

Policy on Responsible Land Use

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1 Introduction

Policy RLU1: HeidelbergCement recognises the importance of land to support its continued operations, but also recognises the important role that land plays in contributing to sustainability as a resource that supports local environmental, social and economic needs.

Land is a finite resource for which competition will only increase in the future. Access to land is necessary for societal development and this access and use is typically a process managed through local and national regulatory policies and frameworks.

HeidelbergCement requires land for its core business activities. Land represents a significant asset in the HeidelbergCement Group, comprising both a physical location at which business activities are undertaken and a source of raw material supply to support the majority of those activities. The responsible use and management of land ensures that HeidelbergCement maintains secure legal access and permission to use land.

A structured approach to responsible land use through the "life cycle of land" contributes to:

- identifying land use and management needs at various stages in the life of the site;
- reducing risk and uncertainty associated with land control;
- compliance with legal, regulatory and environmental matters;
- ensuring the efficient use of land as a resource; and,
- optimizing the 'value' of the site, both during and after our use.

This responsible land use policy establishes the principles that HeidelbergCement follows in respect of land management and directly supports our Sustainability Commitments 2030.

2 Guiding Principles

Policy RLU2: HeidelbergCement is a temporary custodian of land that it occupies and commits to responsible land use and management throughout the period of its control.

Whether land is owned or leased from others, HeidelbergCement has a responsibility for the effective management and stewardship of land to ensure that it remains a viable resource during its occupation and for future generations. Responsible land management practices support effective environmental protection, efficient use and compliance with all regulatory and statutory controls associated with land use.

HeidelbergCement has in house resources for the management of land, maintains internal guidance, and provides best practice examples to support this important function.

Policy HeidelbergCement occupies and manages land to support its
RLU2.1: business needs and returns it to a condition that provides the best practical utility and a sustainable after-use.

HeidelbergCement relies on access to land for its business activities. The locations selected for these activities often reflect a range of considerations, primarily access and proximity to customer markets, and availability and suitability of mineral deposits.

Markets change and deposits used for our business are depleting assets, so inevitably our interests in a particular location may change over time. The period of interest may range from months to many decades. At some point, HeidelbergCement will end its operational use and the land will become available for disposal and subsequent re-use.

To avoid dereliction of the land at the end of its business use, HeidelbergCement includes reclamation and after-use planning as part of its designs for operational use. Reclamation and after-use planning in the first instance ensures that land is available for the most suitable after-use based on its location, surrounding land use, and environmental, social and economic needs. To achieve acceptable outcomes, HeidelbergCement develops after-use proposals in consultation with local stakeholders and authorities.

Policy HeidelbergCement actively manages its land use to realise and
RLU2.2: release tangible and intangible benefits from its land holdings both for the business and for the wider community.

Each parcel of land is unique with its own intrinsic value. Value derived from any particular piece of land reflects its business use, as well as a broader range of aspects that may or may not directly contribute economically to HeidelbergCement activities.

Value is something more than simply economic benefit, and takes into account social and cultural associations, environmental contribution and interrelation with other adjacent land.

HeidelbergCement, as a commercial entity, has a primary interest in using land to support its business success, a measure of which is economic performance. Reputation, however, is also an important business success factor, which may be enhanced by benefits that can accrue from land such as contributing to wider economic health through providing employment opportunity, conserving or enhancing biodiversity, or creating new development opportunities to support growing populations.

Policy HeidelbergCement maintains a commitment to improve biodiversity
RLU2.3: on land in its control, as part of its operational land use and after-use proposals.

Management of land to protect and where possible to enhance biodiversity is a long-standing principle in HeidelbergCement and remains a golden thread running through all land use proposals.

When planning and implementing business activities, we manage our impacts on biodiversity in line with the sequential steps of the mitigation hierarchy, *i.e.* avoid, minimise and mitigate (through habitat creation and offsets where appropriate).

We evaluate opportunities to improve biodiversity at all stages of our land control and this principle forms an important element of responsible land use.

3 Group Responsibility

Policy HeidelbergCement Group functions, business, area and country
RLU3: management teams all contribute to the responsible use of land.

From strategic planning to operational use, all areas of the business have a responsibility for the effective and efficient use of land.

Regular reviews, monitoring and auditing of the acquisition, use and disposal of land will ensure that the property portfolio is optimized and that land use properly contributes to the overall performance of HeidelbergCement.

4 Stakeholder engagement

Policy HeidelbergCement engages actively and meaningfully with key
RLU4: stakeholders throughout the period of its land control to provide sustainable land uses during and after operations.

In the context of land management there may be many interested parties, both internal and external. Engagement with these stakeholders is essential to ensure that land use delivers the widest possible benefit.

Community engagement is essential for many sites - particularly quarries - before, during and after our use of the land to maintain good relations and to address the needs of all stakeholders in a balanced way to ensure acceptable outcomes.

We recognize that our operations are often watched critically by our neighbours, so regular and effective community engagement is essential to maintain acceptance during our period of land control and in planning for after-use.

5 Portfolio management

Policy RLU5.1: HeidelbergCement acquires land only for defined business purposes, and aligned with strategic needs.

HeidelbergCement does not acquire land speculatively and does not engage in 'land-banking'. All land acquired and retained is justified based on business need.

A separate HeidelbergCement Group Policy on Property Acquisition is available.

Policy RLU5.2: HeidelbergCement minimizes the need to acquire further land by combining activities at existing locations whenever possible.

Intensifying land use where legally, environmentally, economically and socially acceptable assists in minimizing land take and reduces the number of operational locations necessary.

Policy RLU5.3: HeidelbergCement minimises its land footprint and liabilities by retaining only those properties necessary for current or proposed future operations.

Surplus land is any land controlled by HeidelbergCement for which we do not, and will not have, any identified business need. This may include whole sites, or parts of sites.

Regular reviews of the property portfolio identify idle or surplus land, which either is brought back into use, or is released for disposal.

Policy RLU5.4: HeidelbergCement manages its land to ensure that as much of the area remains in productive use for as long as is possible.

Land acquired by HeidelbergCement may not be for immediate use, or only part is used initially in the business. Where land is not necessary for immediate use, where possible and where we protect our future interests, we will allow third party access and use subject to legal agreements.

Legal agreements may allow access and use by previous owners (e.g. farmers), or for tenants with other (non-conflicting) business uses.

By allowing third party use before we need land for operations, HeidelbergCement ensures that we minimize land competition by displacing activities elsewhere, which may consume more land locally.

Policy HeidelbergCement where necessary provides offset or compensation
RLU5.5: land which is managed to maintain local habitats and biodiversity.

In some countries, or states, it is necessary to provide compensatory land to mitigate disturbance or loss of habitats associated with our operations. Although not in operational or extractive use, such land is necessary for our business and forms part of our land portfolio.

6 Reclamation

Policy HeidelbergCement ensures that, where possible, operations include
RLU6: progressive reclamation and release of land for future use throughout its operational life.

Progressive reclamation of operational areas and, where practicable, phased release for after-use minimises liabilities at the end of our operations and ensures that we do not block access to land that may support the sustainable development of the local area.

7 After-Use

Policy HeidelbergCement adopts an after-use approach that generates value
RLU7: for all stakeholders by managing risks, mitigating harm and creating opportunities from its land use practices.

It is self-evident that responsible land use and management, and in particular high quality reclamation and after-use, enhances the reputation of HeidelbergCement thus ensuring continued future access to land, minerals, capital and people and allowing the business to grow. This in itself is a contributor to value for the business.

In addition, from land we create value for the communities in which we operate by providing and supporting access for sustainable future development and use.

8 Disposal

Policy HeidelbergCement manages its surplus property disposals to ensure
RLU8: operations can continue while returning land to a beneficial after-use as soon as reasonably practicable.

Disposal represents the end of our interests in land following operational use. Our responsible use of land throughout our period of occupation ensures that the land is released in a condition that supports its beneficial after-use.

A separate HeidelbergCement Group Policy on Property Disposal is available.

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