



Climate Advocacy and Association Review 2024

February 2025





1. Introduction

In line with our transparent and responsible advocacy approach, Heidelberg Materials has reviewed its memberships and involvement in key trade associations to assess their alignment with our climate protection positions. The analysis, detailed in the report, was based on five main parameters of sustainable climate and energy policies. The report also covers our engagement with membership organisations that are not yet fully aligned, as well as our direct climate advocacy and related policy positions.

Heidelberg Materials is committed to transforming our industry and operations, fully supporting the UNFCCC Paris Agreement's aim to limit global warming to 1.5°C. As an energy-intensive company, we recognize our responsibility to continuously reduce the carbon footprint of our production processes and are committed to achieving net-zero greenhouse gas (GHG) emissions across the value chain by 2050.

To achieve our climate targets, Heidelberg Materials proactively cooperates and seeks dialogue with associations, policymakers, business partners, and societal stakeholders to create the appropriate framework conditions for implementing sustainable solutions for climate change mitigation and adaptation, while ensuring a level playing field for our industrial activities. Globally, the cement and concrete sector agreed to net-zero carbon emissions by 2050, as outlined in the Global Cement and Concrete Association (GCCA) Roadmap published in June 2021. GCCA members account for 80% of the global cement industry volume outside of China, while also including several large Chinese manufacturers. Thus, the GCCA Roadmap serves as a reference for the climate advocacy of national trade associations, in the case where no such roadmap is yet in place.

Overall, the assessment shows that the positions of our regional and national associations are broadly aligned with our own, though there are differences in tonality and certain aspects based on the maturity and reach of the public climate discussion. Heidelberg Materials is committed to continuing our engagement in these organizations to advance regional decarbonization roadmaps and promote global alignment of climate policies.

2. Heidelberg Materials' Climate Policy Goals and Commitments

Heidelberg Materials' climate commitments are outlined in its [Climate Policy](#) and [Climate Transition Plan](#). In line with the UNFCCC Paris Agreement, Heidelberg Materials commits to offer net-zero carbon cement and concrete and aims to achieve net-zero GHG emissions across the value chain by 2050. We have also committed ourselves to reduce gross scope 1 and 2 GHG emissions by 95% per tonne of cementitious material by 2050 from a 2020 base year, and to reduce absolute scope 3 GHG emissions by 90% within the same timeframe (target boundary includes land-related emissions and removals from bioenergy feedstocks). In February 2025, the Science Based Targets initiative (SBTi) validated our long-term carbon reduction targets as consistent with the SBTi Corporate Net Zero Standard and in line with a 1.5°C trajectory.



Direct exchange with political decision makers and non-governmental stakeholders in 2024

In 2024, we have continued our direct lobbying activities at global, regional, and national level in alignment with our ambition to lead the sector's industrial transition towards net zero. To facilitate direct dialogue between political decision makers and contact partners within the company, we supplement Heidelberg Materials' indirect representation by associations with company representative offices in Berlin, Brussels, and Washington.

Through frequent talks, events, presentations, and panel discussions, we proactively communicated our climate commitment and strategy and advocated for forward-looking solutions towards a more sustainable built environment. In particular, we advocate for a coherent and supportive policy framework for the decarbonisation of the industrial sector. Our key policy asks include (see for more details Annex I):

- Implementing strong **carbon pricing** mechanisms to drive decarbonisation.
- Promoting the growth of **renewable energy** sources under economically viable conditions.
- Enhancing **access to alternative fuels**, including waste-based biomass.
- Supporting the implementation of frameworks for **Carbon Capture, Utilisation, and Storage** (CCUS) and developing infrastructure for CO₂ transport and storage.
- Advocating for **circular economy** solutions to support a circular economy, such as the targeted processing and reuse of construction and demolition waste.
- Creating **lead markets** for low-emission and also circular products and developing internationally compatible standards.
- Emphasizing the importance of **viable business cases** as a prerequisite for a successful transformation and **state funding** for large-scale CCUS projects during the transition period, as many projects are not yet economically viable.

At global level, we attended the New York Climate Conference in September with our Group Chief Executive Officer as well as COP29 in Baku, Azerbaijan, together with our Group Chief Sustainability Officer participating in various panels and forums. Heidelberg Materials further engaged and shaped discussions on industry decarbonisation with international institutions and initiatives, such as the UN Industrial Development Organisation (UNIDO), the Clean Energy Ministerial (CEM), the World Green Building Council (WGBC), the International Energy Agency (IEA) as well as the Leadership Group for Industrial Decarbonisation (LeadIT). Acknowledging that the demand for low-carbon products is a key enabler for net-zero production processes, Heidelberg Materials supports green lead market and buyers-driven initiatives at global and regional levels, such as the First Movers Coalition.

At regional level, we saw the largest election year in history including in countries such as the U.S., Indonesia, India, Belgium, Romania and the UK. We also experienced a new incoming European Parliament and European Commission. In the U.S., we signed an important funding agreement for our largest decarbonisation project to-date under the Inflation Reduction Act supported by the Department of Energy. We also attended a high-level White House event on cement and concrete decarbonisation and lead markets. In Europe, we continued to advocate for a strict implementation of the regional Emission Trading Scheme and the introduction of a Cross-Border Adjustment Mechanism (CBAM). We also closely followed the development of Industrial Carbon Management Strategies.



Below is a non-exhaustive list of Heidelberg Material’s participation in major conferences and summits in 2024.

Event	Company representative	Date / Location	Subject
UNFCCC 29. Conference of the Parties (COP9)	Dr Katharina Beumelburg	12-14 November 2024 Baku, Azerbaijan	Decarbonization of the built environment
Stiftung KlimaWirtschaft Annual conference	Dr Katharina Beumelburg	6-7 November 2024 Berlin, Germany	German climate agenda
CEMBUREAU Annual Conference	Jon Morrish	16 October 2024 Brussels, Belgium	Decarbonization of cement sectors
KONGRESS BW - Ressourceneffizienz- und Kreislaufwirtschaftskongress	Dr Dominik von Achten	16 October 2024 Heidelberg, Germany	Event on carbon and resource management
New York Climate Week	Dr Dominik von Achten	22-25 September 2024 New York, US	Decarbonization of the built environment
Concrete Innovation Summit hosted by the White House Office of Science and Technology Policy	Chris Ward	19 July 2024 Washington, US	Decarbonization of the built environment
Breakthrough Energy Summit	Dr Dominik von Achten	25-27 June 2024 London, UK	Present HM decarbonization strategy
GCCA Annual Conference	Dr Dominik von Achten, Jon Morrish	04-06 June 2024 Bangkok, Thailand	
Visit of Commissioner Kadri Simson to Brevik	Jon Morrish	06-07 March 2024 Oslo, Norway	Present HM decarbonization strategy
Press Conference German Federal Ministry for Economic Affairs and Climate Action	Dr Dominik von Achten	26 February 2024 Berlin, Germany	Launch of German Carbon Management Strategy and draft regulation
European Industry Summit	Jon Morrish	19-20 February 2024 Antwerp, Belgium	Competitiveness, Green Deal and Antwerp declaration
EIB Annual Forum	Dr Nicola Kimm	7 February 2024 Luxembourg	Competitiveness and innovation in European manufacturing



4. Our engagement in trade associations

Heidelberg Materials engages in most countries where we have operations with national trade associations and is member of these with only few exceptions. We pursue strong and broad engagement within these associations and thus are represented at the level of presidents/chairpersons, board members, working group chairs, and working group members. Our contribution ranges from clearly advocating for working priorities of these associations to supporting position papers and proactively engaging in discussions. Our Managing Board member for Europe, Jon Morrish, became Vice President of the European Cement Association, Cembureau, in 2023. Our CEO, Dr Dominik von Achten, is board member of the Global Cement and Concrete Association (GCCA) and also President of the German Construction Materials Association, bbs. Most country managers are engaged in national associations and take roles such as e.g., member of the board of directors, president, or chairperson.

Association Governance

As a company, we have established governance structures that assign responsibility for sustainability and climate protection, including target achievement, to the Chief Sustainability Officer and member of the Managing Board. We set up a clear roadmap for all our operations how to reduce CO₂ emissions. The progress is tracked and overseen by the Senior Management and responsible Board Members. Operational responsibility for implementing the sustainability and climate protection goals of Heidelberg Materials lies with the respective country management teams. Hence, engagement in national associations is key to help set the framework conditions for a successful transition of our sector.

Heidelberg Materials has a strong association management with a global function to provide continuous oversight over industry association advocacy. It confirms alignment with our positions and helps to ensure that our commitment to responsible and constructive advocacy is shared by the associations of which we are a member. A regular exchange with company representatives in trade associations has been established 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 company's Chief Sustainability Officer and the board member responsible for associations.

Based on our climate commitments and Group Climate Policy, we seek alignment of associations with two of our main advocacy principles:

- Full support for the Paris Agreement and its targets,
- Policies that support meeting our CO₂ reduction target for 2030 and that enable a transition to Net Zero by 2050 at the latest.

Heidelberg Materials supports and advocates these principles in our trade associations based on four pillars:

1. Review the associations' policy statements and positions and ensure those are aligned with the Paris Agreement as included in our Group Climate Policy.
2. Review policy priorities and the work of associations to ensure that positive and pro-active positions are taken which support a net zero transition. As the current political framework needs to be adapted to enable industrial decarbonization, it is in the interest of our company that trade associations advocate in line with the goals of the Paris Agreement.



3. Highlight and continuously reinforce the need for an ambitious climate policy and commitment to achieve the goals of the Paris Agreement at all levels of engagement with the association and at main gatherings and public events.
4. Heidelberg Materials' representatives within the associations are asked to clearly communicate expectations, take the appropriate measures if these are not being met, and report any major misconduct. All representatives are encouraged to take an active position within the association.

In 2024, Heidelberg Materials financially contributed to trade associations with an estimated amount of €15 million globally. Thereof these associations used around €3.8 million for lobbying activities according to information they provided or internal estimates. Contributions include Heidelberg Materials' memberships in cement, aggregates, and ready-mixed concrete associations. The largest financial contributions in 2024 were made to the German, French & U.S. cement trade associations (i.e. VDZ, France Ciment, PCA). On direct political engagements, the company spent a total of approx. €2.6 million for the same period. The company does not financially contribute to political parties, campaigns, or referendums.

Methodology of reviewing our engagement in associations

We are reviewing our engagement in national trade associations annually. The review includes all countries where we have operations, as well as the associations of all our three main business lines – cement, aggregates and ready-mixed concrete. Additionally, the review includes a global and a European association, each related to cement production.

In our 2024 Climate Advocacy & Association Review, it was reconfirmed whether a trade association's lobbying is aligned with the goals of the Paris Agreement or not. Based on internal desk top research and our knowledge from active engagement in the organisations, a pre-assessment of the fulfilment of the criteria was conducted. Representatives of Heidelberg Materials in the national trade associations were consulted to confirm, substantiate, or further elaborate and revise the initial assessment. This information was again cross-checked through our Group Public Affairs function with support of Group Reporting Controlling & Consolidation (RCC). In case of uncertainties, the country representatives were consulted in a second or even third review round.

Given their relevance for global GHG emissions, cement trade associations were additionally assessed in more detail. It was examined whether they (1) are aligned with the Paris Agreement; (2) have a corresponding CO₂ roadmap; (3) advocate for (the introduction of) carbon pricing; (4) advocate for the support of advanced technologies, e.g. CCUS; (5) advocate for the support of low-carbon products; and (6) advocate for the support of renewable energies.

The level of alignment was then categorised based on the outcome of the assessment of the six main criteria:

- **Fully aligned:** The Association meets all 6 defined criteria.
- **Partially misaligned:** The Association meets between 1 to 5 of the defined criteria.
- **Misaligned:** The Association does not meet any of the 6 defined criteria.



Findings of the Association Review and actions taken

Out of the 26 reviewed cement trade associations, 16 are fully aligned with the goals of the Paris Agreement according to our methodology. nine associations are partially misaligned, and one association is misaligned with the goals of the Paris Agreement.

The advocacy of almost all ready-mixed and aggregates trade associations covered in this review are consistent with the Heidelberg Materials' position on climate.

Heidelberg Materials' Chief Executive Officer and all members of the Managing Board continuously reinforce our ambition and commitment to achieve the goals of the Paris Agreement at high-level association meetings, such as the GCCA's Annual Meeting in Bangkok, Thailand, in June 2024. We also supported GCCA's "Concrete Future" pavilion at COP29 in Baku, Azerbaijan, in November at which the sector launched a global definition for low-carbon cement and concrete. The commitment of our management to advocate for ambitious climate policies that are in line with our own sustainability roadmap, serves as a guiding example for all our employees and those who represent Heidelberg Materials in our trade associations.

In November 2024, Thailand's Cement Manufacturers Association (TCMA) released the Thailand 2050 Net Zero Cement & Concrete Roadmap. The document outlines deployment of technology and main reduction tools to reach net zero. With support of our global association GCCA and their 'Global Net Zero Accelerator Programme', roadmaps in Egypt and India are also close to completion and work is continuing in Morocco and Tanzania. Discussions in Indonesia are also progressing. The GCCA CO₂ Roadmap, published in 2021, sets out the pathway for the global cement and concrete sector to reach net-zero emissions by 2050.

At European level, our cement association Cembureau successfully published an update of its 2021 roadmap in May 2024. The roadmap looks at how CO₂ emissions can be reduced by acting at each stage of the value chain – clinker, cement, concrete, construction and (re)carbonation. By 2030, the roadmap projects a 37% reduction in CO₂ emissions related to cement production, and 50% down the value chain. By 2050, the roadmap projects carbon neutral cement production in Europe, and looks at the potential to become carbon negative over the value chain. Heidelberg Materials' representatives supported the work on the roadmap update over a course of one year.



Country / Region	Name	Alignment with Paris Agreement...		Engagement in support of...			
		Overall Association's engagement	National CO2 Roadmap	Carbon pricing schemes	Advanced decarbonisation technologies	Demand for low-carbon products	Low-carbon and renewable energy
Australia	Cement Concrete & Aggregates Australia (CCA)	●	●	●	●	●	●
Bangladesh	Bangladesh Cement Manufacturing Association (BCMA)	●	●	●	●	●	●
Belgium	Febelcem	●	●	●	●	●	●
Bulgaria	Bulgarian Assoc. for Cement Industry (BACI)	●	●	●	●	●	●
Canada	Cement Association of Canada (CAC)	●	●	●	●	●	●
Czech Republic	Svaz výrobců cementu ČR	●	●	●	●	●	●
Egypt	Chamber of Building Materials Indust.	●	●	●	●	●	●
France	France Ciment	●	●	●	●	●	●
Germany	Verein Deutscher Zementwerke (VDZ)	●	●	●	●	●	●
Ghana	Chamber of Cement Manufacturers Ghana (COCMAG)	●	●	●	●	●	●
Greece	Hellenic Cement Industry Assoc. (HICA)	●	●	●	●	●	●
India	Cement Manufacturers Assoc. (CMA)	●	●	●	●	●	●
Indonesia	Asosiasi Semen Indonesia	●	●	●	●	●	●
Italy	Italian cement producers association (AITEC)	●	●	●	●	●	●
Kazakhstan	QazCem	●	●	●	●	●	●
Morocco	Assoc. Professionnelle des Cimentiers (APC)	●	●	●	●	●	●
Netherlands	Cement and Beton Centrum (C&BC)	●	●	●	●	●	●
Poland	Stowarzyszenie Producentów Cementu (SPC)	●	●	●	●	●	●



Romania	National Assoc. of Cement Producers (CIROM)	●	●	●	●	●	●	●
Russia	Cement Producers Union	●	●	●	●	●	●	●
Spain	Oficemen	●	●	●	●	●	●	●
Thailand	Thai Cement Manufacturers Assoc. (TCMA)	●	●	●	●	●	●	●
UK	Mineral Products Assoc. (MPA)	●	●	●	●	●	●	●
USA	Portland Cement Assoc. (PCA)	●	●	●	●	●	●	●
Global	Global Cement and Concrete Assoc. (GCCA)	●	●	●	●	●	●	●
Europe	CEMBUREAU	●	●	●	●	●	●	●

● aligned
 ● non-aligned
 ● unknown (considered non-aligned)

Table: Review of cement trade associations and their lobbying activities in alignment with the goals of the Paris Agreement.

Ensuring alignment

Heidelberg Materials will continue to act on the findings raised in this Association Review. Based on the latest standards and best practice, we refine our survey annually. We follow up in case of misalignment, e.g. through bilateral calls with Country Managers.

If an association’s position on a strategically important issue differs from ours, we will increase our engagement in the association’s committees and signal our dissent to improve the alignment or to demand the association not take a position.

If the association repeatedly pursues policies and actions that are contrary to Heidelberg Materials’ positions or if reasonable measures to advance the goals of the Paris Agreement are repeatedly opposed, we will publicly state our disagreement, assess the association’s performance and its membership value, and finally review if exiting the association is appropriate. We believe exiting an association is only appropriate as a last resort since aligning positions as a sector or industry across companies and associations is a precondition for achieving a net-zero economy.

Given the climate ambition of Heidelberg Materials we have a vested interest to continuously engage with our associations to align their lobbying activities with the goals of the Paris Agreement.



ANNEX – Climate Policy positions

Carbon pricing

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.

- Price signals need to be reliable and allow carbon-neutral production to become a business case. Speculation in the market and high price volatility needs to be avoided.
- Cost-effective carbon pricing systems should consider sectoral starting points and abatement costs to ensure emissions will fall below predetermined emissions targets.
- A global framework is the best option to ensure a global level playing field. In absence of a global carbon price, national or regional carbon pricing schemes can also be effective but need to be combined with carbon leakage protection to negative competitive effects. The EU proposal for a carbon-border adjustment mechanism is an example.
- In addition, these instruments must be accompanied by demand side measures to ensure the update of low-emission and net zero products.

Carbon capture, utilisation, and storage (CCUS)

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.

- The fast development of national and international CO₂ transport infrastructures (ships, railway, pipelines) connecting emission sources with storage sites, also those in inland locations, is a necessary precondition for CCUS. Infrastructure planning and coordination should therefore be a priority for political decisionmakers.
- Public financial support for the deployment of large-scale CCUS technologies needs to be ensured. This must include support for capital investments as well as increased operational costs, through instruments such as Carbon Contracts for Difference.
- Further recognition of CCUS technologies in carbon accounting. Acknowledging emissions avoidance resulting from CCU and BioCCS in carbon pricing schemes should be implemented to incentivise their application. In addition, the capture and storage of biogenic carbon emissions enables negative emission capabilities to offset residual emissions that should also be recognised, e.g. through issuing tradeable negative emissions certificates in carbon pricing schemes. To optimise the impact of negative emissions and leverage synergies resulting in reduced cost, alternative fuels with high biomass-content should be routed towards industrial high temperature processes.

Lead markets for low carbon & circular products

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. To become more than a niche, stimulating demand measures will need to be put in place to ensure the uptake of more sustainable construction materials. Green lead markets as a demand-side approach can complement support mechanisms while at the same time ramping up



sustainable markets and providing relief for public budgets.

- Create binding framework conditions through laws, regulations, and procedures must that give preference to low-emission, net-zero and circular cements and concretes in procurement and provide for new incentives for all kinds of customers.
- Raise awareness and build expertise at all levels – in politics and in public authorities, in public procurement, as well as among customers and end consumers from the private sector.
- Base lead markets on clear and transparent criteria for the respective products and services, and therefore define low-carbon cement thresholds.
- Further develop norms and standards in such a way that they support and accelerate rapid market penetration.
- Pave the way for new approaches such as mass-balancing and book-and-claim to allow for new business models and market development for fully decarbonized products that start to turn into reality through CCUS. This allows a wider customer base to benefit from these products which require robust chain-of-custody (CoC) models as a prerequisite.

Renewable energy

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.

- Policies must be developed that ensure access to sufficient renewable and low-carbon energy at competitive cost. This must include generation capacity as well as relevant networks.
- Co-processing must be recognised as a sustainable method allowing the effective substitution of fossil fuels and primary raw materials with non-recyclable residual and biomass waste.
- Policies should also adopt a coherent biomass and alternative fuel strategy to ensure sustainability criteria are respected while increasing access to waste-based resources. Landfilling should be banned or heavily taxed.

Circularity

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.

- Rerouting material flows towards circular products should be incentivised by revising demolition waste management regulations, including separation of waste streams on site.
- The market access for circular products needs to be improved by revising product, building and construction norms.
- Demand creation needs to take place for recycled products by adding financial incentives for private customers and by deploying green public procurement schemes, based on a full life-cycle-analysis, considering carbon footprint and other sustainability-related aspects such as recyclability.

Sustainable Finance

An enabling financial framework is needed that rewards investment into industry transformation with better access to finance and lower capital cost.

- Public funding schemes are needed to bridge the breakthrough period for large-scale decarbonisation technologies, such as CCUS.



- State aid guidelines for public funding of low-carbon technologies should enable support for capital and operations costs compensating competitive disadvantages compared to conventional production.
- Taxonomies defining what sustainable business practices are should be aligned globally. To avoid unintended barriers, taxonomy schemes should focus on the end of a product value chain and provide criteria for intermediate solutions based on technology openness.