

Environmental Policy

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.

1. Commitments

We understand that the environment is fundamentally important, not only for our business, but for our planet and all life. Therefore, as Heidelberg Materials, we take the environment as critically important and sensitive topic into account in all our operational and investment decisions. Our Sustainability Commitments 2030 set the foundation of our sustainability strategy. They focus on our net-zero pathway by driving the decarbonisation of our company and they also set targets for a broader contribution to the UN Sustainable Development Goals, such as environmental protection, water, biodiversity, and sustainability in the supply chain.

2. Corporate Governance

Environmental topics are addressed at our Managing Board through our Chief Sustainability Officer. Group and country managers are responsible for implementing this policy and for complying with national or local laws that address environmental protection.

3. Understanding our environmental impact and reporting

We monitor our environmental impact by measuring relevant emission data such as CO₂, air emissions, and water consumption. We aim for regular air emission monitoring in all our cement plants and implement environmental management certification schemes to limit our environmental impact.

We will report according to the European Sustainability Reporting Standards (ESRS) starting with the Annual and Sustainability Report 2024. Here, all material environmental impacts and their governance, the interaction with strategy and business model, their management and corresponding metrics as well as targets are disclosed. Additionally, we report according to the standards of the Global Reporting Initiative (GRI) and the IFRS Sustainability Standards, which cover the former Task Force on Climate-related Financial Disclosures (TCFD), ensuring a high degree of interoperability. Finally, we report in accordance with the Sustainability Accounting Standards Board (SASB) framework.

4. Managing our operations and training our employees

Production sites have installed environmental management systems in order to manage critical environmental impacts and risks and continually improve the environmental performance of our activities. Heidelberg Materials

Group defines environmental company standards that meet or exceed local regulatory requirements. Environmental mid-term targets – for instance on specific atmospheric emissions – are defined, tracked, and published on Group level. The overarching ESG policies are complemented by guidelines and procedures, e.g. guidelines on water reporting in cement plants, on sourcing of alternative fuels or on emission control for new cement plants. Our business lines implement operational models which also address environmental aspects. We train and raise awareness among our employees to understand how to reduce our environmental impact. Trainings on environmental protection and other environmental topics are an integral part, especially for our technical employees.

5. Research and innovation

Research and innovation are essential for achieving the sustainability targets, enabling us to optimise processes, develop new products, and safeguard their quality for standardised use. Our fields of innovation cover our entire value chain from raw materials extraction, clinker and cement production, CO₂ capture, down to building materials such as Ultra-High-Performance Concrete, 3D printing or recycling.

6. Engagement along the value chain

We attach great importance to responsible procurement and sustainable behaviour on the part of our suppliers. We aim for a transparent assessment and monitoring of our supplier base and close cooperation with suppliers regarding our sustainability approach and expectations towards our supply chain, including human rights compliance and environmental protection. Suppliers are informed on our expectations e.g. via our Supplier Code of Conduct and during regular supplier meetings or as part of any tender process. At the core of our approach is a comprehensive risk assessment process that is rolled out to our suppliers based on assessing country risks as well as product category risks.

We also engage with our customers, to help them to understand the sustainability of our products. We offer our Sustainability Academy in various countries to meet with our customers, architects, and construction companies.

7. Raising awareness and advocating for sustainability

The sustainability transition can only be achieved through collaboration with the relevant stakeholders. Therefore engagement with the different groups is of utmost importance to us. We cooperate with various partners from the industry, associations, governmental and non-governmental organisations, as well as universities and research institutions. We carefully decide which initiatives, associations and the like we support.

Our engagement in associations and initiatives aims to drive and accelerate a successful implementation of the industrial transformation towards net zero. We thus raise the awareness of environmental issues concerning our industry by engaging with national governments, local communities, associations, and non-governmental organisations.