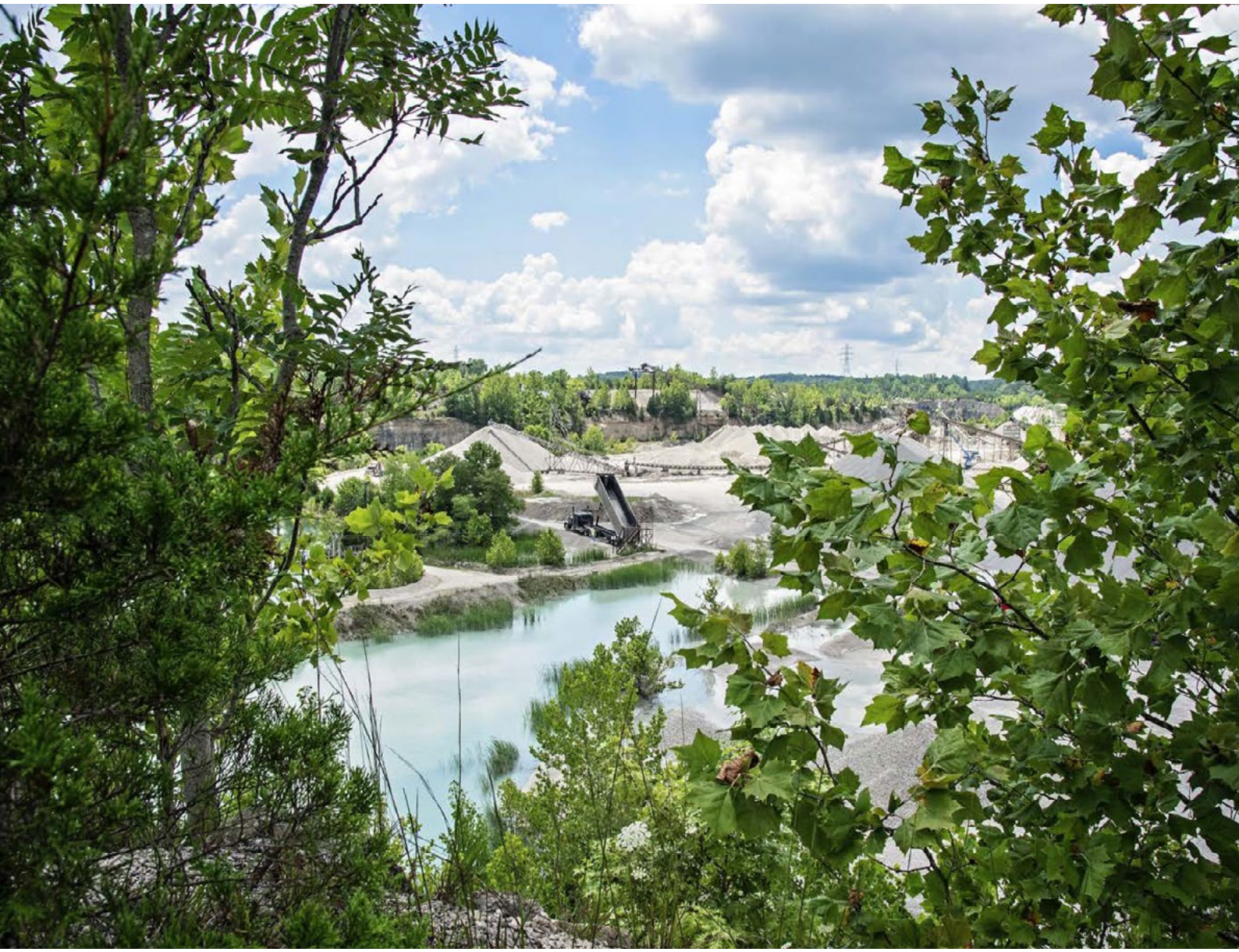
HEIDELBERGCEMENT

SASB REPORT 2020



MATERIAL
TO BUILD OUR FUTURE

About this report

Report content and organisation
HeidelbergCement is publishing its first report in accordance with the Sustainability Accounting Standards Board (SASB) framework. This publication is aimed at investors and analysts.
When deciding on the most important sustainability topics as laid out by SASB, we have used the recommendations of the SASB Construction Materials Standard (Version 2018-10). In addition, we have conducted a five-factor assessment to determine topics that are material to the company.

Data collection
Methods and systems that have been defined across the Group are used to collect data at our business locations. Internal reporting and consolidation of the data take place via centralised electronic KPI data management systems at the Group; here, the key figures are checked for completeness and credibility. Uniform Group-wide definitions of all the relevant key figures, as well as process guidelines for the reporting processes, are available on the intranet.

Information about the editing process
This report is published in English. The editorial deadline was 31 October 2021.

Disclaimer of liability
We have compiled the information and key figures contained in this report with extreme care. All the contents of this report were examined by the employees responsible for this task. However, we cannot completely exclude the possibility that this report includes erroneous information. The report and the information contained in it do not constitute a test of compliance with the current laws, legal regulations, or recognised sustainability practices in the industry.

Sustainability reporting at HeidelbergCement
This report should be read in conjunction with the HeidelbergCement Sustainability Report available at *www.heidelbergcement.com/en/sustainability*.

Construction Materials
Sustainability Accounting Standard

ACTIVITY METRIC

Production by major product line

EM-CM-000.A	2018	2019	2020
Cement and clinker (million metric tonnes)	130.0	125.9	**122.0**
Aggregates (million metric tonnes)	309.4	308.3	**296.3**
Ready-mixed concrete (million cubic metres)	49.0	50.7	**46.9**
Asphalt (million metric tonnes)	10.3	11.3	**11.0**

ACCOUNTING METRICS

Greenhouse gas emissions

EM-CM-110a.1	2018	2019	2020
Gross global Scope 1 emissions (million metric tonnes CO_2e)	75.4	72.98	**68.4**
Percentage covered by emissions limiting regulation	–	40 %	**39 %**

Gross global Scope 1 emissions include cement and aggregates business lines. Gross CO_2 emissions (Scope 1) for the aggregates business line have been recorded since 2019.

EM-CM-110a.2

Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions reduction targets, and an analysis of performance against those targets

We have a strong track record in reducing CO_2 emissions and are further accelerating our efforts. By 2019, we had already achieved a 22 % reduction of our specific net CO_2 emissions per metric tonne of cementitious material compared with 1990. Our 2030 target of a 30 % reduction has therefore been brought forward to 2025, with a new, challenging goal of less than 500 kg CO_2 per tonne of cementitious material set for 2030, which is a reduction of -33 %, all underpinned by a clear roadmap.

Our CO_2 reduction strategy is based on solid measures at plant and product levels, the implementation of which is well underway. The achievement of our sustainability goals is also embedded in the management incentive programmes. Our goal is to reduce our specific CO_2 emissions by 30 % by 2025, compared with the 1990 level, and to offer carbon neutral concrete across our whole product portfolio by 2050 at the latest.

For more information on emission reduction targets, please go to
https://www.heidelbergcement.com/en/system/files_force/assets/document/7e/8c/co2-strategie_factsheets_en.pdf

Air quality

EM-CM-120a.1	2018	2019	2020
Air emissions of the pollutants: NO_x (excluding N_2O) (metric tonnes)	114,514	110,079	**99,983**
Particulate matter (PM10) (metric tonnes)	7,272	5,454	**2,930**
Dioxins/furans (milligram)	3,177	4,651	**4,140**
Volatile organic compounds (VOCs) (metric tonnes)	4,170	4,270	**3,383**
Polycyclic aromatic hydrocarbons (PAHs) (metric tonnes)	–	–	**–**
Heavy metals (Mercury) (kilogram)	2,725	3,157	**1,578**

We are currently not collecting data on PAHs globally.

Energy management

EM-CM-130a.1	2018	2019	2020
Total energy consumed (terajoules)	384,484	371,829	**351,384**
Percentage grid electricity	12.0 %	12.1 %	**12.1 %**
Percentage alternative	18.1 %	19.7 %	**21.1 %**
Percentage renewable	7.0 %	7.5 %	**8.1 %**

Total energy consumed includes the cement and aggregates business lines. Definitions and consolidation for the business line cement in accordance with the guidelines of the GCCA. Volumes for Power-Purchasing Agreements are below the materiality threshold and thus not included. Definition of renewables corresponds to the GCCA definition for biomass.

Water management

EM-CM-140a.1	2018	2019	2020
Total fresh water withdrawn (million cubic metres)	58.1	54.7	**54.8**
Percentage recycled	–	–	**–**
Percentage water withdrawn in regions with High or Extremely High Baseline Water Stress	23.3 %	27.8 %	**22.6 %**
Percentage water consumed in regions with High or Extremely High Baseline Water Stress	24.2 %	32.6 %	**25.6 %**

While most of our sites are equipped with water recycling technology, such as water circulation systems for cooling, we do not measure the amount of water we recycle.

Waste management

EM-CM-150a.1

Amount of waste generated, percentage hazardous, percentage recycled

Quantitative data not yet reported. Please see qualitative information below.

HeidelbergCement's primary focus in terms of waste management concerns the kiln dust that is a by-product of clinker production. This dust must be removed from the kiln systems at several facilities to prevent disruptions to proper kiln operations. We generally use the kiln dust as an alternative raw material in the production of certain types of cement, thereby improving our ecological efficiency. In some exceptional cases, the locally produced cement type portfolio prevents us from fully recycling the dusts. A second possibility for us is to use the kiln dust as a raw material to produce special concrete. If no other option is available, it can be deposited in underground landfill sites in a controlled process. The local operating permit at each plant specifies the allowable amount of process-related waste products and how it is to be used.

In addition, HeidelbergCement has initiated an analysis of further waste streams to improve reporting on waste management in the future.

Biodiversity impacts

EM-CM-160a.1

Description of environmental management policies and practices for active sites

We only extract worthwhile deposits if they can be exploited in an environmentally compatible and economical manner. Before making any decision concerning the development of a new quarry or the expansion of an existing one, the company first conducts an extensive approval process in line with the corresponding laws and regulations. Our sites are operated in accordance with relevant international, national, and local environmental legislation, and environmental impact assessments are generally prepared as a prerequisite for the permitting of quarrying activities. Through this process, we manage our impact on biodiversity in line with the sequential steps of the mitigation hierarchy: avoid, minimise, and mitigate.

To fully understand our impact, two tools are applied. At regular intervals a proximity study is undertaken, which maps all our locations (extraction and non-extraction sites) against areas of high biodiversity value (locally, regionally, and internationally protected areas and key biodiversity areas). Sites within 1 km are then required to implement a biodiversity management plan. Furthermore, BirdLife International are assisting us in quantifying our impact, by undertaking a biodiversity net impact assessment at all active extraction sites by 2025.

We believe in helping to conserve habitats and biodiversity features throughout the life cycle of our quarrying sites. Even during the extraction phase at an operational site, we can create optimal conditions for threatened species that are associated with early stages of ecological succession. Through the reclamation process, we are also able to create new habitats such as wetlands and species-rich grasslands and integrate biodiversity features into any intended subsequent use. In Europe in particular, our quarries are now important refuges and stepping-stone habitats for specially protected species such as the sand martin, the yellow-bellied toad, the eagle owl, and the Eurasian otter, which are accordingly also the focus of numerous biodiversity projects.

For more information on biodiversity, please see the latest HeidelbergCement Sustainability Report.

Workforce health and safety

EM-CM-320a.1	2018	2019	2020
Total recordable incident rate (employees and contract employees)	1.49	1.33	**1.25**
Near-miss frequency rate (employees and contract employees)	125	208	**203**

Total recordable incident rate displayed per 200,000 worked hours.

HeidelbergCement defines a near miss or near hit as an event or situation that could have resulted in an injury, damage or loss but did not do so due to chance, corrective action and/or timely intervention and thus follows a highly preventive approach in H&S reporting.

EM-CM-320a.2	2018	2019	2020
Number of reported cases of silicosis	22	38	**3**

We are using the International Classification of Diseases (ICD) to track occupational diseases. The provided numbers are for respiratory diseases including but not limited to silicosis.

Product innovation

EM-CM-410a.1

Percentage of products that qualify for credits in sustainable building design and construction certifications

Quantitative data not yet reported. Please see qualitative information below.

Our products qualify for credits in sustainable building design and construction certifications in different ways. Credits in sustainable construction schemes such as LEED, DGNB, BREEAM can be achieved by products (cement, concrete, and aggregates) having an Environmental Product Declaration (EPD). We have such EPDs for selected products in many of our core markets such as Sweden, Germany, Italy, or the United States. Moreover, concrete certified according to a Responsible Sourcing Scheme such as BES 6001 or the Concrete Sustainability Council (CSC) may also be used for recognised credits. Such products are on offer in the Netherlands, the UK, Germany, Turkey, Belgium, the United States, Poland, and Spain. Given the wide range of our product portfolio, we are currently not able to quantify the exact percentage of the eligible products.

EM-CM-410a.2

Total addressable market and share of market for products that reduce energy, water, and/or material impacts during usage and/or production

Quantitative data not yet reported.

IMPRINT

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