



Agenda

- What responsible sourcing is and why it matters
- Sustainability disclosure beyond EPDs
- CSC Certification
- Case Study: Lehigh Hanson
- Q&A

What is responsible sourcing?

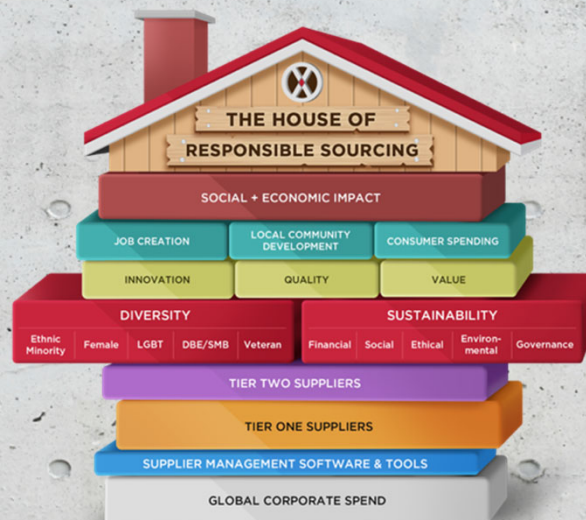
“Also referred to as supply chain responsibility, responsible sourcing is a voluntary commitment by companies to take into account social and environmental considerations when managing their relationships with suppliers.”

Source: International Chamber of Commerce

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What is responsible sourcing?

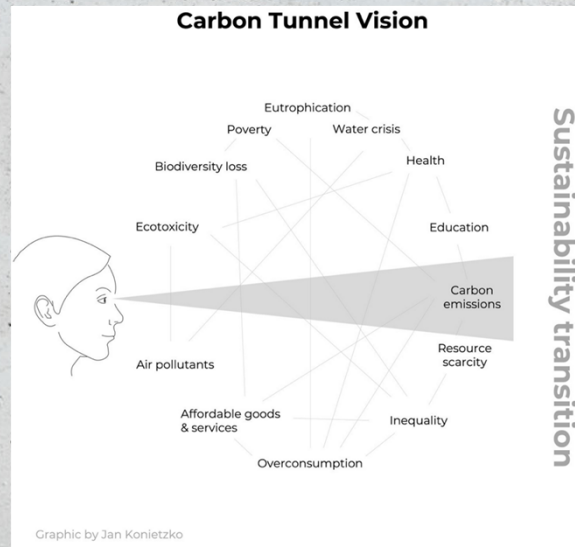


Source: Wharton Magazine, UPenn

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Carbon Tunnel Vision



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Demand for Responsible Sourcing

- Green Public Procurement Initiatives
 - More common in Europe and other parts of the world, but will likely become more prevalent in US
- AEC and Developer Community demonstrating increased demand for responsible sourced materials
 - Introduction of responsible sourcing specification language
- 3rd Party Green Rating Systems
 - LEED Responsible Sourcing and Social Equity in the Supply Chain Pilot Credit

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Responsible Sourcing - CSC-Certification for Concrete and its Supply Chain

Concrete Sustainability Council



**A Global Responsible Sourcing Certification System
for Concrete and its supply chain**

Committed to responsibly sourced concrete



- **Founded in November 2016**
- **The first and only certification system for concrete established worldwide**

Why CSC?



- CSC enables the concrete industry and its main suppliers – i.e. cement and aggregate industry – **to communicate and demonstrate the responsible sourcing credentials of its products**
- Responsible sourcing is an issue in procurement, and increasingly in construction material procurement
- Undergoing CSC certification provides concrete producers with the opportunity to gain an in-depth understanding of their sustainability performance, incl. the supply chain

What makes CSC concrete more sustainable?



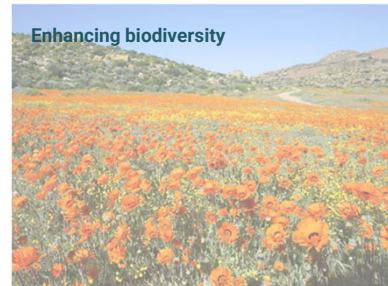
Fair business practices & compliance



Reducing CO₂ emission



Enhancing biodiversity



Excellence in occupational health & safety

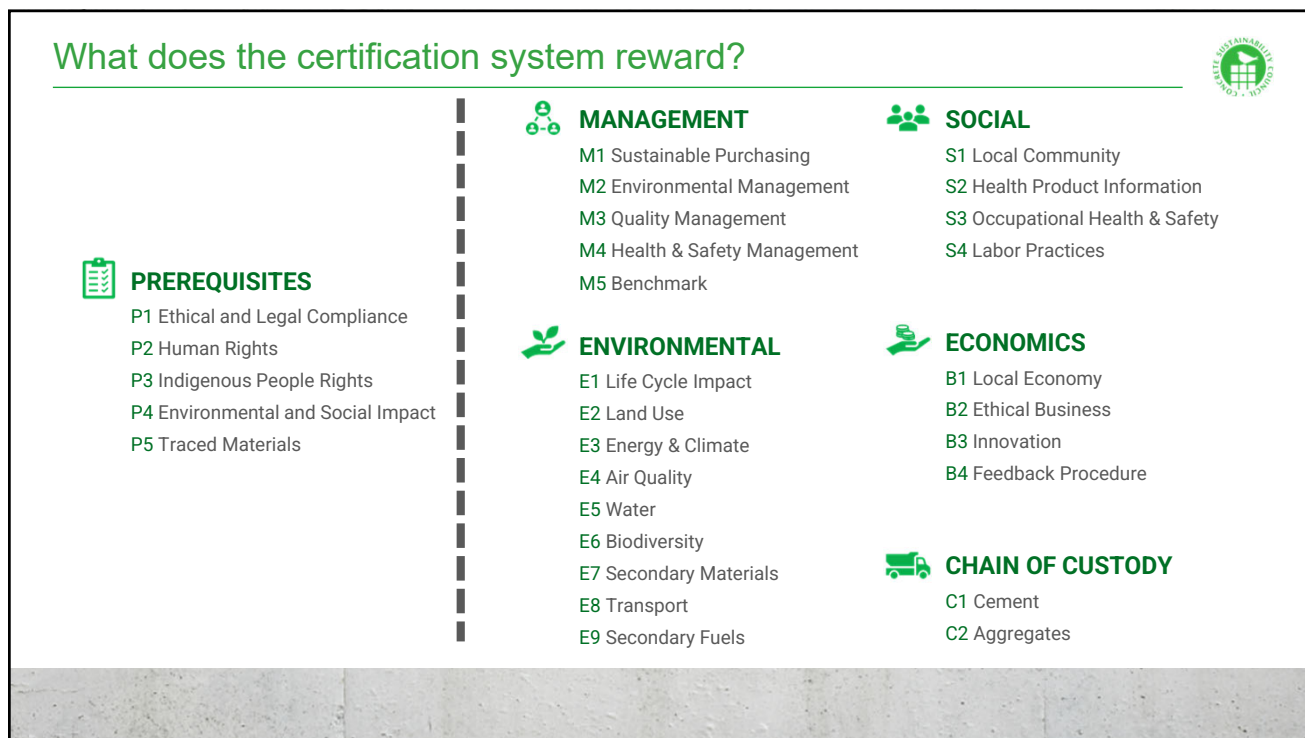


Moving towards circularity Using water in a responsible manner



Enhanced responsibility in the supply chain





Prerequisites

The infographic is titled "Prerequisites". It features a small circular logo with a grid pattern in the top right corner. Below the title, there is a list of three prerequisites, each with a bullet point and a sub-point. The background of the infographic is a light gray concrete texture.

- **P1 Ethical & Legal Compliance**
 - Does your company ensure legal compliance with local legislation?
- **P2 Human Rights**
 - Does your company ensure compliance with human rights?
- **P5 Traced Materials**
 - Are the materials used in the concrete traceable?

Example: Environmental Credits



- **E1 Life Cycle Impact**
 - Does your company provide transparency on material sourcing by using Environmental Product Declarations (EPDs)?
- **E2 Land Use**
 - Does your company protect the land from pollution and does it provide an end of use planning?
- **E3 Energy & Climate**
 - What does the company do to minimize the use of energy and maximize the use of renewable energy?

Example: Environmental Credits



- **E1 Life Cycle Impact**

Does your company provide transparency on material sourcing by using Environmental Product Declarations (EPDs)?

 - ☐ The company joins efforts in the region to develop sectoral (industry-wide) EPDs for their products.
 - ☐ The company performs Life Cycle Analyses (LCAs).
 - ☐ The company has released at least one EPD

Credits in the CSC system



Category	Points Available	% of Concrete Sub-score	% of Overall Score
Management	33	18.4%	11.1%
Environmental	73	40.8%	24.5%
Social	48	26.8%	16.1%
Economic	25	14.0%	8.4%
TOTAL	179	100%	60%

For dedicated certification levels



35%



50%



65%



80%

Minimum Score

Certification level is determined by

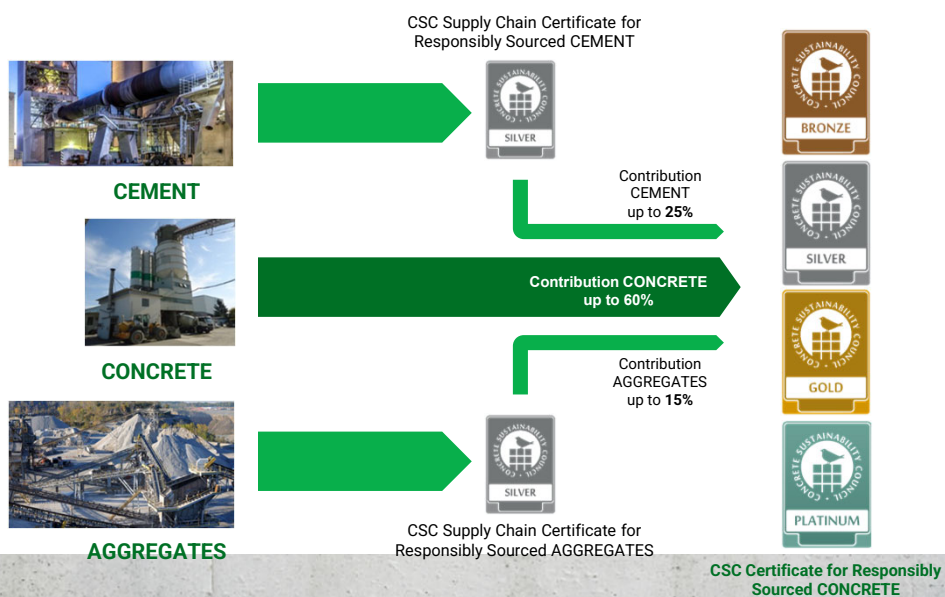
- Overall fulfillment rate (= score)
- Compliance with additional mandatory criteria for higher certification levels
- Certified plants must fulfil all prerequisites

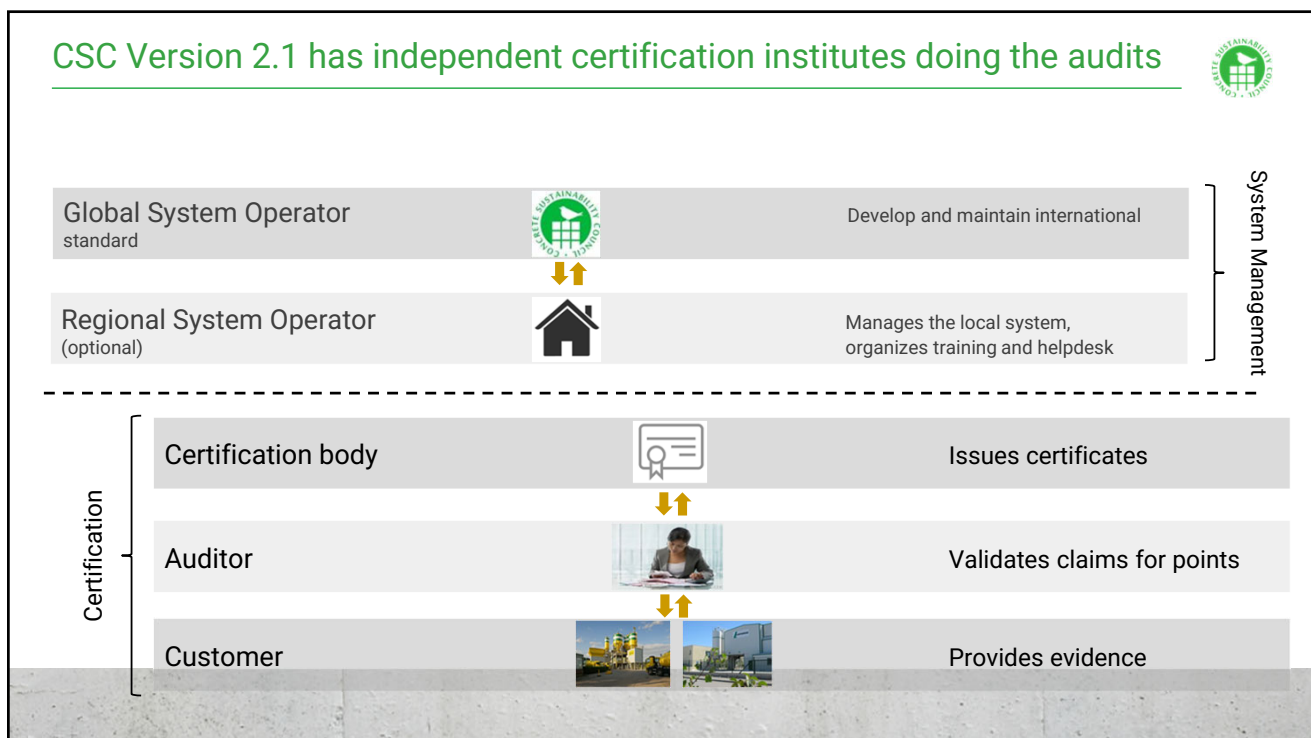
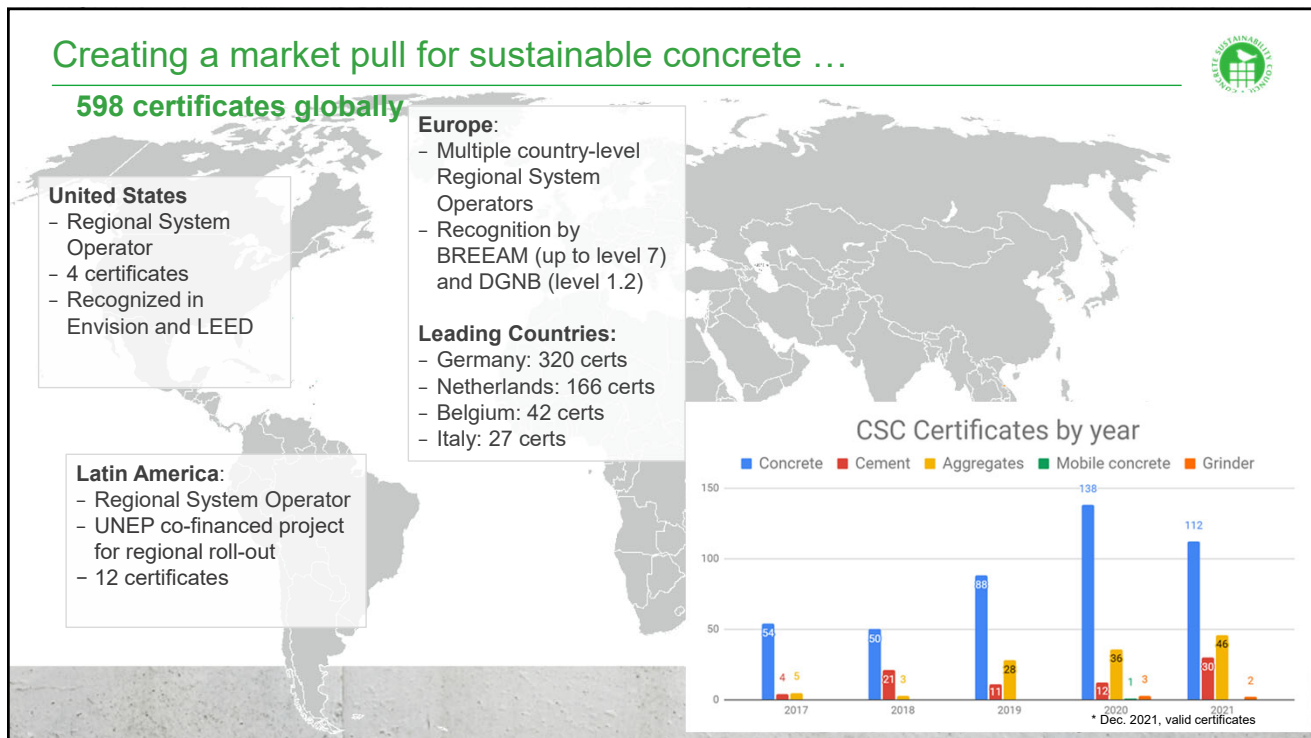
Supply chain weighting



$$(\text{Concrete score} \times 60\%) + (\text{Cement score} \times 25\%) + (\text{Aggregate score} \times 15\%) = \text{Final score}$$

Supply chain weighting





Benefits of the CSC Certification



- Opportunity to differentiate
 - For certifying companies CSC certification provides image / tangible benefits, e.g.
 - Enter into a **credible in-depth dialogue on sustainability** with customers and a broad range of other stakeholders
- Public Procurement:
 - CSC certification is increasingly gaining recognition in Green Building Labels
 - Green Buildings' market has higher growth rate than market average

LEED Recognition

SOCIAL EQUITY WITHIN THE SUPPLY CHAIN LEED PILOT CREDIT

Easily Achieve Innovation Credit with Pioneering Supply Chain Certifications

Overview of Social Equity within the Supply Chain Pilot Credit

Learn more about the Social Equity within the Supply Chain Pilot Credit

The LEED BD+C v4 and v4.1 pilot credit drive social equity through the supply chain. To make more equitable, healthier environments, the credit encourages the use of products and services from companies that promote social equity in their supply chains.

Eligible products include those that are certified by the Concrete Sustainability Council (CSC), the Responsible Sourcing Council (RSC), or the Responsible Supply Chain Council (RSCC).

1. Determine if the project is eligible for the Social Equity within the Supply Chain Pilot Credit (PE) by using the [Pilot Credit Registration Form](#).

2. If eligible, register for the credit by selecting the checkbox next to the credit name, then scroll down and click submit. Save the registration confirmation email. Identify verified products or suppliers used in the project.

3. Obtain evidence from the supplier verifying their certification. USGBC requires documentation proving proof of compliance as a condition for the pilot credit. Complete the pilot credit survey, which is found in USGBC's website. Save the survey completion email. [Pilot Credit Survey Link](#)

4. Submit the documentation to USGBC through LEED Online. The documentation should include the project's proof of compliance, the pilot credit registration confirmation email, and the survey completion email.

Open the project in LEED Online. In the credit tab, open the Innovation credit. Open the "Pilot Credit" and select the number of suppliers and credits. In the box below, fill in the name "Pilot Credit Social Equity within the Supply Chain" and save the form. Next, under the Innovation credit, click "Upload Credit" and upload the pilot credit documentation.

Learn more by visiting [InnovationCredits.com](#)

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Identifying CSC certified Products

Concrete Sustainability Council Certification (v2.0 and above) is pre-approved by USGBC to meet the R-CO based on the Human Rights Pre-requirement.

Products or suppliers who have achieved CSC Certification can be identified through a CSC Certificate or a CSC Supplier Certificate tags. [Find CSC Certified Products](#)

• Certification system covers concrete, steel, stone, glass, aluminum

• All levels of certification for concrete meet the pilot credit requirements

In addition to CSC Certification, USGBC has pre-approved standards such as the Aluminum Stewardship Initiative Chain of Custody, Responsible Sourcing Council, the Forest Stewardship Council, and more.

Learn more about the pre-approved standards.

CSC Certification has a Human Rights Pre-requirement (P3.01) for all products and certification levels. The table below highlights the comparison between CSC Pre-requirements and LEED Requirements:

Universal Declaration of Human Rights	CSC Pre-requirement	LEED Requirement
Human Rights Risk Assessment	✓	✓
Assessment of Compliance	✓	✓
Resourcing Information	✓	✓
Documentation, Verification, and Audit Opportunities for Workers and Other Stakeholders	✓	✓
Child Labor (ILO Convention 138 and 182)	✓	✓
Forced Labor (ILO Convention 29, 105, 182)	✓	✓

Learn more about the Concrete Sustainability Council Website or visit us at [www.concretesustainabilitycouncil.com](#)

- Pilot Credit "Social Equity in the Supply Chain"
- First time ever for non-wood material labels to be recognized by LEED
 - Steel, Al, Copper, Stone, Concrete
- Fact sheet geared to coach LEED APs on how to score points with CSC certified concrete in LEED

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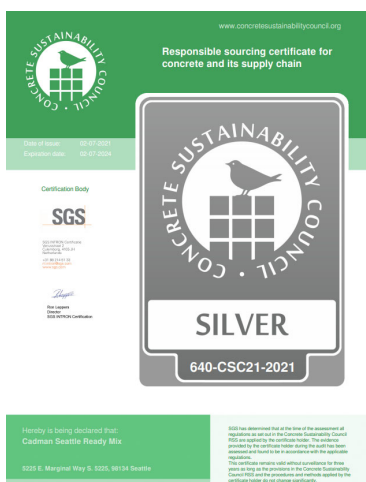
Lehigh Hanson – CSC Plant Certification Details



Motivation - visible industry leadership – we will push to get new LEED pilot credit exercised and help concrete scoring opportunities in future versions of the LEED rating system



CONCRETE SUSTAINABILITY COUNCIL (CSC) Cadman Achieves CSC Certification of Two Concrete Plants



Our timeline ~3-4 months

Dec 2020 USGBC approves Pilot Credit including CSC Cert.
Feb 2021 – Training for our RMC leaders
March – Cadman chose 2 plants to pursue
April – HC ESG Training on the CSC tool Kit and plants begin gathering evidence for the 25 items in 5 categories
May – NRMCA became program operator
---now doing training and promotion
June – Auditor SGC (Chicago ofc.) inspects 2 plants
July – Silver level certification was achieved: Seattle and Bellevue, WA

LEED Pilot Credit (IPpn144)
SOCIAL EQUITY WITHIN THE SUPPLY CHAIN
Achieve Innovation Credit with Pioneering Supply Chain Certifications



Develop the Project Team with the Knowledge and Resources

Management – for policies and procurement info
Environmental – commitments, reporting, practices (our team leader)
Quality Control – quality control plan, materials optimization, EPD
Maintenance – photos, tracking/reporting and site practices
Human Resources – human rights, ethics, training manuals, hiring
Health and Safety – safety records and training
Communications/Marketing – proof of innovative products and promotion
Legal – policies, anti-trust training, etc.



Final result: 52.34 %

Final result: 52.34 %

Subscore per category

Category	0	10	20	30	40	50	60	70	80	90	100
Prerequisites	100.00 %										
Management	72.73 %										
Environmental	90.41 %										
Social	100.00 %										
Economics	72.00 %										
C1: Cement	0.00 %										
C2: Aggregates	0.00 %										

Through exemplary performance additionally earned points (already included in category scores above)

No exemplary performance points earned.

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PREREQUISITES

Prerequisites

Legal Compliance Instructions, Policies on Legal and Related Matters

Compliance Letter and legal filings

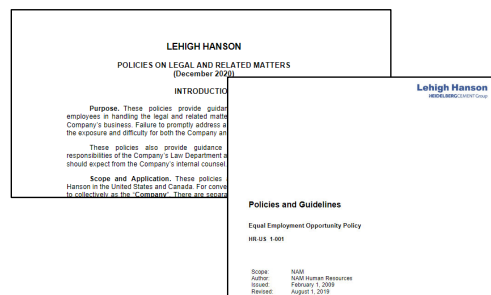
Group Compliance Policy, Human Rights position of HeidelbergCement and Human Rights Policy Statement

Business Code of Conduct

Safety Procedures

Traceability of Materials (Life Cycle Inventory Data – relevant)

With each category all the way thru the sections we submitted a brief explanation of what we submitted for evidence (sometimes one sentence or also a few bullets)

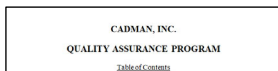
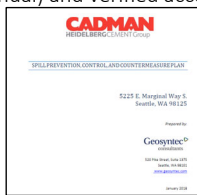
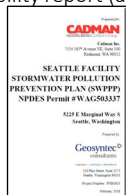


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MANAGEMENT Management

NAM Guidelines – Purchasing Policy Instructions
NAM Purchasing Handbook
Supplier Code of Conduct
Supplier Pre-Qualifications and Performance Monitoring (service)
Global Procurement Guidelines
Sustainability Commitments and Promotion
Environmental Management Policies and Procedures
Health and Safety management system, Safety procedure manuals and policies
Benchmark - Sustainability report (annual) and verified according to ISAE 3000



- M1 Sustainable Purchasing
- M2 Environmental Management
- M3 Quality Management
- M4 Health & Safety Management
- M5 Benchmark

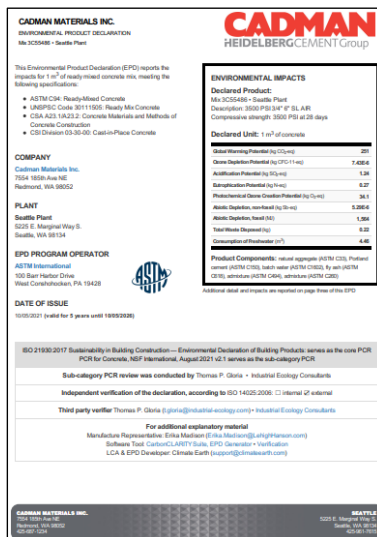
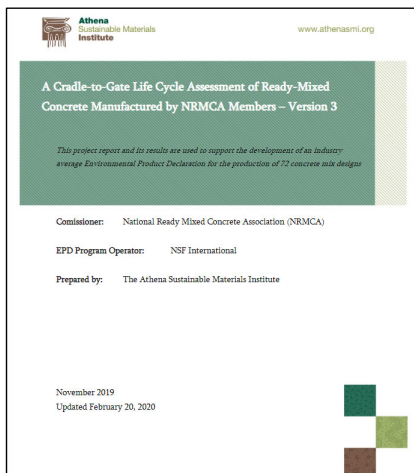
- M 1.01 Purchasing Policy
- M 1.02 Supplier Assessment
- M 1.03 Monitoring Performance of Suppliers
- M 1.04 Training on Responsible Sourcing
- M 1.05 Promotion of Responsible Sourcing
- M 1.06 Responsible Sourcing as a Criterion in the Procurement Process

- M 3.01 Quality Management System QMS
- M 3.02 Certified Quality Management System QMS

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ENVIRONMENTAL E1 Life Cycle Impact



- E 1.01 Sectoral Environmental Product Declaration
- E 1.02 Implementation of Life Cycle Assessment LCA
- E 1.03 Release of Environmental Product Declarations EPDs
- E 1.04 EP Reporting of Product Specific Carbon Emissions

Provided NRMCA Industry wide EPD and participation confirmation and a copy of one plant and mix specific – verified (Type III) EPD and links to Program Operator and EC3 tool for more EPDs

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ENVIRONMENTAL

E2 - Land Use: photos and regulations

Policy to avoid globally or nationally important sites – included Federal and State Regulations and Link to Seattle.gov Environmentally Critical Areas

Responsible Land Use - Site Map

Protection from Pollution - Secondary Containment



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ENVIRONMENTAL

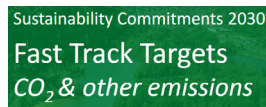
E3 Energy & Climate

Policies, reports - audits, measures

Potential energy savings, best practices and planning (e.g. lighting Halogen to LED, timers, reduce idle time posters, 1 to 3 phase motors and shut offs (e.g. belts)

Communications – commitments, targets, memos, press, etc.

Renewable Electrical Energy – submitted amount in % and a policy



- Folder E 3.01 Climate Policy
- Folder E 3.02 Monitoring GHG Emissions
- Folder E 3.03 Public Reporting of Monitoring Results
- Folder E 3.04 Externally Verified Reporting of GHG Emissions
- Folder E 3.05 Reporting to GNR Database
- Folder E 3.06 CO2 Emission Reduction Target
- Folder E 3.07 Science based CO2 Emission Reduction Target
- Folder E 3.08 Energy Reduction Potentials
- Folder E 3.09 Achievement of CO2 Emission Reduction Target
- Folder E 3.10 Implementation of Energy Reduction Potentials
- Folder E 3.11 Energy Saving Awareness Creation
- Folder E 3.12 CO2 Emissions
- Folder E 3.13 Use of Renewable Electrical Energy

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ENVIRONMENTAL

E4 Air Quality and E6 Biodiversity

Process and Fugitive Dust Reduction Measures – submitted photos of dust collectors and maintenance logs

- E 4.01 Emission Reduction Targets
- E 4.02 Monitoring and Reporting of Emissions
- E 4.03 Verification of Emission Reporting
- E 4.04 NOx Emissions
- E 4.05 SOx Emissions
- E 4.06 Dust Emissions
- E 4.07 Mercury Emissions
- E 4.08 Clean Air Silos
- E 4.09 Process and Fugitive Dust Reduction Measures

- E 6.01 Biodiversity Policy
- E 6.02 Biodiversity Assessment
- E 6.03 High Biodiversity Value Area Assessment
- E 6.04 Regular Biodiversity Value Area Assessment
- E 6.05 Biodiversity Management Action Plan
- E 6.06 Biodiversity Impact Assessment

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Policy on Responsible Land Use

Issue: January 2017
Author: Group
Group: Global CEM A G&S

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ENVIRONMENTAL

E5 Water

Water scarcity assessment – WRI Aqueduct tool – gave results of plant area with Lat. and Long

Water monitoring according to the new GCCA guideline and will be reporting to the GCCA accordingly

WASH pledge WBCSD

Internal communications and training documents – memo, PowerPoint decks, etc.

Wastewater discharge reports – King County

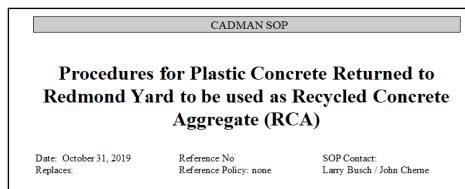
- E 5.01 Water Scarcity and Impact
- E 5.02 Water Monitoring
- E 5.03 Water Target
- E 5.04 Verification of Water Reporting
- E 5.05 Report on Water Use and Quality of Discharged Wa...
- E 5.06 Action for Reduction of Water Consumption
- E 5.07 Action for Improving the Quality of Discharged Wat...
- E 5.08 Supplying Water to Nearby Communities

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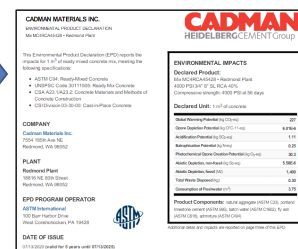
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ENVIRONMENTAL E7 Secondary Materials

- Report use of Fly Ash and Slag
- Ultra Block storage area and # forms
- Standard Operating Procedures (SOP) RCA



- E 7.01 Assessment of the Availability of Secondary Materials
- E 7.02 Policy on Usage of Secondary Materials
- E 7.03 Reporting of the Use of Secondary Materials
- E 7.04 Responsible Processing of Returned Concrete
- E 7.05 Optimized Use of Secondary Materials
- E 7.06 Optimized Use of Secondary Materials on Project Level
- E 7.07 (EP) Responsible Processing of 'non-concrete' materials



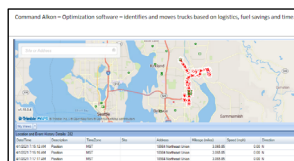
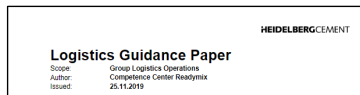
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ENVIRONMENTAL E8 Transport and E9 Secondary Fuels

Transport - Logistics Guidance Paper

Command Alkon Optimization software – identifies and moves trucks based on logistics, fuel savings and time

Training documents and tools



- E 8.01 Transport Policy
- E 8.02 Transport Management System
- E 8.03 Fuel Saving Awareness Training
- E 8.04 (EP) Next Generation Trucks

- E 9.01 Use of Restricted Waste
- E 9.02 Assessment of Alternatives
- E 9.03 Assessment of Non-harmful Alternatives Fuels
- E 9.04 Communication and Stakeholder Involvement

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SOCIAL

Social





HR Globe
**Quick reference guide –
Performance & Potential Evaluation**

Training and development catalogs and certifications






- S1 Local Community
- S2 Health Product Information
- S3 Occupational Health & Safety
- S4 Labor Practices

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ECONOMICS

Economics

Local Economy – evidence to show local vendors and purchases of supplies or services

Majority of our employees working at site reside locally and training is on site locally

Code of business conduct, Anticorruption guideline, Competition law guideline, Training roster

Code for Ethical Business, Political involvement instruction, Group legal policy

Compliance policy and framework instruction, compl. incident reporting, case mgt. guideline

Compliance Hotline, confidential process SpeakUp and feedback procedure for employees, customers and vendors

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- B1 Local Economy
- B2 Ethical Business
- B3 Innovation
- B4 Feedback Procedure

Innovation Credit Guidelines


1) Rationale
The Concrete Sustainability Council (CSC) Certification System for Concrete awards points to innovative practices, products or solutions in the responsible sourcing of concrete. This document describes the procedure to obtain points for innovation as defined in B3 Innovation Credit of the CSC Certification System.

2) Scope

- A maximum of three innovations can be accepted for the innovation credit, out of which a maximum of two innovations can score.
- An innovation can be on company level and/or on plant/group of plants level.
- If an innovation is on company level, the same innovation/employee performance can be multiply accepted for multiple plant certifications (concrete, cement & aggregates), provided that the plant under certification could apply or benefit from the innovation.
- One out of the three innovations which are taken for the score have to be connected to the country/region of the plant under certification.
- An innovation/employee performance can no longer be accepted for the multiple use in the certification process of another plant after three years after its first submission to the CSC (date of certificate issued).
- An innovation can be resubmitted after three years if a new phase of innovation has been reached.

3) Definition

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CONCRETE SUSTAINABILITY COUNCIL (CSC)

Call To Action



Help exercise the Pilot Credit

Recognize concrete as a Responsibly Sourced Local Material

Consider gaining a CSC certification and help promote this rigorous program

Prepare – with responsible sourcing gaining momentum, concrete can be on top!

Thank you

