

Sustainability Commitments 2030 - stronger and more comprehensive

We drive the **decarbonization** of our sector and provide **low-carbon** products

We drive **circularity** to reduce and reuse materials and natural resources



We place the **health and wellbeing** of employees, communities, and suppliers at the core of our business operations

We contribute to a nature positive world through our industry -leading **biodiversity program** and **sustainable water management**



Sustainability Commitments 2030 at a glance



Building a Net Zero Future

We drive the decarbonisation of our sector and provide low-carbon products.

CO₂ & Energy

Reduce our Scope 1 CO₂ emissions to 400kg per tonne of cementitious material

Reduce our total CO₂ footprint according to the SBTi 1.5°C pathway¹

Capture 10 million tonnes of CO₂ cumulatively through our CCUS projects



Additional Emissions

Reduce sulphur and nitrogen oxide emissions (SO_x and NO_x) by 40% compared with 2008



Sustainable Revenue

Achieve 50% of our revenue from sustainable products that are either low-carbon or circular



Building a Safe & Inclusive Future

We place the health and wellbeing of employees, communities, and suppliers at the core of our business operations.

Diversity, Equity & Inclusion

Ensure that 25% of leadership positions are filled by women



Occupational Health & Safety

Achieve zero fatalities and reduce lost time injury frequency rate (LTIFR) by 50% compared with 2020



Community Engagement

100% of our sites have community engagement plans

All employees are offered one day per year of paid leave for voluntary community work



Sustainable Suppliers

80% of critical supplier spend confirmed with a green ESG rating



Building a Circular & Resilient Future

We drive circularity to reduce and reuse materials and natural resources.

Circularity

Offer circular alternatives for 50% of our concrete products – aiming for full coverage



Sustainable Revenue

Achieve 50% of our revenue from sustainable products that are either low-carbon or circular



Building a Nature Positive Future

We contribute to a nature positive world through our industry-leading biodiversity programme and sustainable water management.

Biodiversity

100% of active quarries contribute to the global goal of nature-positive, with 15% space for nature



Water

100% of sites in water-risk areas implement water management plans and water recycling systems



Why do we need a commitment on sustainable revenue?

In the capital market, it is necessary to link sustainability with financial incentives.

Sustainable product portfolio will be THE key differentiator!

Sustainable products are an important lever to attract and retain customers. Furthermore, these products are typically linked with a premium.

The share of investors who consider sustainability as key and a significant factor continue to grow – ESG is no trend, it is becoming an integral criterion in the investment analysis.

Our 2030 commitment:

Achieve

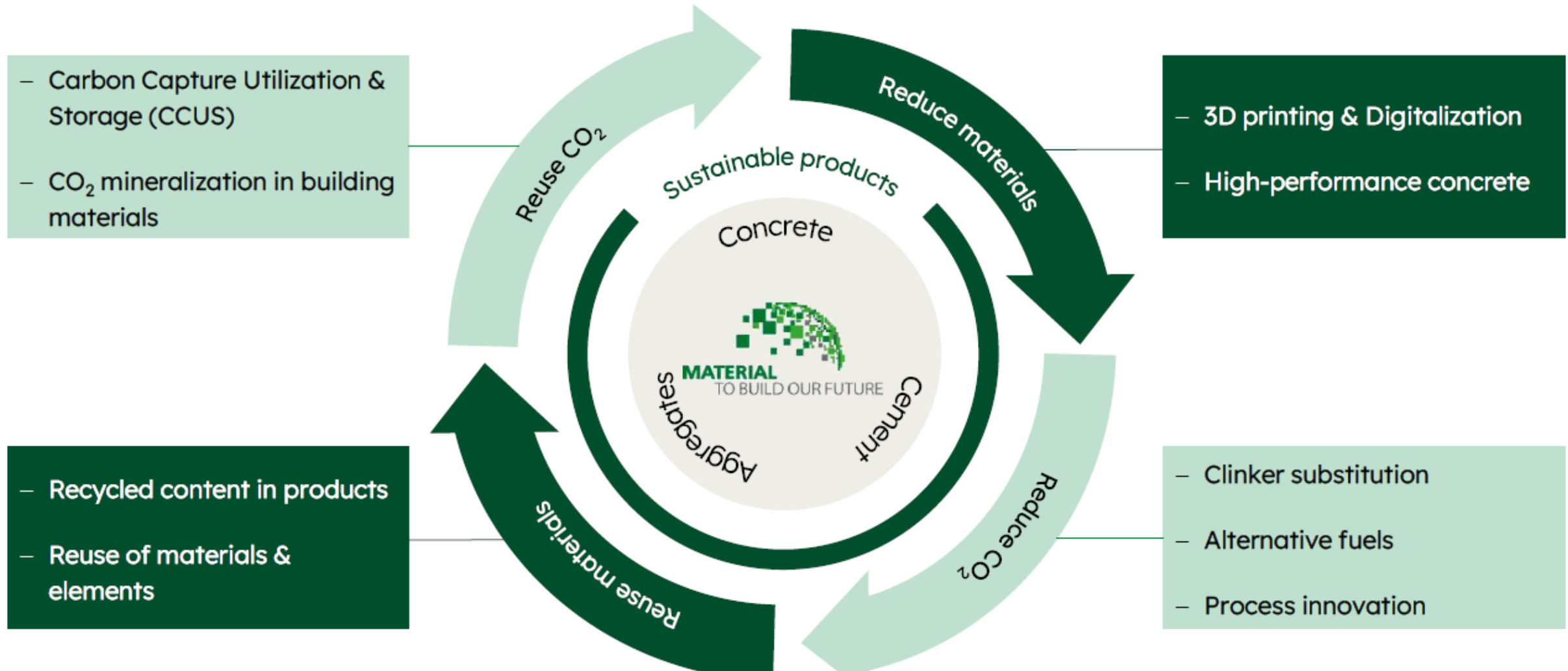
50 %

of our revenue from sustainable products that are either low-carbon or circular

Leading KPI

% Gross revenue from sustainable products

Circularity Strategy – Closing the carbon and materials loop



Why do we need a commitment on biodiversity?

Biodiversity is declining at an alarming rate. Our activities in quarries affect natural habitats.

Public interest and legal demands to protect biodiversity are increasing.

We can make a difference: ensuring biodiversity measures both during the active phase and in the after-use of the land.

Our 2030 commitment:

100 % of active quarries contribute to the global goal of nature positive with 15 % space for nature

Leading KPIs

% of space for nature achieved per quarry
(to be reported every 3 years)

% of quarries with Biodiversity Management Plans (BMPs)



Why do we need a commitment on water?

1. Water is a limited but essential resource for **production processes** of all BLs
2. Compliance with **regulations** and improvement of **ESG ratings**
3. Responsible use ensures a reliable source of water at a reasonable **price**, avoiding supply disruptions and price fluctuations
4. On our way to become “**nature positive**” plays an essential role

Our Water Commitment 2030

100 % of sites in water-risk areas implement Water Management Plans and water recycling systems

Water risk = availability + quality + accessibility + physical risks
(compared to water scarcity = availability)

Leading KPIs

- % of sites with WMPs
- % of sites with water recycling or rainwater harvesting systems

Why do we need a commitment on community engagement?

Engaging with local communities helps us to understand and address the social and environmental impacts of its operations. This can help ensure that the company's activities are sustainable and have a **positive impact on local communities**.

Community engagement builds trust and credibility on local business level ensuring a **good reputation**.

Community engagement can help us to secure our social **license to operate**. This can improve the company's long-term prospects and stability.

Our employees take an active part in community life with paid **volunteering** to achieve positive social and environmental impact.

Our Community Engagement Commitment 2030

100 % of sites have Community Engagement Plans

All employees are offered 1 day per employee of paid leave for voluntary community work



Leading KPIs

- % of sites with CEPs
- % of annual spend on CSR

Land - use

... we will continue to
reduce our impacts on land...

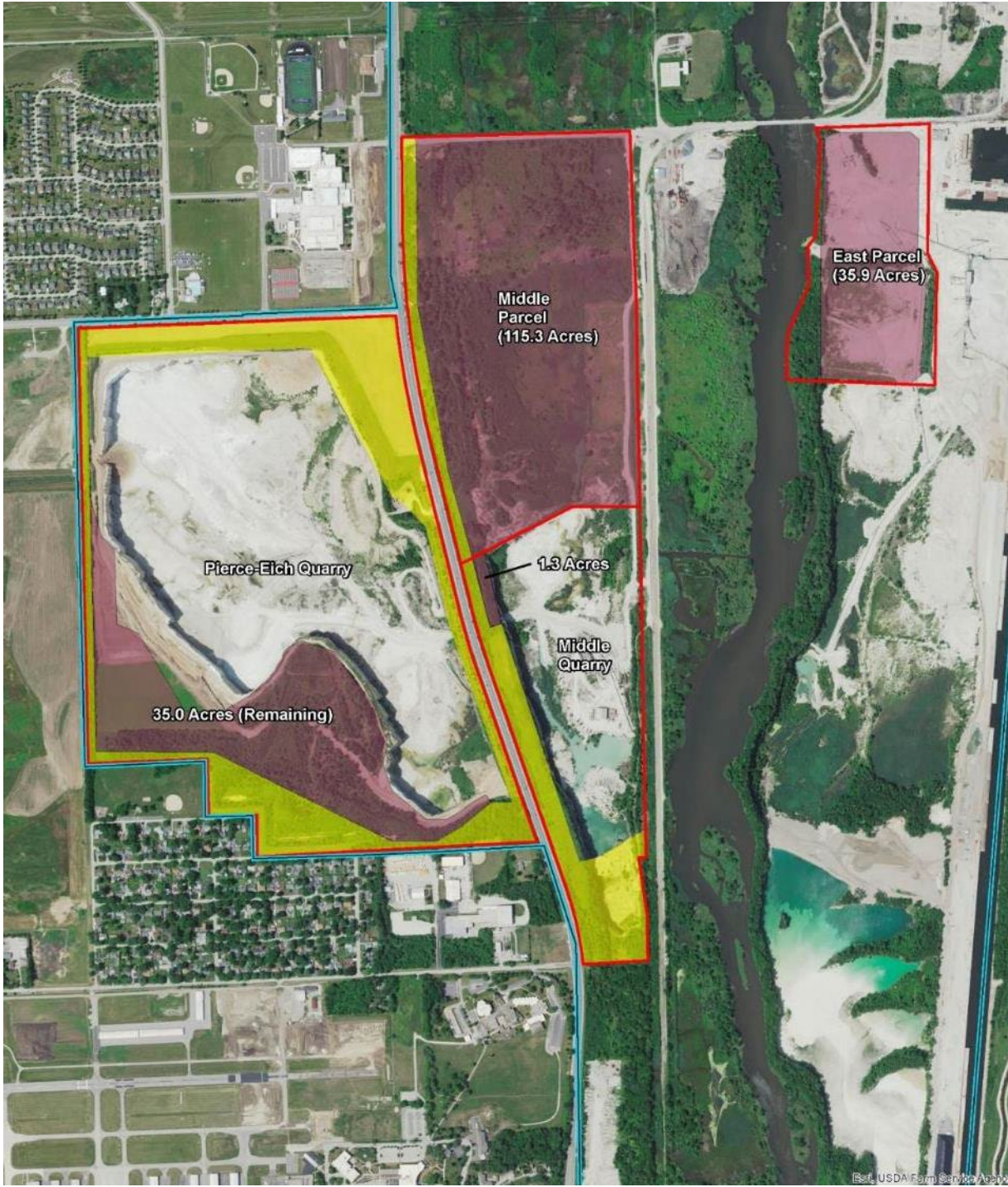


Why does it matter to us?

Our activities have a direct impact on biodiversity

- Humanity depends on planet's biological diversity , which is being lost at an unprecedented rate
- The extraction process naturally results in a land-use and biodiversity change , both often viewed negatively
- Policy frameworks with restoration targets will be established (EU Biodiversity strategy 2030; UN Decade on Ecosystem Restoration 2021 -2030, Global post -2020 biodiversity framework)
- Our sites can provide valuable habitats for a variety of animal and plant species, contribute to the global restoration agenda and work towards a net positive in biodiversity





Surface Mining Plan

187 Acres over the next 30 Years

Romeoville, Illinois



Covered Species

Federal and Illinois endangered Hine's emerald dragonfly (*Somatochlora hineana*) and its critical habitat

Illinois endangered Blanding's turtle (*Emydoidea blandingii*)

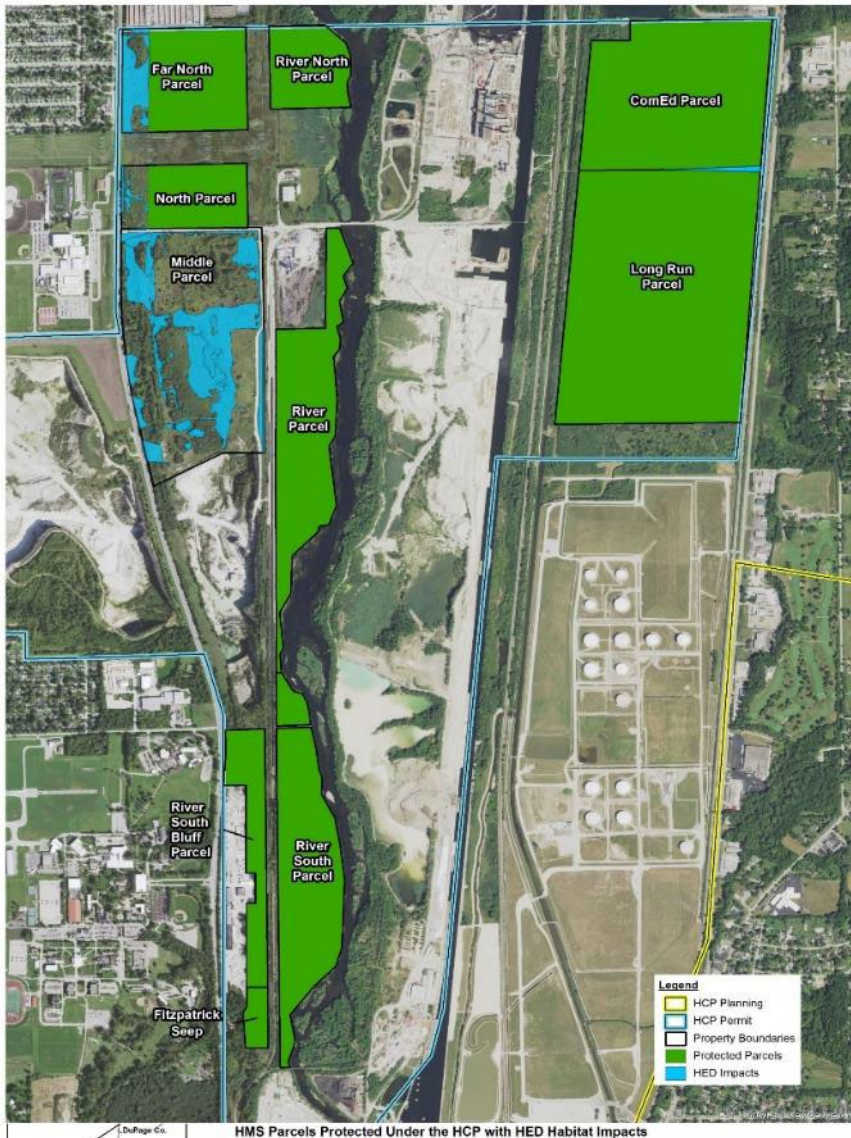
Illinois endangered spotted turtle (*Clemmys guttata*);

Federal and Illinois endangered leafy prairie clover (*Dalea foliosa*);

Federal threatened and Illinois endangered lakeside daisy (*Hymenoxys acaulis*).



Mitigation Parcels



HMS Parcels Protected Under the HCP with HED Habitat Impacts

Nine Parcels

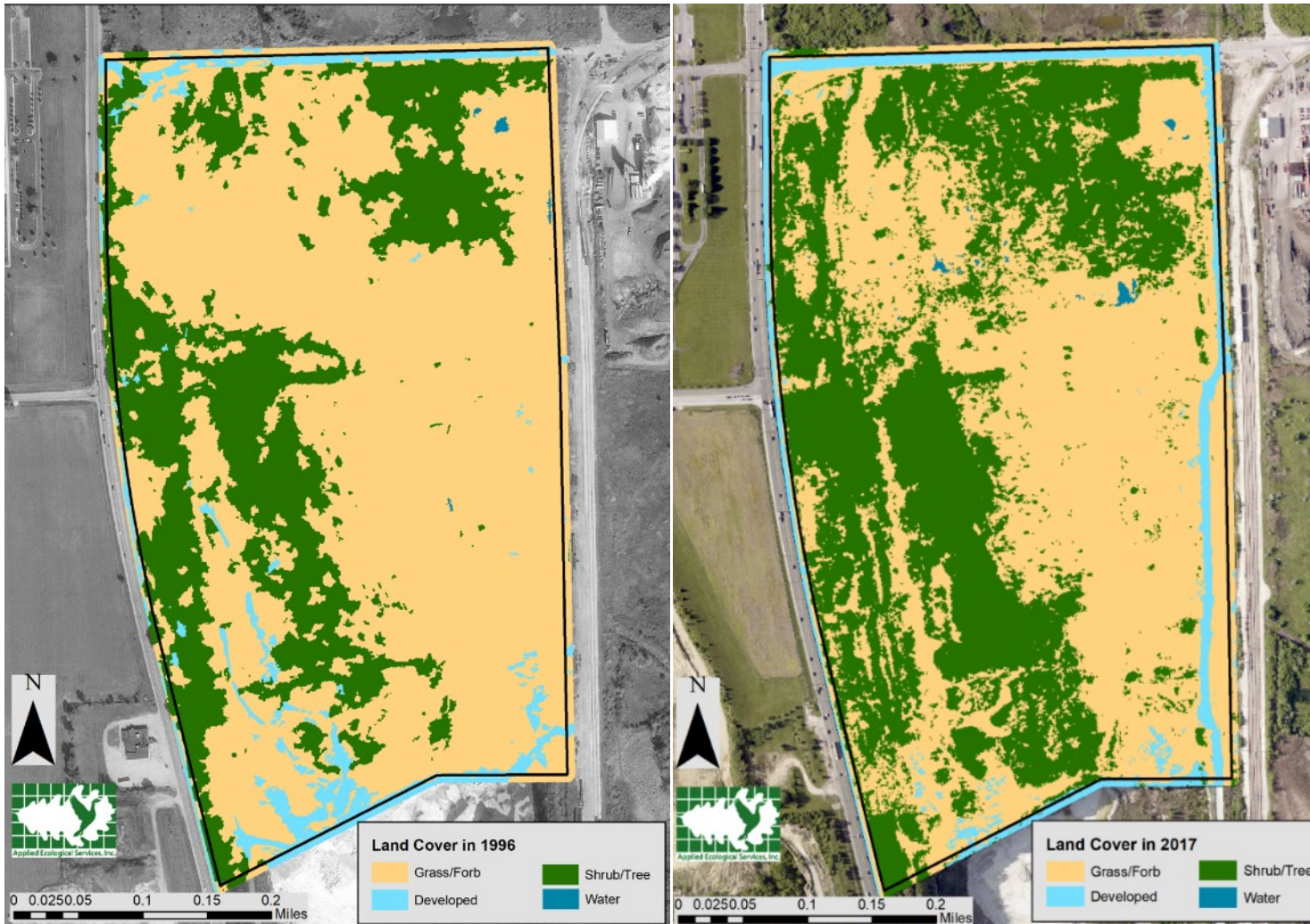
- 49.6 Acres of HED Habitat impacts
- 519 Total Acres Permanently Protected
 - Increase known adult HED habitat in Illinois by (182 ac) 11.9%
- 354 Acres of Habitat Restored, Enhanced or Maintained
 - Increase known adult HED habitat in Illinois by (182 ac) 11.9%
- 6.01 acres of Wet-Mesic Dolomite Prairie transplanted



If We Do Nothing ...

Land Cover Classification, 1996

Land Cover Classification, 2017



Buckthorn and other weedy woody vegetation have expanded 50% (18 acres) over 21 years





Wet-mesic dolomite prairie in Middle Parcel – North end looking south



Wet-mesic dolomite prairie in Middle Parcel – East edge looking west

Promotional Materials



THE QUARRY LIFE AWARD

Helping to make the future nature positive!

Prizes up to € 30 000!



“The Quarry Life Award offers you a unique opportunity to add genuine ecological and educational value to an extraction site.”



Enter the Quarry Life Award competition and help promote nature at extraction sites

Heidelberg Materials invites you to submit a biodiversity project linked to its sites around the world.

Extraction sites have a high degree of biodiversity due to the great variety of landscapes and the different habitats they offer. The aim of the Quarry Life Award is to raise awareness of the ecological value of extraction sites and share new best practices with the scientific community, NGOs, community groups and our operating units.

Quarry Life Award at a glance

Since the start of this competition in 2012, the Quarry Life Award has grown into a global success. The numbers from the past editions speak for themselves.

- 100+ quarries open for research
- 25+ participating countries
- 1100+ project proposals submitted
- 300+ projects carried out
- 1000+ researchers involved



Join the QLA Community:

Get inspired and learn more about the outstanding ideas and projects from the past editions at www.quarrylifeaward.com.



Register your participation

Would you like to compete for the Quarry Life Award? Just follow these three steps:

- 1** Choose a stream for your project – the Research Stream or the Community Stream. Then pick a participating quarry in your country and develop a project proposal.
- 2** Register your proposal at www.quarrylifeaward.com by 18 November 2024. The National Juries will announce the six proposals they selected for competition phase by 2 December 2024.
- 3** The selected projects will be carried out between 1 January and 30 September 2025. The national and international juries will announce their winners as from November 2025, based on the final project reports.

Thank you for registering. Whether you win or not, remember that your efforts help enhance the ecological and educational value of an extraction site, and therefore our planet as a whole.

Good luck!

Join the QLA Community:



Project Review



- Two Streams
 - Community Stream
 - Biodiversity Management, e.g. nature conservation concepts, projects during production
 - Habitat and species research, e.g. mappings, surveys, scientific studies
 - Beyond Quarry Borders, e.g. green infrastructure, habitat connectivity
 - Research Stream
 - Biodiversity & education, e.g. educational materials, nature activities
 - Connecting quarries and local communities, e.g., viewing platforms, building nest boxes
 - Nature Based Solutions, e.g., wetlands to alleviate flooding or water filtration
- Prizes: € 4,000 for first, € 2,000 for second, € 1,000 for third



CO₂ Scope 1 commitment:

Reduce our Scope 1 CO₂ emissions to

400 kg

per tonne of cementitious material

equals -24 % vs. 2020 (-47 % vs. 1990)

We drive the decarbonisation of our sector
and provide low-carbon products



Baseline

2020



Target year

2030



KPIs

CO₂/t clinker

CO₂/t cement

CO₂/t cementitious¹



Coverage

BL Cement

*According to GCCA. Equivalent to -468 kg CO₂/t cementitious per JANUS definition
1. Leading KPI



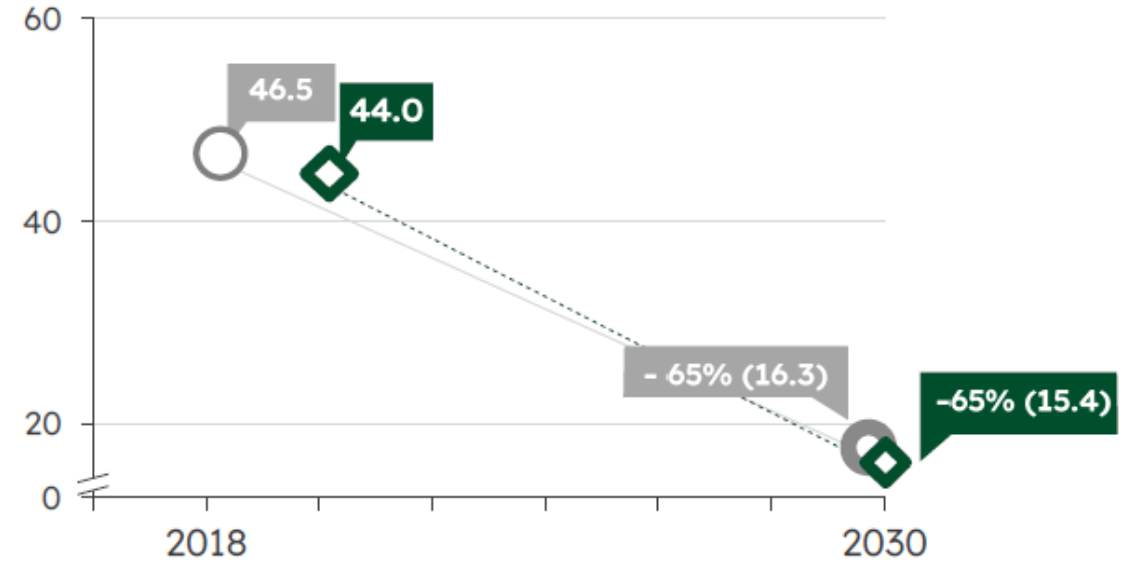
Why do we need a commitment on CO₂ Scope 2?

The cement industry is responsible for ~7% of the total CO₂ anthropogenic emissions worldwide. Although energy consumption accounts only for ~5% of total CEMENT emissions, the energy sector is one of the highest CO₂ emitters, therefore, by making a challenging commitment, we push this sector to accelerate the CO₂ reduction.

Commitment evolution

GCCA / CSI def.
Specific emissions kg
CO₂/t cementitious

Previous target
New target



- With the sustainability commitments released in 2020, HM committed to reducing to reduce 65% of CO₂ emissions from Scope 2
- In 2022 as a result of the fast-track targets (FTT) and our SBTi commitments, Heidelberg Materials adjusted its baseline to 2020 keeping the overall commitment at -65%



CO₂ Scope 3 commitment

Reduce our absolute Scope 3 CO₂ emissions by

25%

from purchased cement and clinker

We drive the decarbonisation of our sector and provide low-carbon products

Why do we need a commitment on CO₂ Scope 3?

Reducing CO₂ emissions in Scope 3 is challenging because it addresses emissions from the value chain. Investors, ratings, NGOs, and international institutions are focussing attention on Scope 3, requiring more companies to get engaged, set targets and drive reduction of greenhouse gas (GHG) emissions.



Baseline

2020



Target year

2030



KPIs

Absolute emissions from purchased cement and clinker



Coverage

BL Cement



We are setting new standards with our CO₂ reduction targets

CO₂ target for 2030 (1990: 752 kg / 2022: 551 kg)

400 kg

CO₂/ t cementitious material

Key levers

Products

Clinker incorporation/circularity

Process

Plant modernization/alternative fuels/biomass fuels rate

CCUS

10 mt CO₂ captured by 2030 (cumulative)



Reducing our (CO₂) emissions on our way to carbon neutrality

Key CO₂ Reduction Initiatives



Investment in Cleaner Technology

- Mitchell K4 project will reduce CO₂ emissions in the Midwest by utilizing more efficient, cleaner technology (reduction of 96 kgCO₂/t cement)



Sustainable Products

- Converting production at our Midwest kilns to our more sustainable EcoCem product
- Production of SCM (reduction of 33 kgCO₂/t cement)
- Cement Kiln Dust sold as a beneficial reuse product diverting over 14,500 tons of waste from landfill



Alternative Fuels

- Increasing use of alternative fuels in the Midwest cement kilns thereby diverting approximately 45,000 tons of materials from landfills and reducing our CO₂ emissions (reduction of 26 kgCO₂/t cement)

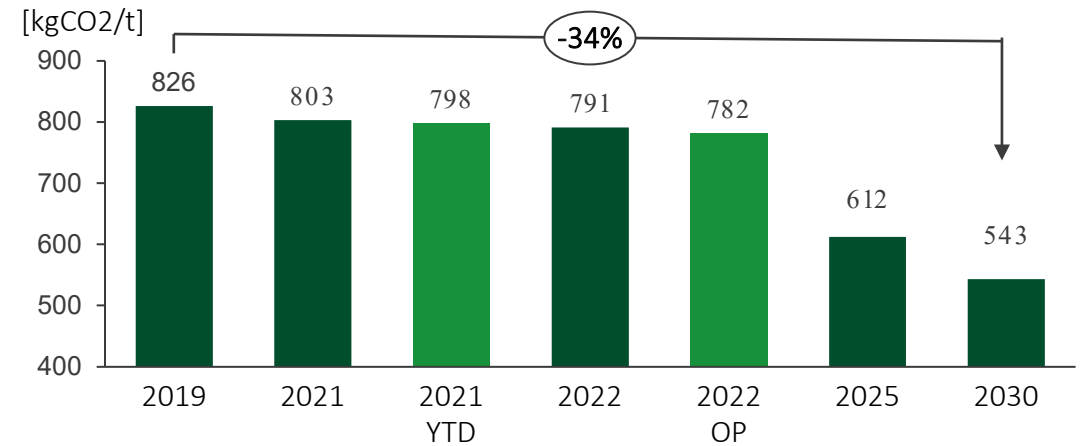


Renewable Energy

- Mason City, IA cement kiln 48% powered by clean wind energy

Key CO₂ Reduction

Specific CO₂ Emissions - Cement



HC will reduce the CO₂ footprint of cementitious products by 30% until 2025 and further reduce to <400kgCO₂/t cementitious until 2030 (vs. 1990).

2022-2023 Product Reformulation

Portland Limestone Cement

By adding limestone to our finished cement, we are able to lower the amount of clinker thereby reducing CO₂ emissions -46 kg/tonne cement



EcoCemPLC™ provides
~ 10% smaller carbon
footprint than conventional
portland cements



Additional Initiatives

Alternative Cements

Converting cement operations at our Speed, Indiana plant to a slag drying operation producing slag cement. Diverting material from landfill and reducing CO₂ emissions

-33 kg CO₂/ tonne cement

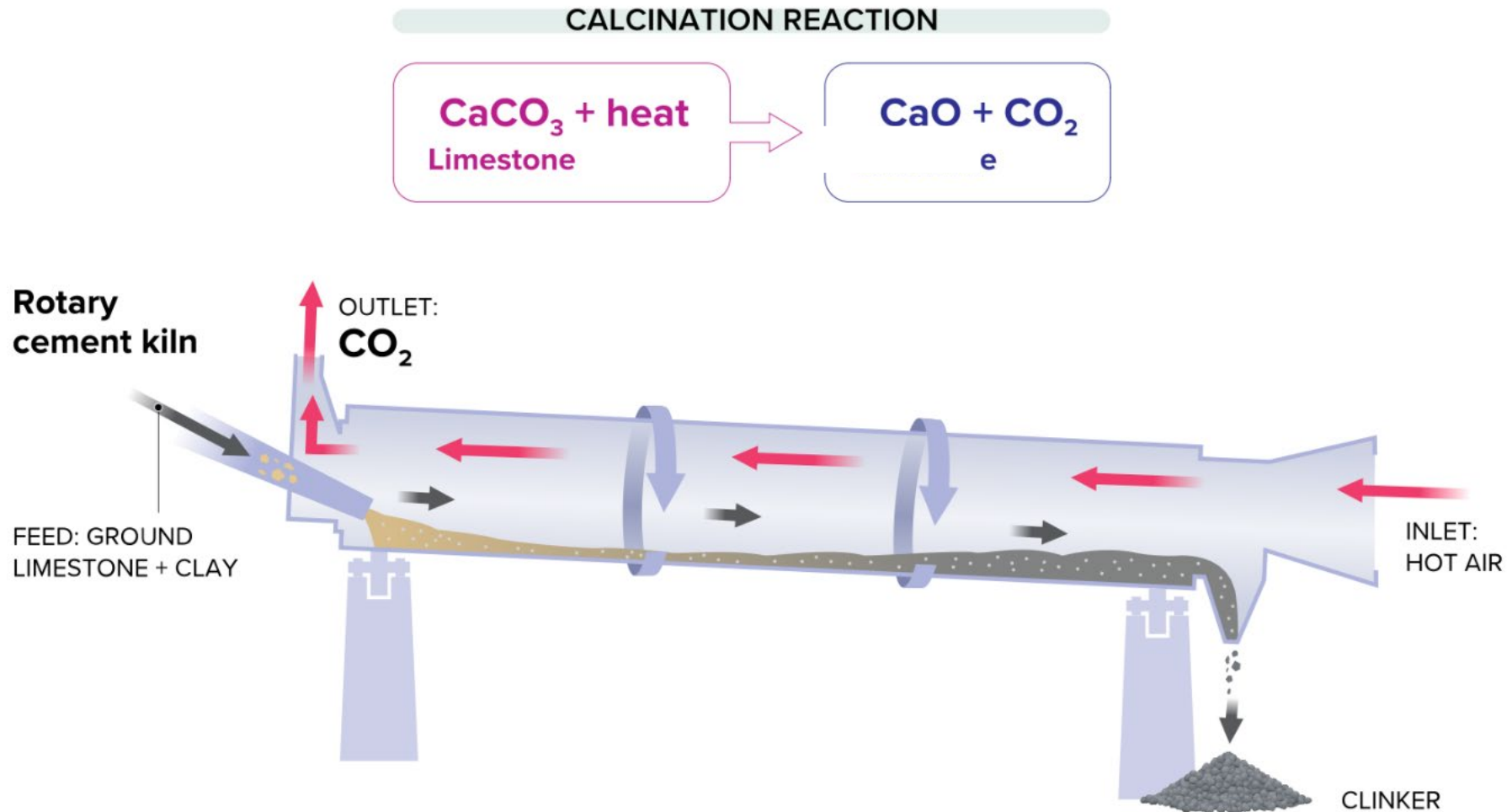
Alternative Fuels

Increasing use of alternative fuels (primarily seed) in the Midwest cement kilns thereby diverting approximately 45,000 tons of materials from landfills and reducing our CO₂ emissions

- 26 kgCO₂/ tonne cement

Primary Source of CO₂ = Chemical Conversion of Limestone is 2/3 of Total CO₂ Emissions

Cement production (and source of CO₂)



Additional Opportunities and Challenges for CO₂ Reduction

- **Alternative Markets for CO₂ as a Product**
 - Early discussions on opportunities are in process
 - Outlets are available but not in quantities to have a meaningful impact versus the amount generated during cement production
- **Equipment electrification**
 - Potential opportunities for smaller combustion units
 - Research and development is underway to electrify the process but cannot currently meet the energy needs of a kiln
- **2/3 of CO₂ emissions are from the calcination of the limestone with the remaining from fuel and other sources**





Edmonton's Net Zero Future

1 million
mt CO₂ p.a.

Scope: Amine-based CO₂ removal system & combined heat & Power plant

Status: Feasibility study complete and project preparation well on track
(Commissioning: 2026)

Objective: The world's first full-scale carbon neutral cement plant

