and shareholders

(5.11.9.2) Type and details of engagement

Education/Information sharing

- Educate and work with stakeholders on understanding and measuring exposure to environmental risks
- Share information about your products and relevant certification schemes
- Share information on environmental initiatives, progress and achievements
- Other education/information sharing, please specify :Sustainability/ESG roadshows with investors and shareholders, Annual General Meeting (AGMs)

(5.11.9.3) % of stakeholder type engaged

Select from:

100%

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

We are exchanging on a regular basis with our investors/shareholders on our water-related exposure and our corresponding water-related initiatives, progress and achievements- be it during our Annual General Meetings (AGMs) or in the Roadshows with our Managing Board.

(5.11.9.6) Effect of engagement and measures of success

The engagement with investors allows us to better understand what their major requirements in terms of water-related activities are. Our success can be measured by the feedback we receive from our investors/shareholders- be it in our Annual General Meetings (AGMs) or in the Roadshow sessions together with our CEO and Managing Board. We do learn from the dialogues with investors which water-related topic is the most pressing for us. Our success and the implementation of the Water Management Plans is strongly awarded by investors (measurable initiatives).

Climate change

(5.11.9.1) Type of stakeholder

Select from:

Investors and shareholders

(5.11.9.2) Type and details of engagement

Education/Information sharing

Share information about your products and relevant certification schemes

Share information on environmental initiatives, progress and achievements

Other education/information sharing, please specify :Sustainability/ESG roadshows with investors and shareholders, Annual General Meeting (AGMs)

Innovation and collaboration

Collaborate with stakeholders in creation and review of your climate transition plan

Collaborate with stakeholders on innovations to reduce environmental impacts in products and services

Other

Other, please specify :Sustainability/ESG roadshows with investors and shareholders, Annual General Meeting (AGMs)

(5.11.9.3) % of stakeholder type engaged

Select from:

100%

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

None

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

We are exchanging on a regular basis with our investors/shareholders on our climate-related exposure and our corresponding climate-related initiatives, progress and achievements- be it during our Annual General Meetings (AGMs) or in the Roadshows with our Managing Board. Especially our climate transition plan is closely aligned with our investors needs.

(5.11.9.6) Effect of engagement and measures of success

The engagement with investors allows us to better understand what their major requirements in terms of climate-related activities are. Our success can be measured by the feedback we receive from our investors/shareholders- be it in our Annual General Meetings (AGMs) or in the Roadshow sessions together with our CEO and Managing Board. Our Climate Transition Plan is an excellent tool to measure and track our pathway to a net-zero future. Our investors are strongly asking for that and we receive a lot of positive feedback in this regard.

Water

(5.11.9.1) Type of stakeholder

Select from:

Customers

(5.11.9.2) Type and details of engagement

Education/Information sharing

Educate and work with stakeholders on understanding and measuring exposure to environmental risks

Run an engagement campaign to educate stakeholders about the environmental impacts about your products, goods and/or services

- Share information about your products and relevant certification schemes
- Share information on environmental initiatives, progress and achievements

Innovation and collaboration

- Collaborate with stakeholders on innovations to reduce environmental impacts in products and services
- Run a campaign to encourage innovation to reduce environmental impacts

(5.11.9.3) % of stakeholder type engaged

Select from:

- 76-99%

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

Our Sustainability Maturity Tracker (SMT) serves as an instrument enabling us to evaluate our customers' sustainability progress. This insight empowers us to devise strategies for expanding our sustainable portfolio and educating the market. With this knowledge, we can deliver personalized and tailored solutions that effectively address unique requirements of each customer. The SMT enables us to focus our efforts on specific customer segments that are ready to collaborate with us on initiatives, as well as those who are open to initiating conversations about sustainability. Investing early in educating these customers who are less mature in their sustainability journey is a wise decision. It positions us as experts in the field, solidifies our reputation as a leading sustainable brand, and ensures a revenue stream as they continue to grow. Additionally, we made significant strides in communicating with customers on sustainability topics through webinars, events, and dedicated software apps. These creative endeavours reinforce our position as pioneers in building a sustainable future. Examples: Examples of our efforts include identifying opportunities for improvement in a ready mixed concrete plant, resulting in cost reduction and decreased water consumption. Another example involves a Czech Republic aggregates plant that successfully reduced water consumption through changes in material washing method.

(5.11.9.6) Effect of engagement and measures of success

This engagement allows us to better understand where our customers are in their sustainability journey and to track how they mature over time. Given the information Heidelberg Materials can provide more personalised and tailored solutions, addressing unique requirements effectively. We aim for an early education on sustainability for a common ground. By qualitatively analysing our customer's standing we already receive valuable insides. By observing the behaviour of the individuals who have undergone the sustainability education program we can assess the impact and potential success. This may include a focus on changes in their daily practices related to sustainability, such as water recycling or reduction. Also, our success can be measured by repeated participation in the educational programs and the interest raised in water issues, which in turn could trigger changes in daily operations.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

- Other value chain stakeholder, please specify :Employees

(5.11.9.2) Type and details of engagement

Education/Information sharing

- Educate and work with stakeholders on understanding and measuring exposure to environmental risks
- Run an engagement campaign to educate stakeholders about the environmental impacts about your products, goods and/or services
- Share information about your products and relevant certification schemes
- Share information on environmental initiatives, progress and achievements

Innovation and collaboration

- Align your organization's goals to support customers' targets and ambitions
- Collaborate with stakeholders in creation and review of your climate transition plan
- Collaborate with stakeholders on innovations to reduce environmental impacts in products and services
- Engage with stakeholders to advocate for policy or regulatory change
- Run a campaign to encourage innovation to reduce environmental impacts

(5.11.9.3) % of stakeholder type engaged

Select from:

- 100%

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

- None

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

We consistently share all CO2 relevant information with all our employees. As our transformation to a net zero future is an essential part of our corporate business culture and strategy, it is broken down to several activities which are implemented in a targeted way. Our pathway to a net zero future, our climate transition planning and our CO2 roadmaps are clearly communicated and on a corporate level. We also conduct specific initiatives for raising awareness for CO2 related topics among our employees.

(5.11.9.6) Effect of engagement and measures of success

We ensure a consistent effect of engagement by virtual and on-site meetings, works meetings, intranet, social networks, in-house magazines, video messages, trainings, our employee newspaper and e-learning programmes on CO2 related topics. We do regular video postings on our carbon activities, and explicitly integrate it in our leadership trainings. For example, our CCUS plant in Brevik is an excellent example of how we combine operational excellence with sustainability leadership.

Water

(5.11.9.1) Type of stakeholder

Select from:

- Other value chain stakeholder, please specify :Employees

(5.11.9.2) Type and details of engagement

Education/Information sharing

- Educate and work with stakeholders on understanding and measuring exposure to environmental risks
- Run an engagement campaign to educate stakeholders about the environmental impacts about your products, goods and/or services
- Share information about your products and relevant certification schemes
- Share information on environmental initiatives, progress and achievements

Innovation and collaboration

- Engage with stakeholders to advocate for policy or regulatory change
- Incentivize collaborative sustainable water management in river basins
- Run a campaign to encourage innovation to reduce environmental impacts
- Align your organization's goals to support customers' targets and ambitions
- Collaborate with stakeholders on innovations to reduce environmental impacts in products and services
- Encourage collaborative work in multi-stakeholder landscape towards initiatives for sustainable land-use goals

(5.11.9.3) % of stakeholder type engaged

Select from:

100%

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

We consistently share all water relevant information with all our employees. As water is an essential part of our corporate business strategy, all associated activities are broken down and implemented in a targeted way. We also conduct specific initiatives for raising awareness for water related topics among our employees.

(5.11.9.6) Effect of engagement and measures of success

We ensure a consistent effect of engagement by virtual and on-site meetings, works meetings, intranet, social networks, in-house magazines, video messages, trainings, our employee newspaper and e-learning programmes on CO2 related topics. We do regular video postings on all our water-related activities, and explicitly integrate it in our trainings. As an expression of Heidelberg Materials' commitment to sustainability, we reinforced our integrated approach regarding water in 2023. By using nature-based solutions, we are already incorporating the protection of biodiversity and water bodies into many of our projects. Our Swedish subsidiary operates a large quarry in Lötén, which supplies the concrete industry in Stockholm with aggregates. A wetland is being created on the quarry site to purify the rock and the nitrogen-rich wastewater produced by the purification process. Various plants such as water lilies, reeds, and bulrushes are expected to thrive in three small lakes. Wetlands can reduce nitrogen in a natural and environmentally friendly way while also increasing biodiversity. Their water is also vital to birds, amphibians, lizards, and other reptiles, especially when wetlands are surrounded by a large agricultural area.

[Add row]

(5.12) Indicate any mutually beneficial environmental initiatives you could collaborate on with specific CDP Supply Chain members.

Row 1

(5.12.1) Requesting member

Select from:

(5.12.2) Environmental issues the initiative relates to

Select all that apply

Climate change

(5.12.4) Initiative category and type

Change to supplier operations

- Assess life-cycle impact of products or services to identify efficiencies

(5.12.5) Details of initiative

Interest of our customers in sustainable solutions, life cycle measurement

(5.12.6) Expected benefits

Select all that apply

- Improved resource use and efficiency

(5.12.7) Estimated timeframe for realization of benefits

Select from:

- 1-3 years

(5.12.8) Are you able to estimate the lifetime CO2e and/or water savings of this initiative?

Select from:

- No

(5.12.11) Please explain

Interest in our CDP participation

[Add row]

(5.13) Has your organization already implemented any mutually beneficial environmental initiatives due to CDP Supply Chain member engagement?

	Environmental initiatives implemented due to CDP Supply Chain member engagement	Primary reason for not implementing environmental initiatives	Explain why your organization has not implemented any environmental initiatives
	<i>Select from:</i> <input checked="" type="checkbox"/> No, but we plan to within the next two years	<i>Select from:</i> <input checked="" type="checkbox"/> Lack of internal resources, capabilities, or expertise (e.g., due to organization size)	<i>Currently under development</i>

[Fixed row]

(5.13.1) Specify the CDP Supply Chain members that have prompted your implementation of mutually beneficial environmental initiatives and provide information on the initiatives.

	Requesting member	Environmental issues the initiative relates to	Would you be happy for CDP Supply Chain members to highlight this work in their external communication?
Row 1	<i>Select from:</i>	<i>Select all that apply</i> <input checked="" type="checkbox"/> Climate change	<i>Select from:</i> <input checked="" type="checkbox"/> Yes

[Add row]

C6. Environmental Performance - Consolidation Approach

(6.1) Provide details on your chosen consolidation approach for the calculation of environmental performance data.

Climate change

(6.1.1) Consolidation approach used

Select from:

Financial control

(6.1.2) Provide the rationale for the choice of consolidation approach

For Heidelberg Materials the biggest part of its climate impact comes from direct emissions (Scope 1), in consequence, the greater opportunity to have a positive impact is by acting in its own operations. By using the financial control approach Heidelberg Materials ensure that all entities that are contributing to the financial results and in which it has full control of operations are reporting its emissions and comply with the CO2 Roadmap ambitions. This also allow a better allocation of resources and the opportunity to share knowledge and best practices

Water

(6.1.1) Consolidation approach used

Select from:

Financial control

(6.1.2) Provide the rationale for the choice of consolidation approach

For Heidelberg Materials, the main rationale for applying the financial control approach to water management stems from the company's significant influence and operational control over its units. This approach ensures comprehensive reporting and compliance with water consumption and conservation targets in all units that contribute to the company's financial results. Heidelberg Materials can directly manage and mitigate water consumption and its impact on the environment, ensuring consistent and accurate reporting. This alignment ensures that water conservation strategies are implemented and tracked consistently. The financial control approach facilitates efficient resource allocation by prioritizing investments in areas with the greatest potential for water savings. It also promotes the sharing of successful water management practices within the organization, leading to widespread implementation of conservation measures. This unified approach ensures regulatory compliance and alignment with strategic water management goals and supports Heidelberg Materials' broader environmental and sustainability objectives.

Plastics

(6.1.1) Consolidation approach used

Select from:

Other, please specify :N/A

(6.1.2) Provide the rationale for the choice of consolidation approach

n/a

Biodiversity

(6.1.1) Consolidation approach used

Select from:

Financial control

(6.1.2) Provide the rationale for the choice of consolidation approach

For Heidelberg Materials, having a physical footprint due to our extraction and processing operations means managing our interface with biodiversity. To ensure we mitigate any potential impacts, we implement Biodiversity Management Plans (BMP) at all sites where there is potentially a high biodiversity sensitivity. These sites are identified by means of a proximity study conducted on a 3-yearly cycle. Sites within 1 km proximity are prioritised to have a BMP and hence better allocation of resources. We develop reclamation plans for all our quarries we own or have the major share to ensure we can forecast potential reclamation provisions to meet asset retirement obligations, and practice progressive reclamation, reporting annually on reclamation activities, land area and expenditures.

[Fixed row]

C7. Environmental performance - Climate Change

(7.1.1) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

	Has there been a structural change?
	Select all that apply <input checked="" type="checkbox"/> No

[Fixed row]

(7.1.2) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?
	Select all that apply <input checked="" type="checkbox"/> No

[Fixed row]

(7.1.3) Have your organization's base year emissions and past years' emissions been recalculated as a result of any changes or errors reported in 7.1.1 and/or 7.1.2?

	Base year recalculation
	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(7.3) Describe your organization's approach to reporting Scope 2 emissions.

(7.3.1) Scope 2, location-based

Select from:

We are reporting a Scope 2, location-based figure

(7.3.2) Scope 2, market-based

Select from:

We are reporting a Scope 2, market-based figure

(7.3.3) Comment

Location-based: we use the country emission factors as per the IEA (International Energy Agency) database. For market based, we collect the information from all Heidelberg Materials integrated plant entities and the corresponding supplier emission data as per contracts. In some cases where the market is regulated, and the only energy provider is the government the location-based and market-based figures in that specific country are the same. This applies to some African countries

[Fixed row]

(7.5) Provide your base year and base year emissions.

Scope 1

(7.5.1) Base year end

12/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

67986511

(7.5.3) Methodological details

Calculated based on the • WBCSD: The Cement CO2 and Energy Protocol. Comment: In 2020, there was no data collection for our Aggregates business line, therefore only cement values were indicated.

Scope 2 (location-based)

(7.5.1) Base year end

12/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

5093192.0

(7.5.3) Methodological details

Calculated based on the • WBCSD: The Cement CO2 and Energy Protocol. Comment: In 2020, there was no data collection for our Aggregates business line, therefore only cement values were indicated.

Scope 2 (market-based)

(7.5.1) Base year end

12/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

5231956.0

(7.5.3) Methodological details

Calculated based on the GHG Protocol. Comment: In 2020, there was no data collection for our Aggregates business line, therefore only cement values were indicated.

Scope 3 category 1: Purchased goods and services

(7.5.1) Base year end

12/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

8871138.0

(7.5.3) Methodological details

Calculated based on the GHG Protocol. Via volumes and Emission factors associated with the relevant products. Comment: In 2020, there was no data collection for our Aggregates business line, therefore only cement values were indicated.

Scope 3 category 2: Capital goods

(7.5.1) Base year end

12/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

Considered not material according to the WBSCD for the cement industry. Comment: In 2020, there was no data collection for our Aggregates business line, therefore only cement values were indicated.

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

(7.5.1) Base year end

12/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

3521129.0

(7.5.3) Methodological details

Calculated based on the GHG Protocol, utilizing DEFRA factors. Comment: In 2020, there was no data collection for our Aggregates business line, therefore only cement values were indicated.

Scope 3 category 4: Upstream transportation and distribution

(7.5.1) Base year end

12/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

1100926.0

(7.5.3) Methodological details

Calculated based on the GHG Protocol. Using the distance-based method. Comment: In 2020, there was no data collection for our Aggregates business line, therefore only cement values were indicated.

Scope 3 category 5: Waste generated in operations

(7.5.1) Base year end

12/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

204894.0

(7.5.3) Methodological details

Calculated based on the GHG Protocol according to the volumes and specific Emission factors from DEFRA. Comment: In 2020, there was no data collection for our Aggregates business line, therefore only cement values were indicated.

Scope 3 category 6: Business travel

(7.5.1) Base year end

12/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

Considered not material according to the WBSCD for the cement industry. Comment: In 2020, there was no data collection for our Aggregates business line, therefore only cement values were indicated.

Scope 3 category 7: Employee commuting

(7.5.1) Base year end

12/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

104040.0

(7.5.3) Methodological details

Calculated via quantis tool. Comment: In 2020, there was no data collection for our Aggregates business line, therefore only cement values were indicated.

Scope 3 category 8: Upstream leased assets

(7.5.1) Base year end

12/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

Considered not material according to the WBSCD for the cement industry

Scope 3 category 9: Downstream transportation and distribution

(7.5.1) Base year end

12/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

7777367.0

(7.5.3) Methodological details

Calculated based on the GHG Protocol, based on the distance based method

Scope 3 category 10: Processing of sold products

(7.5.1) Base year end

12/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

108212.0

(7.5.3) Methodological details

Calculated based on the GHG Protocol. According to the volumes of cement sold and the internal Emission factor as reference.

Scope 3 category 11: Use of sold products

(7.5.1) Base year end

12/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

Considered not material according to the WBSCD for the cement industry

Scope 3 category 12: End of life treatment of sold products

(7.5.1) Base year end

12/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

Considered not material according to the WBSCD for the cement industry

Scope 3 category 13: Downstream leased assets

(7.5.1) Base year end

12/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

Considered not material according to the WBSCD for the cement industry

Scope 3 category 14: Franchises

(7.5.1) Base year end

12/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

Not applicable to Heidelberg Materials

Scope 3 category 15: Investments

(7.5.1) Base year end

12/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

(7.5.3) Methodological details

Includes Scope 1 and 2 according to the WBSCD for the cement industry

Scope 3: Other (upstream)

(7.5.1) Base year end

12/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

Not applicable to Heidelberg Materials

Scope 3: Other (downstream)

(7.5.1) Base year end

12/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

*Not applicable to Heidelberg Materials
[Fixed row]*

(7.6) What were your organization’s gross global Scope 1 emissions in metric tons CO2e?

	Gross global Scope 1 emissions (metric tons CO2e)	Methodological details
Reporting year	61755367.73	CO2 Protocol for de Cement industry

[Fixed row]

(7.7) What were your organization’s gross global Scope 2 emissions in metric tons CO2e?

Reporting year

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

4628085

(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

4773264

(7.7.4) Methodological details

*Location based emissions: we have used the emission factors published by the IEA (International Energy Agency) in 2023. The database contains the estimated emission factors for the year 2022, which is at this point the most updated data for standard emission factors for electricity according to this database. Then we collect the consumption of electricity across our plants, considering the corresponding country emission factor we multiply it by the consumption (EF from IEA * electricity consumption). Market based emissions: we conduct data gathering including all group countries, they need to report the energy consumption and the emission factors according to the supplier contracts. Due to the large number of suppliers and the confidentiality of this information, we cannot provide all the contracts for Heidelberg Materials entities. In both cases the data gathered by the country is reviewed at global level, by the ESG reporting team and Group Procurement. Those teams assess the data provide it, compare it with the previous year development and ensure it is reported accurately.*

[Fixed row]

(7.8) Account for your organization’s gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

(7.8.1) Evaluation status

Select from:

Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

7931568

(7.8.3) Emissions calculation methodology

Select all that apply

Average data method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

36

(7.8.5) Please explain

Heidelberg Materials supply a share of clinker and cement from its Joint Ventures, therefore it is possible to get primary data, from the 36% reported 34% correspond to JVs; only the other 2% refer to other suppliers with whom Heidelberg Materials has no participation.

Capital goods

(7.8.1) Evaluation status

Select from:

Not relevant, explanation provided

(7.8.5) Please explain

Capital goods have not been considered as relevant for the production activities of Heidelberg Materials, as it was categorised as such by the WBSCD in the CO2 Protocol for Cement operations. However, we are increasing our coverage of Scope 3 and we expect to report more robust data in the following years.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

(7.8.1) Evaluation status

Select from:

Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

3716470

(7.8.3) Emissions calculation methodology

Select all that apply

Average data method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

Based on the total consumption of fuels in the operations of Heidelberg Materials, we applied the standard factors as per Defra factors database valid for the reporting year.

Upstream transportation and distribution

(7.8.1) Evaluation status

Select from:

Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

1631560

(7.8.3) Emissions calculation methodology

Select all that apply

Average data method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

Transportation data has been from all plants of Heidelberg Materials to fill their regional transportation. (b) Our company Heidelberg Materials Trading has provided the data of overseas transportation. (c) We have used GCCA and International Maritime Organization (IMO) emission factors. (d) calculating the emissions based on transportation method and tonne/km or tonne/mile calculated from (a) and (b). Two thirds are transportation controlled by Heidelberg Materials, while one third is not controlled by us, which is why we have calculated one third of emissions using data obtained from suppliers and customers

Waste generated in operations

(7.8.1) Evaluation status

Select from:

Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

133726

(7.8.3) Emissions calculation methodology

Select all that apply

Average data method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

Based on the total waste in the operations of Heidelberg Materials, we applied the standard factors as per Defra factors database valid for the reporting year.

Business travel

(7.8.1) Evaluation status

Select from:

Not relevant, explanation provided

(7.8.5) Please explain

Business travel has not been considered as relevant for the production activities of Heidelberg Materials, as it was categorised as such by the WBSCD in the CO2 Protocol for Cement operations. However, we are increasing our coverage of Scope 3 and we expect to report more robust data in the following years

Employee commuting

(7.8.1) Evaluation status

Select from:

Not relevant, explanation provided

(7.8.5) Please explain

Employee commuting has not been considered as relevant for the production activities of Heidelberg Materials, as it was categorised as such by the WBSCD in the CO2 Protocol for Cement operations. However, we followed the guidance of the Quantis tool to account for this category.

Upstream leased assets

(7.8.1) Evaluation status

Select from:

Not relevant, explanation provided

(7.8.5) Please explain

This category has not been considered as relevant for the production activities of Heidelberg Materials, as it was categorised as such by the WBSCD in the CO2 Protocol for Cement operations. However, we are increasing our coverage of Scope 3 and we expect to report more robust data in the following years.

Downstream transportation and distribution

(7.8.1) Evaluation status

Select from:

Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

1853264

(7.8.3) Emissions calculation methodology

Select all that apply

Average data method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

Transportation data has been from all plants of Heidelberg Materials to fill their regional transportation. (b) Our company Heidelberg Materials trading has provided the data of overseas transportation. (c) We have used GCCA and International Maritime Organization (IMO) emission factors. (d) calculating the emissions based on transportation method and tonne/km or tonne/mile calculated from (a) and (b).

Processing of sold products

(7.8.1) Evaluation status

Select from:

Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO₂e)

199759

(7.8.3) Emissions calculation methodology

Select all that apply

Average data method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

This category has been calculated based on the total products sold to 3rd parties for further production in concrete. In the absence of supplier data, we have used Heidelberg Materials emissions as reference.

Use of sold products

(7.8.1) Evaluation status

Select from:

Not relevant, explanation provided

(7.8.5) Please explain

The use of our products does not imply additional emissions during the lifetime of the product. On the contrary due to the presence of clinker and its properties, our products will absorb CO₂ during their lifetime.

End of life treatment of sold products

(7.8.1) Evaluation status

Select from:

Not relevant, explanation provided

(7.8.5) Please explain

This category has not been considered as relevant for the production activities of Heidelberg Materials, as it was categorised as such by the WBSCD in the CO2 Protocol for Cement operations. However, we are increasing our coverage of Scope 3 and we expect to report more robust data in the following years

Downstream leased assets

(7.8.1) Evaluation status

Select from:

Not relevant, explanation provided

(7.8.5) Please explain

This category has not been considered as relevant for the production activities of Heidelberg Materials, as it was categorised as such by the WBSCD in the CO2 Protocol for Cement operations. However, we are increasing our coverage of Scope 3 and we expect to report more robust data in the following years.

Franchises

(7.8.1) Evaluation status

Select from:

Not relevant, explanation provided

(7.8.5) Please explain

Heidelberg Materials does not operate as a franchise business. Therefore, there are no emissions associated to it

Investments

(7.8.1) Evaluation status

Select from:

Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

7476698

(7.8.3) Emissions calculation methodology

Select all that apply

Other, please specify :Calculated with the same methodology as Scope 1 and 2 based on the WBCSD cement protocol, as Heidelberg Materials investments are done via JV in cement companies.

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

We have requested the direct information from the Joint Ventures in which Heidelberg Materials has participation and are not included in scope 1 due to the boundary set up. Those cement companies report under the same logic that Heidelberg Materials, using the CO2 protocol for the cement and concrete industry.

Other (upstream)

(7.8.1) Evaluation status

Select from:

Not relevant, explanation provided

(7.8.5) Please explain

There are no additional emissions outside the Categories of Scope 3 that have been identified.

Other (downstream)

(7.8.1) Evaluation status

Select from:

Not relevant, explanation provided

(7.8.5) Please explain

There are no additional emissions outside the Categories of Scope 3 that have been identified.

[Fixed row]

(7.9) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Select from: <input checked="" type="checkbox"/> Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Select from: <input checked="" type="checkbox"/> Third-party verification or assurance process in place
Scope 3	Select from: <input checked="" type="checkbox"/> Third-party verification or assurance process in place

[Fixed row]

(7.9.1) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Row 1

(7.9.1.1) Verification or assurance cycle in place

Select from:

Annual process

(7.9.1.2) Status in the current reporting year

Select from:

Complete

(7.9.1.3) Type of verification or assurance

Select from:

Reasonable assurance

(7.9.1.4) Attach the statement

ASR&PWC.pdf

(7.9.1.5) Page/section reference

Please find supporting evidence on pages 1-3, as well as additional information in 'assurance opinion referenced in 5 - can be found in Appendix 1, page 6.

(7.9.1.6) Relevant standard

Select from:

ISAE3000

(7.9.1.7) Proportion of reported emissions verified (%)

100

[Add row]

(7.9.2) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Row 1

(7.9.2.1) Scope 2 approach

Select from:

Scope 2 location-based

(7.9.2.2) Verification or assurance cycle in place

Select from:

Annual process

(7.9.2.3) Status in the current reporting year

Select from:

Complete

(7.9.2.4) Type of verification or assurance

Select from:

Limited assurance

(7.9.2.5) Attach the statement

ASR&PWC.pdf

(7.9.2.6) Page/ section reference

Please find supporting evidence on pages 1-3, as well as additional information in 'assurance opinion referenced in 5 - can be found in Appendix 1, page 6.

(7.9.2.7) Relevant standard

Select from:

ISAE3000

(7.9.2.8) Proportion of reported emissions verified (%)

100

[Add row]

(7.9.3) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Row 1

(7.9.3.1) Scope 3 category

Select all that apply

Scope 3: Purchased goods and services

(7.9.3.2) Verification or assurance cycle in place

Select from:

Annual process

(7.9.3.3) Status in the current reporting year

Select from:

Complete

(7.9.3.4) Type of verification or assurance

Select from:

Limited assurance

(7.9.3.5) Attach the statement

(7.9.3.6) Page/section reference

Please find supporting evidence on pages 1-3, as well as additional information in 'assurance opinion referenced in 5 - can be found in Appendix 1, page 6.

(7.9.3.7) Relevant standard

Select from:

ISAE3000

(7.9.3.8) Proportion of reported emissions verified (%)

100

Row 2

(7.9.3.1) Scope 3 category

Select all that apply

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)

(7.9.3.2) Verification or assurance cycle in place

Select from:

Annual process

(7.9.3.3) Status in the current reporting year

Select from:

Complete

(7.9.3.4) Type of verification or assurance

Select from:

Limited assurance

(7.9.3.5) Attach the statement

ASR&PWC.pdf

(7.9.3.6) Page/section reference

Please find supporting evidence on pages 1-3, as well as additional information in 'assurance opinion referenced in 5 - can be found in Appendix 1, page 6.

(7.9.3.7) Relevant standard

Select from:

ISAE3000

(7.9.3.8) Proportion of reported emissions verified (%)

100

Row 3

(7.9.3.1) Scope 3 category

Select all that apply

Scope 3: Downstream transportation and distribution

(7.9.3.2) Verification or assurance cycle in place

Select from:

Annual process

(7.9.3.3) Status in the current reporting year

Select from:

Complete

(7.9.3.4) Type of verification or assurance

Select from:

Limited assurance

(7.9.3.5) Attach the statement

ASR&PWC.pdf

(7.9.3.6) Page/section reference

Please find supporting evidence on pages 1-3, as well as additional information in 'assurance opinion referenced in 5 - can be found in Appendix 1, page 6.

(7.9.3.7) Relevant standard

Select from:

ISAE3000

(7.9.3.8) Proportion of reported emissions verified (%)

100

Row 4

(7.9.3.1) Scope 3 category

Select all that apply

Scope 3: Upstream transportation and distribution

(7.9.3.2) Verification or assurance cycle in place

Select from:

Annual process

(7.9.3.3) Status in the current reporting year

Select from:

Complete

(7.9.3.4) Type of verification or assurance

Select from:

Limited assurance

(7.9.3.5) Attach the statement

ASR&PWC.pdf

(7.9.3.6) Page/section reference

Please find supporting evidence on pages 1-3, as well as additional information in 'assurance opinion referenced in 5 - can be found in Appendix 1, page 6.

(7.9.3.7) Relevant standard

Select from:

ISAE3000

(7.9.3.8) Proportion of reported emissions verified (%)

100

[Add row]

(7.10.1) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

Change in renewable energy consumption

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

n/a

Other emissions reduction activities

(7.10.1.1) Change in emissions (metric tons CO2e)

4223976

(7.10.1.2) Direction of change in emissions

Select from:

Decreased

(7.10.1.3) Emissions value (percentage)

6

(7.10.1.4) Please explain calculation

This refers to the emissions of Scope 1. We have compared 2022 vs 2023 full year emissions as reported in CDP. By comparing both figures we arrived at the absolute emissions that have been reduced vs previous year as a consequence of using more alternative fuels with biomass, alternative raw materials and optimize the clinker incorporation factor, reducing the clinker needs

Divestment

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

n/a

Acquisitions

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

n/a

Mergers

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

n/a

Change in output

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

n/a

Change in methodology

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

n/a

Change in boundary

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

n/a

Change in physical operating conditions

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

n/a

Unidentified

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

n/a

Other

(7.10.1.1) Change in emissions (metric tons CO2e)

637606

(7.10.1.2) Direction of change in emissions

Select from:

Decreased

(7.10.1.3) Emissions value (percentage)

12

(7.10.1.4) Please explain calculation

*Focus on scope 2 and improvements done by electricity providers, as well as a more efficient usage of it.
[Fixed row]*

(7.12.1) Provide the emissions from biogenic carbon relevant to your organization in metric tons CO2.

	CO2 emissions from biogenic carbon (metric tons CO2)	Comment
	3332293	Refer to the biogenic CO2 from the kiln operations

[Fixed row]

(7.16) Break down your total gross global Scope 1 and 2 emissions by country/area.

Australia

(7.16.1) Scope 1 emissions (metric tons CO2e)

19715834

(7.16.2) Scope 2, location-based (metric tons CO2e)

1791615

(7.16.3) Scope 2, market-based (metric tons CO2e)

2063694

Bangladesh

(7.16.1) Scope 1 emissions (metric tons CO2e)

19715834

(7.16.2) Scope 2, location-based (metric tons CO2e)

1791615

(7.16.3) Scope 2, market-based (metric tons CO2e)

2063694

Belgium

(7.16.1) Scope 1 emissions (metric tons CO2e)

12137402

(7.16.2) Scope 2, location-based (metric tons CO2e)

680857

(7.16.3) Scope 2, market-based (metric tons CO2e)

707394

Benin

(7.16.1) Scope 1 emissions (metric tons CO2e)

9266234

(7.16.2) Scope 2, location-based (metric tons CO2e)

667713

(7.16.3) Scope 2, market-based (metric tons CO2e)

479152

Bosnia & Herzegovina

(7.16.1) Scope 1 emissions (metric tons CO2e)

12137402

(7.16.2) Scope 2, location-based (metric tons CO2e)

680857

(7.16.3) Scope 2, market-based (metric tons CO2e)

707394

Brunei Darussalam

(7.16.1) Scope 1 emissions (metric tons CO2e)

19715834

(7.16.2) Scope 2, location-based (metric tons CO2e)

1791615

(7.16.3) Scope 2, market-based (metric tons CO2e)

2063694

Bulgaria

(7.16.1) Scope 1 emissions (metric tons CO2e)

12137402

(7.16.2) Scope 2, location-based (metric tons CO2e)

680857

(7.16.3) Scope 2, market-based (metric tons CO2e)

707394

Burkina Faso

(7.16.1) Scope 1 emissions (metric tons CO2e)

9266234

(7.16.2) Scope 2, location-based (metric tons CO2e)

667713

(7.16.3) Scope 2, market-based (metric tons CO2e)

479152

Canada

(7.16.1) Scope 1 emissions (metric tons CO2e)

7633700

(7.16.2) Scope 2, location-based (metric tons CO2e)

599769

(7.16.3) Scope 2, market-based (metric tons CO2e)

705566

China

(7.16.1) Scope 1 emissions (metric tons CO2e)

19715834

(7.16.2) Scope 2, location-based (metric tons CO2e)

1791615

(7.16.3) Scope 2, market-based (metric tons CO2e)

2063694

Croatia

(7.16.1) Scope 1 emissions (metric tons CO2e)

12137402

(7.16.2) Scope 2, location-based (metric tons CO2e)

680857

(7.16.3) Scope 2, market-based (metric tons CO2e)

707394

Czechia

(7.16.1) Scope 1 emissions (metric tons CO2e)

12137402

(7.16.2) Scope 2, location-based (metric tons CO2e)

680857

(7.16.3) Scope 2, market-based (metric tons CO2e)

707394

Democratic Republic of the Congo

(7.16.1) Scope 1 emissions (metric tons CO2e)

9266234

(7.16.2) Scope 2, location-based (metric tons CO2e)

667713

(7.16.3) Scope 2, market-based (metric tons CO2e)

479152

Denmark

(7.16.1) Scope 1 emissions (metric tons CO2e)

12137402

(7.16.2) Scope 2, location-based (metric tons CO2e)

680857

(7.16.3) Scope 2, market-based (metric tons CO2e)

707394

Egypt

(7.16.1) Scope 1 emissions (metric tons CO2e)

9266234

(7.16.2) Scope 2, location-based (metric tons CO2e)

667713

(7.16.3) Scope 2, market-based (metric tons CO2e)

479152

Estonia

(7.16.1) Scope 1 emissions (metric tons CO2e)

13002199

(7.16.2) Scope 2, location-based (metric tons CO2e)

888133

(7.16.3) Scope 2, market-based (metric tons CO2e)

817458

France

(7.16.1) Scope 1 emissions (metric tons CO2e)

12137402

(7.16.2) Scope 2, location-based (metric tons CO2e)

680857

(7.16.3) Scope 2, market-based (metric tons CO2e)

707394

Gambia

(7.16.1) Scope 1 emissions (metric tons CO2e)

9266234

(7.16.2) Scope 2, location-based (metric tons CO2e)

667713

(7.16.3) Scope 2, market-based (metric tons CO2e)

479152

Georgia

(7.16.1) Scope 1 emissions (metric tons CO2e)

7633700

(7.16.2) Scope 2, location-based (metric tons CO2e)

599769

(7.16.3) Scope 2, market-based (metric tons CO2e)

705566

Germany

(7.16.1) Scope 1 emissions (metric tons CO2e)

12137402

(7.16.2) Scope 2, location-based (metric tons CO2e)

680857

(7.16.3) Scope 2, market-based (metric tons CO2e)

707394

Ghana

(7.16.1) Scope 1 emissions (metric tons CO2e)

9266234

(7.16.2) Scope 2, location-based (metric tons CO2e)

667713

(7.16.3) Scope 2, market-based (metric tons CO2e)

479152

Greece

(7.16.1) Scope 1 emissions (metric tons CO2e)

12137402

(7.16.2) Scope 2, location-based (metric tons CO2e)

680857

(7.16.3) Scope 2, market-based (metric tons CO2e)

707394

Hungary

(7.16.1) Scope 1 emissions (metric tons CO2e)

12137402

(7.16.2) Scope 2, location-based (metric tons CO2e)

680857

(7.16.3) Scope 2, market-based (metric tons CO2e)

707394

Iceland

(7.16.1) Scope 1 emissions (metric tons CO2e)

12137402

(7.16.2) Scope 2, location-based (metric tons CO2e)

680857

(7.16.3) Scope 2, market-based (metric tons CO2e)

707394

India

(7.16.1) Scope 1 emissions (metric tons CO2e)

19715834

(7.16.2) Scope 2, location-based (metric tons CO2e)

1791615

(7.16.3) Scope 2, market-based (metric tons CO2e)

2063694

Indonesia

(7.16.1) Scope 1 emissions (metric tons CO2e)

19715834

(7.16.2) Scope 2, location-based (metric tons CO2e)

1791615

(7.16.3) Scope 2, market-based (metric tons CO2e)

2063694

Israel

(7.16.1) Scope 1 emissions (metric tons CO2e)

19715834

(7.16.2) Scope 2, location-based (metric tons CO2e)

1791615

(7.16.3) Scope 2, market-based (metric tons CO2e)

2063694

Italy

(7.16.1) Scope 1 emissions (metric tons CO2e)

12137402

(7.16.2) Scope 2, location-based (metric tons CO2e)

680857

(7.16.3) Scope 2, market-based (metric tons CO2e)

707394

Kazakhstan

(7.16.1) Scope 1 emissions (metric tons CO2e)

13002199

(7.16.2) Scope 2, location-based (metric tons CO2e)

888133

(7.16.3) Scope 2, market-based (metric tons CO2e)

817458

Latvia

(7.16.1) Scope 1 emissions (metric tons CO2e)

12137402

(7.16.2) Scope 2, location-based (metric tons CO2e)

680857

(7.16.3) Scope 2, market-based (metric tons CO2e)

707394

Liberia

(7.16.1) Scope 1 emissions (metric tons CO2e)

9266234

(7.16.2) Scope 2, location-based (metric tons CO2e)

667713

(7.16.3) Scope 2, market-based (metric tons CO2e)

479152

Lithuania

(7.16.1) Scope 1 emissions (metric tons CO2e)

12137402

(7.16.2) Scope 2, location-based (metric tons CO2e)

680857

(7.16.3) Scope 2, market-based (metric tons CO2e)

707394

Malaysia

(7.16.1) Scope 1 emissions (metric tons CO2e)

19715834

(7.16.2) Scope 2, location-based (metric tons CO2e)

1791615

(7.16.3) Scope 2, market-based (metric tons CO2e)

2063694

Morocco

(7.16.1) Scope 1 emissions (metric tons CO2e)

9266234

(7.16.2) Scope 2, location-based (metric tons CO2e)

667713

(7.16.3) Scope 2, market-based (metric tons CO2e)

479152

Mozambique

(7.16.1) Scope 1 emissions (metric tons CO2e)

12137402

(7.16.2) Scope 2, location-based (metric tons CO2e)

680857

(7.16.3) Scope 2, market-based (metric tons CO2e)

707394

Netherlands

(7.16.1) Scope 1 emissions (metric tons CO2e)

12137402

(7.16.2) Scope 2, location-based (metric tons CO2e)

680857

(7.16.3) Scope 2, market-based (metric tons CO2e)

707394

Norway

(7.16.1) Scope 1 emissions (metric tons CO2e)

12137402

(7.16.2) Scope 2, location-based (metric tons CO2e)

680857

(7.16.3) Scope 2, market-based (metric tons CO2e)

707394

Poland

(7.16.1) Scope 1 emissions (metric tons CO2e)

12137402

(7.16.2) Scope 2, location-based (metric tons CO2e)

680857

(7.16.3) Scope 2, market-based (metric tons CO2e)

707394

Romania

(7.16.1) Scope 1 emissions (metric tons CO2e)

13002199

(7.16.2) Scope 2, location-based (metric tons CO2e)

888133

(7.16.3) Scope 2, market-based (metric tons CO2e)

817458

Russian Federation

(7.16.1) Scope 1 emissions (metric tons CO2e)

13002199

(7.16.2) Scope 2, location-based (metric tons CO2e)

888133

(7.16.3) Scope 2, market-based (metric tons CO2e)

817458

Sierra Leone

(7.16.1) Scope 1 emissions (metric tons CO2e)

9266234

(7.16.2) Scope 2, location-based (metric tons CO2e)

667713

(7.16.3) Scope 2, market-based (metric tons CO2e)

479152

Singapore

(7.16.1) Scope 1 emissions (metric tons CO2e)

19715834

(7.16.2) Scope 2, location-based (metric tons CO2e)

1791615

(7.16.3) Scope 2, market-based (metric tons CO2e)

2063694

Slovakia

(7.16.1) Scope 1 emissions (metric tons CO2e)

12137402

(7.16.2) Scope 2, location-based (metric tons CO2e)

680857

(7.16.3) Scope 2, market-based (metric tons CO2e)

707394

South Africa

(7.16.1) Scope 1 emissions (metric tons CO2e)

9266234

(7.16.2) Scope 2, location-based (metric tons CO2e)

667713

(7.16.3) Scope 2, market-based (metric tons CO2e)

479152

Spain

(7.16.1) Scope 1 emissions (metric tons CO2e)

12137402

(7.16.2) Scope 2, location-based (metric tons CO2e)

680857

(7.16.3) Scope 2, market-based (metric tons CO2e)

707394

Sweden

(7.16.1) Scope 1 emissions (metric tons CO2e)

12137402

(7.16.2) Scope 2, location-based (metric tons CO2e)

680857

(7.16.3) Scope 2, market-based (metric tons CO2e)

707394

Thailand

(7.16.1) Scope 1 emissions (metric tons CO2e)

19715834

(7.16.2) Scope 2, location-based (metric tons CO2e)

1791615

(7.16.3) Scope 2, market-based (metric tons CO2e)

2063694

Togo

(7.16.1) Scope 1 emissions (metric tons CO2e)

9266234

(7.16.2) Scope 2, location-based (metric tons CO2e)

667713

(7.16.3) Scope 2, market-based (metric tons CO2e)

479152

Turkey

(7.16.1) Scope 1 emissions (metric tons CO2e)

9266234

(7.16.2) Scope 2, location-based (metric tons CO2e)

667713

(7.16.3) Scope 2, market-based (metric tons CO2e)

479152

United Kingdom of Great Britain and Northern Ireland

(7.16.1) Scope 1 emissions (metric tons CO2e)

12137402

(7.16.2) Scope 2, location-based (metric tons CO2e)

680857

(7.16.3) Scope 2, market-based (metric tons CO2e)

707394

United States of America

(7.16.1) Scope 1 emissions (metric tons CO2e)

7633700

(7.16.2) Scope 2, location-based (metric tons CO2e)

(7.16.3) Scope 2, market-based (metric tons CO2e)

705566

*[Fixed row]***(7.17.3) Break down your total gross global Scope 1 emissions by business activity.**

	Activity	Scope 1 emissions (metric tons CO2e)
Row 1	<i>Cement production</i>	<i>61176525</i>
Row 2	<i>Aggregates extraction</i>	<i>578844</i>

*[Add row]***(7.19) Break down your organization's total gross global Scope 1 emissions by sector production activity in metric tons CO2e.****Cement production activities****(7.19.1) Gross Scope 1 emissions, metric tons CO2e**

61176525

(7.19.2) Net Scope 1 emissions , metric tons CO2e

57092145

(7.19.3) Comment

Emissions are calculated according to the CO2 protocol for the Cement and concrete association. Gross emissions include emissions from clinker production as well as other not kiln fuels used within the boundaries of Heidelberg Materials, in this case, the emissions arising from the combustion of biomass are considered as neutral emissions. The net scope 1 emissions take into consideration all aspects as referred to above, subtracting the emissions generated due to the combustion of Alternative fuels. In the net emissions, the cement and concrete association aims to recognize the importance of using alternative fuels instead of fossil fuels.
 [Fixed row]

(7.20.3) Break down your total gross global Scope 2 emissions by business activity.

	Activity	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Row 1	Cement	4373751	4521423
Row 2	Aggregates	254334	251843

[Add row]

(7.21) Break down your organization’s total gross global Scope 2 emissions by sector production activity in metric tons CO2e.

Cement production activities

(7.21.1) Scope 2, location-based, metric tons CO2e

4373751

(7.21.2) Scope 2, market-based (if applicable), metric tons CO2e

4521423

(7.21.3) Comment

Scope 2 emissions are accounted for according to the CO2 protocol for the Cement and Concrete Association (GCCA), which is aligned to the GHG Protocol. Location based emissions are calculated considering the grid emission factors available by the IEA. Market-based emissions reflect the emission factors and consumption from individual suppliers, when the EF is not available the national grid has been used.
[Fixed row]

(7.22) Break down your gross Scope 1 and Scope 2 emissions between your consolidated accounting group and other entities included in your response.

Consolidated accounting group

(7.22.1) Scope 1 emissions (metric tons CO2e)

61755369

(7.22.2) Scope 2, location-based emissions (metric tons CO2e)

4628085

(7.22.3) Scope 2, market-based emissions (metric tons CO2e)

4773266

(7.22.4) Please explain

The figures presented include all consolidated entities as per of financial consolidation rules. Other entities not consolidated (i.e. Joint Ventures where Heidelberg Materials does not have control, are reported as scope 3 in the category of investments (category 15).

All other entities

(7.22.1) Scope 1 emissions (metric tons CO2e)

0

(7.22.2) Scope 2, location-based emissions (metric tons CO2e)

0

(7.22.3) Scope 2, market-based emissions (metric tons CO2e)

0

(7.22.4) Please explain

The figures presented include all consolidated entities as per of financial consolidation rules. Other entities not consolidated (i.e. Joint Ventures where Heidelberg Materials does not have control, are reported as scope 3 in the category of investments (category 15).

[Fixed row]

(7.23.1) Break down your gross Scope 1 and Scope 2 emissions by subsidiary.

Row 1

(7.23.1.1) Subsidiary name

Africa East Mediterranean

(7.23.1.2) Primary activity

Select from:

Concrete products

(7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

Select all that apply

No unique identifier

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

9266234

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

667713

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

479152

(7.23.1.15) Comment

Currently, we are not providing emission data for single subsidiaries but rather on a regional/area basis. For direct CO2 emissions (Scope 1) for the cement business line, process emissions as well as fuel-related emissions are considered. In accordance with the GCCA guidelines, all alternative fuels are considered carbon-neutral. For our aggregates business line we report our Scope 1 emissions based on the fuel consumptions on site and apply appropriate emission factors to derive the associated CO2 emissions. We report separately the emissions generated by transporting raw materials and products in our own vehicles. To calculate indirect emissions related to the purchase of energy and electricity (Scope 2) for our cement and aggregates business lines we apply the Greenhouse Gas Protocol Scope 2 Guidance (2015) and report location-based emissions by making use of emission factors provided by the International Energy Agency (IEA). For the 2023 financial year, we also report the emissions resulting from the electricity mix actually purchased using the market-based method for the first time, drawing on 59% primary and 41% secondary data for the cement business line.

Row 2

(7.23.1.1) Subsidiary name

Asia

(7.23.1.2) Primary activity

Select from:

Concrete products

(7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

Select all that apply

No unique identifier

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

19715834

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

1791615

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

2063694

(7.23.1.15) Comment

Currently, we are not providing emission data for single subsidiaries but rather on a regional/area basis. For direct CO2 emissions (Scope 1) for the cement business line, process emissions as well as fuel-related emissions are considered. In accordance with the GCCA guidelines, all alternative fuels are considered carbon-neutral. For our aggregates business line we report our Scope 1 emissions based on the fuel consumptions on site and apply appropriate emission factors to derive the associated CO2 emissions. We report separately the emissions generated by transporting raw materials and products in our own vehicles. To calculate indirect emissions related to the purchase of energy and electricity (Scope 2) for our cement and aggregates business lines we apply the Greenhouse Gas Protocol Scope 2 Guidance (2015) and report location-based emissions by making use of emission factors provided by the International Energy Agency (IEA). For the 2023 financial year, we also report the emissions resulting from the electricity mix actually purchased using the market-based method for the first time, drawing on 59% primary and 41% secondary data for the cement business line.

Row 3

(7.23.1.1) Subsidiary name

Western Europe

(7.23.1.2) Primary activity

Select from:

Concrete products

(7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

Select all that apply

No unique identifier

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

680857

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

707394

(7.23.1.15) Comment

Currently, we are not providing emission data for single subsidiaries but rather on a regional/area basis. For direct CO2 emissions (Scope 1) for the cement business line, process emissions as well as fuel-related emissions are considered. In accordance with the GCCA guidelines, all alternative fuels are considered carbon-neutral. For our aggregates business line we report our Scope 1 emissions based on the fuel consumptions on site and apply appropriate emission factors to derive the associated CO2 emissions. We report separately the emissions generated by transporting raw materials and products in our own vehicles. To calculate indirect emissions related to the purchase of energy and electricity (Scope 2) for our cement and aggregates business lines we apply the Greenhouse Gas Protocol Scope 2 Guidance (2015) and report location-based emissions by making use of emission factors provided by the International Energy Agency (IEA). For the 2023 financial year, we also report the emissions resulting from the electricity mix actually purchased using the market-based method for the first time, drawing on 59% primary and 41% secondary data for the cement business line.

Row 4**(7.23.1.1) Subsidiary name**

North Europe, Eastern Europe and Central Asia

(7.23.1.2) Primary activity

Select from:

Concrete products

(7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

Select all that apply

No unique identifier

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

13002199

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

888133

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

817458

(7.23.1.15) Comment

Currently, we are not providing emission data for single subsidiaries but rather on a regional/area basis. For direct CO2 emissions (Scope 1) for the cement business line, process emissions as well as fuel-related emissions are considered. In accordance with the GCCA guidelines, all alternative fuels are considered carbon-neutral. For our aggregates business line we report our Scope 1 emissions based on the fuel consumptions on site and apply appropriate emission factors to derive the associated CO2 emissions. We report separately the emissions generated by transporting raw materials and products in our own vehicles. To calculate indirect emissions related to the purchase of energy and electricity (Scope 2) for our cement and aggregates business lines we apply the Greenhouse Gas Protocol Scope 2 Guidance (2015) and report location-based emissions by making use of emission factors provided by the International Energy Agency (IEA). For the 2023 financial year, we also report the emissions resulting from the electricity mix actually purchased using the market-based method for the first time, drawing on 59% primary and 41% secondary data for the cement business line.

Row 5

(7.23.1.1) Subsidiary name

North America and Canada

(7.23.1.2) Primary activity

Select from:

Concrete products

(7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

Select all that apply

No unique identifier

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

7633700

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

599769

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

705566

(7.23.1.15) Comment

Currently, we are not providing emission data for single subsidiaries but rather on a regional/area basis. For direct CO2 emissions (Scope 1) for the cement business line, process emissions as well as fuel-related emissions are considered. In accordance with the GCCA guidelines, all alternative fuels are considered carbon-neutral. For our aggregates business line we report our Scope 1 emissions based on the fuel consumptions on site and apply appropriate emission factors to derive the associated CO2 emissions. We report separately the emissions generated by transporting raw materials and products in our own vehicles. To calculate indirect emissions related to the purchase of energy and electricity (Scope 2) for our cement and aggregates business lines we apply the Greenhouse Gas Protocol Scope 2 Guidance (2015) and report location-based emissions by making use of emission factors provided by the International Energy Agency (IEA). For the 2023 financial year, we also report the emissions resulting from the electricity mix actually purchased using the market-based method for the first time, drawing on 59% primary and 41% secondary data for the cement business line.

[Add row]

(7.26) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

Row 1

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

Scope 1

(7.26.4) Allocation level

Select from:

Company wide

(7.26.6) Allocation method

Select from:

Allocation not necessary due to type of primary data available

(7.26.10) Uncertainty ($\pm\%$)

0

(7.26.11) Major sources of emissions

Product-related CO2 emissions

(7.26.12) Allocation verified by a third party?

Select from:

No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

We operate around 130 cement plants (plus a further 16 as part of joint ventures), just under 600 quarries and aggregates pits (thereof 32 locations of joint ventures), as well as around 1,310 ready-mixed concrete production sites (plus a further 254 as part of joint ventures) worldwide. There are additionally around 330 production sites belonging to joint ventures. We have around customers which, so the customer base is quite large and tracking the emissions on each and every customer level is quite ambitious. But we are on the right track. ESG is an integral part of our customer activities. Our goal is to continuously communicate with our customers to

determine what's valuable to them. As we learn of what's of value, we will align the entire organisation to act, develop and implement in order to be the supplier of choice for our customers. The conversations are perpetual with the ultimate goal of improving all aspects of our customer offering for the ultimate benefit of Heidelberg Materials and its customers. The voice of the customer is captured through a survey which is managed by an external agency. Our Sustainability Maturity Tracker is added as a mandatory question asked to all respondents. This helps us to a) better understand the customers and their level of experience on the sustainability topics now, to b) track how individual customers mature over time and how the maturity shifts per area and overall and to c) provide framework for utilizing insights on the road to achieving our ambitious CO2 targets. A framework is currently being developed to categorize customers based on their maturity levels, allowing for tailored approaches through the Sustainability Academy or separate activities – educational, commercial, strategic. We aim to contribute to our customers CO2 reduction by encouraging the usage of low carbon products. In 2022, Heidelberg Materials launched the sustainability academy in which we invite our customers to take part on a series of workshops, roundtables, meetups or webinars to support customers and other stakeholders to integrate sustainability into their practices. We are planning to allocate emissions to our customers in a stepwise approach. Our digital HConnect product suite in particular, which has over 30,000 monthly users, offers excellent opportunities in this regard. In the future, we aim to develop HConnect into a digital sales channel, through which we will offer our customers not only building materials but also digital solutions from our partners – such as Giatec's app-supported sensor technology and AI based formulation optimisation for the concrete sector. The purpose of these solutions will be to help our customers to increase their efficiency and reduce carbon emissions. We expect an increased demand for sustainable products and are reviewing our entire product portfolio accordingly. We also consider it our responsibility to actively convince customers of the quality of CO2-reduced products. Further databases and IT solutions are planned in order to both collect and manage customer emission data accordingly.

(7.26.14) Where published information has been used, please provide a reference

We aim to use the HConnect digital product suite to cover more than 75% of our global sales volume via digital interfaces to customers by r. We aim to offer our customers solutions with a lower carbon footprint, good performance, and the possibility of reuse at the end of their service life. Examples of these products include cement and concretes with improved carbon footprints, as well as building materials with characteristics that support the use of less material and enable society to implement more climate-friendly solutions. To promote sustainable construction by means of low-carbon materials, we are working on three levers to reduce our products' carbon emissions. These levers are 1) the incorporation of post-industrial by-products in our cements, 2) the use of biomass and alternative fuels in our cement plants as kiln fuels, and 3) carbon capture and storage. Please find more information in our 2023 Annual Sustainability Report on pages 80, 22ff.

[Add row]

(7.27) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Row 1

(7.27.1) Allocation challenges

Select from:

- Customer base is too large and diverse to accurately track emissions to the customer level

(7.27.2) Please explain what would help you overcome these challenges

We operate 134 cement plants (plus 19 as part of joint ventures), over 600 quarries and aggregates pits, and around 1,430 ready-mixed concrete production sites worldwide. We have almost 3,000 locations in over 50 countries (plus over 350 production sites belonging to joint ventures). We have around customers which, so the customer base is quite large and tracking the emissions on each and every customer level is quite ambitious. But we are on the right track. ESG is an integral part of our customer activities. Our goal is to continuously communicate with our customers to determine what's valuable to them. As we learn of what's of value, we will align the entire organisation to act, develop and implement in order to be the supplier of choice for our customers. The conversations are perpetual with the ultimate goal of improving all aspects of our customer offering for the ultimate benefit of Heidelberg Materials and its customers. The voice of the customer is captured through a survey which is managed by an external agency. In 2022, there were sent 6374 surveys, 4989 responses were received (which corresponds to a 78% response rate) and 1185 follow-up calls were conducted. In 2022, the Sustainability Maturity Tracker was added as a mandatory question asked to all respondents. This helps us to a) better understand the customers and their level of experience on the sustainability topics now, to b) track how individual customers mature over time and how the maturity shifts per area and overall and to c) provide framework for utilizing insights on the road to achieving our ambitious CO2 targets. A framework is currently being developed to categorize customers based on their maturity levels, allowing for tailored approaches through the Sustainability Academy or separate activities – educational, commercial, strategic. We aim to contribute to our customers CO2 reduction by encouraging the usage of low carbon products. In 2022, Heidelberg Materials launched the sustainability academy in which we invite our customers to take part on a series of workshops, roundtables, meetups or webinars to support customers and other stakeholders to integrate sustainability into their practices.

[Add row]

(7.28) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

(7.28.1) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

Select from:

Yes

(7.28.2) Describe how you plan to develop your capabilities

Our digital HConnect product suite in particular, which has over 30,000 monthly users, offers excellent opportunities in this regard. In the future, we aim to develop HConnect into a digital sales channel, through which we will offer our customers not only building materials but also digital solutions from our partners – such as Gatec's app-supported sensor technology and AI-based formulation optimisation for the concrete sector. The purpose of these solutions will be to help our customers to increase their efficiency and reduce carbon emissions. We expect an increased demand for sustainable products and are reviewing our entire product portfolio accordingly. We also consider it our responsibility to actively convince customers of the quality of CO2-reduced products. Further databases and IT solutions are planned in order to both collect and manage customer emission data accordingly.

[Fixed row]

(7.30) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Select from: <input checked="" type="checkbox"/> Yes
Consumption of purchased or acquired electricity	Select from: <input checked="" type="checkbox"/> Yes
Consumption of purchased or acquired heat	Select from: <input checked="" type="checkbox"/> No
Consumption of purchased or acquired steam	Select from: <input checked="" type="checkbox"/> No
Consumption of purchased or acquired cooling	Select from: <input checked="" type="checkbox"/> No
Generation of electricity, heat, steam, or cooling	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(7.30.1) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

Consumption of fuel (excluding feedstock)

(7.30.1.1) Heating value

Select from:

LHV (lower heating value)

(7.30.1.2) MWh from renewable sources

9872011

(7.30.1.3) MWh from non-renewable sources

70294789

(7.30.1.4) Total (renewable and non-renewable) MWh

80166800

Consumption of purchased or acquired electricity

(7.30.1.1) Heating value

Select from:

LHV (lower heating value)

(7.30.1.2) MWh from renewable sources

1464532

(7.30.1.3) MWh from non-renewable sources

9168098

(7.30.1.4) Total (renewable and non-renewable) MWh

10632630

Consumption of self-generated non-fuel renewable energy

(7.30.1.1) Heating value

Select from:

LHV (lower heating value)

(7.30.1.2) MWh from renewable sources

13641

(7.30.1.4) Total (renewable and non-renewable) MWh

13641

Total energy consumption

(7.30.1.1) Heating value

Select from:

LHV (lower heating value)

(7.30.1.2) MWh from renewable sources

11350184

(7.30.1.3) MWh from non-renewable sources

79462887

(7.30.1.4) Total (renewable and non-renewable) MWh

90799430

[Fixed row]

(7.30.2) Report your organization's energy consumption totals (excluding feedstocks) for cement production activities in MWh.

	Heating value	Total MWh
Consumption of fuel (excluding feedstocks)	Select from: <input checked="" type="checkbox"/> LHV (lower heating value)	80166800
Consumption of purchased or acquired electricity	Select from: <input checked="" type="checkbox"/> LHV (lower heating value)	10632630
Total energy consumption	Select from:	90799430

[Fixed row]

(7.30.6) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Select from: <input checked="" type="checkbox"/> Yes
Consumption of fuel for the generation of heat	Select from: <input checked="" type="checkbox"/> Yes
Consumption of fuel for the generation of steam	Select from: <input checked="" type="checkbox"/> No
Consumption of fuel for the generation of cooling	Select from: <input checked="" type="checkbox"/> No
Consumption of fuel for co-generation or tri-generation	Select from:

	Indicate whether your organization undertakes this fuel application
	<input checked="" type="checkbox"/> No

[Fixed row]

(7.30.7) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

(7.30.7.1) Heating value

Select from:

LHV

(7.30.7.2) Total fuel MWh consumed by the organization

9872011

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

9872011

(7.30.7.8) Comment

All the biomass used is from waste sources.

Other biomass

(7.30.7.1) Heating value

Select from:

Unable to confirm heating value

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.8) Comment

n/a

Other renewable fuels (e.g. renewable hydrogen)

(7.30.7.1) Heating value

Select from:

Unable to confirm heating value

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.8) Comment

n/a

Coal

(7.30.7.1) Heating value

Select from:

LHV

(7.30.7.2) Total fuel MWh consumed by the organization

27444011

(7.30.7.3) MWh fuel consumed for self-generation of electricity

234990

(7.30.7.4) MWh fuel consumed for self-generation of heat

27209021

(7.30.7.8) Comment

We are reducing the usage of fossil fuels like coal

Oil

(7.30.7.1) Heating value

Select from:

LHV

(7.30.7.2) Total fuel MWh consumed by the organization

2890678

(7.30.7.3) MWh fuel consumed for self-generation of electricity

14305

(7.30.7.4) MWh fuel consumed for self-generation of heat

2876373

(7.30.7.8) Comment

We are reducing the usage of fossil fuels like oil

Gas

(7.30.7.1) Heating value

Select from:

LHV

(7.30.7.2) Total fuel MWh consumed by the organization

11498841

(7.30.7.3) MWh fuel consumed for self-generation of electricity

1070492

(7.30.7.4) MWh fuel consumed for self-generation of heat

10428348

(7.30.7.8) Comment

We are reducing the usage of fossil fuels and changing to natural gas in areas where is feasible and efficient while transitioning to more biomass.

Other non-renewable fuels (e.g. non-renewable hydrogen)

(7.30.7.1) Heating value

Select from:

LHV

(7.30.7.2) Total fuel MWh consumed by the organization

28461260

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

28461260

(7.30.7.8) Comment

n/a

Total fuel

(7.30.7.1) Heating value

Select from:

LHV

(7.30.7.2) Total fuel MWh consumed by the organization

80166800

(7.30.7.3) MWh fuel consumed for self-generation of electricity

1319787

(7.30.7.4) MWh fuel consumed for self-generation of heat

78847013

(7.30.7.8) Comment

*Sum of all mentioned fuels
[Fixed row]*

(7.30.8) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel for cement production activities.

Sustainable biomass

(7.30.8.1) Heating value

Select from:

LHV

(7.30.8.2) Total MWh fuel consumed for cement production activities

9872011

(7.30.8.3) MWh fuel consumed at the kiln

0

(7.30.8.4) MWh fuel consumed for the generation of heat that is not used in the kiln

(7.30.8.5) MWh fuel consumed for the self-generation of electricity

0

(7.30.8.7) Comment

The biogenic fuels are continuously monitored to ensure that the reporting of the biogenic fraction is accurately considered. In Heidelberg Materials, we encourage the usage of sustainable biomass

Other biomass**(7.30.8.1) Heating value**

Select from:

LHV

(7.30.8.2) Total MWh fuel consumed for cement production activities

0

(7.30.8.3) MWh fuel consumed at the kiln

0

(7.30.8.4) MWh fuel consumed for the generation of heat that is not used in the kiln

0

(7.30.8.5) MWh fuel consumed for the self-generation of electricity

0

(7.30.8.7) Comment

No other source of biomass used.

Other renewable fuels (e.g. renewable hydrogen)

(7.30.8.1) Heating value

Select from:

LHV

(7.30.8.2) Total MWh fuel consumed for cement production activities

0

(7.30.8.3) MWh fuel consumed at the kiln

0

(7.30.8.4) MWh fuel consumed for the generation of heat that is not used in the kiln

0

(7.30.8.5) MWh fuel consumed for the self-generation of electricity

0

(7.30.8.7) Comment

Heidelberg Materials does not use hydrogen in its processes.

Coal

(7.30.8.1) Heating value

Select from:

LHV

(7.30.8.2) Total MWh fuel consumed for cement production activities

27444011

(7.30.8.3) MWh fuel consumed at the kiln

0

(7.30.8.4) MWh fuel consumed for the generation of heat that is not used in the kiln

27209021

(7.30.8.5) MWh fuel consumed for the self-generation of electricity

234990

(7.30.8.7) Comment

The total of fuel consumed for Cement activities includes all the breakdown into kiln, non-kiln and self-electricity generation

Oil

(7.30.8.1) Heating value

Select from:

LHV

(7.30.8.2) Total MWh fuel consumed for cement production activities

616538

(7.30.8.3) MWh fuel consumed at the kiln

0

(7.30.8.4) MWh fuel consumed for the generation of heat that is not used in the kiln

602234

(7.30.8.5) MWh fuel consumed for the self-generation of electricity

14305

(7.30.8.7) Comment

Oil is only used at the kiln.

Gas

(7.30.8.1) Heating value

Select from:

LHV

(7.30.8.2) Total MWh fuel consumed for cement production activities

11498841

(7.30.8.3) MWh fuel consumed at the kiln

0

(7.30.8.4) MWh fuel consumed for the generation of heat that is not used in the kiln

10428348

(7.30.8.5) MWh fuel consumed for the self-generation of electricity

1070492

(7.30.8.7) Comment

The total of gas consumed for Cement activities includes all the breakdown into kiln, non-kiln and self-electricity generation.

Other non-renewable fuels (e.g. non-renewable hydrogen)

(7.30.8.1) Heating value

Select from:

LHV

(7.30.8.2) Total MWh fuel consumed for cement production activities

28461260

(7.30.8.3) MWh fuel consumed at the kiln

0

(7.30.8.4) MWh fuel consumed for the generation of heat that is not used in the kiln

0

(7.30.8.5) MWh fuel consumed for the self-generation of electricity

0

(7.30.8.7) Comment

For fuel consumed by the organisation, it includes: (ultra) heavy fuel, diesel, other fossil fuels, tyres, RDF including plastics, solvents. In the case of self-power generation it includes diesel

Total fuel

(7.30.8.1) Heating value

Select from:

LHV

(7.30.8.2) Total MWh fuel consumed for cement production activities

77892660

(7.30.8.3) MWh fuel consumed at the kiln

0

(7.30.8.4) MWh fuel consumed for the generation of heat that is not used in the kiln

76572873

(7.30.8.5) MWh fuel consumed for the self-generation of electricity

1319787

(7.30.8.7) Comment

*The figures include fossil and biomass sources.
[Fixed row]*

(7.30.9) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

Electricity

(7.30.9.1) Total Gross generation (MWh)

582161

(7.30.9.2) Generation that is consumed by the organization (MWh)

511872

(7.30.9.3) Gross generation from renewable sources (MWh)

13641

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

13641

Heat

(7.30.9.1) Total Gross generation (MWh)

0

(7.30.9.2) Generation that is consumed by the organization (MWh)

0

(7.30.9.3) Gross generation from renewable sources (MWh)

0

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

0

Steam

(7.30.9.1) Total Gross generation (MWh)

0

(7.30.9.2) Generation that is consumed by the organization (MWh)

0

(7.30.9.3) Gross generation from renewable sources (MWh)

0

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

0

Cooling

(7.30.9.1) Total Gross generation (MWh)

0

(7.30.9.2) Generation that is consumed by the organization (MWh)

0

(7.30.9.3) Gross generation from renewable sources (MWh)

0

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

0

[Fixed row]

(7.30.10) Provide details on the electricity and heat your organization has generated and consumed for cement production activities.

	Total gross generation (MWh) inside the cement sector boundary	Generation that is consumed (MWh) inside the cement sector boundary
Electricity	582161	511872
Heat	76019475	76019475
Steam	0	0

[Fixed row]

(7.30.14) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero or near-zero emission factor in the market-based Scope 2 figure reported in 7.7.

Row 1

(7.30.14.1) Country/area

Select from:

Belgium

(7.30.14.2) Sourcing method

Select from:

Project-specific contract with an electricity supplier

(7.30.14.3) Energy carrier

Select from:

Electricity

(7.30.14.4) Low-carbon technology type

Select from:

Wind

(7.30.14.5) Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

92440

(7.30.14.6) Tracking instrument used

Select from:

Contract

(7.30.14.7) Country/area of origin (generation) of the low-carbon energy or energy attribute

Select from:

Belgium

(7.30.14.8) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

No

(7.30.14.10) Comment

This value corresponds only to the operation in Belgium where the value of the energy provider is close to zero.

[Add row]

(7.30.16) Provide a breakdown by country/area of your electricity/heat/steam/cooling consumption in the reporting year.

Australia

(7.30.16.1) Consumption of purchased electricity (MWh)

2466147

(7.30.16.2) Consumption of self-generated electricity (MWh)

302

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

22050168

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

24516617.00

Bangladesh

(7.30.16.1) Consumption of purchased electricity (MWh)

2466147

(7.30.16.2) Consumption of self-generated electricity (MWh)

302

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

22050168

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

24516617.00

Belgium

(7.30.16.1) Consumption of purchased electricity (MWh)

2623104

(7.30.16.2) Consumption of self-generated electricity (MWh)

12053

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

15516185

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

18151342.00

Benin

(7.30.16.1) Consumption of purchased electricity (MWh)

1482875

(7.30.16.2) Consumption of self-generated electricity (MWh)

193

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

11410833

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

12893901.00

Bosnia & Herzegovina

(7.30.16.1) Consumption of purchased electricity (MWh)

2623104

(7.30.16.2) Consumption of self-generated electricity (MWh)

12053

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

15516185

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

18151342.00

Brunei Darussalam

(7.30.16.1) Consumption of purchased electricity (MWh)

2466147

(7.30.16.2) Consumption of self-generated electricity (MWh)

302

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

22050168

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

24516617.00

Bulgaria

(7.30.16.1) Consumption of purchased electricity (MWh)

2623104

(7.30.16.2) Consumption of self-generated electricity (MWh)

12053

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

15516185

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

18151342.00

Burkina Faso

(7.30.16.1) Consumption of purchased electricity (MWh)

1482875

(7.30.16.2) Consumption of self-generated electricity (MWh)

193

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

15516185

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

16999253.00

Canada

(7.30.16.1) Consumption of purchased electricity (MWh)

1608289

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

9730955

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

11339244.00

China

(7.30.16.1) Consumption of purchased electricity (MWh)

2466147

(7.30.16.2) Consumption of self-generated electricity (MWh)

302

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

22050168

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

24516617.00

Croatia

(7.30.16.1) Consumption of purchased electricity (MWh)

2623104

(7.30.16.2) Consumption of self-generated electricity (MWh)

12053

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

15516185

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

18151342.00

Czechia

(7.30.16.1) Consumption of purchased electricity (MWh)

2623104

(7.30.16.2) Consumption of self-generated electricity (MWh)

12053

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

15516185

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

18151342.00

Democratic Republic of the Congo

(7.30.16.1) Consumption of purchased electricity (MWh)

1482875

(7.30.16.2) Consumption of self-generated electricity (MWh)

193

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

11410833

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

12893901.00

Denmark

(7.30.16.1) Consumption of purchased electricity (MWh)

2452216

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

17155161

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

19607377.00

Egypt

(7.30.16.1) Consumption of purchased electricity (MWh)

1482875

(7.30.16.2) Consumption of self-generated electricity (MWh)

193

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

11410833

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

12893901.00

Estonia

(7.30.16.1) Consumption of purchased electricity (MWh)

2452216

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

17155161

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

19607377.00

France

(7.30.16.1) Consumption of purchased electricity (MWh)

2623104

(7.30.16.2) Consumption of self-generated electricity (MWh)

12053

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

15516185

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

18151342.00

Gambia

(7.30.16.1) Consumption of purchased electricity (MWh)

1482875

(7.30.16.2) Consumption of self-generated electricity (MWh)

193

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

11410833

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

12893901.00

Georgia

(7.30.16.1) Consumption of purchased electricity (MWh)

1608289

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

9730955

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

11339244.00

Ghana

(7.30.16.1) Consumption of purchased electricity (MWh)

1482875

(7.30.16.2) Consumption of self-generated electricity (MWh)

193

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

11410833

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

12893901.00

Germany

(7.30.16.1) Consumption of purchased electricity (MWh)

2623104

(7.30.16.2) Consumption of self-generated electricity (MWh)

12053

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

15516185

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

18151342.00

Greece

(7.30.16.1) Consumption of purchased electricity (MWh)

2623104

(7.30.16.2) Consumption of self-generated electricity (MWh)

12053

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

15516185

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

18151342.00

Hungary

(7.30.16.1) Consumption of purchased electricity (MWh)

2623104

(7.30.16.2) Consumption of self-generated electricity (MWh)

12053

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

15516185

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

18151342.00

Iceland

(7.30.16.1) Consumption of purchased electricity (MWh)

2452216

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

17155161

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

19607377.00

India

(7.30.16.1) Consumption of purchased electricity (MWh)

2466147

(7.30.16.2) Consumption of self-generated electricity (MWh)

302

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

22050168

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

24516617.00

Indonesia

(7.30.16.1) Consumption of purchased electricity (MWh)

2466147

(7.30.16.2) Consumption of self-generated electricity (MWh)

302

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

22050168

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

24516617.00

Israel

(7.30.16.1) Consumption of purchased electricity (MWh)

2452216

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

17155161

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

19607377.00

Italy

(7.30.16.1) Consumption of purchased electricity (MWh)

2623104

(7.30.16.2) Consumption of self-generated electricity (MWh)

12053

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

15516185

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

18151342.00

Kazakhstan

(7.30.16.1) Consumption of purchased electricity (MWh)

2452216

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

17155160

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

19607376.00

Latvia

(7.30.16.1) Consumption of purchased electricity (MWh)

2452216

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

17155161

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

19607377.00

Liberia

(7.30.16.1) Consumption of purchased electricity (MWh)

1482875

(7.30.16.2) Consumption of self-generated electricity (MWh)

193

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

11410833

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

12893901.00

Lithuania

(7.30.16.1) Consumption of purchased electricity (MWh)

2452216

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

17155161

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

19607377.00

Malaysia

(7.30.16.1) Consumption of purchased electricity (MWh)

2466147

(7.30.16.2) Consumption of self-generated electricity (MWh)

302

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

22050168

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

24516617.00

Morocco

(7.30.16.1) Consumption of purchased electricity (MWh)

1482875

(7.30.16.2) Consumption of self-generated electricity (MWh)

193

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

11410833

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

12893901.00

Mozambique

(7.30.16.1) Consumption of purchased electricity (MWh)

1482875

(7.30.16.2) Consumption of self-generated electricity (MWh)

193

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

11410833

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

12893901.00

Netherlands

(7.30.16.1) Consumption of purchased electricity (MWh)

2623104

(7.30.16.2) Consumption of self-generated electricity (MWh)

12053

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

15516185

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

18151342.00

Norway

(7.30.16.1) Consumption of purchased electricity (MWh)

2452216

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

17155161

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

19607377.00

Poland

(7.30.16.1) Consumption of purchased electricity (MWh)

2452216

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

17155161

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

19607377.00

Romania

(7.30.16.1) Consumption of purchased electricity (MWh)

2452216

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

17155161

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

19607377.00

Russian Federation

(7.30.16.1) Consumption of purchased electricity (MWh)

2452216

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

17155161

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

19607377.00

Singapore

(7.30.16.1) Consumption of purchased electricity (MWh)

2466147

(7.30.16.2) Consumption of self-generated electricity (MWh)

302

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

22050168

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

24516617.00

Sierra Leone

(7.30.16.1) Consumption of purchased electricity (MWh)

1482875

(7.30.16.2) Consumption of self-generated electricity (MWh)

193

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

11410833

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

12893901.00

Slovakia

(7.30.16.1) Consumption of purchased electricity (MWh)

2452216

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

17155161

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

19607377.00

South Africa

(7.30.16.1) Consumption of purchased electricity (MWh)

1482875

(7.30.16.2) Consumption of self-generated electricity (MWh)

193

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

11410833

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

12893901.00

Spain

(7.30.16.1) Consumption of purchased electricity (MWh)

2623104

(7.30.16.2) Consumption of self-generated electricity (MWh)

12053

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

15516185

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

18151342.00

Sweden

(7.30.16.1) Consumption of purchased electricity (MWh)

2452216

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

17155161

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

19607377.00

Thailand

(7.30.16.1) Consumption of purchased electricity (MWh)

2466147

(7.30.16.2) Consumption of self-generated electricity (MWh)

302

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

22050168

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

24516617.00

Togo

(7.30.16.1) Consumption of purchased electricity (MWh)

1482875

(7.30.16.2) Consumption of self-generated electricity (MWh)

193

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

11410833

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

12893901.00

Turkey

(7.30.16.1) Consumption of purchased electricity (MWh)

1482875

(7.30.16.2) Consumption of self-generated electricity (MWh)

193

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

11410833

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

12893901.00

United Kingdom of Great Britain and Northern Ireland

(7.30.16.1) Consumption of purchased electricity (MWh)

2623104

(7.30.16.2) Consumption of self-generated electricity (MWh)

12053

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

15516185

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

18151342.00

United States of America

(7.30.16.1) Consumption of purchased electricity (MWh)

1608289

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

9730955

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

11339244.00

[Fixed row]

(7.45) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Row 1

(7.45.1) Intensity figure

3.1

(7.45.2) Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

656977089

(7.45.3) Metric denominator

Select from:

unit total revenue

(7.45.4) Metric denominator: Unit total

21177550

(7.45.5) Scope 2 figure used

Select from:

Market-based

(7.45.6) % change from previous year

8

(7.45.7) Direction of change

Select from:

Decreased

(7.45.8) Reasons for change

Select all that apply

Change in renewable energy consumption

Other emissions reduction activities

Change in output

(7.45.9) Please explain

As part of Heidelberg Materials emission reduction strategy, the reduction of emissions is the result of the improvement in the usage of alternative fuels with higher content of biomass (14.5 % of biomass in 2023 vs 13.3% of biomass in 2022) plus the improvement of the product portfolio, in which the clinker incorporation in products has reduced to 70.2 in 2023 vs 71.6 in 2022.

[Add row]

(7.47) State your organization's Scope 1 and Scope 2 emissions intensities related to cement production activities.

	Gross Scope 1 emissions intensity, metric tons CO2e per metric ton	Net Scope 1 emissions intensity, metric tons CO2e per metric ton	Scope 2, location-based emissions intensity, metric tons CO2e per metric ton
Clinker	0.808	0.758	0
Cement equivalent	0.584	0.548	0.42
Cementitious products	0.569	0.534	0.41
Low-CO2 materials	0	0	0

[Fixed row]

(7.52) Provide any additional climate-related metrics relevant to your business.

Row 1

(7.52.1) Description

Select from:

Other, please specify :Use of alternative fuels incl. biogenic fuels

(7.52.2) Metric value

29.9

(7.52.3) Metric numerator

Amount of alternative fuels incl. Biogenic content

(7.52.4) Metric denominator (intensity metric only)

Total of fuels used in the clinker production

(7.52.5) % change from previous year

4.1

(7.52.6) Direction of change

Select from:

Increased

(7.52.7) Please explain

The increase of this metric is in line with the overall decarbonization strategy of Heidelberg Materials. This metric assesses the usage of alternative fuels instead of fossil. The majority of alternative fuels in Heidelberg Materials are derived from waste.

[Add row]

(7.53.1) Provide details of your absolute emissions targets and progress made against those targets.

Row 1

(7.53.1.1) Target reference number

Select from:

Abs 1

(7.53.1.2) Is this a science-based target?

Select from:

Yes, and this target has been approved by the Science Based Targets initiative

(7.53.1.3) Science Based Targets initiative official validation letter

Heidelberg Materials SBTi Certificate 1.pdf

(7.53.1.4) Target ambition

Select from:

1.5°C aligned

(7.53.1.5) Date target was set

05/23/2022

(7.53.1.6) Target coverage

Select from:

Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

Carbon dioxide (CO2)

(7.53.1.8) Scopes

Select all that apply

Scope 3

(7.53.1.10) Scope 3 categories

Select all that apply

Scope 3, Category 1 – Purchased goods and services

(7.53.1.11) End date of base year

12/30/2020

(7.53.1.14) Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

8.165

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

8.165

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

8.165

(7.53.1.35) Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

8.165

(7.53.1.52) Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

92

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

27

(7.53.1.54) End date of target

12/30/2030

(7.53.1.55) Targeted reduction from base year (%)

25

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

6.124

(7.53.1.59) Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

7.168

(7.53.1.76) Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

7.168

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

7.168

(7.53.1.78) Land-related emissions covered by target

Select from:

Yes, it covers land-related emissions/removals associated with bioenergy and non-land related emissions (e.g. non-FLAG SBT with bioenergy)

(7.53.1.79) % of target achieved relative to base year

48.84

(7.53.1.80) Target status in reporting year

Select from:

Underway

(7.53.1.82) Explain target coverage and identify any exclusions

In line with the SBTi Cement guideline, Heidelberg Materials set an absolute target for purchased clinker and cement, which is part of category 1 (Purchased goods and services). Other materials that are also included in this category and reported in the Annual & Sustainability Report are excluded from this target setting.

(7.53.1.83) Target objective

The objective is to ensure that the emissions of the value chain are as well reducing. Its emissions. In addition, this supports Heidelberg Materials overall reduction strategy on clinker utilization, as we aim to improve the sustainable product portfolio

(7.53.1.84) Plan for achieving target, and progress made to the end of the reporting year

Continuing engaging with suppliers to get primary data and encourage for emission reduction

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

Yes

[Add row]

(7.53.2) Provide details of your emissions intensity targets and progress made against those targets.

Row 1

(7.53.2.1) Target reference number

Select from:

Int 1

(7.53.2.2) Is this a science-based target?

Select from:

Yes, and this target has been approved by the Science Based Targets initiative

(7.53.2.3) Science Based Targets initiative official validation letter

Heidelberg Materials SBTi Certificate 1.pdf

(7.53.2.4) Target ambition

Select from:

1.5°C aligned

(7.53.2.5) Date target was set

08/19/2022

(7.53.2.6) Target coverage

Select from:

Organization-wide

(7.53.2.7) Greenhouse gases covered by target

Select all that apply

Carbon dioxide (CO2)

(7.53.2.8) Scopes

Select all that apply

Scope 1

(7.53.2.11) Intensity metric

Select from:

Other, please specify :Metric tonnes CO2/ ton of cementitious material (net)

(7.53.2.12) End date of base year

12/30/2020

(7.53.2.13) Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)

0.576

(7.53.2.33) Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)

0.5760000000

(7.53.2.34) % of total base year emissions in Scope 1 covered by this Scope 1 intensity figure

100

(7.53.2.54) % of total base year emissions in all selected Scopes covered by this intensity figure

100

(7.53.2.55) End date of target

12/30/2030

(7.53.2.56) Targeted reduction from base year (%)

30.5

(7.53.2.57) Intensity figure at end date of target for all selected Scopes (metric tons CO2e per unit of activity)

0.4003200000

(7.53.2.58) % change anticipated in absolute Scope 1+2 emissions

30.5

(7.53.2.60) Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)

0.534

(7.53.2.80) Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)

0.5340000000

(7.53.2.81) Land-related emissions covered by target

Select from:

Yes, it covers land-related emissions/removals associated with bioenergy and non-land related emissions (e.g. non-FLAG SBT with bioenergy)

(7.53.2.82) % of target achieved relative to base year

23.91

(7.53.2.83) Target status in reporting year

Select from:

Underway

(7.53.2.85) Explain target coverage and identify any exclusions

Under the Scope 1 target, Heidelberg Materials commit to reduce its direct emissions to 400 kg/t of cementitious materials (net) by 2030. This includes all integrated plants and grinding plants across the Group. It refers to all company operations where clinker, cement and other cementitious materials are produced. Heidelberg Materials set as reporting boundaries its financial consolidation, therefore Joint Ventures not consolidated, are not part of the Scope 1 reporting and targets.

(7.53.2.86) Target objective

To reduce the emissions from Scope 1, the biggest within Heidelberg Materials inventory 70% of total CO2 emissions, and more than 95% of Direct Emissions

(7.53.2.87) Plan for achieving target, and progress made to the end of the reporting year

Heidelberg Materials has set in its Climate Transition Plan (CTP) the actions to be implemented to achieve CO2 reductions towards 2030 target. The CTP can be found also on our corporate website. Within this transition plan our company has established a detailed plan at country and plant level, to reduce the CO2 emissions by increasing alternative fuels and biomass; incorporate more SCM (Secondary Cementitious Materials), improve the efficiency of our plants; implement carbon capture technologies among others. One clear example is our Mitchel plant in Indiana USA. In 2022 this plant was renovated to the most updated technologies to optimise its efficiency; this will allow to reduce almost 30% of CO2 mainly by operating with gas. In addition, looking at our 2030 commitment, a carbon capture project was established in Mitchel, which aims to capture 95% of the emissions of the plant. This supports Heidelberg Materials strategy to reduce greenhouse gases emissions. In 2023, we were able to reduce our specific net CO2 emissions by a further 3% in the 2023 financial year to 534 kg/t of cementitious material (previous year: 551). This corresponds to a reduction of 29% compared with the base year 1990) and 7% compared with 2020.

(7.53.2.88) Target derived using a sectoral decarbonization approach

Select from:

Yes

Row 2

(7.53.2.1) Target reference number

Select from:

Int 2

(7.53.2.2) Is this a science-based target?

Select from:

Yes, and this target has been approved by the Science Based Targets initiative

(7.53.2.3) Science Based Targets initiative official validation letter

Heidelberg Materials SBTi Certificate 1.pdf

(7.53.2.4) Target ambition

Select from:

1.5°C aligned

(7.53.2.5) Date target was set

08/19/2022

(7.53.2.6) Target coverage

Select from:

Organization-wide

(7.53.2.7) Greenhouse gases covered by target

Select all that apply

Carbon dioxide (CO2)

(7.53.2.8) Scopes

Select all that apply

Scope 2

(7.53.2.9) Scope 2 accounting method

Select from:

Location-based

(7.53.2.11) Intensity metric

Select from:

Other, please specify :Metric tonnes CO2/ ton of cementitious material (net)

(7.53.2.12) End date of base year

12/30/2020

(7.53.2.14) Intensity figure in base year for Scope 2 (metric tons CO2e per unit of activity)

0.044

(7.53.2.33) Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)

0.0440000000

(7.53.2.35) % of total base year emissions in Scope 2 covered by this Scope 2 intensity figure

100

(7.53.2.54) % of total base year emissions in all selected Scopes covered by this intensity figure

100

(7.53.2.55) End date of target

12/30/2030

(7.53.2.56) Targeted reduction from base year (%)

65

(7.53.2.57) Intensity figure at end date of target for all selected Scopes (metric tons CO2e per unit of activity)

0.0154000000

(7.53.2.58) % change anticipated in absolute Scope 1+2 emissions

65

(7.53.2.61) Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)

0.41

(7.53.2.80) Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)

0.4100000000

(7.53.2.81) Land-related emissions covered by target

Select from:

Yes, it covers land-related emissions/removals associated with bioenergy and non-land related emissions (e.g. non-FLAG SBT with bioenergy)

(7.53.2.82) % of target achieved relative to base year

-1279.72

(7.53.2.83) Target status in reporting year

Select from:

Underway

(7.53.2.85) Explain target coverage and identify any exclusions

Our Scope 2 target refers to the electricity used in our operations. And it is aligned to our financial consolidation boundaries. As for now there is still a hybrid approach in some of the countries in which the information from the supplier is not easily available some of the countries are still calculated as location based, therefore we keep the target as location base

(7.53.2.86) Target objective

To contribute to promote green electricity and reduce Heidelberg Materials Scope 2 emissions

(7.53.2.87) Plan for achieving target, and progress made to the end of the reporting year

Scope 2 is also an integral part of our Climate Transition Plan (CTP). The CTP can be found also on our corporate website. To reduce indirect emissions, Heidelberg Materials looks at several measures: ensure an efficient usage of the electricity, reduce the external (3rd party) consumption by using the wasted heat from clinker operations, implement on site projects for the company own consumption, and work with our suppliers to provide green electricity to our plants.

(7.53.2.88) Target derived using a sectoral decarbonization approach

Select from:

Yes

Row 3

(7.53.2.1) Target reference number

Select from:

Int 3

(7.53.2.2) Is this a science-based target?

Select from:

Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

(7.53.2.4) Target ambition

Select from:

1.5°C aligned

(7.53.2.5) Date target was set

08/19/2022

(7.53.2.6) Target coverage

Select from:

Organization-wide

(7.53.2.7) Greenhouse gases covered by target

Select all that apply

Carbon dioxide (CO2)

(7.53.2.8) Scopes

Select all that apply

Scope 1

Scope 2

(7.53.2.9) Scope 2 accounting method

Select from:

Location-based

(7.53.2.11) Intensity metric

Select from:

Metric tons CO2e per metric ton of cement

(7.53.2.12) End date of base year

12/30/2020

(7.53.2.13) Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)

0.576

(7.53.2.14) Intensity figure in base year for Scope 2 (metric tons CO2e per unit of activity)

0.044

(7.53.2.33) Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)

0.6200000000

(7.53.2.34) % of total base year emissions in Scope 1 covered by this Scope 1 intensity figure

100

(7.53.2.35) % of total base year emissions in Scope 2 covered by this Scope 2 intensity figure

100

(7.53.2.54) % of total base year emissions in all selected Scopes covered by this intensity figure

100

(7.53.2.55) End date of target

12/30/2030

(7.53.2.56) Targeted reduction from base year (%)

33

(7.53.2.57) Intensity figure at end date of target for all selected Scopes (metric tons CO2e per unit of activity)

0.4154000000

(7.53.2.58) % change anticipated in absolute Scope 1+2 emissions

33

(7.53.2.60) Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)

0.534

(7.53.2.61) Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)

0.41

(7.53.2.80) Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)

0.9440000000

(7.53.2.81) Land-related emissions covered by target

Select from:

Yes, it covers land-related emissions/removals associated with bioenergy and non-land related emissions (e.g. non-FLAG SBT with bioenergy)

(7.53.2.82) % of target achieved relative to base year

-158.36

(7.53.2.83) Target status in reporting year

Select from:

Underway

(7.53.2.85) Explain target coverage and identify any exclusions

Under the Scope 1 and 2 target, Heidelberg Materials commit to reach net zero by 2050. This includes all integrated plants and grinding plants across the Group. It refers to all company operations where clinker, cement and other cementitious materials are produced. Heidelberg Materials set as reporting boundaries its financial consolidation, therefore Joint Ventures not consolidated, are not part of the Scope 1 or 2 reporting and targets.

(7.53.2.86) Target objective

Ibidem above

(7.53.2.87) Plan for achieving target, and progress made to the end of the reporting year

Heidelberg Materials has set in its Climate Transition Plan (CTP) the actions to be implemented to achieve CO2 reductions with the ambition to be net zero by 2050. The CTP can be found on our corporate website. Within this transition plan our company has established a detailed plan at country and plant level, to reduce the CO2 emissions by increasing alternative fuels and biomass; incorporate more SCM (Secondary Cementitious Materials), improve the efficiency of our plants; implement carbon capture technologies among others. Looking at the long term ambition, we have focus first on implemented all necessary actions to reach our 2030 target, and ensure the years beyond keep the steady reduction on CO2.

(7.53.2.88) Target derived using a sectoral decarbonization approach

Select from:

Yes

[Add row]

(7.54.1) Provide details of your targets to increase or maintain low-carbon energy consumption or production.

Row 1

(7.54.1.1) Target reference number

Select from:

Low 1

(7.54.1.2) Date target was set

05/23/2022

(7.54.1.3) Target coverage

Select from:

Organization-wide

(7.54.1.4) Target type: energy carrier

Select from:

Heat

(7.54.1.5) Target type: activity

Select from:

Production

(7.54.1.6) Target type: energy source

Select from:

Low-carbon energy source(s)

(7.54.1.7) End date of base year

12/30/2020

(7.54.1.8) Consumption or production of selected energy carrier in base year (MWh)

20577222

(7.54.1.9) % share of low-carbon or renewable energy in base year

25.7

(7.54.1.10) End date of target

12/30/2030

(7.54.1.11) % share of low-carbon or renewable energy at end date of target

45

(7.54.1.12) % share of low-carbon or renewable energy in reporting year

29.9

(7.54.1.13) % of target achieved relative to base year

21.76

(7.54.1.14) Target status in reporting year

Select from:

Underway

(7.54.1.16) Is this target part of an emissions target?

Yes. Heat for Heidelberg Materials comes from the fuels that are used in the production process. We use alternative fuels and aim to increase the share vs fossil fuels in the production of clinker cement. In this way, we are helping to conserve resources and solve the problems associated with waste disposal faced by municipalities and industrial companies near our plants. At the same time, these efforts are reducing our CO2 emissions, because the biomass that accounts for around 44.1% of the alternative fuel mix is classified as climate neutral. Our Alternative Fuel Master Plan project was launched in mid-2018 and is followed up and updated on a bi-annual basis and aims to increase the proportion of alternative fuels across the Group, helping us to meet our commitment to reduce CO2 emissions by 2030.

(7.54.1.17) Is this target part of an overarching initiative?

Select all that apply

Science Based Targets initiative

(7.54.1.18) Science Based Targets initiative official validation letter

Heidelberg Materials SBTi Certificate 1.pdf

(7.54.1.19) Explain target coverage and identify any exclusions

It covers the operations of all our integrated plants.

(7.54.1.20) Target objective

To reduce the usage of fossil fuels

(7.54.1.21) Plan for achieving target, and progress made to the end of the reporting year

This is an underlying target to achieve reductions in Scope 1. It is aligned with Heidelberg Materials Climate Transition Plan.

[Add row]

(7.54.2) Provide details of any other climate-related targets, including methane reduction targets.

Row 1

(7.54.2.1) Target reference number

Select from:

Oth 1

(7.54.2.2) Date target was set

05/23/2022

(7.54.2.3) Target coverage

Select from:

- Organization-wide

(7.54.2.4) Target type: absolute or intensity

Select from:

- Intensity

(7.54.2.5) Target type: category & Metric (target numerator if reporting an intensity target)

Energy consumption or efficiency

- Other energy consumption or efficiency, please specify :NOx g/t clinker

(7.54.2.6) Target denominator (intensity targets only)

Select from:

- Other, please specify :gram per tonne of clinker

(7.54.2.7) End date of base year

12/30/2008

(7.54.2.8) Figure or percentage in base year

1.585

(7.54.2.9) End date of target

12/30/2030

(7.54.2.10) Figure or percentage at end of date of target

(7.54.2.11) Figure or percentage in reporting year

1205

(7.54.2.12) % of target achieved relative to base year

126.7533165160

(7.54.2.13) Target status in reporting year*Select from:* Underway**(7.54.2.15) Is this target part of an emissions target?***This target is not related to CO2 emissions. This is a target set to reduce NOx emissions that are generated due to clinker production***(7.54.2.16) Is this target part of an overarching initiative?***Select all that apply* No, it's not part of an overarching initiative**(7.54.2.18) Please explain target coverage and identify any exclusions***This target refers to all Heidelberg Materials operating clinker plants***(7.54.2.19) Target objective***Reduce any other air emissions apart from CO2***(7.54.2.20) Plan for achieving target, and progress made to the end of the reporting year***To ensure the target is achieved, the expert technical department engage in a yearly basis to country plants and review their NOx emissions and assess what other measures or changes can be established to improve the flue gas purification of our kilns*

Row 2

(7.54.2.1) Target reference number

Select from:

Oth 2

(7.54.2.2) Date target was set

05/23/2022

(7.54.2.3) Target coverage

Select from:

Business division

(7.54.2.4) Target type: absolute or intensity

Select from:

Absolute

(7.54.2.5) Target type: category & Metric (target numerator if reporting an intensity target)

Fossil fuel reduction target

Percentage of fossil fuels in the fuel mix

(7.54.2.7) End date of base year

12/30/2020

(7.54.2.8) Figure or percentage in base year

74.3

(7.54.2.9) End date of target

12/30/2030

(7.54.2.10) Figure or percentage at end of date of target

55

(7.54.2.11) Figure or percentage in reporting year

70.1

(7.54.2.12) % of target achieved relative to base year

21.7616580311

(7.54.2.13) Target status in reporting year

Select from:

Underway

(7.54.2.15) Is this target part of an emissions target?

This target is an enabler to achieve CO2 reduction in the production of clinker and cement. It is linked to our target to increase alternative fuels usage in our production activities.

(7.54.2.16) Is this target part of an overarching initiative?

Select all that apply

No, it's not part of an overarching initiative

(7.54.2.18) Please explain target coverage and identify any exclusions

The target refers to all the cement business division within Heidelberg Materials, it includes all clinker plants where fuels are used for its operations.

(7.54.2.19) Target objective

Reduce the usage of fossil fuel

(7.54.2.20) Plan for achieving target, and progress made to the end of the reporting year

As part of the CO2 reduction strategy and the CO2 roadmap that has been drafted at country at plant level, the usage of alternative fuels (incl. biomass) as well as the reduction of fossil fuels in the fuels portfolio. is an active measure that is tracked on a monthly basis. Countries are constantly scouting the market to identify other sources of fuels that are not fossil, either alternative or biogenic.

[Add row]

(7.54.3) Provide details of your net-zero target(s).

Row 1

(7.54.3.1) Target reference number

Select from:

NZ1

(7.54.3.2) Date target was set

11/30/2023

(7.54.3.3) Target Coverage

Select from:

Organization-wide

(7.54.3.4) Targets linked to this net zero target

Select all that apply

Int1

Int2

Int3

(7.54.3.5) End date of target for achieving net zero

12/30/2050

(7.54.3.6) Is this a science-based target?

Select from:

Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

(7.54.3.8) Scopes

Select all that apply

- Scope 1
- Scope 2
- Scope 3

(7.54.3.9) Greenhouse gases covered by target

Select all that apply

- Carbon dioxide (CO2)

(7.54.3.10) Explain target coverage and identify any exclusions

Heidelberg Materials aims to achieve net zero emissions on Group level by 2050 at the latest. In its CO2 decarbonization roadmap all financially consolidated entities, integrated plants and grinding centers that are producing clinker and cement. Joint ventures that are not financially consolidated in Heidelberg Materials group are excluded from the Scope 1 target. Joint ventures are considered in Scope 3 category 15 and will be relevant for our net zero target.

(7.54.3.11) Target objective

We are ensuring that all emissions are reduce according to the standard. Since Scope 1 remains around 70% of total CO2 emissions, most of the efforts in short and long term is to ensure the direct emissions are reduced according to the Net Zero standards. To achieve this, tried-and-tested techniques and measures, such as maximising the use of alternative fuels, optimising the product mix, and improving the efficiency of our plants which are key conventional levers to achieve emissions reduction improvement will be extended by the large-scale use and application of new technologies such as the carbon capture, utilisation, and storage (CCUS).

(7.54.3.12) Do you intend to neutralize any residual emissions with permanent carbon removals at the end of the target?

Select from:

Yes

(7.54.3.13) Do you plan to mitigate emissions beyond your value chain?

Select from:

No, but we plan to within the next two years

(7.54.3.14) Do you intend to purchase and cancel carbon credits for neutralization and/or beyond value chain mitigation?

Select all that apply

No, we do not plan to purchase and cancel carbon credits for neutralization and/or beyond value chain mitigation

(7.54.3.15) Planned milestones and/or near-term investments for neutralization at the end of the target

Due to the utilization of alternative fuels with biogenic content and the establishment of CCS, Heidelberg Materials will effectively remove CO2 that we expect will serve to mitigate other emissions not yet abated

(7.54.3.17) Target status in reporting year

Select from:

Underway

(7.54.3.19) Process for reviewing target

We have established internal processes for reviewing our target on a continuous basis. Our Climate Transition Plan is underpinned by robust country and site level roadmaps that consider the long-term plan and a yearly improvement in each of the reduction levers: alternative fuels, biomass, process efficiency, clinker incorporation factor, etc.

[Add row]

(7.55.1) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	60	`Numeric input
To be implemented	158	3500000
Implementation commenced	54	1400000
Implemented	53	1570000
Not to be implemented	0	`Numeric input

[Fixed row]

(7.55.2) Provide details on the initiatives implemented in the reporting year in the table below.

Row 1

(7.55.2.1) Initiative category & Initiative type

Low-carbon energy consumption

Other, please specify :This measure refers to the adaptation of plants to be able to process higher amounts of alternative fuels, it also includes measures related to decarbonised raw materials.

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

550000

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

Scope 1

(7.55.2.4) Voluntary/Mandatory

Select from:

Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

0

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

200000000

(7.55.2.7) Payback period

Select from:

1-3 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

6-10 years

(7.55.2.9) Comment

Alignment with Climate Transition Plan (CTP) ensured. For Heidelberg Materials the measures and initiatives are projects that last several years, therefore by reporting the money spent on the reporting year we aim to support a better understanding of the needs and requirements of the industry. These group of measures refer mainly to the changes required to increase the usage of alternative fuels, and the preparation and handling of raw materials. Due to the volatile energy market prices, there have not been monetary savings that can be reported yet.

Row 2

(7.55.2.1) Initiative category & Initiative type

Transportation

Other, please specify :Reduction of CO2 at product level, this measure refers to the improvement of clinker incorporation factor

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

900000

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

Scope 1

(7.55.2.4) Voluntary/Mandatory

Select from:

Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

0

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

90000000

(7.55.2.7) Payback period

Select from:

1-3 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

6-10 years

(7.55.2.9) Comment

On this initiative we include all related measures to improve clinker incorporation factor. It refers to structural changes required in the plants, additional equipment for processing other cementitious materials, additives, etc. It represents more than 50 % of the required spend on the reporting year. Due to the volatile energy market prices, there have not been monetary savings that can be reported yet.

Row 3

(7.55.2.1) Initiative category & Initiative type

Transportation

Other, please specify :Additional projects with impact on CO2 outside the description above

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

120000

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

Scope 1

(7.55.2.4) Voluntary/Mandatory

Select from:

Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

0

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

17500000

(7.55.2.7) Payback period

Select from:

1-3 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

6-10 years

(7.55.2.9) Comment

Additional changes with an impact on CO2 but not strictly related to the two categories above

[Add row]

(7.55.3) What methods do you use to drive investment in emissions reduction activities?

Row 1

(7.55.3.1) Method

Select from:

Dedicated budget for low-carbon product R&D

(7.55.3.2) Comment

We invest substantially in R&D towards innovative low-carbon production technologies and products and will advance a portfolio of sustainable products in every Group country. Already at this point, the development of low-carbon products plays a crucial role in our R&D efforts. In this product range being able to replace up to 70% of Portland Cement (CEMI) in a concrete mix with Hanson Regen (Ground Granulated Blast furnace Slag or 'GGBS'), we have developed a product that has a much lower level of embodied CO2 than if ordinary cement was used at our UK subsidiary.

Row 2

(7.55.3.1) Method

Select from:

Internal price on carbon

(7.55.3.2) Comment

We have introduced a dynamic internal carbon price, used for the main Capex projects for the next strategic planning exercise (2020-2024) as well as in the financial assessment informing our due diligence e.g., new installations or capacity increases in the cement business line, as this is our most energy- and CO2-intensive business line. For instance, when choosing the type of fuel, the cost of alternative fuels is discounted because of the biomass content that is considered to be carbon neutral. This increases the business case for the choice of alternative fuel installations and therefore drives investments in those, which leads to emission reductions. [Add row]

(7.64) Disclose your organization's best available techniques as a percentage of Portland cement clinker production capacity.

	Total production capacity coverage (%)
4+ cyclone preheating	86.7
Pre-calciner	63.3

[Fixed row]

(7.74.1) Provide details of your products and/or services that you classify as low-carbon products.

Row 1

(7.74.1.1) Level of aggregation

Select from:

Group of products or services

(7.74.1.2) Taxonomy used to classify product(s) or service(s) as low-carbon

Select from:

- Other, please specify :Green Business Council for Concrete, GCCA transition pathway for Cement

(7.74.1.3) Type of product(s) or service(s)

Buildings construction and renovation

- Other, please specify :(Cement, RMC)

(7.74.1.4) Description of product(s) or service(s)

Sustainable building materials with the lowest possible carbon footprint are playing an increasingly important role for us and our customers. In line with our Sustainability Commitments 2030, we are making substantial investments in researching and developing innovative low-carbon production technologies and products. In dialogue with our customers, the responsible staff in the Group countries explore the need for new sustainable products for their respective markets. The development of these products is often supported by the Global Research & Development department. The topic of sustainable products is assigned to the Group department ESG Programs in the Sustainability Office. A significant part of our research and development work is aimed at developing new cement and concrete formulations to minimise energy consumption and CO2 emissions, and thereby also reduce our environmental impact & costs. The use of by-products from other industrial sectors for the production of clinker and cement and the recycling of demolition concrete allow us to manufacture concrete in a more resource-efficient way and lower CO2 emissions. We recently launched evoBuild our global brand for low-carbon and circular products. evoBuild products are characterized by their clear sustainability credentials, and each product must meet strict requirements to become part of the range (see methodology used).

(7.74.1.5) Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Select from:

- Yes

(7.74.1.6) Methodology used to calculate avoided emissions

Select from:

- Other, please specify :Based on Global GCCA CO2 emission data, cement is considered sustainable with 30% emission reduction compared to a CEMI based on 2020 industry average. Concrete is considered sustainable with less than 5.5kgCO2/m³/MPa

(7.74.1.7) Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Select from:

Cradle-to-gate

(7.74.1.8) Functional unit used

Share of sustainable revenue of all business lines multiplied with total revenue: 741.195,000

(7.74.1.9) Reference product/service or baseline scenario used

Cement: CEM I with specific emissions of 788 kg CO₂eq / ton Concrete with 7.88 kgCO₂eq / (m³ * MPa)

(7.74.1.10) Life cycle stage(s) covered for the reference product/service or baseline scenario

Select from:

Cradle-to-gate

(7.74.1.11) Estimated avoided emissions (metric tons CO₂e per functional unit) compared to reference product/service or baseline scenario

115000000

(7.74.1.12) Explain your calculation of avoided emissions, including any assumptions

Low carbon cements: CO₂ emission reductions 30% vs CEM I in 2020 (2020 Global Cement and Concrete Association (GCCA) data representing global average). This translates to a threshold of 552 kg CO₂/t cementitious. The use of low carbon cement and cementitious leads to avoided emissions of at least 236 kgCO₂/t when compared to CEM I. Low carbon concrete: CO₂ emission reductions 30% vs. CEM I based concrete in 2020. This translates to a threshold of 5.5 kg CO₂/m³/MPa. The use of low carbon concrete leads to avoiding emissions of at least 71 kgCO₂/m³, when compared to using CEM I based concrete mixes with a typical cement content of 300kg/m³.

(ä4.1.13) Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

35

[Add row]

C9. Environmental performance - Water security

(9.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

Water withdrawals – total volumes

(9.2.1) % of sites/facilities/operations

Select from:

100%

(9.2.2) Frequency of measurement

Select from:

Monthly

(9.2.3) Method of measurement

We monitor water withdrawals across all business lines, following the GCCA guidelines for water monitoring. At the site level, we use a variety of methodologies, including measurement and estimation, to track water usage. Our continuous water monitoring systems are categorized into three methods: (1) direct measurement, (2) calculation based on measurements, and (3) calculation by estimation. We prioritize direct measurements as they provide the most accurate data for water accounting.

(9.2.4) Please explain

To ensure a comprehensive understanding of our water withdrawals, we utilize indicators provided by the Global Cement and Concrete Association (GCCA). Recognizing the increasing scarcity of renewable water sources, especially in specific regions, we emphasize proactive water management. Monitoring water usage is the first step in effectively managing this vital resource. It enables us to identify areas for improvement and enhance efficiency, thereby reducing our water footprint. This includes activities such as detecting and fixing leaks, as well as benchmarking our operations against industry-leading practices for continuous improvement. All our sites are required to identify key areas of water withdrawal, consumption, discharge, and recycling, ensuring comprehensive management and oversight of water resources as part of the Water Management Plan (WMP). This systematic approach allows us to manage water resources effectively, supporting sustainability and operational efficiency

Water withdrawals – volumes by source

(9.2.1) % of sites/facilities/operations

Select from:

100%

(9.2.2) Frequency of measurement

Select from:

Monthly

(9.2.3) Method of measurement

Our ESG department reviews water withdrawals and volumes from all business lines. Comprehensive information about water sources and recordings is available for all sites. Each plant tracks the sources of water withdrawals and the destinations of water discharge. Most sites use continuous water monitoring systems rather than periodic monitoring. Every site has a water monitoring plan detailing the plant's water network and sampling points, with data either estimated or calculated

(9.2.4) Please explain

Given the increasing scarcity of renewable water sources, particularly in certain regions, we recognize that water monitoring is the essential first step in effective resource management. This practice enables us to identify opportunities for improving efficiency and reducing our water footprint, such as detecting leakages and benchmarking against best-in-class operations. Considering the increasing scarcity of renewable water sources, especially in certain regions, we recognize the importance of water monitoring as the initial step towards resource management. It allows us to identify potential areas for enhancing efficiency and reducing our water footprint, such as identifying leakages and benchmarking against best-in-class operations

Water withdrawals quality

(9.2.1) % of sites/facilities/operations

Select from:

Not relevant

(9.2.4) Please explain

Withdrawn water is primarily used for production and must meet relatively low-quality standards for this purpose. Consequently, quantity is the key variable in our process, and we do not report data on the quality of water withdrawn at the Group level. However, at selected plants, we measure water quality parameters when

required by the source of withdrawal. Since we typically purchase pre-treated water, further quality measurements are not needed. The increased use of cross-industry water recycling systems may necessitate more quality controls in the future. We are closely monitoring this development to make adjustments as needed.

Water discharges – total volumes

(9.2.1) % of sites/facilities/operations

Select from:

100%

(9.2.2) Frequency of measurement

Select from:

Monthly

(9.2.3) Method of measurement

Our ESG department reviews water discharges and volumes from all business lines. At each plant, we track the volumes of discharged water and their destinations in accordance with the GCCA Guidelines. We observe a clear trend towards installing water measurement devices for discharges, prioritizing sites in water risk areas. These measurements typically utilize flow meters or counters.

(9.2.4) Please explain

For the cement, aggregates, and ready-mixed concrete production process, water quantity is more important than quality to meet the operational requirements. Recognizing the growing scarcity of renewable water sources, particularly in certain regions, we understand the importance of effective water management. Monitoring water usage is the initial step in resource management and allows us to identify areas for efficiency improvement. This may involve detecting and addressing leakages, as well as identifying exemplary practices and benchmarking against industry leaders to enhance our water footprint.

Water discharges – volumes by destination

(9.2.1) % of sites/facilities/operations

Select from:

100%

(9.2.2) Frequency of measurement

Select from:

Monthly

(9.2.3) Method of measurement

Water discharges and volumes from cement, aggregates, and concrete sites are reviewed by our ESG department. Data is consolidated at Group level annually. Information about water sources and respective recordings are available for all sites. At each plant, we track volumes of water discharges and destinations, following the guidelines outlined in the “GCCA Sustainability Guidelines for water monitoring and reporting in cement manufacturing.

(9.2.4) Please explain

As we anticipate the increasing scarcity of renewable water sources, particularly in specific regions, we recognize the need for proactive measures. Water monitoring serves as the initial step in resource management, enabling us to identify areas for improvement and efficiency enhancement. Through this process, we can detect and address issues such as leakages and inefficiencies, while also learning from industry leaders and benchmarking against best-in-class operations. Our aim is to continuously improve our water footprint and contribute to sustainable water management practices

Water discharges – volumes by treatment method

(9.2.1) % of sites/facilities/operations

Select from:

76-99

(9.2.2) Frequency of measurement

Select from:

Monthly

(9.2.3) Method of measurement

We ensure comprehensive monitoring of water discharges at our cement, aggregates, and ready-mixed concrete sites. Our ESG department consolidates data on volumes of water discharged by treatment method at Group level annually. We monitor the amount of water discharged to off-site water treatment facilities. On-site treatment methods are in general employed to address total suspended solids (TSS) reduction, pH- level adjustment, and oil separation.

(9.2.4) Please explain

A portion of our discharge, consisting of natural minerals that are chemically inert, does not undergo treatment. These practices align with the GCCA Sustainability Guidelines for monitoring and reporting water in cement manufacturing. Recognizing the future scarcity of renewable water sources, particularly in certain areas, we prioritize water monitoring as a crucial step in resource management. This allows us to identify areas for efficiency enhancement, such as detecting and addressing leakages, and learning from industry leaders through benchmarking best-in-class operations. By taking these measures, we aim to continuously improve our water footprint and contribute to sustainable water management practices.

Water discharge quality – by standard effluent parameters

(9.2.1) % of sites/facilities/operations

Select from:

76-99

(9.2.2) Frequency of measurement

Select from:

Continuously

(9.2.3) Method of measurement

Our ESG department collects and consolidated water discharge data at our sites. We adhere to permit requirements & measure discharge quality data accordingly. This includes indicators as e.g. total suspended solids (TSS) reduction, pH-level adjustment, oil separation & temperature control. On selected sites, a specific demand for further wastewater treatment might be needed to separate heavy metals (done by flocculation).

(9.2.4) Please explain

For operations that require permits, we diligently submit data as mandated. We ensure 100% compliance across all respective sites, prioritizing full adherence to permit regulations. By closely monitoring and complying with permit requirements, we strive to uphold the highest standards of environmental responsibility in our water discharge practices. ISO 14001 is a globally recognized standard for environmental management systems. It promotes environmental protection, reduction of impacts, and the implementation of environmental objectives. Water-related aspects, such as usage, pollution prevention, and conservation, are typically covered under ISO 14001. It provides guidelines for addressing water-related aspects and impacts, including water quantity and quality. It takes a holistic approach to water management, considering its effects on ecosystems, biodiversity, and human well-being. The standard is applicable to the vast majority of our sites.

Water discharge quality – emissions to water (nitrates, phosphates, pesticides, and/or other priority substances)

(9.2.1) % of sites/facilities/operations

Select from:

Not relevant

(9.2.4) Please explain

In principle, our production processes do not release any water emissions, so it may be that random checks are required to verify that our water discharged is not contaminated with the listed emissions such as nitrates, phosphates, pesticides, and/or other priority substances - but this is the exception. In consideration of evolving water requirements, we are preparing to measure the quality of our discharge water and follow up on new developments that may arise through our expansion in the recycling business. Nevertheless, some regularly measured characteristics, such as temperature, ensure that the quality of our wastewater is safe. Although, we do not anticipate any changes within our business activities that could lead to a degradation of water quality, we expect increasingly stringent regulations and guidelines to ensure adequate water quality.

Water discharge quality – temperature

(9.2.1) % of sites/facilities/operations

Select from:

26-50

(9.2.2) Frequency of measurement

Select from:

Monthly

(9.2.3) Method of measurement

Our ESG department oversees the monitoring of water discharge destinations and quality at our cement, aggregates, and ready-mixed concrete sites. The collected data is consolidated at the Group level on an annual basis. As part of our commitment to compliance, we measure discharge quality data in accordance with permit requirements.

(9.2.4) Please explain

In cases where our permits stipulate the monitoring of water discharge temperature, we ensure strict adherence to these requirements. We monitor the discharge temperature in 100% of our operations where such demand exists from local authorities and permit obligations are in place. This approach guarantees full compliance across all our sites. By actively monitoring and meeting permit requirements, including the measurement of discharge temperature, we demonstrate our dedication to environmental responsibility and regulatory compliance in our water management practices

Water consumption – total volume

(9.2.1) % of sites/facilities/operations

Select from:

100%

(9.2.2) Frequency of measurement

Select from:

Monthly

(9.2.3) Method of measurement

Our ESG department closely reviews the total water consumption across our cement, aggregates, and ready-mixed concrete sites. This data is consolidated at the Group level on an annual basis. Our consumption calculation follows the guidelines set forth by the Global Cement and Concrete Association (GCCA) for monitoring and reporting water in cement manufacturing.

(9.2.4) Please explain

To determine our water consumption, we subtract the total water discharge from the total water withdrawals, creating a closed-loop system. The difference between these two figures is the water consumed during our operations. This approach ensures that we have a comprehensive understanding of our water usage and allows us to manage this vital resource efficiently. Recognizing the increasing scarcity of renewable water sources, particularly in certain areas, we prioritize water monitoring as the initial step in resource management. This practice enables us to identify potential efficiency enhancements, such as detecting leaks and benchmarking against best-in-class operations. By continuously improving our water footprint, we contribute to sustainable water management and address the challenges posed by water scarcity and further water-related risks.

Water recycled/reused

(9.2.1) % of sites/facilities/operations

Select from:

76-99

(9.2.2) Frequency of measurement

Select from:

Monthly

(9.2.3) Method of measurement

To support our water conservation strategy, we maintain a log of whether each site has its own water recycling system in place. While most of our sites are equipped with water recycling systems, we do not measure the amount of water we recycle at each site. The impact of increased water recycling becomes visible in our calculated figure of water consumption since the freshwater withdrawal decreases.

(9.2.4) Please explain

At each plant, we have water flow diagrams that provide a detailed overview of the sources of water withdrawal and discharge, as well as the locations of water recycling installations. To accurately determine the amount of water recycled or reused, the water withdrawal and discharge sources are equipped with meters. In cases where meters are not yet available, estimates are made by our experienced staff. Note that a portion of the water we withdraw is external wastewater, which undergoes recycling processes within our operations. These water flow diagrams are regularly updated, at least every three years, or whenever significant changes in the production process or site were set up. By diligently maintaining these water flow diagrams and tracking water recycling efforts, we ensure transparency and accountability in our water management practices. This allows us to effectively conserve this valuable resource and make informed decisions regarding water usage at our sites.

The provision of fully-functioning, safely managed WASH services to all workers

(9.2.1) % of sites/facilities/operations

Select from:

100%

(9.2.2) Frequency of measurement

Select from:

Yearly

(9.2.3) Method of measurement

From 2018 to 2020, our assessments indicated that the majority of our plants already met the requirements of the WASH-Pledge. In 2021, we developed action plans for the remaining non-compliant sites and implemented improvement measures to achieve full compliance by the end of that year, fulfilling our commitment within three years of signing the pledge. We continue monitoring compliance for 2024.

(9.2.4) Please explain

In 2018, we committed to the WBCSD WASH-Pledge, demonstrating our dedication to ensure access to safe water, sanitation, and hygiene. We regularly monitor our compliance using a self-assessment tool provided by WBCSD. We prioritize compliance not only with international standards but also with local and national regulations. Our commitment to providing hygienic working conditions extends to all staff members and aligns with core conventions established by the ILO. It is worth noting that even before joining Heidelberg Materials, our subsidiary Italcementi had already signed the WASH-Pledge in 2015, underscoring our long-standing dedication to water, sanitation, and hygiene initiatives. In addition to self-assessment, we have undertaken specific WASH-related actions at our operations in various countries, including India, Italy, and Thailand. These efforts demonstrate our commitment to improving WASH practices across our global operations.

[Fixed row]

(9.2.2) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and how are they forecasted to change?

Total withdrawals

(9.2.2.1) Volume (megaliters/year)

273950

(9.2.2.2) Comparison with previous reporting year

Select from:

Lower

(9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

Increase/decrease in efficiency

(9.2.2.4) Five-year forecast

Select from:

Lower

(9.2.2.5) Primary reason for forecast

Select from:

- Increase/decrease in efficiency

(9.2.2.6) Please explain

The reporting scope for 2023 year's disclosure covers Cement, Aggregates, and Ready-mixed concrete business lines. Within the same scope, Cement business line reduced Water Withdrawal - 58,200 megalitres in 2023 compared to 60,730 megalitres in 2022 (decrease of 4%). Aggregates business line reduced 4% amount of Water Withdrawal in 2023 compared to 2022, due to the significant decreased surface water extraction in USA Midwest and Canada region. Ready-mixed concrete business line shared similar amount of Water Withdrawal in 2023 compared to 2022.

Total discharges

(9.2.2.1) Volume (megaliters/year)

193290

(9.2.2.2) Comparison with previous reporting year

Select from:

- Lower

(9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

- Increase/decrease in efficiency

(9.2.2.4) Five-year forecast

Select from:

- Lower

(9.2.2.5) Primary reason for forecast

Select from:

Increase/decrease in efficiency

(9.2.2.6) Please explain

The reporting scope for 2024 year's disclosure covers Cement, Aggregates, and Ready-mixed concrete business lines. Within the same scope, Cement business line reduces 1.2% amount of Water Discharge from 28,950 Megalitres in 2022 to 28,600 Megalitres in 2023. Aggregates business line reduces 11% amount of Water in 2023 compared to 2022. Spain and Germany both reduced Water Discharge for more than 50% compared to 2022 due to some facilities were sold/closed down in 2023. Malaysia also reduced Water Discharge for 43% compared to 2022 especially in surface water discharge. Ready-mixed concrete business line shared similar amount of Water Withdrawal in 2023 compared to 2022.

Total consumption

(9.2.2.1) Volume (megaliters/year)

80760

(9.2.2.2) Comparison with previous reporting year

Select from:

Lower

(9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

Increase/decrease in efficiency

(9.2.2.4) Five-year forecast

Select from:

Lower

(9.2.2.5) Primary reason for forecast

Select from:

Increase/decrease in efficiency

(9.2.2.6) Please explain

We calculate consumption as total withdrawal - total discharge according to the GCCA Sustainability Guidelines for water monitoring and reporting. We have been constantly working on improving water efficiency to decrease our specific water consumption per tonne of product. The result of Specific Water Consumption for Cement and Ready-mixed concrete have both demonstrated our water efficiency progress in 2023 compared to 2022. We managed to reduce the Specific Water Consumption for Cement figure from 287.7 l/t in 2022 to 280.1 l/t in 2023. Similarly, Specific Water Consumption for Ready-mixed concrete reduced 3 l/t in 2023 compared to previous year. In Aggregates business line, we had an increase in Specific Water Consumption for Aggregates from 125.4 l/t in 2022 to 167.3/t in 2023 due to Aggregates annual production volume reduced 7% in 2023 compared to 2022.

[Fixed row]

(9.2.4) Indicate whether water is withdrawn from areas with water stress, provide the volume, how it compares with the previous reporting year, and how it is forecasted to change.

(9.2.4.1) Withdrawals are from areas with water stress

Select from:

Yes

(9.2.4.2) Volume withdrawn from areas with water stress (megaliters)

14800

(9.2.4.3) Comparison with previous reporting year

Select from:

Lower

(9.2.4.4) Primary reason for comparison with previous reporting year

Select from:

Increase/decrease in efficiency

(9.2.4.5) Five-year forecast

Select from:

- About the same

(9.2.4.6) Primary reason for forecast

Select from:

- Increase/decrease in business activity

(9.2.4.7) % of total withdrawals that are withdrawn from areas with water stress

5.40

(9.2.4.8) Identification tool

Select all that apply

- WRI Aqueduct

(9.2.4.9) Please explain

In 2023, Heidelberg Materials' cement business line withdrew 14.8 million m³ of water from water-stressed areas, a decrease from the 15.6 million m³ withdrawn in 2022. This reduction reflects our ongoing commitment to improving water efficiency and minimizing reliance on water from stressed regions. The decrease also indicates the success of water-saving measures and increased use of alternative sources, such as recycled and harvested rainwater. Given the localized nature of water stress, Heidelberg Materials prioritizes sustainable water management practices in these areas, aligning with global trends and investor expectations for transparency and responsible water usage. The reduction in withdrawal volumes demonstrates our proactive approach to mitigating business risks associated with water stress. Looking forward, we forecast continued reductions in water withdrawal from stressed areas as we enhance our water efficiency technologies and implement more stringent conservation practices across our operations.

[Fixed row]

(9.2.7) Provide total water withdrawal data by source.

Fresh surface water, including rainwater, water from wetlands, rivers, and lakes

(9.2.7.1) Relevance

Select from:

Relevant

(9.2.7.2) Volume (megaliters/year)

186450

(9.2.7.3) Comparison with previous reporting year

Select from:

Lower

(9.2.7.4) Primary reason for comparison with previous reporting year

Select from:

Increase/decrease in efficiency

(9.2.7.5) Please explain

Fresh surface water: 186,450 Megalitres, Lower This includes 47,780 Megalitres Surface Water 102,500 Megalitres Quarry Water Used, and 36,170 Megalitres Harvested Rainwater. We measure this indicator in accordance with the GCCA Sustainability Guidelines for the monitoring and reporting of water in cement manufacturing. It is relevant as we use part of our quarry water that accumulates, water from rivers or lakes and harvested rainwater for processes in our plants, like cooling, aggregates washing or cleaning. The total fresh surface water from Cement, Aggregates, and Ready-Mixed Concrete have decreased by 35.2 % in 2023 compared to 2022 using the same reporting scope. More specifically, compared to 2021, 2022 figures showed Surface Water reduced by 52.4% due to significant decrease in in USA Northeast, Midwest, and Canada region, Belgium and Malaysia within Aggregates business line; Quarry Water Used decreased by 25.8% where all three business lines played major roles.

Brackish surface water/Seawater

(9.2.7.1) Relevance

Select from:

Relevant

(9.2.7.2) Volume (megaliters/year)

(9.2.7.3) Comparison with previous reporting year

Select from:

Lower

(9.2.7.4) Primary reason for comparison with previous reporting year

Select from:

Increase/decrease in efficiency

(9.2.7.5) Please explain

According to GCCA Sustainability Guidelines for the monitoring and reporting of water in cement manufacturing which relevant for plants located by the sea, we have made progress by constantly making water efficiency efforts. Compared to 2022, we have reduced by 20.6% Brackish Surface Water Withdrawal in 2023.

Groundwater – renewable**(9.2.7.1) Relevance**

Select from:

Relevant

(9.2.7.2) Volume (megaliters/year)

69480

(9.2.7.3) Comparison with previous reporting year

Select from:

About the same

(9.2.7.4) Primary reason for comparison with previous reporting year

Select from:

Increase/decrease in efficiency

(9.2.7.5) Please explain

We measure this indicator in accordance with the GCCA Sustainability Guidelines for the monitoring and reporting of water in cement manufacturing. In accordance with the guidelines, we do not distinguish between renewable and non-renewable groundwater. This metric is relevant as we use groundwater at our sites e.g. for cooling purposes, aggregates washing and concrete production. Compared to previous year, in 2023, Ground Water RENEWABLE Cement business line reduced by 21% while Ready-mix-Concrete remained same. Aggregates business line increased by 81% amount of Ground Water Withdrawal in 2023 compared to 2022, due to the significant increased groundwater extraction in USA South, Northeast, and Canada region and Germany.

Groundwater – non-renewable

(9.2.7.1) Relevance

Select from:

Not relevant

(9.2.7.5) Please explain

As per the GCCA Sustainability Guidelines for water monitoring and reporting in cement manufacturing, we do not differentiate between renewable and non-renewable groundwater sources. As defined by GCCA, groundwater includes onsite and offsite groundwater sources such as water from wells, boreholes, etc. without distinction between renewable and non-renewable.

Produced/Entrained water

(9.2.7.1) Relevance

Select from:

Not relevant

(9.2.7.5) Please explain

Following the GCCA Sustainability Guidelines for monitoring and reporting water in cement manufacturing, we do not track this withdrawal indicator as we do not withdraw any produced water for our operations.

Third party sources

(9.2.7.1) Relevance

Select from:

Relevant

(9.2.7.2) Volume (megaliters/year)

14300

(9.2.7.3) Comparison with previous reporting year

Select from:

Lower

(9.2.7.4) Primary reason for comparison with previous reporting year

Select from:

Increase/decrease in efficiency

(9.2.7.5) Please explain

We measure this indicator in accordance with the GCCA Sustainability Guidelines for the monitoring and reporting of water in cement manufacturing. This includes 7,600 megalitres of municipal water and 6,700 megalitres of external wastewater. This indicator is relevant for us as we use municipal water for example for our sanitary facilities on site or for the production of concrete, and wastewater from other organizations in processes in the production plants, such as cooling. 2023 purchased municipal water volume has decreased by 22.9% compared to 2022, mainly reflected in Aggregates business line. 2023 External wastewater withdrawal volume has decreased by 13.8% compared to 2022.

[Fixed row]

(9.2.8) Provide total water discharge data by destination.

Fresh surface water

(9.2.8.1) Relevance

Select from:

Relevant

(9.2.8.2) Volume (megaliters/year)

167460

(9.2.8.3) Comparison with previous reporting year

Select from:

Lower

(9.2.8.4) Primary reason for comparison with previous reporting year

Select from:

Increase/decrease in efficiency

(9.2.8.5) Please explain

We measure this indicator in accordance with the GCCA Sustainability Guidelines for the monitoring and reporting of water in cement manufacturing. This discharge is relevant to us as we discharge water to fresh surface water sources, such as rivers or lakes, after the water has been used for instance for cooling in our cement plants or for aggregates washing. After successfully reduced Fresh surface water discharge in 2022 by 4.1% compared to previous year, we've been continuously making progress. In 2023, we've managed to reduce overall by 15.6% amount of Fresh Surface Discharge in 2023 compared to 2022.

Brackish surface water/seawater

(9.2.8.1) Relevance

Select from:

Relevant

(9.2.8.2) Volume (megaliters/year)

(9.2.8.3) Comparison with previous reporting year

Select from:

Lower

(9.2.8.4) Primary reason for comparison with previous reporting year

Select from:

Increase/decrease in efficiency

(9.2.8.5) Please explain

We measure this indicator in accordance with the GCCA Sustainability Guidelines for the monitoring and reporting of water in cement manufacturing. This discharge is relevant to us as we discharge some of our water to the sea in our plants that are by the sea. In 2023, Germany and Canada have largely reduced their Brackish Surface Water discharge volume. Similarly, Norway has also managed to decrease their Brackish Surface Water discharge volume together by 10%

Groundwater**(9.2.8.1) Relevance**

Select from:

Relevant

(9.2.8.2) Volume (megaliters/year)

12355

(9.2.8.3) Comparison with previous reporting year

Select from:

About the same

(9.2.8.4) Primary reason for comparison with previous reporting year

Select from:

Increase/decrease in efficiency

(9.2.8.5) Please explain

We measure this indicator in accordance with the GCCA Sustainability Guidelines for the monitoring and reporting of water in cement manufacturing. This discharge is relevant to us as we discharge some of our water to the groundwater after the water has been used for instance for cooling in our cement plants or for washing purposes in the aggregates business line. 2022 we had 12,357 Megalitres Ground water discharge, which is similar to 2023 12,355 Megalitres Ground water discharge.

Third-party destinations

(9.2.8.1) Relevance

Select from:

Relevant

(9.2.8.2) Volume (megaliters/year)

6530

(9.2.8.3) Comparison with previous reporting year

Select from:

About the same

(9.2.8.4) Primary reason for comparison with previous reporting year

Select from:

Increase/decrease in efficiency

(9.2.8.5) Please explain

This includes 1,910 megalitres discharged to off-site water treatment facilities and 4,620 megalitres discharged to beneficial or other usage. As we discharge water to different third-party destinations after the water has been used e.g. for cooling in our cement plants or in the aggregates production, measuring this indicator and the destinations is relevant to us. We measure it in accordance with the GCCA Sustainability Guidelines for the monitoring and reporting of water in cement

manufacturing. Compared to 2022, 2023 had only slight 4.1% increase regarding water volume discharged to third-party destinations. We expect this metric to stay the same in line with both our water efficiency measures but also our efforts to provide water for beneficial use.

[Fixed row]

(9.2.9) Within your direct operations, indicate the highest level(s) to which you treat your discharge.

Tertiary treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:

Not relevant

(9.2.9.6) Please explain

Water is essential in various stages of our production processes. It is used for washing gravel and sand, cooling equipment, and cleaning transport vehicles. Additionally, water is a key raw material in concrete production. In cement manufacturing, water is required for emission control systems, such as wet scrubbers and older wet kilns, which are being phased out. Water extracted from quarries for dewatering and quarrying is usually untreated due to the chemically inert nature of natural minerals. The water used in production either evaporates, such as in gas conditioning towers, or becomes part of our concrete product. A smaller portion is used for indirect cooling of heavy equipment in closed cooling water circuits, where heated water is typically recooled in evaporative coolers. However, some of the water must be continuously renewed and is discharged as wastewater. Water for washing and cleaning aggregates is generally recycled, used in closed cycles, or added to the final concrete product. Wastewater generated during production undergoes primary on-site treatment, including settling tanks and oil separation, to reduce suspended solids and oil contamination. Regular water samples are analyzed according to permit requirements. Water used for sanitary and domestic purposes in our corporate buildings is transferred to municipal wastewater systems, where it is treated at the point of discharge, eliminating the need for on-site treatment. Given the nature of our water use and the chemically inert properties of natural minerals, tertiary treatment, which involves advanced purification processes, is not relevant for our wastewater discharges. Our primary treatment methods sufficiently address the contaminants present, ensuring compliance with environmental regulations without the need for further tertiary treatment processes.

Secondary treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:

Not relevant

(9.2.9.6) Please explain

Water plays a crucial role in various stages of our production processes, including washing gravel and sand, cooling plants, and cleaning transport vehicles. It is also a key raw material in concrete production. In cement manufacturing, water is used in emission control systems, such as wet scrubbers and older wet kilns, which are being phased out. Water extracted from quarries for dewatering and quarrying is usually untreated due to the chemically inert nature of natural minerals. Water used in production either evaporates, as in gas conditioning towers, or becomes part of our concrete products. A smaller portion is used for indirect cooling of heavy equipment in closed cooling circuits, where heated water is re-cooled in evaporative coolers. Some of this water must be continuously renewed and is discharged as wastewater. Water for washing and cleaning aggregates is generally recycled and used in closed cycles or added to the final concrete product. Wastewater generated during production undergoes primary on-site treatment, including settling tanks and oil separation, to reduce suspended solids and oil contamination. Regular water samples are analyzed according to permit requirements. Water used for sanitary and domestic purposes in corporate buildings is transferred to municipal wastewater systems, where it is treated at the point of discharge. Given our water use and the chemically inert properties of natural minerals, secondary treatment of wastewater is not required.

Primary treatment only

(9.2.9.1) Relevance of treatment level to discharge

Select from:

Relevant

(9.2.9.2) Volume (megaliters/year)

191380

(9.2.9.3) Comparison of treated volume with previous reporting year

Select from:

Lower

(9.2.9.4) Primary reason for comparison with previous reporting year

Select from:

Increase/decrease in efficiency

(9.2.9.5) % of your sites/facilities/operations this volume applies to

Select from:

91-99

(9.2.9.6) Please explain

Water extracted from quarries for dewatering purposes and mining activities is generally not treated because natural minerals are considered chemically inert. Water taken for the production process either evaporates during the process, e.g. in gas treatment towers, or becomes part of our concrete product. A smaller portion is used for indirect cooling of heavy machinery in closed cooling water circuits. The heated cooling water is then recooled in evaporative coolers. Water used for washing and cleaning aggregates is often reused in closed cycles, recycled or added to the final concrete product. Wastewater generated during production processes undergoes primary treatment on site, which includes the use of settling tanks and oil separation techniques to reduce suspended solids and oil contamination. Water samples are taken regularly and analyzed in accordance with permit requirements. In 2023, the volume of discharges with primary treatment reduced from 228,188 Megalitres to 191,380 Megalitres compared to 2022, considering the same volume of sites. This is due to Total Water Discharges decreased in both Cement and Aggregates business lines. Within the same scope, Cement business line reduces 1.2% amount of Water Discharge from 28,950 Megalitres in 2022 to 28,600 Megalitres in 2023. Aggregates business line reduces 11% amount of Water in 2023 compared to 2022. Thus, the volume of discharges with primary treatment reduced in 2023 compared to 2022. We also voluntarily follow the guidelines of Germany's global water strategy, which was adopted in March 2023, as well as reporting and ISO standards. In our new Water Policy published in 2023, we also highlight the guidelines we adhere to, such as the CEO Water Mandate of the UN Global Compact.

Discharge to the natural environment without treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:

Not relevant

(9.2.9.6) Please explain

We discharge the collected water that is not used for production processes directly into the natural environment without treatment. This practice is in line with the Global Cement and Concrete Association guidelines for cement production. Specifically, this is water from plant or quarry drainage that is not used for production processes, and rainwater, i.e. collected rainwater that is not used for production. In accordance with industry guidelines, we only record the volumes of water from quarry or mill drainage that are not used in the production process. Therefore, the total amount is unknown. One of these measures is the use of water from rainwater harvesting and quarry drainage in our production processes, which would reduce the amount of rainwater and unused water from quarry/plant drainage that is discharged without being used on site.

Discharge to a third party without treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:

Relevant

(9.2.9.2) Volume (megaliters/year)

1910

(9.2.9.3) Comparison of treated volume with previous reporting year

Select from:

Higher

(9.2.9.4) Primary reason for comparison with previous reporting year

Select from:

Increase/decrease in efficiency

(9.2.9.5) % of your sites/facilities/operations this volume applies to

Select from:

91-99

(9.2.9.6) Please explain

In addition to water for production, we also consume water for sanitary and other domestic purposes in our company buildings. Domestic wastewater generated at our facilities is transferred to municipal wastewater systems for treatment. This practice meets the Global Cement and Concrete Association's definition of "discharge of water to an off-site water treatment facility". We do not treat this portion of wastewater prior to discharge, as it is treated at the point of discharge. We do not distinguish this type of discharge in our reporting and can thus not provide accurate figures. We comply with Global Cement and Concrete Association guidelines for cement production. In 2022, discharge to third party with no treatment was 1,160 Megalitres. In 2023, the number of this type of water discharge increased to 1,910 Megalitres.

Other

(9.2.9.1) Relevance of treatment level to discharge

Select from:

Not relevant

(9.2.9.6) Please explain

Water plays a crucial role in various phases of our production processes. It is utilized for washing gravel and sand, cooling equipment, and cleaning transport vehicles. Additionally, water serves as a starting material for concrete production. In cement production, water is needed for emission control systems such as wet scrubbers and older wet kilns, which are gradually being phased out. Water extracted from quarries for dewatering and mining activities is typically untreated, as natural minerals are considered chemically inert. During the production process, water may either evaporate or become part of the concrete product. Some water is also used for indirect cooling of heavy machinery in closed cooling water circuits, where the heated water is usually recooled in evaporative coolers. However, some of this water must be constantly renewed and is discharged as wastewater. Water used for washing and cleaning aggregates is often recycled, reused in closed loops, or added to the final concrete product. Wastewater from production processes undergoes primary on-site treatment, which includes settling tanks and oil separation to reduce suspended solids and oil contamination. Regular water sampling and analysis are conducted in accordance with permit requirements. Besides production-related water consumption, we also use water for sanitary and domestic purposes in our corporate buildings. Domestic wastewater generated at our facilities is disposed of through municipal wastewater systems, where it is treated. Given the nature of our water consumption and the chemical inertness of natural minerals, additional wastewater treatment is not required.

[Fixed row]

(9.3) In your direct operations and upstream value chain, what is the number of facilities where you have identified substantive water-related dependencies, impacts, risks, and opportunities?

Direct operations

(9.3.1) Identification of facilities in the value chain stage

Select from:

Yes, we have assessed this value chain stage and identified facilities with water-related dependencies, impacts, risks, and opportunities

(9.3.2) Total number of facilities identified

652

(9.3.3) % of facilities in direct operations that this represents

Select from:

26-50

(9.3.4) Please explain

We conduct comprehensive risk assessments using the WRI Aqueduct tool, considering both future 2030 business-as-usual scenarios and baseline physical qualitative and quantitative risks. Many of our sites are in risk areas with potential water-related challenges. We advocate for anticipating and mitigating these risks to avoid fines and additional costs. We are fully aware of these risks and incorporate them into our assessments, taking appropriate measures when necessary. These measures may include strategically implementing water management plans, installing water recycling systems, and proactively storing critical materials at higher ground within facilities. Our global portfolio includes 130 cement production sites, over 600 quarries and aggregate pits, and approximately 1,410 ready-mixed concrete production sites. Given this diversification, any adverse impacts are likely to affect less than 1% of our facilities, which is below the threshold for substantive risk as defined in our risk catalogue. Recognizing that water-related challenges are inherently local and vary across regions, we believe the diversified nature of our operations will prevent substantial impacts on Heidelberg Materials at the group level. This assessment aligns with our definition of substantive risk as outlined in our risk catalogue. In the following we want to elaborate on 3 sites to illustrate and elaborate on substantial water dependencies, risks and impacts. The data refer to the number of sites located in areas of high or extremely high water scarcity.

Upstream value chain

(9.3.1) Identification of facilities in the value chain stage

Select from:

No, we have not assessed this value chain stage for facilities with water-related dependencies, impacts, risks, and opportunities, but we are planning to do so in the next 2 years

(9.3.4) Please explain

We have not yet assessed our upstream value chain for the number of facilities with substantive water-related dependencies, impacts, risks, and opportunities. However, recognizing the critical importance of water as a local issue, we plan to assess our supplier's sustainability strategy including water management practices. This evaluation will help to identify and understand our reliance on water-related resources, the potential impacts of our suppliers on local water systems, and the associated risks and opportunities. This approach aligns with our sustainability commitment to responsible water stewardship and responsible procurement.
[Fixed row]

(9.3.1) For each facility referenced in 9.3, provide coordinates, water accounting data, and a comparison with the previous reporting year.

Row 1

(9.3.1.1) Facility reference number

Select from:

Facility 1

(9.3.1.2) Facility name (optional)

Suez Plant in Egypt

(9.3.1.3) Value chain stage

Select from:

Direct operations

(9.3.1.4) Dependencies, impacts, risks, and/or opportunities identified at this facility

Select all that apply

Risks

(9.3.1.5) Withdrawals or discharges in the reporting year

Select from:

Yes, withdrawals only

(9.3.1.6) Reason for no withdrawals and/or discharges

Some of our sites do not discharge water due to a combination of environmental regulations, site-specific water management strategies, and sustainability practices. These sites may use closed-loop systems to recycle water, reducing the need for discharge. Additionally, some locations may rely on evaporation, infiltration, or reuse within the production process to manage water responsibly, ensuring minimal environmental impact and conserving local water resources. This applies to the Suez Plant in Egypt, where no water is discharged.

(9.3.1.7) Country/Area & River basin

Egypt

Other, please specify :Suez Canal/ Red Sea

(9.3.1.8) Latitude

29.775861

(9.3.1.9) Longitude

32.208694

(9.3.1.10) Located in area with water stress

Select from:

Yes

(9.3.1.13) Total water withdrawals at this facility (megaliters)

310078

(9.3.1.14) Comparison of total withdrawals with previous reporting year

Select from:

About the same

(9.3.1.15) Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

(9.3.1.16) Withdrawals from brackish surface water/seawater

0

(9.3.1.17) Withdrawals from groundwater - renewable

310078

(9.3.1.18) Withdrawals from groundwater - non-renewable

0

(9.3.1.19) Withdrawals from produced/entrained water

0

(9.3.1.20) Withdrawals from third party sources

0

(9.3.1.27) Total water consumption at this facility (megaliters)

310078

(9.3.1.28) Comparison of total consumption with previous reporting year

Select from:

About the same

(9.3.1.29) Please explain

The Suez Plant in Egypt is located in a region facing significant water scarcity and depletion risks, as identified by the World Resources Institute (WRI). The region's arid climate and infrequent rainfall exacerbate the challenge of water availability, potentially affecting the plant's operations, which rely on consistent water supply for production processes. Additionally, climate change is expected to worsen water scarcity in the region, further depleting already scarce resources. Heidelberg Materials is acutely aware of these risks and takes proactive measures, such as optimizing water usage, implementing water recycling systems to reduce water consumption, and ensure the sustainability of the Suez Plant's operations in the face of water scarcity.

Row 3

(9.3.1.1) Facility reference number

Select from:

Facility 3

(9.3.1.2) Facility name (optional)

Evansville Plant in the USA

(9.3.1.3) Value chain stage

Select from:

Direct operations

(9.3.1.4) Dependencies, impacts, risks, and/or opportunities identified at this facility

Select all that apply

Risks

(9.3.1.5) Withdrawals or discharges in the reporting year

Select from:

Yes, withdrawals and discharges

(9.3.1.7) Country/Area & River basin

United States of America

Other, please specify :Lake Ontelaunee

(9.3.1.8) Latitude

41

(9.3.1.9) Longitude

-75.88977

(9.3.1.10) Located in area with water stress

Select from:

Yes

(9.3.1.13) Total water withdrawals at this facility (megaliters)

823854

(9.3.1.14) Comparison of total withdrawals with previous reporting year

Select from:

About the same

(9.3.1.15) Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

823854

(9.3.1.16) Withdrawals from brackish surface water/seawater

0

(9.3.1.17) Withdrawals from groundwater - renewable

0

(9.3.1.18) Withdrawals from groundwater - non-renewable

0

(9.3.1.19) Withdrawals from produced/entrained water

0

(9.3.1.20) Withdrawals from third party sources

0

(9.3.1.21) Total water discharges at this facility (megaliters)

4282

(9.3.1.22) Comparison of total discharges with previous reporting year

Select from:

About the same

(9.3.1.23) Discharges to fresh surface water

0

(9.3.1.24) Discharges to brackish surface water/seawater

4282

(9.3.1.25) Discharges to groundwater

0

(9.3.1.26) Discharges to third party destinations

0

(9.3.1.27) Total water consumption at this facility (megaliters)

819572

(9.3.1.28) Comparison of total consumption with previous reporting year

Select from:

About the same

(9.3.1.29) Please explain

The Evansville Plant in the USA is located in a region identified by the World Resources Institute (WRI) as facing moderate risks of water scarcity. While the area has access to local water sources, it can still experience water shortages during droughts or periods of high demand. Importantly, the plant does not extract water or use the lake as a water source for any of its operations. The risks of water scarcity in the region are mainly driven by increasing agricultural and industrial demands, along with the effects of climate change, which may result in extended dry spells and reduced water availability. Heidelberg Materials is aware of these risks and actively implements measures to mitigate them, such as optimizing water use efficiency, incorporating water recycling technologies, and developing strategies to reduce the overall water footprint of the Evansville Plant.

Row 4

(9.3.1.1) Facility reference number

Select from:

Facility 2

(9.3.1.2) Facility name (optional)

Chittagong Plant in Bangladesh

(9.3.1.3) Value chain stage

Select from:

Direct operations

(9.3.1.4) Dependencies, impacts, risks, and/or opportunities identified at this facility

Select all that apply

Risks

(9.3.1.5) Withdrawals or discharges in the reporting year

Select from:

Yes, withdrawals and discharges

(9.3.1.7) Country/Area & River basin

Zimbabwe

Other, please specify :Karnaphuli River / Indian Ocean / Gulf of Bengal

(9.3.1.8) Latitude

22.279506

(9.3.1.9) Longitude

91.79576

(9.3.1.10) Located in area with water stress

Select from:

Yes

(9.3.1.13) Total water withdrawals at this facility (megaliters)

33115

(9.3.1.14) Comparison of total withdrawals with previous reporting year

Select from:

Much lower

(9.3.1.15) Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

(9.3.1.16) Withdrawals from brackish surface water/seawater

0

(9.3.1.17) Withdrawals from groundwater - renewable

33115

(9.3.1.18) Withdrawals from groundwater - non-renewable

0

(9.3.1.19) Withdrawals from produced/entrained water

0

(9.3.1.20) Withdrawals from third party sources

0

(9.3.1.21) Total water discharges at this facility (megaliters)

23407

(9.3.1.22) Comparison of total discharges with previous reporting year

Select from:

Much lower

(9.3.1.23) Discharges to fresh surface water

23406

(9.3.1.24) Discharges to brackish surface water/seawater

0

(9.3.1.25) Discharges to groundwater

0

(9.3.1.26) Discharges to third party destinations

0

(9.3.1.27) Total water consumption at this facility (megaliters)

9708

(9.3.1.28) Comparison of total consumption with previous reporting year

Select from:

Lower

(9.3.1.29) Please explain

The Chittagong Plant in Bangladesh is located in a region highly vulnerable to flooding, as identified by the World Resources Institute (WRI). Chittagong, situated on the southeastern coast of Bangladesh, is prone to both coastal and riverine flooding due to its proximity to the Bay of Bengal and multiple river systems. The risk of flooding is exacerbated by heavy monsoon rains, rising sea levels, and storm surges. Flooding can disrupt plant operations, damage infrastructure, and lead to costly downtime. Additionally, climate change is likely to increase the frequency and severity of these flood events, further heightening the plant's vulnerability. Heidelberg Materials is aware of these risks and actively implements preventive measures, including flood defense systems and emergency plans, to mitigate the impact of potential flooding on the plant's operations.

[Add row]

(9.3.2) For the facilities in your direct operations referenced in 9.3.1, what proportion of water accounting data has been third party verified?

Water withdrawals – total volumes

(9.3.2.1) % verified

Select from:

76-100

(9.3.2.2) Verification standard used

Our water withdrawals, representing the total volumes used across our operations, are fully verified for all our main business lines to ensure accuracy, compliance, and sustainability. This verification is conducted under the ISO 14001 Environmental Management System, which provides a robust framework for managing and improving our environmental performance, including water usage. Additionally, our reporting aligns with the Global Reporting Initiative (GRI) 303: Water and Effluents standards, which set out specific guidelines for transparency and accountability in water management. We adhere to these standards to ensure our water usage data is comprehensive, consistent, and in line with global best practices. To maintain the highest level of integrity in our data, we undergo an annual audit which is done by PwC on limited assurance. Internal audits on ESG related topics including water take place regularly on site-level as well.

Water withdrawals – volume by source

(9.3.2.1) % verified

Select from:

76-100

(9.3.2.2) Verification standard used

Our water withdrawals by source are verified comprehensively, covering nearly 100% of the volumes across our various operational sites. This thorough verification is conducted under the ISO 14001 Environmental Management System, which ensures that our environmental practices, including the sourcing and management of water, are sustainable and compliant with both regulatory and internal standards. Our water withdrawal data is reported in accordance with GRI 303: Water and Effluents. This standard requires detailed disclosure of water withdrawal volumes by source, ensuring that we maintain transparency and accountability in our water management practices. By following GRI 303, we provide a clear and accurate account of the different sources from which we draw water, including surface water, groundwater, and municipal supplies. A PwC audit is performed annually to validate the accuracy and reliability of our water withdrawal data by source

Water withdrawals – quality by standard water quality parameters

(9.3.2.1) % verified

Select from:

Not verified

(9.3.2.3) Please explain

In our direct operations, we do not currently implement a standardized, group-wide third-party verification process for water accounting data. However, almost 100% of our facilities are ISO 14001 certified, which ensures that robust environmental management systems, including water management practices, are in place. While we do not verify water withdrawals based on standard water quality parameters at the group level, third-party verification of water accounting data is performed at specific sites in accordance with local regulatory requirements and permits. These verifications are conducted on a case-by-case basis, depending on the local context and legal obligations. In summary, our approach to third-party verification is tailored to local needs, with compliance ensured through ISO 14001 certification across nearly all sites, and additional third-party verifications as mandated by local authorities.

Water discharges – total volumes

(9.3.2.1) % verified

Select from:

76-100

(9.3.2.2) Verification standard used

Our water discharges, representing the total volumes of water released back into the environment after use in our operations, are verified at a high level, covering 76-100% of the volumes. This verification is conducted under the ISO 14001 Environmental Management System, which ensures that our environmental practices, including the management and discharge of water, are conducted responsibly and sustainably. We also report our water discharge data in accordance with GRI 303: Water and Effluents standards, which provide specific guidelines for transparency and accuracy in disclosing water discharge volumes. By adhering to these standards, we ensure that our reporting is consistent, reliable, and in line with global best practices. To maintain the highest level of data integrity, an external audit is conducted annually.

Water discharges – volume by destination

(9.3.2.1) % verified

Select from:

76-100

(9.3.2.2) Verification standard used

Our water discharges, categorized by their destination, are verified extensively, through the ISO 14001 Environmental Management System, which ensures that our environmental practices, including the discharge of water to various destinations, are managed in a sustainable and compliant manner. In addition, we report our water discharge volumes by destination in alignment with GRI 303: Water and Effluents standards. These standards require detailed disclosure of water discharges based on where the water is released, such as surface water bodies, municipal treatment facilities, or other relevant destinations. Adhering to GRI 303 ensures that our reporting is transparent, accurate, and meets global best practices for environmental responsibility. An external annual audit which is done by PwC verifies the accuracy and reliability of our water discharge data by destination. By following these rigorous verification processes, we ensure that our water discharges are managed responsibly, minimizing environmental impact and supporting our commitment to sustainability.

Water discharges – volume by final treatment level

(9.3.2.1) % verified

Select from:

Not verified

(9.3.2.3) Please explain

Our approach to managing water discharges by final treatment level is designed to ensure compliance with local regulations and address the unique environmental contexts of each facility. As a result, we rely on site-specific mechanisms rather than a centralized, group-wide verification process. This strategy allows us to effectively meet the diverse regulatory requirements and environmental conditions across our global operations. Each facility is responsible for monitoring and categorizing water discharges by their final treatment level, such as untreated, primary treatment, secondary treatment, tertiary treatment, or advanced treatment. The

diversity in treatment technologies and local regulatory frameworks means that a standardized, group-wide approach may not capture the specific needs and conditions of each site. Instead of implementing a universal verification process, we use site-specific mechanisms that align with local laws and environmental regulations. These mechanisms include monitoring, reporting, and verification practices that are tailored to the specific treatment processes and discharge conditions at each location. Where required by local authorities, third-party verification is conducted to ensure compliance with regional standards. While we do not have an official group-wide verification process for water discharges by final treatment level, our decentralized approach allows for more precise and context-appropriate management. We continuously review and enhance our water management practices, ensuring that all facilities operate sustainably and in full compliance with local regulations for example with internal audits or environmental self-assessments.

Water discharges – quality by standard water quality parameters

(9.3.2.1) % verified

Select from:

Not verified

(9.3.2.3) Please explain

In our approach to managing water discharge quality, we prioritize compliance with local regulations and standards through site-specific mechanisms tailored to the unique environmental and regulatory contexts of each facility. This decentralized approach allows us to effectively address the specific needs and requirements of the regions in which we operate. At the majority of our facilities, water discharge quality is rigorously monitored against key parameters such as pH, temperature, total suspended solids (TSS), and specific pollutants as dictated by local regulations. The diversity of regulatory frameworks and environmental conditions across our global operations necessitates a localized approach to monitoring and compliance. Rather than implementing a one-size-fits-all verification process at the group level, we rely on site-specific verification mechanisms that are aligned with local legal requirements. This approach ensures that water discharges are assessed and verified in the context of local environmental standards, which may vary significantly across different regions. Third-party verification is conducted where mandated by local regulations, ensuring that our facilities meet or exceed the required standards. While we do not currently implement an official group-wide verification process, we are committed to continuously improving our water management practices. We regularly assess the effectiveness of our site-specific mechanisms and explore opportunities to enhance water quality management across our operations. This tailored approach ensures that our water discharges are managed responsibly and sustainably, meeting the specific needs of the communities and environments where we operate.

Water consumption – total volume

(9.3.2.1) % verified

Select from:

76-100

(9.3.2.2) Verification standard used

Our water consumption, representing the total volume of water used in our operations that does not return to the environment, is verified comprehensively, covering 76-100% of the total volume. This verification is conducted under the ISO 14001 Environmental Management System, which ensures that our environmental practices, including water consumption, are managed in a sustainable and compliant manner. Additionally, our water consumption data is reported in accordance with GRI 303: Water and Effluents standards. These standards require detailed disclosure of water consumption, ensuring that our reporting is transparent, accurate, and aligned with global best practices in water stewardship. To ensure the highest level of data integrity, we undergo an external annual audit which is done by PwC. This audit rigorously examines our water consumption practices and verifies the accuracy of our reported data. By adhering to these stringent verification processes, we ensure that our water consumption is managed responsibly, minimizing our environmental footprint and supporting our overarching sustainability objectives.
[Fixed row]

(9.5) Provide a figure for your organization’s total water withdrawal efficiency.

(9.5.1) Revenue (currency)

2100000000

(9.5.2) Total water withdrawal efficiency

7665.63

(9.5.3) Anticipated forward trend

We anticipate that our total water withdrawal efficiency will either remain stable or improve in the future. This expectation aligns with the water efficiency measures we implement at our sites, aimed at increasing water reuse and recycling, reducing water consumption, and consequently decreasing the total volume of water withdrawn. We expect the total water withdrawal efficiency to remain the same or decrease in the future in line with the water efficiency measures that we apply at our sit
[Fixed row]

(9.12) Provide any available water intensity values for your organization’s products or services.

Row 1

(9.12.1) Product name

Aggregates

(9.12.2) Water intensity value

167.5

(9.12.3) Numerator: Water aspect

Select from:

Water consumed

(9.12.4) Denominator

Ton of final product

(9.12.5) Comment

Our water intensity for aggregates is 167.5 l / ton produced aggregates. This is an increase compared to previous year from 125,4 l / t. This rise in water consumption is attributed to several factors, including increased production activities. Monitoring and improving water intensity is crucial for sustainable resource management, reducing environmental impact, and aligning with our water efficiency measures. Understanding these values helps us identify areas for improvement and enhance our water stewardship efforts.

[Add row]

(9.13) Do any of your products contain substances classified as hazardous by a regulatory authority?

(9.13.1) Products contain hazardous substances

Select from:

No

(9.13.2) Comment

As a manufacturer of building materials, we comply with the relevant regulations & standards on the safety and labelling of its products. The classification of substances as hazardous may vary depending on the respective regulatory authority, the intended use of the product and its actual ingredients through production

processes. Also, certain cement-based products, may contain substances that can be classified as hazardous under certain circumstances. However, these substances are usually present in very low concentrations and are subject to strict regulations to ensure safe handling and use. We strive to provide clear and accurate information on the safe handling, storage, and disposal of its products through safety data sheets and product labelling. These materials are intended to help customers and users understand and manage the potential risks associated with the products.

[Fixed row]

(9.14) Do you classify any of your current products and/or services as low water impact?

(9.14.1) Products and/or services classified as low water impact

Select from:

Yes

(9.14.2) Definition used to classify low water impact

"Products with a low water impact" refers to products that have a reduced negative or even positive effect on water resources, water quality, and ecosystems compared to the market norm or the company's previous products. Heidelberg Material's product, i.idro DRAIN, is classified as having a low water impact due to its enhanced draining capacity, which is up to 100 times higher than silt and clay. This improved draining capacity allows for effective water drainage, resulting in reduced runoff and hydroplaning, while also supporting groundwater replenishment. The exceptional draining capacity of i.idro DRAIN has been demonstrated through comparative tests conducted by Politecnico di Milano. These tests revealed that the product's drainage capacity matches or even surpasses that of naturally available loose materials like sand, clay, and silt, as well as traditional water-draining asphalt pavements. The European Standard, EN 12697-40:2012, outlines a method for determining the in-situ relative hydraulic conductivity of permeable road surfacing at specific locations. This test measures the surfacing's ability to effectively drain water in real-world conditions. Detailed information about this testing methodology and the product's environmental attributes can be found in its Environmental Product Declaration.

(9.14.4) Please explain

Heidelberg Materials has developed a unique concrete formula for continuous flooring that exhibits an exceptionally high draining capacity. Through a careful selection of aggregate size and the use of an air entrainment agent, the product, known as i.idro DRAIN, achieves a draining capacity that is 100 times greater than that of silt and clay. This drainage performance rivals or even surpasses that of naturally occurring loose materials like sand, clay, and silt, as well as traditional water-draining asphalt pavements. i.idro DRAIN is accompanied by an Environmental Product Declaration (EPD) that outlines its technical and environmental characteristics, helping customers make informed decisions based on its properties. Permeable pavements like i.idro DRAIN effectively manage stormwater, recharge groundwater, control runoff, and reduce imperviousness. They benefit localized ecosystems and promote sustainable water management practices.

[Fixed row]

(9.15.1) Indicate whether you have targets relating to water pollution, water withdrawals, WASH, or other water-related categories.

Water pollution

(9.15.1.1) Target set in this category

Select from:

No, but we plan to within the next two years

(9.15.1.2) Please explain

In our processes no fresh water is contaminated. We take all possible compliance measures which we ensure by drawing up and implementing water management plans. We also pursue the goal of ensuring that all plants have water recycling facilities, which also improves water quality avoiding any contamination. The water management plans pursued as part of our water strategy further address the corresponding water quality tailored to the individual plants. Quality standards for water discharged into surface- or groundwater bodies must comply with our standards (e.g. license to operate/permits). During all of these processes, we continuously strive to prevent pollution. As the production process in quarries and gravel pits does not chemically alter the water that is used there, these sites contain no pollutants. As part of the Water Management Plans, countries are increasingly concerned with water pollution and ways to counteract it.

Water withdrawals

(9.15.1.1) Target set in this category

Select from:

No, but we plan to within the next two years

(9.15.1.2) Please explain

A quantitative target aimed at reducing water use by a certain percentage can be problematic in areas with limited water resources. If water availability is already scarce, further reductions could lead to significant disruptions in water supply and fail to meet the needs of people as we transfer surplus or treated water to third parties. In India, where we have an externally audited water positivity score of 6.59. We have also distanced ourselves from a quantitative water reduction target for the time being in order to take regional differences in terms of climate and water resources into account. A rigid target that applies equally to all areas could be inappropriate and lead to unrealistic and unachievable targets balanced by water-rich countries that are not a sustainable solution. It is therefore important for us not to pursue a quantitative goal, but to contribute to water saving and efficiency with effective measures such as water recycling systems.

Water, Sanitation, and Hygiene (WASH) services

(9.15.1.1) Target set in this category

Select from:

Yes

Other

(9.15.1.1) Target set in this category

Select from:

Yes

[Fixed row]

(9.15.2) Provide details of your water-related targets and the progress made.

Row 1

(9.15.2.1) Target reference number

Select from:

Target 1

(9.15.2.2) Target coverage

Select from:

Organization-wide (direct operations only)

(9.15.2.3) Category of target & Quantitative metric

Other

Other, please specify :All sites in water risk areas have Water Recycling Systems

(9.15.2.4) Date target was set

08/19/2022

(9.15.2.5) End date of base year

12/31/2023

(9.15.2.6) Base year figure

50

(9.15.2.7) End date of target year

12/30/2030

(9.15.2.8) Target year figure

100

(9.15.2.9) Reporting year figure

75

(9.15.2.10) Target status in reporting year

Select from:

Underway

(9.15.2.11) % of target achieved relative to base year

50

(9.15.2.12) Global environmental treaties/initiatives/ frameworks aligned with or supported by this target

Select all that apply

- Science Based Targets for Nature
- Sustainable Development Goal 6

(9.15.2.13) Explain target coverage and identify any exclusions

At Heidelberg Materials, water recycling systems are crucial for sustainable water management, reducing consumption, and preventing contamination. These systems involve treating and reusing water within our processes, such as recycling wash water from aggregates production, capturing and reusing rainwater, and employing advanced filtration for process water. Our progress plan includes introducing and testing these systems globally, with the goal of implementing Water Management Plans at all plants in water-scarce regions by 2025, water-stressed regions by 2027, and all water-risk areas by 2030. We will actively train site personnel to ensure effective implementation and continuous improvement.

(9.15.2.14) Plan for achieving target, and progress made to the end of the reporting year

To achieve our target of implementing water recycling systems, we will accelerate our progress. Our plan is to equip all plants in water-scarce regions by 2025, water-stressed regions by 2027, and all water-risk areas by 2030. We focus on training and educating site personnel to ensure effective implementation. By the end of the reporting year, we made significant progress, implementing further water recycling systems where feasible. Long-term adequate budget allocation is essential to achieve this commitment.

(9.15.2.16) Further details of target

The result achieved covers the main business lines at HM and will be rolled out to the other business lines in the future.

Row 2

(9.15.2.1) Target reference number

Select from:

- Target 2

(9.15.2.2) Target coverage

Select from:

- Organization-wide (direct operations only)

(9.15.2.3) Category of target & Quantitative metric

Other

Other, please specify :All sites in water risk areas have Water Management Plans

(9.15.2.4) Date target was set

08/19/2022

(9.15.2.5) End date of base year

12/31/2023

(9.15.2.6) Base year figure

0

(9.15.2.7) End date of target year

12/30/2030

(9.15.2.8) Target year figure

100

(9.15.2.9) Reporting year figure

21

(9.15.2.10) Target status in reporting year

Select from:

Underway

(9.15.2.11) % of target achieved relative to base year

21

(9.15.2.12) Global environmental treaties/initiatives/ frameworks aligned with or supported by this target

Select all that apply

- Science Based Targets for Nature
- Sustainable Development Goal 6

(9.15.2.13) Explain target coverage and identify any exclusions

In December 2022, Heidelberg Materials updated and accelerated its Sustainability Commitments 2030, including enhanced water targets and strategy, which were publicly launched in February 2023. The target to equip all sites with Water Management Plans (WMPs) has been recently revised and strengthened. In 2022 / 2023, we began introducing and testing WMPs in various countries. Our goal is to implement WMPs in all plants in regions with water scarcity by the end of 2025, in regions with water stress by 2027, and in all regions with water risk by 2030. To achieve this, we will focus on actively training and educating site personnel. The data collected through the WMPs will enable us to assess ambitious yet achievable country- or region-specific freshwater reduction targets and identify where further actions and measures are necessary.

(9.15.2.14) Plan for achieving target, and progress made to the end of the reporting year

To achieve our target of implementing Water Management Plans (WMPs) across all sites, we initiated the introduction and testing of WMPs in various countries in 2022/2023. Our plan involves equipping all plants in water-scarce regions by 2025, water-stressed regions by 2027, and all water-risk areas by 2030. We focus on actively training and educating site personnel to ensure effective implementation. Particularly, our Nature Readiness Training Series will promote this commitment. By the end of the reporting year, significant progress was made, with WMPs piloted in key locations, enabling us to gather valuable data and refine our approach for broader application

(9.15.2.16) Further details of target

As the Water Management Plans are site-specific and community-related the plans have to be reviewed regularly and revised accordingly, with the commitment being continuous.

Row 3

(9.15.2.1) Target reference number

Select from:

- Target 3

(9.15.2.2) Target coverage

Select from:

Organization-wide (direct operations only)

(9.15.2.3) Category of target & Quantitative metric

Water, Sanitation, and Hygiene (WASH) services

Other WASH, please specify :% of sites that comply with WASH pledge

(9.15.2.4) Date target was set

05/08/2017

(9.15.2.5) End date of base year

12/30/2022

(9.15.2.6) Base year figure

60

(9.15.2.7) End date of target year

12/30/2030

(9.15.2.8) Target year figure

100

(9.15.2.9) Reporting year figure

100

(9.15.2.10) Target status in reporting year

Select from:

Achieved

(9.15.2.11) % of target achieved relative to base year

100

(9.15.2.12) Global environmental treaties/initiatives/ frameworks aligned with or supported by this target

Select all that apply

Sustainable Development Goal 6

(9.15.2.13) Explain target coverage and identify any exclusions

The target is deemed to have been achieved for all consolidated plants and is regularly checked for continuous compliance

(9.15.2.15) Actions which contributed most to achieving or maintaining this target

With the help of a self-assessment tool provided by the WBCSD, Heidelberg, as a signatory, had to review its success in implementation. Compliance with local regulations and laws, the supply of drinking water in the workplace, the provision of sanitary facilities and hygiene conditions in the workplace were assessed. The results of this self-assessment were published and used for ideal regulatory compliance.

(9.15.2.16) Further details of target

Despite the achievement of the target, we are always behind in guaranteeing the information and necessary measures to maintain and comply with the WASH pledge.

[Add row]

C10. Environmental performance - Plastics

(10.1) Do you have plastics-related targets, and if so what type?

(10.1.1) Targets in place

Select from:

No, and we do not plan to within the next two years

(10.1.3) Please explain

*We are not pursuing a plastic target because we want to continue to use waste as an alternative fuel, and the content of plastic on it depends on the waste treatment, we aim to have high content of biogenic fuels, which is independent from plastic content. Basically, we don't aim to use plastic as such, but only alternative fuels.
[Fixed row]*

(10.2) Indicate whether your organization engages in the following activities.

Production/commercialization of plastic polymers (including plastic converters)

(10.2.1) Activity applies

Select from:

No

(10.2.2) Comment

not applicable for our industry

Production/commercialization of durable plastic goods and/or components (including mixed materials)

(10.2.1) Activity applies

Select from:

No

(10.2.2) Comment

not applicable for our industry

Usage of durable plastics goods and/or components (including mixed materials)

(10.2.1) Activity applies

Select from:

Yes

(10.2.2) Comment

- *Supply chain: We are already using 100% paper bags in the vast majority of our markets. Only in very few countries we are using plastic bags and are permanently assessing cost-efficient and environment-friendly alternatives.*

Production/commercialization of plastic packaging

(10.2.1) Activity applies

Select from:

No

(10.2.2) Comment

not applicable for our industry

Production/commercialization of goods/products packaged in plastics

(10.2.1) Activity applies

Select from:

No

(10.2.2) Comment

not applicable for our industry

Provision/commercialization of services that use plastic packaging (e.g., food services)

(10.2.1) Activity applies

Select from:

No

(10.2.2) Comment

not applicable for our industry

Provision of waste management and/or water management services

(10.2.1) Activity applies

Select from:

Yes

(10.2.2) Comment

- *Direct operations: Although, we do not primarily use plastic, we use waste material as alternative fuels, and these materials could contain plastics substances:*
- *Waste materials coming from waste treatment, which can be from municipal site waste treatment or even commercial industrial treatment • Industrial waste from the manufacture of secondary material for plastic. Since this is a not usable and not recyclable material, this is also categorized as waste*

Provision of financial products and/or services for plastics-related activities

(10.2.1) Activity applies

Select from:

No

(10.2.2) Comment

not applicable for our industry

Other activities not specified

(10.2.1) Activity applies

Select from:

No

(10.2.2) Comment

not applicable for our industry

[Fixed row]

(10.4) Provide the total weight of plastic durable goods and durable components produced, sold and/or used, and indicate the raw material content.

Durable goods and durable components used

(10.4.1) Total weight during the reporting year (Metric tons)

4.8

(10.4.2) Raw material content percentages available to report

Select all that apply

% virgin renewable content

(10.4.4) % virgin renewable content

(10.4.7) Please explain

By-products or waste from other industries, whose chemical components make them suitable substitutes for natural raw materials. Alternative raw materials are used both in the production of clinker, the most important intermediate product in cement production, and as additives in cement grinding, in order to conserve natural raw material resources and reduce the proportion of energy-intensive clinker in cement, the end product. One of the most important ways of reducing CO2 emissions in cement manufacturing is to use alternative raw materials that are generated as by-products or waste in other industries. A very large share of these alternative raw materials comes from the metal processing industry. Moreover, coal-fired power plants supply ash as well as synthetic gypsum. By using these materials and thus avoiding waste, we actively promote the circular economy. The systematic assessment of the suitability of all materials used ensures the best and most consistent product characteristic

[Fixed row]

(10.6) Provide the total weight of waste generated by the plastic you produce, commercialize, use and/or process and indicate the end-of-life management pathways.

Usage of plastic**(10.6.1) Total weight of waste generated during the reporting year (Metric tons)**

0

(10.6.2) End-of-life management pathways available to report

Select all that apply

Waste to Energy

(10.6.6) % waste to energy

0

(10.6.12) Please explain

n/a

Processing of plastic waste

(10.6.1) Total weight of waste generated during the reporting year (Metric tons)

0

(10.6.2) End-of-life management pathways available to report

Select all that apply

Waste to Energy

(10.6.6) % waste to energy

0

(10.6.12) Please explain

n/a

[Fixed row]

C11. Environmental performance - Biodiversity

(11.2) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

(11.2.1) Actions taken in the reporting period to progress your biodiversity-related commitments

Select from:

- Yes, we are taking actions to progress our biodiversity-related commitments

(11.2.2) Type of action taken to progress biodiversity- related commitments

Select all that apply

- Law & policy
- Species management
- Education & awareness
- Land/water protection
- Land/water management
- Livelihood, economic & other incentives

[Fixed row]

(11.3) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
	<p>Select from:</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Yes, we use indicators 	<p>Select all that apply</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> State and benefit indicators

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
		<input checked="" type="checkbox"/> Pressure indicators <input checked="" type="checkbox"/> Response indicators

[Fixed row]

(11.4) Does your organization have activities located in or near to areas important for biodiversity in the reporting year?

	Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity	Comment
Legally protected areas	Select from: <input checked="" type="checkbox"/> No	<i>We do not have activities in those areas</i>
UNESCO World Heritage sites	Select from: <input checked="" type="checkbox"/> No	<i>We do not have activities in those areas</i>
UNESCO Man and the Biosphere Reserves	Select from: <input checked="" type="checkbox"/> No	<i>We do not have activities in those areas</i>
Ramsar sites	Select from: <input checked="" type="checkbox"/> No	<i>We do not have activities in those areas</i>
Key Biodiversity Areas	Select from: <input checked="" type="checkbox"/> No	<i>We do not have activities in those areas</i>
Other areas important for biodiversity	Select from: <input checked="" type="checkbox"/> No	<i>We do not have activities in those areas</i>

[Fixed row]

C13. Further information & sign off

(13.1) Indicate if any environmental information included in your CDP response (not already reported in 7.9.1/2/3, 8.9.1/2/3/4, and 9.3.2) is verified and/or assured by a third party?

	Other environmental information included in your CDP response is verified and/or assured by a third party
	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(13.1.1) Which data points within your CDP response are verified and/or assured by a third party, and which standards were used?

Row 1

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

Climate change

(13.1.1.2) Disclosure module and data verified and/or assured

Introduction

All data points in module 1

(13.1.1.3) Verification/assurance standard

General standards

- ISAE 3000

(13.1.1.4) Further details of the third-party verification/assurance process

All percentages of conventional and alternative fuels are verified. Furthermore, the heat generated with those fuels (in TJ/year) is verified and broken down by fuel.

(13.1.1.5) Attach verification/assurance evidence/report (optional)

ASR&PWC.pdf

Row 2

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

- Water

(13.1.1.2) Disclosure module and data verified and/or assured

Introduction

- All data points in module 1

(13.1.1.3) Verification/assurance standard

General standards

- ISAE 3000

(13.1.1.4) Further details of the third-party verification/assurance process

We have conducted verification of water consumption figures for the cement business line, including absolute quantities and specific consumption per tonne of cement and clinker. Additionally, we have verified total water withdrawal and discharge. As per GCCA definitions, total water withdrawal refers to the cumulative amount of water drawn into the organization's boundaries from various sources, while water discharge encompasses the volume of water released through different

channels. Water consumption is calculated by subtracting total water discharge from total water withdrawal. The data has undergone independent limited assurance by PwC, following the International Standard on Assurance Engagements (ISAE) 3000 (Revised). The definitions used are based on the methodology of the Global Cement and Concrete Association (GCCA).

(13.1.1.5) Attach verification/assurance evidence/report (optional)

ASR&PWC.pdf

[Add row]

(13.2) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

	Additional information	Attachment (optional)
	In 2023, we published for the first time a combined Annual and Sustainability Report, assured by PwC	HM_ASR_2023.pdf

[Fixed row]

(13.3) Provide the following information for the person that has signed off (approved) your CDP response.

(13.3.1) Job title

Chief Sustainability & New Technologies Officer /Member of the Managing Board

(13.3.2) Corresponding job category

Select from:

Chief Sustainability Officer (CSO)

[Fixed row]

