CSC Certification system
For responsibly sourced concrete and the supply chain
HeidelbergCement – Company Overview

- **60,000 employees**
- **Core business**
  - Aggregates
  - Cement
  - Downstream activities: ready-mixed concrete and asphalt
  - No. 1 in aggregates, No. 2 in cement, and No. 3 in ready-mixed concrete
- **3,030 locations in around 60 countries (incl. joint ventures)**
  - 595 production sites for sand, gravel, and crushed rock
  - 160 cement and grinding plants
  - 1,723 ready-mixed concrete plants
  - 115 asphalt plants
- **Cement capacity 194 million tons (incl. joint ventures)**
- **Aggregates reserves and resources 20 billion tons**
CSC – Our history and achievements

2014

• Project started

2015

• 11 Members
• First draft of the manual released
• 25 pilots undertaken

2016

• 14 Members
• Technical Manual finalised
• Stakeholder consultation concluded
• CSC Association set-up
• Dialogue with Green building Labels (LEED, BREEAM, DGNB) initiated
• Commitment for 24 certifications

October 2017

• Certification system for cement and aggregates launched
• > 125 registrations for certification received
• ~ 50 certifications realized in the NL, 2 in Canada
• 22 members
• Awarded grants by UNEP10 YFP
CSC System roll-out

- Develop success factors
  - Getting recognition by Green Building Labels
  - Developing further value drivers (e.g. recognition by tax incentive systems)

- Set up regional / local structure
  - Collaborating with Regional System Operators (RSOs)
  - Integrating Certification Bodies (CBs)
  - Recruiting new members
Creating Market Value: Alignment with green building labels and other incentives

- **BREEAM**: Process to get recognition at same level as FSC timber (significantly higher than ISO 14001) well advanced

- **DGNB**: New responsible sourcing credit to come in DGNB version 2017. Dialogue on CSC system recognition on-going

- **LEED Europe**: Dialogue for recognition in Europe initiated
- **LEED Global**: Early adopters needed begin in-depth discussions with USGBC

- **Netherlands Enterprise Agency**: Recognition by government fiscal program (Vamil)
- **Rabobank (NL)**: CSC certification (silver and up) provides eligibility for investment loans with reduced interest rate

- Alignment discussions with **Cornerstone Canada** (aggregate certification system)
Collaboration with Regional System Operators (RSOs)

- Typically national concrete associations

- **Management of the CSC system at local / regional level**
  - Trainings, helpdesk
  - Marketing
  - Support in e.g. discussions with owners of local green building systems
  - Alignment with government procurement and policy

- **Adaptation to local / regional specifics**
  - Manual & toolbox translation to local language
  - Alternative evidence for specific credits
  - Changes in credits / weighting systems etc.

- RSOs confirmed in the Netherlands (VOBN), Germany (BTB), Turkey (THHB) and Italy (Federbetton); more under discussion

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**Important note:** RSOs are not mandatory; Agreed Certification Bodies can issue certificates in regions without an RSO on the basis of the Global Manual
Certification Bodies (CBs)

• CSC licensed certification service provider
  • Proven track record
  • Profound technical knowledge of construction materials
  • Global, regional or national presence
  • Independent from the CSC, RSOs and certificate holders

• Main role
  • **Independent 3rd party certification**
    • Choosing auditors (from own organization or subcontracted)
    • Issuing certificates
  • Training
Canada:
- 2 concrete plant certifications
- Talks with potential RSO

Netherlands:
- RSO & CBs in place
- ~50 concrete plant certifications
- First supply chain certificates
- Recognition by government fiscal program (Vamil)
- Access to loans with preferred interest rate

Europe:
- Dialogue to achieve recognition by key green building labels

Germany:
- RSO & CBs in place

Austria:
- Potential RSO identified

Turkey:
- RSO & CB in place
- Dialogue with potential RSO

Italy:
- Potential RSO

Belgium:
- RSO & CB in place

India:
- Fruitful dialogue with Confederation of Indian Industry (CII)

Advanced activities
Priority "wish list"
### How does it work

<table>
<thead>
<tr>
<th><strong>Standard Setting Institute</strong></th>
<th>Validates independence and sustainability claims</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Global System Operator</strong></td>
<td>Develops and maintains international standard</td>
</tr>
<tr>
<td><strong>Regional System Operator</strong></td>
<td>Manages the local system, organises training and helpdesk</td>
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<tr>
<td>(optional)</td>
<td></td>
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<tr>
<td><strong>Certification body</strong></td>
<td>Issues certificates</td>
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<tr>
<td><strong>Auditor</strong></td>
<td>Validates claims for points</td>
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<tr>
<td><strong>Customer</strong></td>
<td>Provide evidence</td>
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</table>
What does the certification system reward?

**Prerequisites**
- Legal compliance
- Human rights
- Indiginous people’s rights
- Environmental and social impact assessment
- Traceability of materials

**Management**
- M1 Sustainable Purchasing Plan
- M2 Environmental Management
- M3 Quality Management
- M4 Health & Safety Management
- M5 Chain of Custody
- M6 Benchmark

**Social**
- S1 Product Information
- S2 Local Community
- S3 Health & Safety
- S4 Labor practices

**Environmental**
- E1 Environmental Product Information
- E2 Land Use
- E3 Energy use
- E4 Air quality
- E5 Water Use
- E6 Biodiversity
- E7 Secondary Materials
- E8 Transport
- E9 Secondary Fuels

**Economical**
- P1 Local economy
- P2 Ethical Business
- P3 Innovation
- P4 Feedback Procedure
Uploading evidence via the user-friendly CSC Toolbox
## Category and supply chain weighting v 1.0

### Overall distribution

<table>
<thead>
<tr>
<th>Management</th>
<th>Environment</th>
<th>Social</th>
<th>Economic</th>
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<tbody>
<tr>
<td>Aggregates</td>
<td>Cement</td>
<td>Concrete</td>
<td>Aggregates</td>
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<tr>
<td>11 %</td>
<td>10 %</td>
<td>19 %</td>
<td>11 %</td>
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</tr>
</tbody>
</table>

### Overall distribution

- Management: 16%
- Environment: 16%
- Social: 21%
- Economic: 47%

### Categories

- Management: 47%
- Environment: 16%
- Social: 21%
- Economic: 15%

### Supply Chain Weighting

- Aggregates: 60%
- Cement: 25%
- Concrete: 15%
Categories:
- Management
- Environmental
- Social
- Economical

National priorities:
- Water
- Land
- Energy Efficiency
- Renewable energy
Thank you very much!