

# HEIDELBERG MATERIALS SUPPLIER CODE OF CONDUCT FOR CANADA & THE UNITED STATES



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The business activities of Heidelberg Materials US, Inc., Heidelberg Materials Canada Limited, and their subsidiaries and affiliates operating in the United States and Canada (collectively, “HM NAM”) are subject to federal, state or provincial, and local laws and regulations dealing with environmental protection, product safety, and social welfare matters. In addition, it is the policy of HM NAM to request that all of our suppliers respect the principles of this Supplier Code of Conduct and adopt practices that are consistent with it.

This Supplier Code of Conduct seeks compliance with international worker safety standards and requires suppliers to have appropriate systems in place to manage compliance with these standards. These standards are based on the United Nations Guiding Principles on Business and Human Rights, the core labor standards<sup>1</sup> of the International Labour Organization (ILO), the German Act on Corporate Due Diligence Obligations in Supply Chains, the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights.

Suppliers are required to comply with the principles set forth in this Supplier Code of Conduct and to require compliance with these principles from their direct suppliers. Suppliers should also exercise diligence in verifying that these principles are followed elsewhere in their supply chains.

## Working Conditions/Labor

1. Suppliers shall not use child labor. Suppliers shall determine minimum age for employment, activities, and the number of working hours per week in accordance with national law and ILO standards.<sup>2</sup>
2. Suppliers shall not use any practice likely to harm the health, safety or morals of children as defined by the ILO Worst Forms of Child Labour Convention, such as forms of or practices similar to slavery, or the use, procuring or offering of a child for prostitution.
3. Suppliers shall pay an adequate living wage which shall be no less than the minimum wage under applicable law.
4. Suppliers shall not use any form of forced or compulsory labor as defined by the ILO Forced Labour Convention, such as slavery, practices akin to slavery, serfdom, debt bondage, human trafficking, forced prison labor, recruitment fees, withholding a worker’s identifications papers, or other forms of domination or oppression in the workplace, such as economic or sexual exploitation and humiliation.
5. Suppliers shall afford employees the right of freedom of association, freedom of movement, freedom to leave employment after reasonable notice and, in accordance with the applicable law of the place of employment, the right to strike and collectively bargain.
6. Suppliers shall ensure safe and healthy working conditions that meet or exceed applicable standards for occupational health and safety under applicable law. Suppliers shall have appropriate procedures in place to reduce the risk of accidents at work or work-related hazards, including sufficient safety standards in the provision and maintenance of the workplace and work equipment, and measures to prevent excessive physical and mental fatigue, including appropriate working hours and rest breaks.
7. Where suppliers are employing private or public security forces for the protection of the enterprise or employees, suppliers shall cause the security forces to avoid any kind of unlawful force or repression, such as torture, cruel, inhumane or degrading treatment, damage to life or limb or impairment of the freedom of association.

## Environmental Standards

1. Suppliers shall comply with all applicable laws relating to their products, services, and operations.

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<sup>1</sup> Including, but not limited to (i) the right to enjoy just and favorable conditions of work, including earning a living wage, (ii) the right not to be subject to forced or compulsory labor or child labor, (iii) the right to freedom of association and assembly and the rights to organize and collective bargaining, and (iv) the right to non-discrimination at work.

<sup>2</sup> In principle, this means that Suppliers shall not employ persons who are under 15 years of age or are of compulsory school age according to the law of the place of employment, although exceptions may apply in countries that have implemented derogations in accordance with ILO Convention No. 138.

2. Suppliers shall not cause soil, air, water, or noise pollution that may harm the health of a person; excessive water consumption that impairs food production or access to sanitary facilities; denial of access to safe and clean drinking water.
3. Suppliers shall not cause unlawful evictions or unlawful taking of land, forests, and waters in the acquisition, development or other use of land, forests, and waters.
4. Suppliers shall adhere to the Minamata Convention on Mercury with respect to the use of mercury or mercury compounds;<sup>3</sup> the manufacture mercury-added products;<sup>4</sup> and the treatment of mercury waste.<sup>5</sup>
5. Suppliers shall adhere to the Stockholm Convention on Persistent Organic Pollutants (POPs) with respect to the production or use of POPs<sup>6</sup> and the handling, collection, storage, and/or disposal of POPs.<sup>7</sup>
6. Suppliers shall adhere to the Basel Convention on the Control of the Transboundary Movements of Hazardous Wastes and their Disposal with respect to the import or export of wastes or hazardous wastes.<sup>8</sup>

#### Business Ethics

1. Suppliers shall conduct their business with integrity and shall not offer or provide payments, services, gifts, entertainment or other advantages to any HM NAM employee or third party which are intended to influence the way in which the HM NAM employee or third party goes about that person's duties. Occasional gifts or invitations that are of low financial value (i.e., the value of an ordinary business meal) and in line with customary business practices are permitted.
2. Suppliers shall not permit harassment or unjustified unequal treatment in employment in any form, such as unequal remuneration for work of equal value or unequal employment-related treatment due to gender, national and ethnic origin, social origin, health status, political opinion, skin color, race, religion or belief, sexual orientation, disability, or age.

**Suppliers shall not engage in or allow any unlawful act or omission that results in a breach of the obligations described above.**

Safeguarding these principles is a long-term learning and development process. HM NAM is obliged by law to conduct regular risk assessments in different forms. In case of identified risks at a supplier, the supplier agrees that HM NAM or individuals authorized by HM NAM have the right to establish action plans with, among others, self-assessments, trainings, and audits of the supplier to verify that the principles herein are being adhered to and to mitigate identified risks. HM NAM will work together with its suppliers towards compliance, but also reserves the right to discontinue the relationship with a supplier if all efforts to remedy non-compliance with this Supplier Code of Conduct are unsuccessful.

**If a direct or indirect supplier or their employees believe that HM NAM or its representatives are not complying with this Supplier Code of Conduct, other HM NAM policies, or applicable law, the supplier or their employees are encouraged to contact one of the undersigned, the HM NAM legal department, or the "SpeakUp" hotline reporting system at <https://heidelbergmaterials.speakup.report/speakup>.**

#### **Chris Ward**

CEO/President, Heidelberg Materials US, Inc. and Chairman, Heidelberg Materials Canada Limited  
[Chris.Ward@heidelbergmaterials.com](mailto:Chris.Ward@heidelbergmaterials.com)

#### **Benjamin Zurita**

Vice President – Purchasing, Heidelberg Materials US, Inc./Heidelberg Materials Canada Limited  
[Benjamin.Zurita@heidelbergmaterials.com](mailto:Benjamin.Zurita@heidelbergmaterials.com)

#### **A. Shonn Brown**

Vice President, General Counsel and Chief Compliance Officer, Heidelberg Materials US, Inc./Heidelberg Materials Canada Limited  
[Shonn.Brown@heidelbergmaterials.com](mailto:Shonn.Brown@heidelbergmaterials.com)

<sup>3</sup> Minamata Convention on Mercury Article 5(2) and Part I of Annex B.

<sup>4</sup> Minamata Convention on Mercury Article 4(1) and Part I of Annex A.

<sup>5</sup> Minamata Convention on Mercury Article 11(3).

<sup>6</sup> Stockholm Convention on POPs Article 3(1)a

<sup>7</sup> Stockholm Convention on POPs Article 6(1)(d)(i)-(ii).

<sup>8</sup> Basel Convention on the Control of the Transboundary Movements of Hazardous Wastes and their Disposal Articles 1(1-2), 4(1)(b-c), 4(5), 4(8), and 4A.