

HEIDELBERGCEMENT

**SASB REPORT
2021**




MATERIAL
TO BUILD OUR FUTURE

About this report

Report content and organisation

HeidelbergCement is publishing its second 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 30 April 2022.

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

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ACTIVITY METRIC

Production by major product line

EM-CM-000.A	2019	2020	2021
Cement and clinker (million metric tonnes)	125.9	122.0	126.5
Aggregates (million metric tonnes)	308.3	296.3	306.4
Ready-mixed concrete (million cubic metres)	50.7	46.9	47.4
Asphalt (million metric tonnes)	11.3	11.0	10.4

ACCOUNTING METRICS

Greenhouse gas emissions

EM-CM-110a.1	2019	2020	2021
Gross global Scope 1 emissions (million metric tonnes CO ₂ e)	73.0	68.4	69.5
Percentage covered by emissions limiting regulation	40 %	39 %	47 %

Gross global Scope 1 emissions include the business lines cement and aggregates.

EM-CM-110a.2

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

We have a strong track record in reducing CO₂ emissions and are further accelerating our efforts. By the end of 2021, we had already achieved a reduction of approximately 25 % of our specific net CO₂ emissions per metric tonne of cementitious material compared with 1990.

We again significantly tightened up our emission reduction target in spring 2022: By 2030, we aim to reduce our specific net CO₂ emissions to 400 kg/t of cementitious material. Compared with the base year 1990, this represents a reduction of almost half.

Our CO₂ reduction strategy is based on solid measures at plant and product level, the implementation of which is well underway. The achievement of our sustainability goals is also embedded in the management incentive programmes.

For more information on emission reduction targets, please go to:

www.heidelbergcement.com/en/esg-documents-policies

Air quality

EM-CM-120a.1	2019	2020	2021
Air emissions of the pollutants: NO _x (excluding N ₂ O) (metric tonnes)	110,079	99,983	102,203
Particulate matter (PM10) (metric tonnes)	5,454	2,930	3,250
Dioxins/furans (miligramme)	4,651	4,140	3,380
Volatile organic compounds (VOCs) (metric tonnes)	4,270	3,383	3,695
Polycyclic aromatic hydrocarbons (PAHs) (metric tonnes)	–	–	–
Heavy metals (Mercury) (kilogramme)	3,157	1,578	1,458

We are currently not collecting data on PAHs globally.

Energy management

EM-CM-130a.1	2019	2020	2021
Total energy consumed (terajoules)	371,829	351,384	363,226
Percentage grid electricity	12.1 %	12.1 %	12.2 %
Percentage alternative	19.7 %	21.1 %	21.7 %
Percentage renewable	7.5 %	8.1 %	9.1 %

Total energy consumed includes the business lines cement and aggregates. Definitions and consolidation for the business line cement are in accordance with the guidelines of the Global Cement and Concrete Association (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	2019	2020	2021
Total fresh water withdrawn (million cubic metres)	54.7	54.8	54.2
Percentage recycled	–	–	–
Percentage water withdrawn in regions with High or Extremely High Baseline Water Stress	27.8 %	22.6 %	27.7 %
Percentage water consumed in regions with High or Extremely High Baseline Water Stress	32.6 %	25.6 %	32.4 %

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	2019	2020	2021
Total amount of waste generated (metric tonnes)	–	–	1,276,744.1
Thereof hazardous	–	–	6.8 %
Thereof recycled	–	–	66.0 %

Waste figures include cement and aggregates business lines. Values are consolidated at Group-level for the first time in 2021 and partially based on estimates or calculations. We are in the progress of setting up a comprehensive waste recording and reporting system at Group-level and expect data quality to improve in the upcoming years.

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	2019	2020	2021
Total recordable incident rate (employees and contract employees)	1.33	1.25	1.16
Near-miss frequency rate (employees and contract employees)	208	203	214

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	2019	2020	2021
Number of reported cases of silicosis	38	3	1

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 and 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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