

2030 sustainability commitments: evolving for good

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At Heidelberg Materials, we have developed revised UK sustainability commitments for 2030 and beyond to address these challenges. They reflect the Heidelberg Materials Group sustainability strategy but take key UK drivers into account. They give us clear and measurable goals to help build a more sustainable future and are at the heart of everything we do.

They cover topics under four headings – net zero, circular and resilient, safe and inclusive, and nature positive – and link with the United Nations Sustainable Development Goals to demonstrate we are in line with global action.







Net zero

We drive decarbonisation and provide low-carbon products

Headline KPIs

CO₂ and energy

- Reduce scope 1, 2 and 3 emissions in line with Heidelberg Materials Group SBTi.
- CCS plant at Padeswood to be operational and feasibility studies for Ketton and Ribblesdale.
- Reduce scope 1 emissions from UK operations by 15% from 2016 baseline.
- Reduce CO₂ by 15% in concrete, asphalt and cement from 2019 baseline.
- Reduce scope 3 emissions in delivery transport by 15% from 2019 baseline.

Sustainable revenue

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

Enabling and supporting KPIs

CO₂ and energy

- 85% clinker incorporation in our cement.
- Alternative fuel rate in cement above 80%.
- Biomass fuel rate in cement above 35%.
- Measurement framework for scope 3 emissions embedded by 2025 and 10% reduction to 2030.
- 10% reduction in operational electrical kWh/t from a 2016 baseline.
- Net zero plans in all divisions developed to include targets for scope 1, 2 and 3.

Net zero in action:

A step closer to creating the UK's first net zero cement works

Plans are progressing to build a carbon capture facility at our Padeswood cement works in north Wales. We have signed a statement of principles with the UK Government's Department for Energy Security and Net Zero to enter into final negotiations, with the aim of making a decision by April 2025.

We have also signed a front-end engineering and design (FEED) with Mitsubishi Heavy Industries and Worley, marking another milestone in our plans to create the UK's first net zero cement works.

If the project goes ahead, it would be the first facility of its kind in the UK and would set the UK's construction industry on the path to net zero. It would capture almost all the CO₂ produced during cement manufacture, equating to up to 800,000 tonnes annually, and enabling the production of evoZero carbon captured net zero cement from the site as early as 2028.

We are also involved in a number of other industry-leading decarbonisation trials using innovative technologies including:

- Trialling C-Capture's solvent-based carbon capture technology at Ketton cement works.
- Taking part in a 12-month project to establish the feasibility of using ammonia as a source of hydrogen for use as a fuel in cement kilns at our Ribblesdale works.
- Looking at the feasibility of using hydrogen to decarbonise asphalt production at our Criggion asphalt plant in mid-Wales.







Circular and resilient

We drive circularity to reduce and reuse materials and natural resources

Headline KPIs

Circular economy

 Offer 50% circular alternatives for our concrete products.

Sustainable revenue

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

Enabling and supporting KPIs

Circular economy

- Zero non-production waste to landfill.
- 9 million tonnes of recycled aggregates processed.
- Development of circular economy strategy to include key milestones and detailed levers for achievement of KPIs.



Circular and resilient in action: Growing recycling business helps conserve natural resources

Our growing recycling business line is driving our strategy to conserve natural materials and promote circularity by recycling, reusing and reducing the use of primary raw materials.

We have opened a new recycling hub at our Appleford depot in Oxfordshire, with plans for six more in development. This network of recycling hubs will allow us to provide our customers with the most sustainable products, enabling them to build more, with less.

We have also acquired leading recycling company Mick George Limited (MGL) and Bristol-based construction soil and aggregate recycling company B&A Group, which will help us embrace the opportunities the construction waste sector offers.

MGL specialises in recycling and waste management services, operating around 40 recycling facilities, waste transfer stations, aggregate quarries and ready-mixed concrete plants in East Anglia and the East Midlands.

B&A Group employs a team of 70 and specialises in the supply of recycled and primary aggregate as well as site clearance, earthworks, land remediation and sustainable land regeneration.







Safe and inclusive

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

Headline KPIs

Fairness, awareness, inclusion and respect

 100% completion of annual HR people strategy to enhance FAIR.

Health, safety and wellbeing

 Implement divisional risk reduction plans by 2025 and embed risk-based H&S management system by 2030.

Social value

- Community engagement plans at all higher risk sites by 2025, and all sites by 2030.
- One day of paid leave for volunteering per employee, and 50% uptake annually.

Responsible sourcing

 80% of spend on critical suppliers that have an approved ESG rating.

Enabling and supporting KPIs

Fairness, awareness, inclusion and respect

· 25% women in senior roles.

Health, safety and wellbeing

 100% of our sites have completed the annual operational safety improvement plan and annual health and wellbeing improvement plan.

Social value

- Standard annual SV monetisation report by 2025 and by site by 2030.
- Charitable foundation in place.
- SV strategy embedded and achieved highest level of certification with SVUK.

Safe and inclusive in action: Setting the standard for health, safety and wellbeing

We are committed to the health, safety and wellbeing of our employees, communities and suppliers and organise a range of events throughout the year to support this.

We are proud to be recognised by The 5% Club with its top platinum standard for our approach to work-based learning and have re-signed the Armed Forces Covenant, demonstrating our commitment to being an Armed Forces friendly employer.

We strive to be a responsible operator and manage our activities to maximise the social value we are creating and our latest social profit report for 2022 showed we generated almost £54 million of social profit in the UK.

Our employees are encouraged to take one day of paid leave each year to volunteer to support local projects and activities and our direct/indirect contributions to registered charities and other organisations which we support was more than £122,000 last year.

In 2023 we became one of the first companies in the UK to be certified to the new ISO 19443 standard, which seeks to drive nuclear safety culture, and, in 2024, we became the first building materials company to achieve the latest BES 6001 Responsible Sourcing standard, which covers the environmental and social issues for organisational and supply chain management.







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Nature positive

We contribute to a nature positive world through our biodiversity programmes and sustainable water management

Headline KPIs

Biodiversity

- Each active quarry to designate 15% of space for nature by 2030.
- Each active quarry to have a biodiversity management plan by 2025.

Water

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 Implement water management plans and water recycling systems at all sites in water risk greas.

Enabling and supporting KPIs

Biodiversity

- Reclamation plans in all quarries that comply with HM guidelines.
- Net impact assessment for all active quarries by 2025.
- All operational sites within 1 km of a protected area to implement a biodiversity management plan.

Water

• 10% reduction in freshwater consumption from a 2020 baseline.

Nature positive in action: Enhancing and protecting biodiversity

Heidelberg Materials was the first company in the industry to adopt a group guideline for promoting biodiversity at its mineral extraction sites and 98 per cent of our active quarries in the UK have a biodiversity management plan in place and all have a reclamation plan.

We held a Let's Talk Sustainability webinar about the importance of considering biodiversity in construction projects, which was attended by more than 300 from the sector, highlighting the importance the construction sector places on the topic.

At a site level, one of our employees at our Ketton cement works in Rutland has donated three hives and 30,000 bees to support the biodiversity of the site and we are looking at introducing them at other locations as well.

We now have water management plans in place at 42 of our production sites across England and Wales. These plans identify improvements for monitoring, recording and efficient use of water on our sites. We also continue to work closely with Waterscan to identify and repair water leaks on our mains water network, saving 103,000m³ of water in 2023.





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