

HeidelbergCement's Supplier Code of Conduct

November 2020

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 HeidelbergCement's 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 HeidelbergCement "Code of Business Conduct", our Supplier Code of Conduct seeks compliance with international social accountability standard SA 8000 and environmental standard ISO 14001 and the principles of the International Labor Organization in our upstream supply chain.

This globally applicable Supplier Code of Conduct acts as a basis for all contractual relationships. HeidelbergCement values close and productive cooperation with its suppliers. That said, if all efforts to remedy material shortcomings against the Supplier Code of Conduct fail, either through unwillingness of the supplier or that the plan of action cannot be implemented within the agreed timeframe, a termination of the contractual relationship will ultimately result.

The Supplier Code of Conduct

HeidelbergCement's Supplier Code of Conduct expects from HC's suppliers the following:

Working Conditions / Labour

1. Suppliers shall not use child labour in any stage of manufacturing. Suppliers are requested to follow the ILO conventions recommendation of minimum age for admission to employment.
2. Compensation and benefits ought to comply with fundamental principles relating to minimum wages, working time, overtime hours and legally mandated benefits.
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 are expected to adhere to the right of employees to freedom of association and recognition of employees' rights to collective bargaining, where allowable by law.
5. Suppliers are expected to 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 are required to have appropriate procedures in place as well as safety infrastructure and equipment, and to continuously improve their health and safety performance.

Environmental Standards

1. Supplier operations are expected to include at minimum compliance with all applicable laws and regulations in the country concerned and will be carried out with due diligence and care for the environment. Environmental impacts regarding, but not limited to, emissions, energy, water, waste and biodiversity will be managed systematically, and suppliers aim to avoid, minimize or compensate such impacts. Suppliers are moreover required to have appropriate environmental procedures in place, and to continuously improve their environmental performance.
2. All products and services delivered are expected to meet the environmental, quality and safety criteria specified in relevant contract elements, and will be safe for their intended use.

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 HeidelbergCement employee or third party which are intended to influence the way in which the HeidelbergCement employee or third party goes about his or her duties. Similarly, HeidelbergCement shall not offer or give such payments, services, gifts, entertainment or other advantages to any supplier which are intended to influence the way in which the supplier goes about his or her duties.
2. There shall be respect for internationally recognized human rights and suppliers 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 (incl. recruitment, promotion, layoff). This includes but is not limited to gender, ethnic origin, skin colour, religion, sexual orientation, disability or age.

Concluding Comments

1. It is expected that HeidelbergCement's direct suppliers will take responsibility to require adherence to the principals of this Supplier Code of Conduct from their direct suppliers and exercise diligence in verifying that these principles are being adhered to in their supply chains.
2. Safeguarding of these standards is a long-term learning and development process. We will work together with our suppliers towards compliance and will continually review and revise these principles if needed.
3. Suppliers may submit any concerns regarding non-compliant behaviour, either to applicable laws or to internal HC regulations, via our compliance hotline "SpeakUp" (<https://www.speakupfeedback.eu/web/heidelbergcement/>).

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