**HeidelbergCement response**

**For companies operating or investing in Ukraine**

**Nature of involvement**

1. **How long has your company or subsidiary been operating or investing in Ukraine? In summary, can you briefly describe the nature, sector, scale, and geographic area of these operations or investments?**

We sold our Ukranian business in 2019 and have not been operating in Ukraine ever since.

**For companies operating or investing in Russia**

**Nature of involvement**

1. **How long has your company or subsidiary been operating or investing in Russia? In summary, can you briefly describe the nature, sector, scale, and geographic area of these operations or investments?**

In 2001, HeidelbergCement began its market entry in Russia with the acquisition of the Cesla cement plant. Later HeidelbergCement acquired its second cement plant in the city of Sterlitamak in the Republic of Bashkortostan. The Novogurovsky plant, located around 150 km south of Moscow in the Tula region, was built by HeidelbergCement.

**Assessing risks**

1. **How is your company enhancing its due diligence to identify, prevent, and mitigate heightened human rights risks and comply with international humanitarian law?**

HeidelbergCement conducts human rights risk assessments for each country organisation. We report on them in more depth in our yearly [Sustainability Report](https://www.heidelbergcement.com/en/sustainability-report). These assessments are regularly repeated and updated. They cover a wide range of topics including antidiscrimination, prohibition of forced and child labour, fair and safe labour conditions, freedom of association and collective bargaining. Different functional aspects in operations, sales and procurement are assessed to cover the supply chain as well. The aforementioned activities also cover our operations in Russia, as well as our international trading organisation.

1. **What measures is your company taking to ensure it relies and acts upon robust monitoring of the situation, including through consultation with your workers, affected communities, human rights groups, and/or humanitarian organizations?**

Group functions closely monitor the situation, the news and especially any changes in the regulatory environment. They ensure that HeidelbergCement‘s Managing Board is well informed. The Managing Board consults the Russian top management to discuss actual and future implications. Different scenarios are analysed considering all potential impacts.

**Mitigating risks and tracking effectiveness**

1. **As the situation in Ukraine unfolds, is your company or subsidiary planning to cease operations in or divest from Russia?**

 The safety and wellbeing of our employees is our key priority. We feel a deep responsibility for our workforce in Russia. We are in constant exchange with our local colleagues, keeping them informed via the internal Group communication channels, while we monitor the situation on a day-by-day basis. For the moment, we decided to completely freeze all further investments in Russia.

1. **If your company or subsidiary chooses to continue operating in Russia, what human rights due diligence has been undertaken and how are you planning to mitigate harm in Ukraine?**

Our Group Compliance Management System sets a strict global standard and is fully implemented in Russia as well. Our Russian operations continue to work under this framework. The protection of human rights is ensured by a range of measures and is part of the company culture of HeidelbergCement. Maintaining these high standards is ensured under the leadership of our committed management. The exposure of our business model to the risk of contributing to military activities in Ukraine is small. Our products, cement and aggregates, are not recognised as military or dual use goods.

1. **What kind of due diligence measures does your company use to ensure that it does not have any business relationships with sanctioned Russian individuals and entities? Beyond sanctions compliance, how does your company ensure that it does not have any business relationships with individuals or entities with a track record of rights violating conduct?**

In line with HeidelbergCement’s Trade Sanctions Policy, we are regularly and repeatedly screening all new and current business partners, including banks, customers, suppliers and employees. All sanction regimes relevant for HeidelbergCement, including the ones of the EU, UK and the USA, are part of the screening scope. The screening process is obviously not limited to sanctions against Russia, but it is comprehensive. Group functions and our country organisations apply further due diligence processes for different purposes, such as e.g. mergers & acquisitions or supplier onboarding, where human rights aspects are examined and assessed equally with financial risks. Our policies specify further due diligence topics and criteria for extended checks, such as anti-corruption and anti-money laundering.

**Exercising leverage**

1. **How does your company intend to use your leverage to protect the rights of your workers and communities affected by your operations in Russia, including freedoms of association and expression?**

At HeidelbergCement, we defined global standards regarding ethics, compliance with human rights and laws, fair and safe working conditions, freedom of association and collective bargaining, etc., that naturally also apply to our employees in Russia.

1. **Is your company providing any support to Russian activists who are taking action against the war and in support of democracy and peace in Ukraine?**

As a responsible company, the safety of our local employees is our top priority. We stand behind the values of freedom, transparency and democracy.