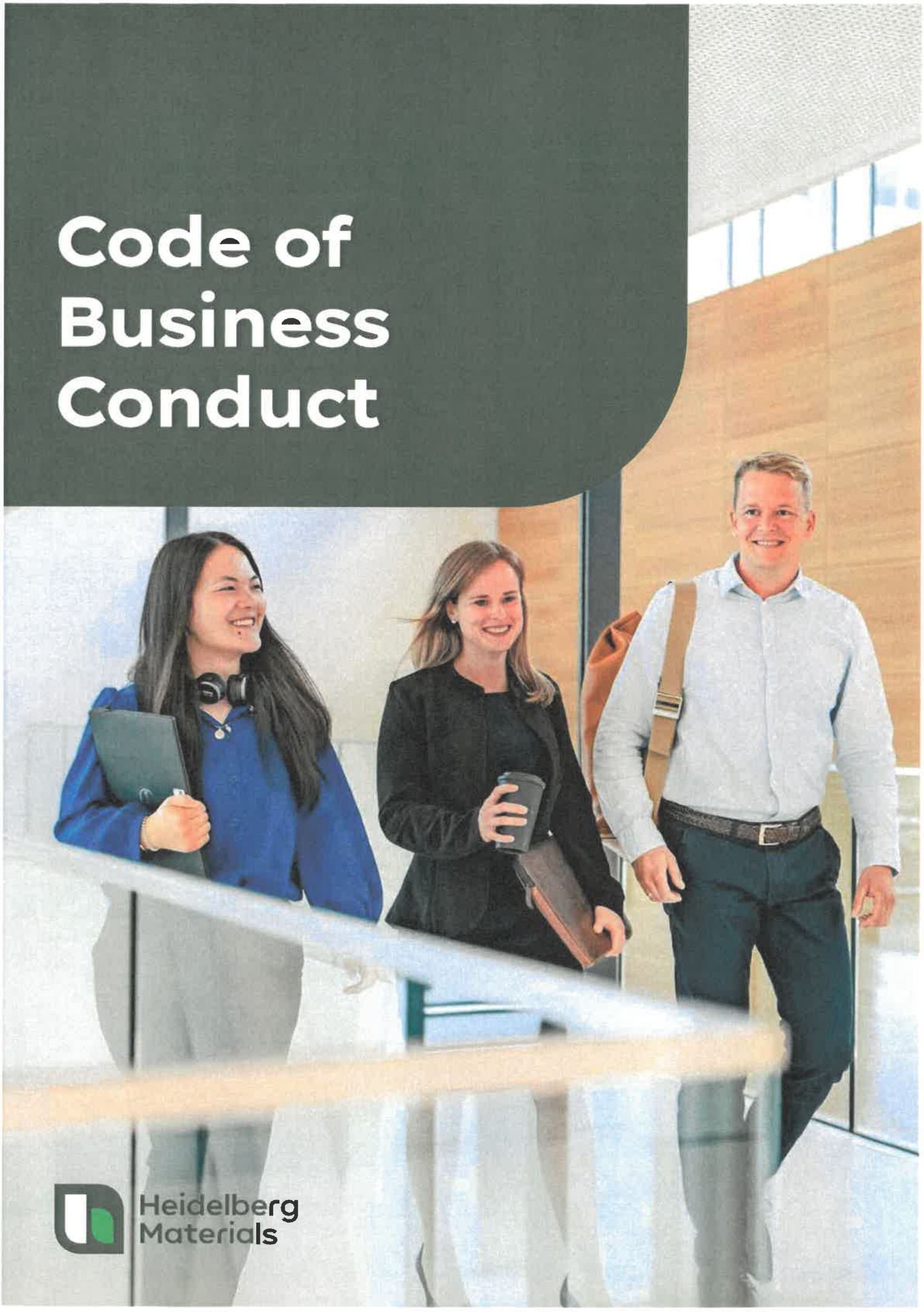
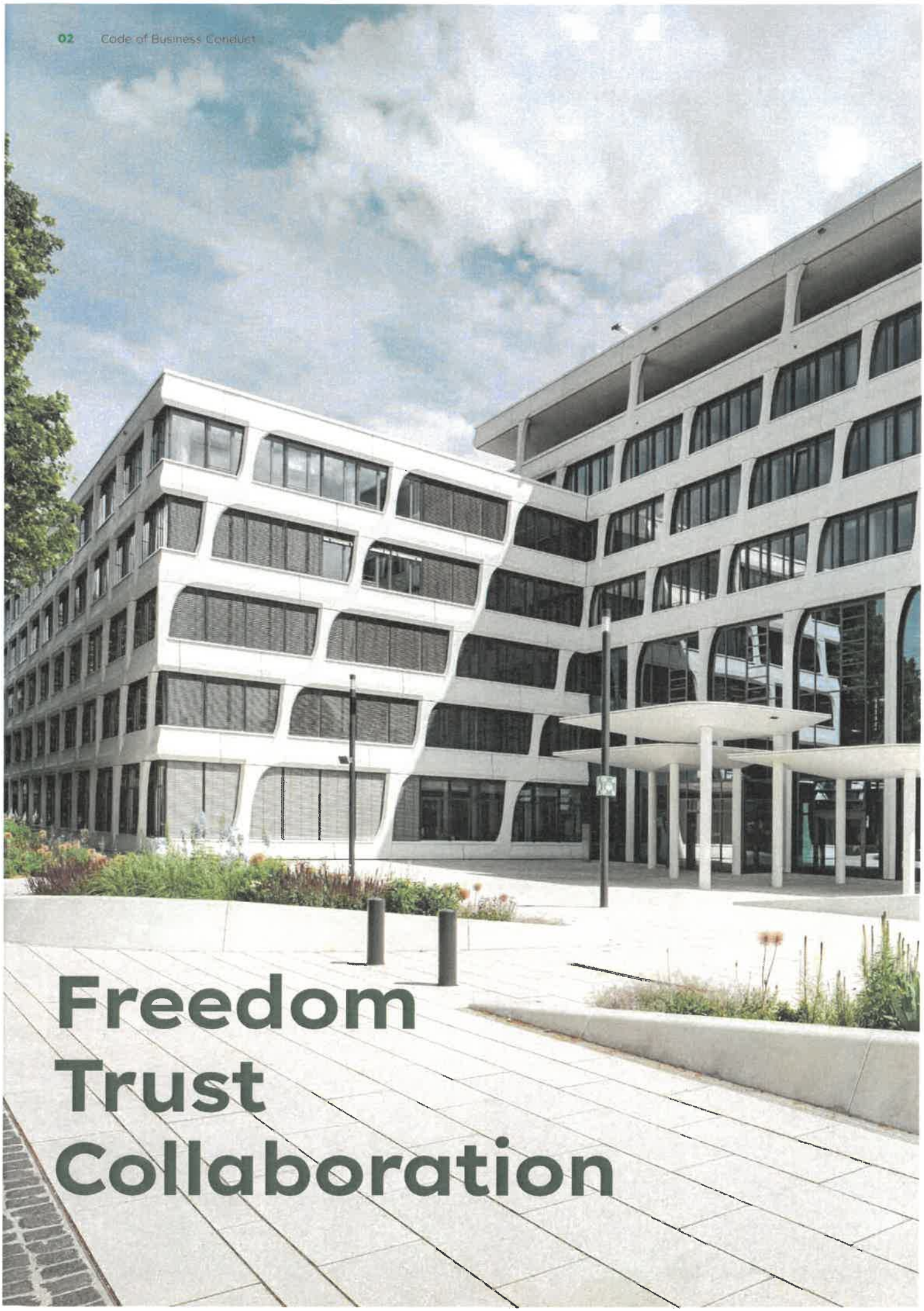
Code of Business Conduct



Heidelberg Materials



Freedom
Trust
Collaboration

Code of Business Conduct

Dear colleagues,

Heidelberg Materials provides materials to construct buildings which give people shelter, offer them space to work and live, which serve education and health care and enable people to travel and meet each other. Where people come and stay together, we need rules that organise society and ensure a peaceful cooperation. These rules come as laws, regulations, policies, guidelines, processes or principles. They are the basis of freedom, trust and collaboration and are like the concrete that forms the foundation of the highest skyscrapers. This Code of Business Conduct is the foundation of Heidelberg Materials. In effect, it is Heidelberg Materials' constitutional code. These are the rules we give ourselves and this means that everybody within the Heidelberg Materials family is committed to them – the CEO, top management, middle management and each and every employee. My management board colleagues and I lead by example by practicing compliant behaviour and we expect all management to act as role models for their staff.

We want to follow these rules because we are convinced that they are the right rules and not only because we are obliged to comply with these rules as a matter of law. Behaving in a legally and ethically compliant manner must be normal and natural to us all and become part of our Heidelberg Materials DNA. Additionally, if we don't have existing written rules for a particular behaviour, we follow our own internal compass or seek advice from our compliance staff and apply ethical standards that are consistent with our Code of Business Conduct.

If we all adhere to the principles of our Code of Business Conduct this will safeguard Heidelberg Materials' business success, promote the basis for a fulfilling work environment for us all and lead to greater satisfaction of all stakeholders in our Group.

Yours,

Dr. Dominik von Achten

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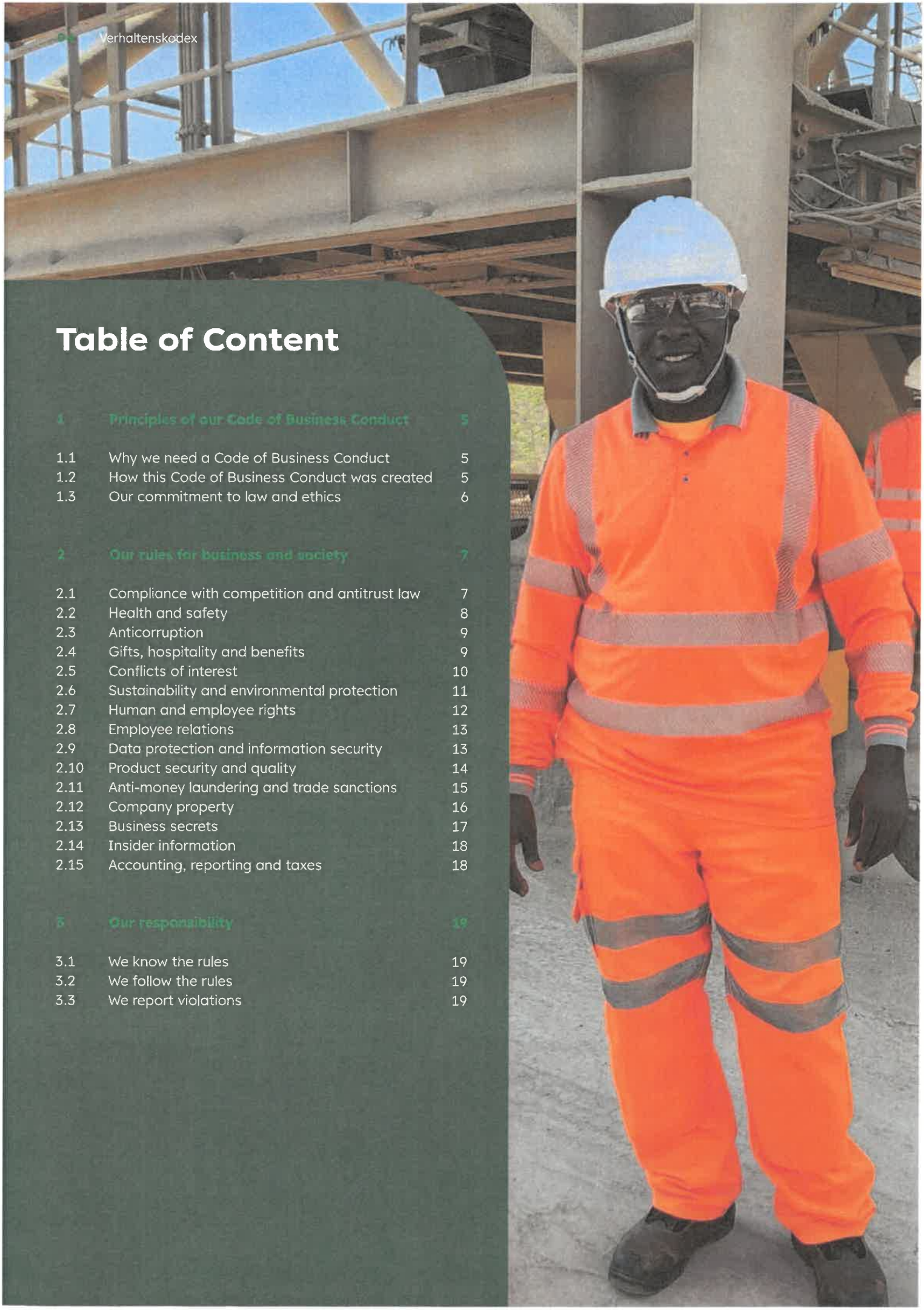


1. Principles of our Code of Business Conduct

Why we need a Code of Business Conduct 1.1

Heidelberg Materials' public image is determined by the conduct of each of its employees. We respect the different cultures and legal regulations as well as the people and institutions of all the countries in which we operate, but we have also adopted a set of rules that applies throughout the Group - our Code of Business Conduct. This Code of Business Conduct is the basis for our relationships within the company and with external interest groups.

In this Code of Business Conduct, we set standards that apply equally to all of us - our Managing Board members, directors, managers and employees of Heidelberg Materials and its subsidiaries worldwide. These rules are not exhaustive – and cannot anticipate all issues that may arise, nevertheless they set out the most important key principles that apply in the performance of our professional activities. In individual cases, these rules may be adapted according to local laws and regulations. In all business situations where this Code of Business Conduct appears to be incomplete or unclear, we must use both sound judgment and common sense and, in case of doubt, consult with our supervisor and compliance colleagues on how to handle the questionable situation. We must not only follow the letter of this Code of Business Conduct in all business matters, but we must also live and internalise its spirit. Irrespective of our position in the company, we will follow the Code of Business Conduct and encourage our colleagues, especially those who report to us, to do likewise.

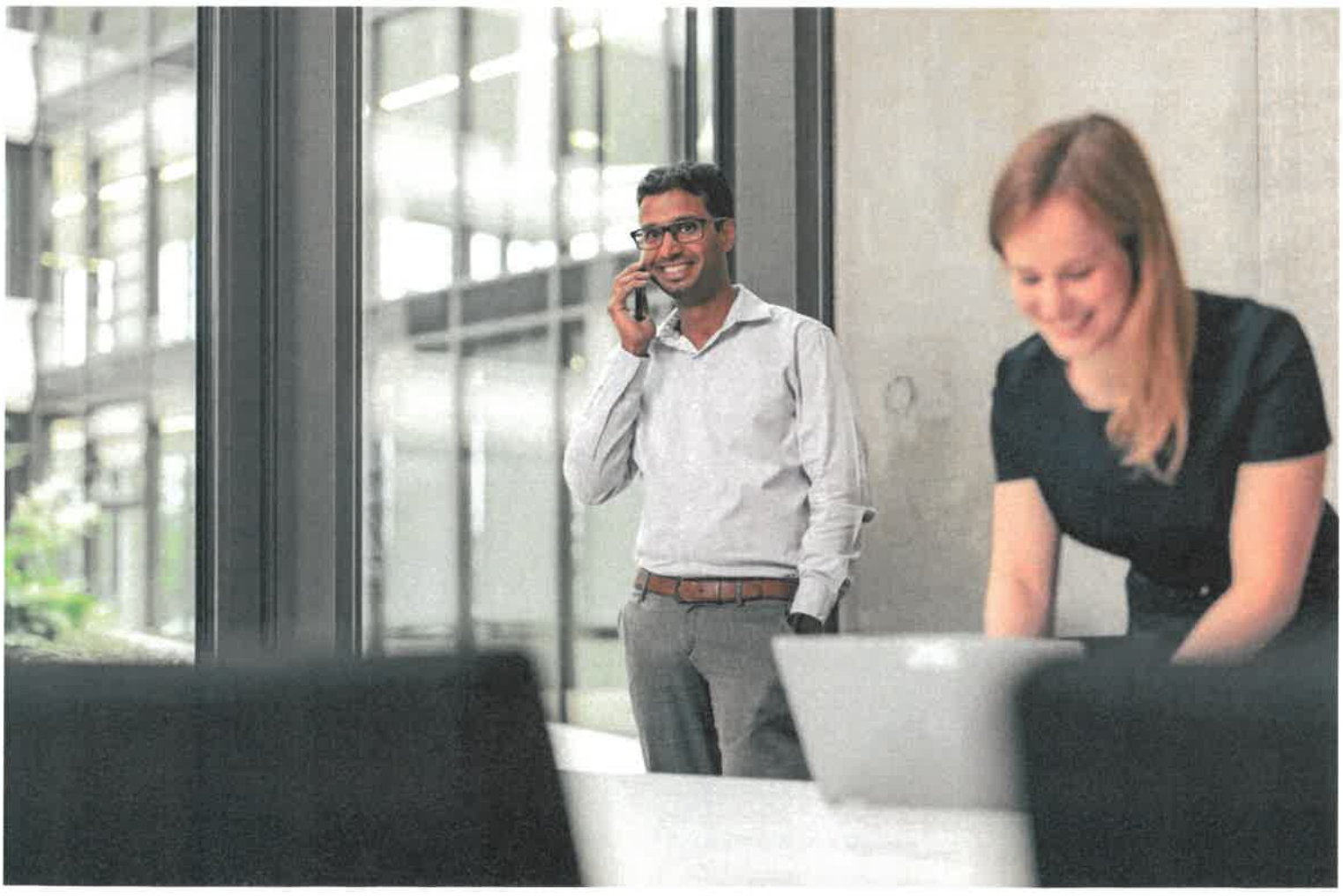
How this Code of Business Conduct was created 1.2

The General Managers of our country organisations and our Group Directors have assessed the importance of a variety of legal and ethical issues as well as compliance risks for Heidelberg Materials The most important issues arising from this assessment are addressed in this Code of Business Conduct. The Managing Board of Heidelberg Materials AG has adopted the Code of Business Conduct as binding for the Group.

1.3 Our commitment to law and ethics

We are committed to conducting our business in all countries where our company is present in accordance with the applicable laws and regulations of the countries in which we operate. In addition to complying with the respective laws and regulations, we will also comply with the applicable corporate guidelines including this Code of Business Conduct, principles of business ethics and international standards including the OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business and Human Rights. As a member of the UN Global Compact, we have also undertaken to implement the ten principles of human rights, labour, anti-corruption and environment and are committed to contributing to the UN Sustainable Development Goals by taking into account and integrating environmental and social aspects in all business activities. When interacting with customers, suppliers, competitors and other third parties, we do not enter into any obligations or participate in agreements that are anti-competitive, discriminatory or illegal.

Our decisions and actions are guided not only by high legal standards, but also by high ethical standards. We carry out our duties towards customers, suppliers, governmental authorities and business partners with honesty, integrity, professionalism and ethical behaviour.



2. Our rules for business and society

Compliance with competition and antitrust law

2.1

We respect the principles and rules of free and fair competition, which exclude anti-competitive behaviour and the abuse of a dominant market position. Therefore, we want to and must comply with the applicable competition and antitrust laws.

In particular, we do not discuss prices, volumes, market shares, market strategies, customers, supply areas and similar critical topics with competitors or at industry association meetings, unless this is necessary on the occasion of and strictly limited to permissible projects and pre-approved by competition law experts.

Our expectations

- Do not communicate with competitors about competition-sensitive issues such as prices (including rebates or discounts), quantities, terms and conditions, customers, delivery areas, costs and capacities, etc., except on the occasion of and strictly limited to the purposes of permissible projects and if pre-approved by competition law experts.
- Contact competitors for legitimate purposes only and clarify any concerns regarding the legitimacy of the issues with your supervisors or the compliance team if there is the slightest doubt.
- End a conversation or meeting immediately if a competitor raises critical issues and make it clear that you will not participate in anti-competitive behaviour. Ensure that it is duly recorded that you left the meeting or stopped the conversation.
- Do not abuse a dominant market position through unfair business practices or unjustified discrimination against business partners.

We respect the principles and rules of free and fair competition.

2.2 Health and safety

Health and safety are an essential and fundamental part of all our business activities and safeguarding a safe and healthy workplace is one of our core values. Our success depends on the physical and mental well-being of all our people. We strive to continuously prevent and minimise risks for our employees, customers, suppliers and other third parties. Risk assessments are performed and evaluated on a recurring basis to be able to address identified risks and take appropriate measures.

In addition, inspections are carried out on the workplaces to audit compliance with internal and external requirements. Heidelberg Materials' management has the ultimate responsibility to safeguard and maintain a safe working environment. However, we are all individually responsible for and obliged to inform ourselves about our health and safety measures, to observe all relevant rules, regulations and work instructions and to wear the personal protective equipment prescribed in each case.

Our expectations

- Always follow all safety regulations and instructions applicable to your task.
- Always wear the personal protective equipment prescribed for the respective task.
- Do not hesitate to intervene and stop work in unsafe situations.
- Remember that safety at work takes precedence over speed.

Anticorruption

2.3

The use of company funds for any illegal or improper purpose is strictly prohibited. Never use bribery or corruption in conducting business. In addition, we must never offer, provide or accept - directly or indirectly - money or other benefits to obtain, retain, draw or secure a business or personal advantage. This is the case even if the beneficiary of the benefits is not us but solely the company.

Our expectations

- Ensure fair and equal treatment of suppliers in tenders and do not allow any supplier to influence you unfairly, whether with money or other favours.
- Never offer personal advantages to a purchasing employee of a customer.
- Follow the rules when tendering for a customer and do not make any arrangements with other tenderers.
- Never try to influence elected officials, civil servants or other public officials by giving them donations, for example, to obtain an approval more quickly.

Gifts, hospitality and benefits

2.4

We are prohibited from directly or indirectly offering, providing, demanding or accepting gifts, hospitality and benefits or any other unjustified advantage of value in connection with our business activities. This does not apply to occasional gifts or invitations that are of low financial value (orientation: value of an appropriate business meal) and are in line with standard business practice. However, even in this case, no laws or legal provisions may be violated and there can be no hint that a gift or invitation influenced a decision of a business partner or an authority. Donations for political or community purposes are only permitted if complete transparency is guaranteed and as permitted by applicable law and local company policy.

Our expectations

- Before you accept a gift, invitation or other benefit, first evaluate its value and whether it might look like someone is trying to influence you.
- Never accept money or gift cards as a gift.
- If you invite a business partner, consider the value of the invitation and make sure there is always a business connection.
- Gifts and invitations to business partners must never give the impression of trying to influence a decision, so you must be particularly careful during ongoing negotiations.

2.5 Conflicts of interest

A conflict of interest exists when the personal interests of an employee are incompatible with the business interests of Heidelberg Materials. We are required to fully disclose situations where off-duty activities, personal or financial interests could potentially conflict with Heidelberg Materials' interests. No employee may participate in Heidelberg Materials' business activities if the employee could be influenced by personal matters or relationships that are, could be or could be interpreted as an impediment to objective decision making.

Where possible, employees must avoid personal interests that conflict with the employee's loyalty and responsibility to Heidelberg Materials. However, if an actual or potential conflict of interest exists, the conflict must be disclosed to your manager. We must perform our duties solely on the basis of what is in the best interests of the Group, regardless of personal considerations or relationships. We are expected to adhere to both the letter and spirit of these principles. We shall inform our direct superior of any situation that could lead to a conflict of interest.

Our expectations

- Disclose any actual or potential conflict of interest to your supervisor immediately.
- Specifically disclose if you hold shares in a company that is a competitor, customer or supplier of Heidelberg Mateials This is not valid if you hold shares of less than 0.5 % in a listed company.
- If you discover at work that your private interests and those of Heidelberg Materials conflict, stay out of decisions, inform your supervisor and remain neutral.
- Remember that a conflict of interest also exists if not yourself, but a close family member (including a spouse, child or other immediate family member) is affected.

Sustainability and environmental protection

2.6

Our responsibility for the environment is central to everything we do. Heidelberg Materials complies with all applicable environmental laws, standards and other legal requirements. Heidelberg Materials engages actively in sustainable, social and ecological development. This is not only valid for our own plants and activities but as well where we hold a majority in joint operations and in activities along our value chain. Sustainability is integrated part of our management approach e.g. for investment planning or remuneration of employees and managers. We are proactively handling all challenges to improve environmental protection, taking always a long-term perspective to prevent potential pollution and continuously improve our contribution to environmental protection. This includes our announced goal of significantly reducing our carbon dioxide emissions through new and further development of process technologies and sustainable products in order to achieve the long-term goal of CO_2-neutral concrete. We have as well set other long-term improvement objectives such as for water consumption or emission of air pollutants and seek to further reduce our impact on the environment.

The responsible dealing with natural resources in the context of raw material extraction is of specific importance to us. We ensure that all natural resources which we are entrusted to process are used responsibly, and that quarries and other extraction sites are returned either to nature, agriculture or other possible uses in a condition suitable for the planned new purpose.

Our expectations

- Ensure that all environmental laws and regulations and the requirements of environmental permits and licences are observed within your work area.
- Help to limit the environmental impact of our business activities to a level that is technically and economically possible – by saving emissions, energy and other resources as well as through waste avoidance and recycling.
- Ensure that systems, machines and equipment are operated and maintained and that production processes are set up in such a way that avoidable emissions or leakages do not occur.
- If you are responsible for the documentation and reporting of environmental data, ensure that it is correct, complete and compliant.

Always treat your colleagues with fairness and respect.

Fairness

2.7 Human and employee rights

Heidelberg Materials is committed to its responsibility to protect human rights. To this end, we follow the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. This commitment also includes the eight core labour standards of the International Labour Organization. We ensure fair employment conditions and compliance with applicable labour and employment laws. Heidelberg Materials takes a clear position against modern slavery, forced or compulsory labour, child labour and human trafficking in all our business activities. As part of our obligation as an employer, we support workplace equality and inclusion and we do not tolerate any form of (unlawful) discrimination, harassment or violence. We are committed to a sincere and fair dialogue with our employee representatives and their rights of freedom of association and collective bargaining. Heidelberg Materials will constructively engage unions at locations where our employees choose to be represented, including in matters of occupational health and safety. Furthermore, we strive to prevent and mitigate negative impacts on human rights that have a connection with our business through our business relationships. In order to prevent and minimise the risks of adverse impacts on human rights in our surroundings, we also maintain a continuous dialogue with the local community, organisations and government agencies. Such efforts are primarily aimed at people who live in neighbouring areas of our business. This way we actively support the economical and social development of countries and regions where we operate.

Our expectations

- No one may be discriminated against based on any grounds such as race, colour, religion, creed, national origin or ancestry, ethnicity, sex (including pregnancy and sexual orientation), gender (including gender nonconformity and status as a transgender individual), marital status, age, physical or mental disability, citizenship, social class, political opinion, union membership, past, current or prospective service in uniformed services, genetic information or any other characteristic protected under applicable law.
- Report any suspicions of modern slavery, forced labour or child labour within Heidelberg Materials or among our contractors – we do not tolerate this among our partners or our own workforce.
- Observe the applicable working time regulations.
- See trade unions and works councils as helpful and useful partners with whom we jointly ensure fair working conditions at Heidelberg Materials.

Employee relations

2.8

In our dealings with each other, we follow our corporate guidelines, as well as social norms of behaviour and ethical principles beyond the legal framework. We try to resolve any disagreements through constructive dialogue with each other or with the involvement of a supervisor. Should this approach not be appropriate for whatever reason, the human resources or compliance departments as well as the works councils are available as mediators. If necessary, complaints can also be submitted anonymously via our compliance reporting system.

Our expectations

- Always treat your colleagues with fairness and respect regardless of their hierarchical position in the company. Keep on all levels a trustful and open working atmosphere that encourages affected colleagues to communicate discrepancies without fear.
- In conversations and written messages, make sure that your choice of words remains appropriately objective, professional and does not offend or insult.
- In particular, avoid statements or jokes that could be perceived by others as discrimination or harassment.
- Make use of the mediation opportunities offered by Heidelberg Materials if you feel that the behaviour of your colleagues towards you is wrong and you cannot resolve the situation directly.

Data protection and information security

2.9

We adhere to high standards of data protection for our employees, customers, suppliers and other business partners. We respect the rights of individuals and the privacy of all persons from whom we receive personal data and process data about. We collect, use, disclose, retain and process personal information and other data with special care in accordance with all applicable law including but not limited to the European General Data Protection Regulation and with company policies.

Data protection and data security go hand in hand. Technical and organisational measures are part of our concept of information security.

Our expectations

- Handle personal data confidentially and with particular care in accordance with data privacy laws and our internal guidelines.
- Only pass on personal data to those who are also authorised to view and process it.
- Collect, use and store personal data only to the extent that it is absolutely necessary for the defined purpose.
- Ensure that all digital and paper-based documents are protected against unauthorised access in accordance with current standards. Follow the regulations for secure handling of our IT systems.

2.10 Product security and quality

- Providing material to build our future is the purpose of Heidelberg Materials. It is paramount that we ensure the quality of these building materials and that the production and use of our products is always safe for our employees, our customers and the wider society. We must always ensure that every product we deliver meets the specifications agreed with the customer and our own quality requirements. Should complaints nevertheless arise, we clarify the causes and find solutions working together with our business partners.

Our expectations

- Ensure that every product that leaves our sites or is delivered to a customer meets the required standards, the specification intended for delivery and our own safety and quality requirements.
- Make sure that contractual quality agreements with the customer will be fulfilled, even if a different quality would technically serve the same purpose on the construction site. Changes must always be approved by the customer.
- Point out to our customers the possibilities of consulting our experts so that our building materials do not cause danger for others or a loss of quality through incorrect use.
- Always take product complaints seriously and help to clarify the justification of such complaints so that we can react to them appropriately and in a solution-oriented manner.

Our products are always safe for employees, customers and society.

Anti-money laundering and trade sanctions

2.11

Our business activity involves exchanging money and other items with a variety of different business partners in different countries with different laws. We need to know with whom we are actually doing business. This is the only way we can identify risks and prevent Heidelberg Materials from being involved with terrorists and other criminals. We must never breach trade sanctions and export controls and we must minimise the risk that business with us will be misused by third parties as a means to launder money. This includes taking special care when accepting cash for payment of invoices.

Our expectations

- Make sure that every new business partner – whether customer or supplier – is evaluated to see if they are on a sanctions list or if they are owned or controlled by someone who is on a sanction list.
- If you are planning new business with partners in countries that are subject to sanctions, ask the compliance department for a risk assessment.
- Report to your manager any business transaction that seems strange or suspicious to you, for example, because the recipient bank account is in a different name from our supplier or because money is to be transferred to a country with no clear relevance to the business case in question.
- Avoid the use of cash in our business transactions. If a cash transaction is unavoidable, a single payment or a series of related payments must never be 10,000 EUR or more.

Avoid the use of cash in our business transactions.

2.12 Company property

We are responsible for the proper use, protection and management of all assets - whether tangible or intangible – owned or controlled by Heidelberg Materials. In particular, we handle financial resources with care, and we prevent and detect fraud. We do not damage or misuse company property, and we avoid unnecessary costs or claims related to company property.

Our expectations

- Treat company property with the same care as you treat your own property, such as machines, computers or company cars.
- Carefully separate the use of private and company property so that you cannot be accused of theft or embezzlement by mistake. Do not use company property for your own purposes.
- When setting up and executing payment transactions, follow our procedures carefully, in order to prevent fraud.
- Question colleagues who do not follow procedures such as dual control of payments to ensure that the company is not harmed.

Treat company property with the same care as you treat your own property.

Diligence

Business secrets

2.13

All documents and information regarding internal matters of Heidelberg Materials, the disclosure of which could be harmful to the Group, are treated confidentially. We are not permitted to disclose them or make them accessible to third parties and we protect them from any kind of unauthorised use or disclosure, especially from access by third parties. Confidential information includes all strategic, financial, technical and business information that is not publicly known. This includes, but is not limited to, administrative procedures and processes, organisational issues, technical know-how, business and financial plans, cost overviews, product developments, information about employees, customers, suppliers, marketing strategies, sales information and prices. Administrative and legal requests for company documents in which confidential information may be found will be reviewed and complied with, subject to any rights the company has to object. Check with your legal department if in doubt.

This obligation to confidence also applies to documents and information entrusted to us by third parties. We may only disclose confidential information if required by law or authorised for business purposes. In all such cases, we must inform our direct supervisor or the person responsible for the confidential information before disclosure. Third parties who receive such information in general sign a confidentiality agreement.

Our expectations

- Handle business secrets at least as carefully as physical valuables. Information often outweighs objects in value.
- Remember that sharing business secrets can be a criminal offense, and not only can it harm the company, but it can also get you into serious personal trouble.
- If you are conducting business conversations in a larger group or in public (e.g. on a mobile phone), make sure that you only talk about matters that are not critical to a potential audience.
- Also make sure that you do not reveal any internal company secrets during private conversations.

2.14 Insider information

Insider information is non-public knowledge of data, projects, transactions or processes, the disclosure of which could influence the price of the Heidelberg Materials share or other financial instruments issued by Heidelberg Materials (e.g. bonds) or derivatives on such financial instruments. All employees who have access to inside information must comply with the applicable legislation on insider trading and the insider trading guidelines of Heidelberg Materials.

Our expectations

- Remember that you yourself, possibly even without being aware of it, may have insider knowledge and therefore bear special responsibility.
- If you have insider information, buying or selling our shares or bonds or any related financial instruments/derivatives is prohibited and is punishable by imprisonment or a fine. It is also punishable to attempt insider trading or to recommend or mislead third parties.
- Pay particular attention to what it could mean if you use insider knowledge to carry out securities transactions just before the publication of company results such as the annual financial statements or quarterly figures.
- If you have questions or doubts on this subject, contact the Group Legal department.

2.15 Accounting, reporting and taxes

All business transactions must be recorded correctly, appropriately and on time. We ensure the reliability, accuracy and completeness of our books, records and reports in accordance with established procedures, generally accepted accounting principles, relevant accounting systems, controls and reviews. We adhere to the applicable taxation and customs regulations including without limitation, laws on preventing tax evasion, they are elemental to us. The requirement for correct information also applies to travel and other expense accounts.

Our expectations

- Not only when you are responsible for bookkeeping, but for all business documentation, strictly adhere to our processes and guidelines and ensure the accuracy and completeness of all records.
- Always document transaction information in a timely and accurate manner; do not change or omit any information to deliberately alter the sense of the transaction.
- Fulfil the local duties for correct and timely declaration of taxes and custom duties.
- Refuse to record false information and report to your supervisor if you discover false records or are asked to create false records.

3. Our responsibility

We know the rules

3.1

Each of us is responsible for knowing the applicable laws, regulations and policies, including this Code of Business Conduct. All managers are responsible for ensuring effective communication and monitoring compliance. Our compliance officers organise training and communication and provide appropriate materials and documents for this purpose. In all business situations where the legal requirements or this Code of Business Conduct appear incomplete or unclear, we use sound judgment and common sense. In cases of doubt, we speak to our superiors or seek advice from the legal department or the compliance team.

We follow the rules

3.2

We do not only formally adhere to the words of this Code of Business Conduct, but we also internalise and live the spirit of its meaning and purpose. Violations of this Code of Business Conduct will not be tolerated. Failure to comply with this Code of Business Conduct may result in disciplinary action, including termination of employment. The company also reserves the right to take civil and criminal action against employees.

We expect each of us to report breaches of this Code in order to promptly remedy the violation or minimise negative consequences. In doing so, the company will ensure that a person who reports a compliance violation in good faith does not have to fear retaliation.

Each of us is responsible for knowing the applicable laws, regulations and policies.

We report violations

3.3

If something is not right within the company, let us know!
We recommend the following order of reporting your concerns:

1. Talk to your supervisor, or their supervisor.
This is the easiest and quickest way to solve an issue.

2. Contact the Compliance Department,
if you don't feel comfortable to raise the topic directly with your supervisor.

3. Use SpeakUp,
if you prefer to submit your concerns through the system or if you wish to remain completely anonymous.

Internet: https://heidelbergmaterials.speakup.report/speakup
Phone: https://www.heidelbergmaterials.com/en/governance-and-compliance#speakup
Access code: 107810

Heidelberg Materials AG
Berliner Straße 6
69120 Heidelberg
Deutschland
heidelbergmaterials.com

heidelbergmaterials.com