



Water Policy

Issued: June 2023



Heidelberg
Materials



Our commitment to sustainable water management

The continuously growing demand for water worldwide is leading to global water stress due to competition for available water resources. Therefore, increasingly strict rules on water protection are implemented. That is why ever stricter regulations are being enacted by governments to protect the waters, while the United Nations and associations contribute to the tightening of the legal situation.

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).

Cooperation and governance

At our more than 3,000 production sites worldwide, Heidelberg Materials uses water for process conditioning, aggregates washing, production of cement and concrete, grounds watering, cooling, and cleaning purposes. Water is a valuable and essential resource. We cooperate with relevant stakeholders, including sector and water associations, non-governmental organisations, policy makers, and local communities, as well as other water users in the water catchment to find a balanced approach and fair agreements for appropriate and sustainable water management practices.

Within our sustainability strategy and our ten commitments endorsed by the board, one commitment is dedicated to responsible water management. Our Chief Sustainability Officer, as a member of the Managing Board of Heidelberg Materials, oversees the comprehensive implementation of the global strategy and water policy and ensures that continuous progress is being made.

Actions

1. Complying with laws and regulations as well as corporate guidelines

We manage our business in accordance with the relevant applicable environmental laws and regulations of the countries in which we operate, and in compliance with our own corporate guidelines and policies, including our Code of Business Conduct. This ensures that our activities do not endanger local water resources and supplies. Our suppliers are obliged to fulfil the environmental standards of our Supplier Code of Conduct, including water management and conservation.

2. Water risk areas

Following the CEO Water Mandate, a UN Global Compact initiative, we refer to water risk as the possibility of an entity experiencing a water-related challenge including the availability, quality and accessibility of water as well as physical risks. In the areas in which our sites are located, we identify three different categories of water status which require actions:

- “Water scarcity” refers to availability
- “Water stress” refers to availability, quality and accessibility
- “Water risks” refers to availability, quality, accessibility and direct and indirect physical risks

The Group updates and reviews the identification and qualification of these areas on a yearly basis.

3. Water recording and water reporting in water risk areas

To fully understand our water footprint and enact effective improvement measures, we will gradually introduce water recording and reporting systems at all our cement, aggregates, and concrete plants located in water-risk areas by 2027. Based on this water reporting system, and in accordance with the standards of the Global Cement and Concrete Association (GCCA), we will introduce Water Management Plans with country-specific freshwater consumption reduction commitments, wherever economically and technologically feasible. These will be updated annually and consolidated into a global strategic water consumption reduction plan at Group level.

4. Managing water in water risk areas

Acknowledging that stress on water resources is aggravated by the effects of climate change and competing priorities in different regions of the world, we will implement water management plans at all sites located in water risk areas by 2030. These plans, adjusted to the circumstances of each site, will include individual freshwater reduction targets as well as actions to engage with local stakeholders so that the water utilisation supports the common good and minimise local water risks. Furthermore, the annually reviewed plans aim at fostering continuous improvement of the implementation of innovative water protection and conservation practices, including nature-based solutions acknowledging the water-biodiversity nexus.

5. Implementing water recycling systems in water risk areas

Starting from the regions with water scarcity, all sites located in water risk areas will have implemented water recycling systems by 2030 wherever economically and technologically feasible to reduce freshwater consumption with the aim of achieving water positivity¹. According to the GCCA definition, water recycling systems refer to processes or technologies used to collect, treat, and reuse wastewater for various purposes with the goal of conserving water resources, reducing the demand for freshwater, and minimising the release of wastewater into the environment.

6. Sharing water resources across all our operations

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.

7. Understanding and addressing climate-related risks and opportunities

In line with the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD), we analyse and disclose climate-related risks and opportunities, covering water-related risks like droughts and heat waves as well as heavy precipitation and flooding. We closely monitor the effects of these risks and opportunities, and we are developing plans to adapt our operations, for example by investing in water harvesting and drainage systems as well as flood protection.

8. Ensuring safe access to water, sanitation, and hygiene

Access to clean water is a human right according to the UN Sustainable Development Goals (SDGs). We are committed to providing a safe workplace for all of our employees and site contractors and to ensuring access to drinking water as well as safe sanitation and hygiene at our sites. We are signatories of the WBCSD WASH Pledge, under which we have committed to implement the required measures at all our locations.

¹ Water positivity can be achieved if, for example, more water is available through the harvesting of rainwater than is needed for business processes.

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