



Global Cement and Concrete
Association

GCCA Sustainability Framework Guidelines

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EXECUTIVE SUMMARY

The Global Cement and Concrete Association (GCCA) aims to demonstrate how concrete solutions can meet global construction challenges and sustainable development goals, while simultaneously displaying responsible industrial leadership in sourcing, manufacturing and use of cement and concrete. A key objective is to document and improve the sustainability performance of the global cement and concrete sector by stimulating and fostering the development of its members' sustainability agendas, in order to improve their own performance and that of the wider cement and concrete sector. The GCCA recognises the need to monitor progress and to clearly communicate performance to all stakeholders. The GCCA has developed a Sustainability Charter to support this objective.

It is crucial that the GCCA and its members work towards this objective by applying the highest ethical and legal standards, while being open and transparent with stakeholders. This 'Framework for the GCCA Guidelines' includes requirements for GCCA and GCCA members' conduct and for compliance with the GCCA Sustainability Charter.

The GCCA Sustainability Charter sets out the requirements for full members, including the requirements to set targets, measure and report performance against the Key Performance Indicators (KPIs) defined for each of the five pillars of the GCCA Sustainability Charter: *Health & Safety, Climate Change & Energy, Social Responsibility, Environment & Nature and Circular Economy*.

1. INTRODUCTION

1.1 The Global Cement and Concrete Association

The Global Cement and Concrete Association (GCCA) is the global voice of the cement and concrete sector. One of the objectives is to develop and strengthen the sector's contribution to sustainable construction across the value chain. The GCCA aims to foster innovation throughout the construction value chain in collaboration with industry associations as well as architects, engineers, developers, contractors and innovators. In this way, the association demonstrates how concrete solutions can meet global construction challenges and sustainable development goals while showcasing responsible industrial leadership in the manufacture and use of cement and concrete. The GCCA was established in January 2018 and is headquartered in London.

1.2 GCCA Sustainability Charter

This 'GCCA Sustainability Framework Guidelines' is the overarching document for a package of guidelines developed to support implementation of the GCCA Sustainability Charter¹. The GCCA Sustainability Charter has identified five key pillars which encompass the sustainability spectrum of the cement and concrete sector and has set out requirements for full members against each of these.

¹ GCCA Sustainability Charter, November 2018

1. *Health & Safety*
 - a. Apply the good safety practice guidelines of the GCCA²
 - b. Promote the sharing of good health practices
2. *Climate Change & Energy*
 - a. Develop a climate change mitigation strategy and publish targets and progress^{3,4}
3. *Social Responsibility*
 - a. Publish a Code of Conduct incorporating the principles of internationally proclaimed human rights
 - b. Apply Social Impact Assessment guidelines
 - c. Establish a systematic dialogue process with stakeholders
4. *Environment & Nature*
 - a. Apply Environment & Nature guidelines⁵
 - b. Set emission targets and report publicly on progress
5. *Circular Economy*
 - a. Promote the principles of circular economy across the value chain²
 - b. Apply the guidelines developed for fuel and raw material use in cement production⁶

Full GCCA members must comply with the requirements of the GCCA Sustainability Charter and Guidelines. The GCCA Guidelines include a number of simple, reliable and representative KPIs against which members are required to monitor and report performance to the GCCA and to their stakeholders. Full GCCA members shall report their company level sustainability performance publicly.

Full GCCA members must implement sustainability initiatives across all five sustainability pillars, report on their performance against the core KPIs and set targets for performance improvement for each of the pillars to achieve compliance. To achieve the extended compliance level, full members must have their data and targets verified by a third party and published⁷.

The GCCA encourages its members to go beyond the requirements of GCCA Sustainability Charter.

1.3 Background

With a global reach, and both positive and negative sustainability impacts, the GCCA and its members recognise their responsibility to the environment and society. Underpinning this responsibility is an absolute duty to comply with the letter and the spirit of the law, and to strive for the highest ethical standards of conduct.

Fairness, integrity and respect are core values of the GCCA. All GCCA members share these values and help to create the GCCA compliance culture, as well as its open and transparent

² Initially the CSI guidelines will be applicable

³ The GCCA sustainability guidelines for monitoring and reporting CO₂ emissions from cement manufacturing, November 2018

⁴ The GCCA will develop templates for the mitigation strategy across the value chain.

⁵ In the initial period, the CSI Environmental Impact Assessment guideline and the Guidelines on Quarry Rehabilitation will be applicable

⁶ The GCCA guideline for co-processing fuels and raw materials in cement manufacturing, November 2018

⁷ In the event that local legal restrictions prevent such public reporting, it shall be a requirement that an independent third party be appointed by the member company to confirm the initiatives are in place and that the reporting is being undertaken internally.



communications with stakeholders. By applying these values in its everyday work, the GCCA and its members can create value for all stakeholders and continue to represent the cement and concrete industry.

2. OBJECTIVES

The GCCA has prepared this Framework to guide its activities and to help achieve its objectives while promoting sustainable practices and its core values of fairness, integrity and respect within the cement and concrete industry and their respective supply chains.

This Framework also set out a number of general obligations placed on full GCCA members in order to comply with the GCCA Sustainability Charter and which apply across each of the GCCA Guidelines. This includes the basic reporting principles and rules to be applied when reporting the sustainability KPIs defined in the GCCA guidelines. This approach forms the basis for a systematic and trustworthy reporting process and dialogue with stakeholders about the industry's sustainability performance.

3. PRINCIPLES OF BUSINESS CONDUCT

Safety & Health

The GCCA and its members strive to achieve zero harm for employees, contractors and everyone that comes in contact with its businesses.

Compliance with Legal Requirements

The GCCA and its members are committed to conducting their business in accordance with applicable laws and regulations in all countries where the members operate. The GCCA and all members are expected to respect and comply with all laws and regulations that apply to them.

Fair Competition

The GCCA and its members believe in, and encourage, respect for free markets and fair competition because this ensures that the industry's customers obtain the best products and services on the most favourable terms. In all regions and countries where the GCCA members are active, they are committed to encourage the cement and concrete industry at large to compete intensively but fairly for suppliers and customers.

Anti-bribery & Corruption

The GCCA and its members shall conduct business on the basis of credibility, quality, and reliability, amongst each other and shall never give or receive any bribes. The GCCA and its members will therefore adhere to applicable rules relating to anti-bribery & corruption and anti-money laundering.

Community Engagement

The GCCA and its members strive to be trusted organisations and fulfil their responsibilities to the communities in which they operate in order to support their healthy development. The GCCA and its members shall demonstrate respect for people and the planet and consider this in their business decisions concerning their supply chain and communities.



Human Rights

The GCCA and its members are committed to respecting and protecting human rights, wherever they conduct business. The GCCA and its members prohibit and will not knowingly do business with any individual or company that participates in non-compliant practices.

Environment

The GCCA and its members are committed to respecting and protecting the environment on a global, regional and local level, wherever they conduct business. This includes promoting advancements in sustainable construction and the development of durable, resilient and environmentally sensitive buildings and infrastructure. The GCCA and its members support the use of methods and tools that assess the environmental performance of materials on a life cycle basis.

4. MONITORING & REPORTING

4.1 Data quality

The main objective of reporting is to provide stakeholders with a reliable indication of the performance of the GCCA and member companies. Therefore, it is necessary that reporting is:

- **Relevant**
Ensure that data appropriately reflects the performance of the company and serves the decision-making needs of users, both internal and external to the GCCA and its members.
- **Complete**
Account for and report on all activities and sources within the chosen inventory boundary. Disclose and justify any specific exclusions.
- **Consistent**
Use consistent methodologies to allow for meaningful comparison over time. Transparently document any changes to the data, inventory boundary, methods, or any other relevant factors in the time series.
- **Transparent**
Address all relevant issues in a factual and coherent manner, based on a clear audit trail. Disclose any relevant assumptions and make appropriate references to the accounting and calculation methodologies and data sources used.
- **Accurate**
Ensure that the quantification of performance is systematically neither overstated nor understated, as far as can be judged, and that uncertainties are reduced as far as practicable. Achieve sufficient accuracy to enable users to make decisions with reasonable assurance as to the integrity of the reported information.

4.2 Reporting

Full GCCA members must report all data requirements to the GCCA, according to the requirements of the GCCA Sustainability Charter and its supporting guidelines. Data must be provided at the level defined in the guidelines. The GCCA will undertake data collection and reporting through an independent third party, in full compliance with member company confidentiality and competition law requirements. The GCCA will communicate data publicly in

a consolidated format. Company or plant/site/installation level data will not be published by the GCCA

Full GCCA members must report company level performance against the GCCA's KPIs to their own stakeholders. Members can determine the most suitable approach (e.g. financial report, an environmental or sustainability report, website, etc.).

The core list of KPIs provided in the guidelines for each of the five pillars are the indicators that are used within the GCCA and by external stakeholders to assess the performance of companies and the cement and concrete sectors. Members will recognise that there are other performance indicators that are useful for benchmarking and further improvements in performance. They are encouraged to adopt a wider range of performance indicators and consider reporting these to stakeholders.

4.3 Reporting period

Full GCCA members must individually monitor KPIs at the level defined in the guidelines and report on an annual basis and for an annual period. Normally a calendar year⁸ should be used.

4.4 Organisational boundaries

Organisational boundaries define the parts of an organisation – for example, wholly owned operations, joint ventures and subsidiaries – that are to be reported on, and how the data are consolidated.

Members can choose one of the following options to set the organisational boundaries for reporting:

- Equity share
- Control Approach - Financial control or operational control
- A combination of equity share and one of the control approaches.

In defining control, members are advised to follow their existing rules and practices for financial reporting. Members shall clearly state in their GCCA and public reporting which method is applied and the exact scope of what is reported.

A new or acquired entity/facility/installation needs to comply with this protocol within at the latest two calendar (or financial) years following the start of operation, or the year it was acquired. A closed or sold entity/facility/installation may be excluded from reporting for the whole year of its closure or divestiture. Baseline data must always be corrected following acquisitions or divestments.

4.5 Target setting and reference years

All full members commit to continuous improvement of their sustainability agenda and to set targets for performance improvement for each of the five pillars of the GCCA Sustainability

⁸ Reporting can be based on financial years if necessary, to reduce reporting costs and so long as it causes no problems, it is applied consistently over time and there are no gaps or overlaps. Any changes in the reporting year should be clearly indicated to the GCCA and external stakeholders.



Charter. These targets shall be made publicly available and shall be reported annually to the GCCA and stakeholders.

The GCCA intends to show the progress on sustainability performance over a longer period than one year. For that reason member companies must respect reference years set by the GCCA for some KPIs, in order to track progress in a consistent and comparable way.

4.6 Data confidentiality and compliance with competition law

Confidentiality is crucial for the GCCA. Members and others must be confident that their sensitive information is secure. The GCCA and its members must be compliant with all competition law (anti-trust) legislation.

To ensure the confidentiality of company data and of individual datasets submitted by members, the GCCA will use an independent third party according to the nature of the data and confidentiality and competition law requirements. The independent third-party will develop database systems, collate the reported data, analyse the results, and produce consolidated data and reports.

The independent third-party is responsible for ensuring that all data that can be traced back to individual companies or plants will strictly not be disclosed, nor be accessible to any unauthorised internal and external stakeholder. The independent third party is responsible for ensuring IT security of any systems they operate that hold company data. As a general rule, there must be four or more independent operators in a country so that aggregated reports on this country can be released.

4.7 External assurance of KPIs

To achieve extended compliance, full members must undertake an annual (at least), limited assurance of GCCA KPIs using a recognised, independent third-party assurance practitioner. The assurance must comply with the requirements in Table 1.

Item	Requirement
Assurance Level	Limited assurance at corporate level (as minimum).
Assurer Reputation	The assurer must be a recognised, independent third-party assurance practitioner.
Scope of Assured Data	The KPIs reported to the GCCA and any external reported sustainability performance.
Frequency of Assurance	Annual.
Coverage of Sites	A representative number of sites is defined by the assurer with the number of audited business units and sites explicitly stated, and average percentage coverage reported for each of the key pillars of the GCCA Sustainability Charter and guidelines.
Assurance Standard	Assurer must use ISAE 3000* (or equivalent).
Materiality Threshold	5%

Table 1 – Requirements for independent assurance to achieve GCCA extended compliance

4.8 GCCA Audit

To increase transparency, reliability and accuracy of reporting of the KPIs and sustainability performance as covered in the GCCA Sustainability Charter and guidelines, the GCCA will commission an audit, using an independent third party, every five years, or sooner, in the event of a major change to the GCCA Sustainability Charter. Full members must participate and fully comply with the audit process.

5. BASIC PARAMETERS

This Framework is part of a package of guidelines to support compliance with the GCCA Sustainability Charter. For these guidelines some basic parameters must be collected and reported to GCCA’s independent third-party data collector. Basic Parameters are numerical or other measurable factors forming a set that defines the operations covered in the monitoring & reporting processes. Basic parameters in this view are production volumes or values that outlines the operation covered without giving an indication of the performance of that operation itself. The Basic Parameters are given in Table 2.

Basic Parameter		Unit	Explanation
A.	Clinker production	metric tonnes/year	Clinker is the intermediate product in cement manufacturing and the main substance in cement. Clinker is the result of calcination of limestone, and other raw materials, in the kiln and subsequent reactions caused through burning.
B.	Cement production	metric tonnes/year	Cement is the building material made by grinding clinker together with various mineral components such as gypsum, limestone, blast furnace slag, coal fly ash and natural volcanic material; includes special cements such as the ones based on calcium aluminates.
C.	Cementitious production	metric tonnes/year	All clinker produced by the reporting company for cement making or direct clinker sale, plus gypsum, limestone, cement kiln dust and all clinker substitutes consumed for blending, plus all cement substitutes. For this denominator, the terms "cementitious products" or "binders" are used, as it is a sum of clinker and mineral components. The denominator excludes clinker bought from third parties for the production of cement, since this clinker is already included in the inventory of the third party.
D	Kiln fuels	metric tonnes/year	The mass of all kiln fuels used in manufacturing the clinker produced
E	Total energy from fuels used in clinker produced	MJ/year	The total energy from all kiln fuels used in manufacturing the clinker produced
F	Alternative fuels	metric tonnes/year	The mass of all alternative fuels used in manufacturing the clinker produced
G	Energy from alternative fuels	MJ/year	The total energy from all alternative fuels used in manufacturing the clinker produced
H	Biomass fuels	metric tonnes/year	The mass of all biomass fuels and the biomass fraction of mixed fossil and biomass fuels used in manufacturing the clinker produced
I	Energy from biomass fuels	MJ/year	The total energy from all biomass fuels and the biomass fraction of mixed fossil and biomass fuels used in manufacturing the clinker produced
J	Total raw materials for clinker produced	metric tonnes/year	The total mass of raw materials (on a dry basis) used in manufacturing the clinker produced on a dry basis
K	Total alternative raw materials for clinker produced	metric tonnes/year	The mass of all alternative raw materials (on a dry basis) used in manufacturing the clinker produced
L	Total raw materials for cement produced	metric tonnes/year	The mass of all raw materials (excluding clinker) (on a dry basis) used in manufacturing the cement produced
M	Total alternative raw materials for cement produced	metric tonnes/year	The mass of all alternative raw materials (on a dry basis) used in manufacturing the cement produced
N	Total water withdrawal	m ³ /year	Total water withdrawal by source (G4 – EN 8 from GRI)
O	Water discharge	m ³ /year	Total water discharge by quality and destination (G4-EN22 from GRI)

Basic Parameter		Unit	Explanation
P	Number of sites	number	Total number of sites.
Q	Number of sites with a water recycling system	number	The total number of sites with a water recycling facility.
R	Number of fatalities, directly employed	number	Number of fatalities directly employed
S	Number of fatalities, contractors & subcontractors	number	Number of fatalities of contractors/subcontractors resulting from work-related incidents in a year. These are recorded only if they arise from an incident in cement manufacturing, related businesses and logistics. Off-site traffic accident fatalities are reported separately and only if there is company or employee (direct employed or contractors/subcontractors) culpability.
T	Number of fatalities, third parties	number	Number of deaths of third parties resulting from incidents related to cement activities (as defined in the scope of cement manufacturing process).
U	Number of lost time injuries (LTI), directly employed	number	A work-related injury causing the absence of one or more working days (or shifts), counting from the day after the injury, before the person returns to normal or restricted work. LTIs are reported here for directly employed
V	Number of lost time injuries (LTI), contractors & subcontractors	number	There is general agreement that the counting of lost days ceases with a return of the injured person to restricted (or light) work or normal work.

Table 2 – Basic Parameters