



[REDACTED]

Right of Reply: Forthcoming website launch on human rights performance of ESG rating firms and index providers

[REDACTED]

Dear [REDACTED],

Thank you for reaching out to us about the report on Heidelberg Materials' activities in Indonesia, the occupied West Bank, and Western Sahara. We appreciate your interest and welcome this opportunity to shed light on our principles, actions, and addressing any concerns raised.

We want to underline that adherence to internationally recognized human rights standards, environmental conservation, and the transition to Net Zero form integral parts of Heidelberg Materials' business strategy. We deeply respect the people, diverse cultures, institutions, and regulations in all our locations. We are committed to fostering positive relationships with communities, contributing to their development, and conducting business ethically and responsibly.

Our robust human rights risk management system, aligned with global standards such as the UN Guiding Principles on Business and Human Rights and the German Supply Chain Due Diligence Act, is fundamental to our operations, ensuring we assess and mitigate any adverse impacts of our activities on human rights.

Regarding the information you intend to distribute, we would like to clarify the following:

Indonesia

- Heidelberg Materials holds approximately 51% of the shares in PT Indocement Tunggal Prakarsa Tbk.
- 2014 our subsidiary began exploring the possibility of constructing a cement plant and extracting limestone in the Kendeng Mountains in the Pati Regency of Central Java, Indonesia. This area is home to members of the Samin people, among others.
- The Environmental and Social Impact Assessment revealed minimal ecosystem impact. However, some community members expressed concerns that limestone mining in this area could endanger the livelihoods of residents and the ecosystem, particularly the water absorption capacity of the karst terrain.
- Our subsidiary engaged in constructive dialogue to address concerns of the community including the Samin people, ensuring transparent discussions about project impacts and benefits.
- The framework conditions of the proposed mining project were adjusted based on assessment outcomes and dialogue with local communities.
- The region is the habitat of a species of bat, but it lives in an area that the project will not touch.
- The environmental permit was lawfully granted in 2014 and upheld by Indonesian courts in 2017.

In 2020, a citizens' initiative launched by some residents of the Pati Regency filed a complaint with the National Contact Point (NCP) for the OECD. The complainants aimed to completely prevent the project, despite there being no evidence that such a project, if implemented, would adversely affect the local community, and despite the environmental permit already being granted by the Indonesian authorities and confirmed by the Indonesian Supreme Court. Heidelberg

Materials actively and constructively participated in this process to better understand the complainants' concerns and to reach a mutually acceptable compromise. The complainants decided to discontinue the proceedings as they did not agree to the implementation of confidentiality measures, which, according to the NCP, were necessary for successful mediation.

Regarding your indications about the non-disclosure of the Environmental and Social Impact Assessment (ESIA), we would like to clarify that the results were openly discussed with the community and are available at the Environmental Service of the Pati Regency. We actively involved the residents, including the Samin, in this process to understand their needs and concerns. We believe that these discussions provided all parties with sufficient opportunity to understand the impacts and benefits of the project, which is why many members of the local Samin community have placed their trust in the company.

The West Bank

- The Nahal Raba quarry was closed at the end of 2023.
- Hanson Israel does not supply construction materials to illegal Israeli settlements.

Western Sahara

- Ciments du Maroc, a publicly listed company in Morocco, in which Heidelberg Materials AG (indirectly) holds approximately 51% of the shares.
- As a private company, we do not take a position on territorial issues, but we respect the principles of self-determination of peoples. Insofar as the status of Western Sahara under international law is relevant to our actions, we base our decisions on the assessment of the German Federal Government.

We hope this information clarifies our position and activities.

Kind regards

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Heidelberg Materials AG

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