



Circularity Policy

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Heidelberg
Materials

At Heidelberg Materials, we are dedicated to promoting circularity and contributing to a more sustainable development of the building materials industry. The Circularity Policy is part of our policy framework. Our policies are binding for Heidelberg Materials AG and all companies that Heidelberg Materials AG directly or indirectly controls.

01. Definition of circular economy and circularity in this policy

The concept of a circular economy describes a regenerative system that conserves finite resources and is based on the principles of avoiding waste and pollution, of using products and materials for as long as possible, and ensuring the regenerative capacity of natural systems. Circularity in terms of product development focusses on material reduction, reuse, recycling, and recovery.

02. Our commitment to a circular economy

Our Circularity Policy is an integral part of our commitment to the environment to protect resources and promote circularity. It guides our operations and decision-making processes. Through the implementation of the principles of a circular economy, we aim to continuously improve our processes, business operations, and value chain, with a focus on minimising our ecological footprint.

To save and preserve virgin natural resources, we reduce and reuse materials. Additionally, we aim to further lower our CO₂ emissions through enhanced circulation of materials. These ambitions are reflected in our commitment to develop and grow our circular product portfolio and offer circular alternatives to standard concrete products.

03. Alignment and compliance

Environmental topics, including circularity, are addressed at our Managing Board through our Chief Sustainability Officer, who has issued this policy and oversees global implementation. Group and country managers are responsible for implementing this policy on a country level. We adhere to all applicable circularity and waste management laws and regulations in the countries we operate in. This also applies to joint venture operations where we hold a majority. Furthermore, our business and corporate strategy are aligned with the United Nations Sustainable Development Goals (SDGs)

04. More sustainable products through circularity

Our circularity activities result in more sustainable products and solutions. Through our commitment to further develop our sustainable product portfolio, we also address the global need for resilient and sustainable housing and infrastructure. At Heidelberg Materials, sustainability in products is characterised through a contribution to the reduction of CO₂ emissions and/or driving circularity. We define circular products as those which either contain at least 30 % recycled materials or use at least 30 % less materials vs. a standard product. We continuously work to increase the share of recycled materials integrated into new products. The use of less materials in accordance with circular design principles can be achieved through, for example, digital construction methods such as 3D printing to avoid overdesign and minimise waste, or through special concretes for lightweight and slim designs or retrofitting purposes.

05. More sustainable processes through circularity

We strive to further optimise our processes to improve the quality of recycled materials, achieve high recovery rates, and thereby minimise waste disposal. We optimise our processes according to circular principles, enabling the recycling of materials in our operating business. We combine circularity with the reduction of CO₂ emissions where possible, for example through the substitution of clinker with more sustainable materials. The increased use of alternative fuels and biomass also contribute to reducing emissions.

06. Leveraging advanced technologies and Research & Development (R&D)

Innovation and R&D are imperative to enhance a circular economy and we are committed to continuously explore innovative opportunities. R&D is needed to implement circular solutions at product and process level and thereby reduce the demand for finite virgin resources and emission-

intensive clinker. R&D holds a special responsibility to provide proof of concepts for all technical readiness levels and to share these learnings.

07. Managing waste responsibly

We are committed to promoting responsible waste management practices and place utmost importance on adhering to the waste hierarchy. Our aim is to prevent and reduce waste generation by implementing efficient processes and encouraging waste reduction strategies.

Where waste is unavoidable, we focus on reuse and recycling to promote secondary resources. We also ensure the safe and appropriate handling of waste, especially hazardous waste. Through co-processing of alternative fuels and biomass content in our kilns, we contribute to safe waste recovery and at the same time to energy recovery and reduction of primary energy sources. Energy recovery is relevant for non-recyclable materials. Other non-recyclable waste unfit for co-processing is disposed responsibly and in compliance with all relevant regulations. For this purpose, we provide suitable infrastructures for the collection and treatment of wastes, in terms of hazardous waste with appropriately adapted infrastructures.

We aim to divert waste from landfills, promote recycling activities, and actively seek opportunities to transform our own waste, but also waste from (synergetic) partnerships, into valuable resources. Landfilling and backfilling activities, for example of mining and extraction wastes, receive special attention to ensure our commitment for responsible land-use.

08. Managing resources responsibly

We recognise our responsibility for a responsible management of natural resources, especially finite raw materials. We actively seek out measures to ensure the longevity of natural reserves and quarries. We are committed to minimising our impact on the environment by adopting sustainable practices that aim to preserve these resources and extend their lifetimes. Our sustainable land use practices also include our commitment to responsible water management and biodiversity stewardship.

09. Leveraging risks and opportunities

We acknowledge emerging risks and opportunities arising from circularity and the integration of respective activities in our business segments. Therefore, an evaluation of potential risks and opportunities for both environmental and financial aspects is diligently considered through respective assessments. This includes, among others, raw material availability and pricing, quality management, regulations, waste management, and portfolio diversification. Synergies and dependencies throughout our value chain, through partnerships or portfolio management, play an important role in terms of risk management and seizing opportunities.

10. Collaborating and engaging with stakeholders and advocacy

To advance a circular economy, we collaborate with associations, governmental and non-governmental organisations, industry stakeholders, suppliers, customers, universities, research institutions, and local communities. By sharing knowledge, best practices, and research findings, we aim to drive innovation and collectively address the challenges associated with circularity in cement, aggregates, and concrete production. We engage with our supply chain to ensure sustainable procurement and increase the adherence to circular principles. We leverage synergies across industries to increase the utilisation of waste materials as secondary resources, reduce waste disposal, especially landfilling, and enable take-back strategies. We advocate for the revision of standards and regulations to further drive circularity and to enable the recycling and reuse of waste-based materials at their highest value. Internally, we create strategies and action plans to promote circularity within our organisation.

11. Committing to continuous improvement

We acknowledge that the path to circularity is dynamic and evolving. We are committed to regularly reviewing and adjusting our circularity commitments, considering technological advancements, regulatory changes, and stakeholder expectations, to improve in limiting our environmental impacts. This includes analysis, target setting and implementation, evaluation, and optimisation. We continuously seek opportunities to improve our processes, invest in R&D, and embrace emerging circular solutions.

