

# Heidelberg Materials Northern Europe's Supplier Code of Conduct

## Introduction

This globally applicable Supplier Code of Conduct acts as a basis for all contractual relationships between Heidelberg Materials and its suppliers. In general, our business activities are subject to the respective national laws and regulations dealing with environmental protection, product safety and social welfare matters. Over and above, it is Heidelberg Materials' policy to formally request that all our suppliers respect the principles of our Supplier Code of Conduct and adopt practices that are consistent with it.

Building from our Heidelberg Materials "Code of Business Conduct", our Supplier Code of Conduct seeks compliance with internationally recognized standards and principles relating to human rights, labour rights, anti-corruption and environment, as well as international social accountability standard SA 8000, the German Act on Corporate Due Diligence Obligations in Supply Chains, and environmental standard ISO 14001 in our upstream supply chain.

## What we require from our suppliers

Heidelberg Materials expects its suppliers to adhere to the principles of the following internationally recognized standards:

- The eight core conventions of the ILO;
- The Ten Principles of the UN Global Compact;
- The OECD Guidelines for Multinational Enterprises; and
- UN Guiding Principles on Business and Human Rights.

More specifically, Heidelberg Materials expects its suppliers to adhere to the obligations stipulated in the below and take responsibility to require adherence to these principles from their direct suppliers and exercise diligence in verifying that these principles are being adhered to in their supply chains.

## Working Conditions / Labour

1. Suppliers shall not use child labour in any stage in their operations. Suppliers are Obligated to follow the ILO conventions recommendation of minimum age for admission to employment and shall adhere to the ILO Worst Form of Child Labour Convention.
2. Compensation and benefits ought to comply with fundamental principles relating to minimum wages, working time, overtime hours and legally mandated benefits, and suppliers are expected to ensure equal pay for equal work irrespective of gender, as stipulated in ILO Convention 100.
3. Any form of forced or compulsory labour as defined by the ILO Forced Labour Convention including forced overtime, debt bondage, human trafficking, slavery or forced prison labour shall not be used, and employees shall be free to leave employment after reasonable notice.
4. Suppliers shall adhere to the right of employees to freedom of association and recognition of employees' rights to collective bargaining, where allowable by law.
5. Suppliers shall ensure safe and healthy working conditions that meet or exceed applicable standards for occupational health and safety. This includes, at minimum, compliance with applicable laws and regulations in the country, and holding the required permits, licenses and permissions. Suppliers shall have appropriate procedures in place as well as safety infrastructure and equipment, and shall continuously improve their health and safety performance.

## Environmental Standards

1. Supplier operations shall include at minimum compliance with all applicable environmental laws and regulations in the country concerned and shall be carried out with due diligence and care for the environment. Environmental impacts regarding, but not limited to, emissions, energy, water, waste and biodiversity shall be managed systematically suppliers shall avoid and minimize or compensate such impacts, including environmental impacts that deny a person access to food, drinking water and sanitary facilities or harm a person's health. Suppliers shall moreover have appropriate environmental procedures in place, and shall continuously improve their environmental performance.
2. Suppliers shall promote safe and environmentally sound sourcing, manufacturing, transport, distribution, use and disposal of their products and services.
3. The supplier shall respect any applicable local, national and international land, water and resource rights. Unlawful forced evictions are not permitted.
4. If the supplier's operations include:
  - (a) mercury and mercury compounds, mercury-added products or mercury wastes, suppliers shall comply with the Minamata Convention on Mercury;
  - (b) chemicals and chemical wastes and stockpiles, suppliers shall comply with the Stockholm Convention on Persistent Organic Pollutants;

(c) hazardous and other waste shipments as defined by the Basel Convention on the Control of Transboundary Movements of Hazardous Waste and their Disposal, suppliers shall comply with Article 4 (2), (5) and (8) of this Convention.

## Business Ethics

1. Business shall be conducted with integrity. There shall be no payments, services, gifts, entertainment or other advantages offered or given to any Heidelberg Materials employee or third party which are intended to unduly influence the way in which the Heidelberg Materials employee or third party goes about his or her duties. Similarly, Heidelberg Materials shall not offer or give such payments, services, gifts, entertainment or other advantages to any supplier which are intended to unduly influence the way in which the supplier goes about his or her duties.
2. In case suppliers are employing private or public security service providers, they shall be instructed and controlled properly to avoid any kind of unlawful force or repression.
3. Suppliers are expected to maintain impartial relationships with customers, suppliers and other business partners and ensure that any conflict of interest is handled in an appropriate manner and in compliance with applicable laws and regulations. Suppliers shall inform Heidelberg Materials of any conflict of interest that arises in relation to or involves Heidelberg Materials and/or any of its employees.
4. All financial transactions shall be carried out in accordance with applicable laws and regulations and suppliers shall under no circumstances be complicit in any activities of money laundering and/or financing of terrorism.
5. Suppliers shall ensure that they do not act in a way which violates applicable sanctions and export control legislation, including but not limited to such legislation that has been adopted by the United Nations, the USA, the UK, EU or any EU Member State.
6. Suppliers shall respect and comply with laws, regulations and principles that promote fair and free competition and prohibit anti-competitive activities, agreements and arrangements.
7. Suppliers shall respect internationally recognized human rights and shall ensure that they are not complicit in any human rights violations. Harassment or discrimination against employees as defined by the ILO Violence and Harassment Convention and the ILO Discrimination Convention in any form is not acceptable regarding any employment-related treatment (including but not limited to recruitment, promotion, layoff). This includes but is not limited to gender, ethnic origin, skin colour, religion, sexual orientation, political opinion, social origin, disability or age. Furthermore, suppliers shall ensure that there is no form of discrimination in relation to opportunity and treatment in respect of employment and occupation, as stipulated in ILO Convention 111.
8. Suppliers are expected to have appropriate internal reporting channels to ensure that compliance risks and potential misconduct are discovered and dealt with as soon as possible

**Co-operation and Termination**

Safeguarding of these standards is a long-term learning and development process. Heidelberg Materials is obliged by law to conduct regular risk assessments in different forms. In case of identified risks at a supplier, the supplier agrees that Heidelberg Materials or individuals authorized by Heidelberg Materials have the right to establish action plans that include distinct measures, such as but not limited to self-assessments, trainings and audits of the supplier to verify that the principles herein are being adhered to and to mitigate identified risks.

Heidelberg Materials values close and productive cooperation with its suppliers. That said, if a supplier fails to fulfil the requirements of this Supplier Code of Conduct, Heidelberg Materials shall have the right to terminate any agreement with the supplier without further notice and with immediate effect.

Suppliers may submit any concerns regarding behaviour which is non-compliant with applicable laws or Heidelberg Materials policies and regulations, via our compliance hotline "SpeakUP" (<https://www.speakupfeedback.eu/web/heidelbergcement>).

**Jan Gänge**

**CFO and Deputy General manager Northern Europe**

[Jan.Gange@heidelbergmaterials.com](mailto:Jan.Gange@heidelbergmaterials.com)

**Alexandre Garcia**

**Head of Procurement Northern Europe**

[alexandre.garcia@heidelbergmaterials.com](mailto:alexandre.garcia@heidelbergmaterials.com)