



Heidelberg Materials Nature Policy

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**Heidelberg
Materials**

Heidelberg Materials is committed to protecting nature, managing natural resources responsibly, and minimising environmental impacts across our value chain, contributing to a nature-positive¹ future in line with the UN SDGs and the Kunming-Montreal Global Biodiversity Framework (COP15). Nature serves as the cornerstone of our business operations and the communities in which we operate. As a global manufacturer of building materials, Heidelberg Materials relies on natural resources, ecosystems, and environmental services for raw material extraction, water usage, and land access. Our operations can consequently affect biodiversity, water resources, land systems, and the supply of virgin natural materials. The ongoing decline in biodiversity, rising global water stress, land degradation, and depletion of natural resources present systemic risks to ecosystems, communities, and economic stability over the long term.

01. Purpose, Governance and Scope

Heidelberg Materials acknowledges its responsibility to address these interconnected challenges through an integrated approach. In accordance with the Task Force on Nature-related Financial Disclosures (TNFD) guidelines, we systematically analyse and disclose climate- and nature-related risks and opportunities, including water-related concerns such as droughts and floods, as well as biodiversity risks associated with proximity to areas of high biodiversity value or sensitivity.

The purpose of this Policy is to:

- Define Heidelberg Materials' overarching principles and commitments regarding nature protection and responsible natural resource management.
- Integrate biodiversity stewardship, water management, land use responsibility, and resource conservation under one unified governance framework.
- Prevent, minimise, mitigate, and restore environmental impacts associated with our operations.
- Promote circular practices that reduce the extraction of virgin raw materials and encourage reuse and recycling.
- Support as a framework to apply local legal and regulatory requirements, while promoting alignment with relevant international standards and initiatives.

Protection of nature falls under the responsibility of the Chief Sustainability and New Technologies Officer (CSO) at Managing Board level, with the Managing Board retaining ultimate accountability for this Policy. This Policy applies globally across the core business lines, Cement, Aggregates, and Ready-Mixed Concrete as well as all Recycling sites, of Heidelberg Materials.

This Policy supports Heidelberg Materials' long-term resilience, complimenting the Climate Policy which covers climate change-related matters and air pollution and the Corporate Citizenship Policy, contributing to sustainable development. This Policy combines the former Biodiversity Policy, Water Policy and Responsible Land Use Policy.

Biodiversity

02. Committing to Restoring Habitats and Species Recovery

Heidelberg Materials recognises that the extraction of raw materials inevitably affects local biodiversity while altering the natural landscape, and that globally, the loss of biodiversity is at unprecedented levels. Contributing to a nature-positive future for us means actively restoring habitats and supporting the recovery of species globally. For Heidelberg Materials this includes all our quarries have biodiversity integrated into their site management, maintaining a minimum of 15 % Space for Nature within our active quarries, implementing biodiversity net positive reclamation actions in helping nature to recover and contributing to global restoration targets. At our quarries, we work to make measurable net gains for nature through the creation, enhancement, and management of habitats, thereby enhancing ecological value in and around our operations with an aim to halt and reverse biodiversity loss.

03. Understanding our Impact and Reporting Requirements

As custodians of the land on which we operate, we acknowledge responsibility for the biological diversity that inhabits it and recognise that our impacts on biodiversity are material. Heidelberg Materials actively accommodates a wide variety of local flora and fauna across more than 600 quarries worldwide and strives to maintain leadership in biodiversity enhancement. We

¹ Nature Positive Initiative [What is Nature Positive?](#)

systematically assess baseline conditions, monitor site-level biodiversity impacts and dependencies, and evaluate changes over time needed to inform mitigation and restoration measures. Biodiversity performance is reported in accordance with the requirements arising from ESRS E4² and the reporting guidelines of the Global Cement and Concrete Association (GCCA). As early adopters of the Task Force on Nature-related Financial Disclosures (TNFD), we are integrating transparent disclosure of nature-related risks and opportunities into our corporate reporting.

04. Embedding Biodiversity into our Corporate Strategy and our Operations

The commitment to Nature Positive forms an integral part of Heidelberg Materials' sustainability strategy and corporate governance. Biodiversity considerations are embedded into strategic decision-making, risk management, and investment processes, with oversight provided at Group level and implementation supported by national operations. Baseline and reclamation objectives are defined at country level and reviewed regularly to ensure progress against biodiversity targets. Partnerships with recognised conservation organisations provide scientific expertise and external guidance.

Biodiversity is integrated across all stages of the quarry lifecycle – from early environmental assessments and site design, through operation, to reclamation and post-closure land use. Wherever possible, reclamation planning incorporates biodiversity enhancement measures, and habitat creation and restoration are embedded in site management practices. Both active and former quarries are managed to contribute positively to local ecosystems, recognising their potential to provide valuable habitats for protected and endangered species.

05. Managing Biodiversity at Quarries

Heidelberg Materials adheres to the mitigation hierarchy. Before contributing to Nature Positive, we first address our negative environmental impacts. In planning and implementing business activities, we manage biodiversity impacts by avoiding, minimising, and mitigating them through habitat creation and restoration, with offsetting applied where required. The objective is to ensure that the business activities at our quarries do not reduce species diversity beyond an unavoidable minimum and where feasible, actively contribute to species conservation and recovery.

All sites near to biodiversity sensitive areas³ (areas of high biodiversity value) are required to have a Biodiversity Management Plan (BMP) by 2030. A proximity study is conducted by Group Sustainability every 3 to 5 years to assess and mitigate impacts. Sites within 1 km of a biodiversity sensitive area are required to develop and implement a BMP by 2030. Status and progress are reported annually.

To support the conservation of sensitive habitats and threatened species, and minimise the displacement of biodiversity, all active quarries are required by 2030 to maintain a minimum of 15% of the Red Line Planning Boundary (permitting or mining license boundary), as either temporary or permanent Space for Nature.

In support of the global restoration agenda and the UN Decade on Ecosystem Restoration, Heidelberg Materials, extraction sites work to record annually the area and habitat types restored and report this data internally. Wherever possible, progressive reclamation is practiced and temporary nature supported.

We control invasive alien species (IAS) by raising employee awareness to support implementing local site-level control measures to protect native ecosystems.

We support the prevention of deforestation, forest degradation, and the loss of other priority habitats. Heidelberg Materials avoids opening new extraction operations within irreplaceable habitats⁴. In other priority habitats⁵ including strictly and/or legally protected areas, all new permits or quarry expansions that may affect sensitive habitats or species at risk are required to undertake an impact assessment in accordance with applicable legislation. Within existing sites (as well as within new or extended quarries, based on the result of the impact assessment), we minimise impacts on nature, safeguard ecological connectivity, and actively support initiatives that restore native biodiversity.

Biodiversity forms an integral part of training and induction. Through internal initiatives and guidelines, we raise awareness among site management and operational employees as well as relevant supply chain partners, and we encourage participation in voluntary nature initiatives within local communities.

² European Sustainability Reporting Standard (ESRS) E4 – Biodiversity and Ecosystems

³ [EFRAG Knowledge Hub](#)

⁴ "irreplaceable habitats" are defined as rare, unique, biodiversity rich priority habitats of significant ecological value that are near impossible to recreate or will take over a century to be restored if destroyed.

⁵ "priority habitats" are specific ecological areas that are deemed (inter-) nationally important for biodiversity and require conservation action e.g. Annex 1 of EU Habitats Directive, Key Biodiversity Areas.

Water

06. Committing to Responsible Water Stewardship

Heidelberg Materials recognises water as a valuable, shared natural resource essential to life, society, and our operations as well as within our value chain. We acknowledge access to clean water and sanitation as a human right, support the United Nations Sustainable Development Goals (SDGs), and are signatories of the World Business Council for Sustainable Development's (WBCSD) Access to Safe Water, Sanitation, and Hygiene at the Workplace (WASH) Pledge. We are committed to responsible water usage, minimising our impact on natural water resources, and contributing to sustainable water management in all regions where we operate. In support of water stewardship, we aim to offer our own surplus water, e.g. from quarry dewatering or from rainwater harvesting to local stakeholders where it is feasible and agreed through a permitted process. This commitment reflects both our local and global responsibility to conserve water and reduce pressures on freshwater systems.

07. Understanding our Impact and Reporting Requirements

To understand and manage our water footprint, Heidelberg Materials monitors water-related KPIs in accordance with the Group Water Reporting Procedure. We comply with applicable local laws, regulations, permits, and internal requirements to ensure that our activities do not endanger freshwater resources, and that all sites meet applicable water quality requirements, in line with Global Cement and Concrete Association (GCCA) guidance. The data generated supports performance management, internal reporting, and continuous improvement, with particular attention to sites in high water risk and water stress contexts.

08. Embedding Water into our Corporate Strategy and our Operations

Understanding and addressing water-related risks and opportunities is an integral part of our water stewardship approach. We closely monitor the impacts of these risks on our operations and develop adaptation measures, including investments in water harvesting systems, drainage infrastructure, and flood protection, to enhance operational resilience. All sites located in identified water risk areas using water, will implement water recycling systems by 2030, wherever economically and technologically feasible, to reduce freshwater withdrawal⁶.

09. Managing Water

Acknowledging that stress on water resources is aggravated by climate change and competing interests, Heidelberg Materials will implement Water Management Plans at all sites located in water risk areas by 2030. These plans encourage sites to include freshwater reduction targets and actions to engage local stakeholders to minimise local water risks. To promote continuous improvement in innovative water protection, efficiency and conservation practices, including nature-based solutions, recognising the water-biodiversity nexus and strengthening ecosystem resilience, the Water Management Plans are reviewed every 3-5 years by the sites and, where required, adjusted or updated.

Land Use (incl. soil protection)

10. Committing to Responsible Land Use

Heidelberg Materials recognises that land is a finite and essential resource for our business, ecosystems, and local communities. We are committed to using and managing land as well as soil responsibly throughout the lifecycle of our operations, ensuring that land remains a viable resource and contributes to environmental, social, and economic value creation. We strive to optimise our land footprint by combining complementary activities at existing sites where feasible and by carefully planning extraction, operational use, and after-use in balance with environmental and societal considerations. In line with our circularity commitments, we promote efficient land utilisation and the reuse of materials within and across sites to reduce reliance on virgin natural resources and minimise the need for additional land disturbance.

11. Understanding our Impact and Reporting Requirements

Land is a significant asset for Heidelberg Materials, serving as the physical location for operations and as a source of raw materials. We recognise the importance of understanding our land use impacts and dependencies. Heidelberg Materials maintains internal guidance, in-house expertise, and best practice examples to support responsible land use and management. We maintain records on the status of land under our control, including operational activity, environmental and social risks, after-use planning, and progress against our targets.

As part of our commitment to responsible land use, Heidelberg Materials tracks its land cover change, and records internally the area impacted, and habitat types restored. All excavation sites are required to have a Reclamation (after-use) Plan by 2030 with exception for sites where Heidelberg Materials is not the landowner and

⁶ In line with the GCCA definition, water recycling systems refer to processes or technologies used to collect, treat, and reuse wastewater for operational purposes,

thereby conserving water resources, reducing demand for freshwater, and minimising wastewater discharge to the environment.

after-use is not defined by the authorities and the landowner within the period. We also monitor and report on the reuse and recycling of materials that support land restoration and reduce reliance on virgin raw materials.

12. Embedding our Land Use and Management Ambitions into our Corporate Strategy

Land use decisions support business success while considering environmental, social, and community factors. When acquiring, developing, or using land, water, or forests that support people's livelihoods, we comply with applicable environmental and human-rights due-diligence obligations. The acquisition and disposal of land are reviewed regularly to ensure that the property portfolio is beneficial to the environment, neighbourhoods, and society. We do not acquire land for speculative purposes or land banking; all land acquisition and retention are justified by business need. Regular portfolio reviews identify idle or surplus land for beneficial reuse or disposal, minimising unnecessary impacts and supporting community, environmental, and economic needs.

Land use planning is closely linked to material efficiency and resource optimisation. Opportunities are assessed to reuse extracted and processed materials for backfilling, site development, infrastructure, or reclamation activities, thereby reducing reliance on virgin raw materials and limiting additional land disturbance. Through integrated planning across functions, land management decisions contribute to resource conservation, operational efficiency, and sustainable development objectives.

13. Managing Land Compensation and Offsetting

Responsible land use includes managing land to protect and, where possible, enhance biodiversity, avoid harmful soil changes, prevent water pollution, and minimise excessive water consumption, recognising the interdependence between land/soil, water, and biodiversity. Operational land management also includes optimising material flows at site level. Where feasible, extracted and processed materials are reused for backfilling, landscaping, infrastructure, or reclamation purposes, thereby reducing additional land disturbance and limiting demand for new material inputs. The gradual and, where practicable, phased release of operational land for after-use minimises liabilities and supports sustainable development or conservation outcomes within the local area.

Where required by local regulation or mitigation of unavoidable impacts, land compensation or offsetting arrangements are implemented to mitigate disturbance or loss of habitats associated with our operations. Such compensation land, although not used for operational extraction, forms part of our land portfolio and does not

reduce our commitment to protect and enhance biodiversity on land under operational use. We respect the land rights of local communities and engage in meaningful stakeholder consultation throughout the period of land control to ensure balanced outcomes that recognise environmental, social, and economic interests. Regular and effective community engagement as indicated in the Corporate Citizenship Policy, supports mutual understanding and acceptance during operations and in after-use planning.

Stakeholders and Advocacy

14. Engagement with Stakeholders and Advocacy

Effective stakeholder engagement is essential to ensure that our activities in land use, biodiversity, water stewardship, and circularity deliver balanced and sustainable outcomes. Recultivated areas, particularly those with high biodiversity value, are recognised as important recreational spaces for communities, making environmental commitments central to social acceptance and human well-being. We engage early, regularly, and transparently with local communities, authorities, and other stakeholders, particularly at extraction sites, to address expectations, maintain acceptance during operations, and support appropriate after-use planning. Where land is not required for immediate operational use, we may allow interim third-party access or use, subject to legal agreements, to minimise land competition and avoid unnecessary displacement of activities.

We collaborate with specialised organisations, including BirdLife International and its partners, as well as research institutions and industry associations, to strengthen biodiversity conservation, restoration practices, and responsible land management. Through initiatives such as the Quarry Life Award, we promote research, education, and community awareness on biodiversity and habitat restoration.

To advance circular practices and sustainable resource use, we work with suppliers, customers, policy makers, and cross-sector partners to increase the use of secondary materials, reduce waste disposal, and promote sustainable procurement and take-back solutions. We actively participate in industry initiatives and policy dialogues to advocate for effective standards and regulatory frameworks that support nature protection, resource efficiency, and sustainable business practices.

