

Code of Business Conduct



HEIDELBERGCEMENT

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Dear employees,

through the successful acquisition of Hanson we have built HeidelbergCement into a global building materials company with world-wide leading market positions in cement, aggregates and ready-mix concrete. An outstanding company is not only characterized by leading market positions and operational excellence but also by a strong company culture. With the acquisition of Hanson we have reached a new dimension in terms of size and cultural diversity. As a consequence, the strong company culture has become even more important in order to base management and leadership at HeidelbergCement on shared values and common fixed principles thus providing orientation for all employees.

Our company's ambition for operational excellence and a prime position in our industry needs a solid foundation of commitment to lawful and ethical conduct. The Code of Business Conduct describes our values of high ethical and legal standards for all our business activities from strategic planning to day-to-day procedures in all countries in which we operate.

All HeidelbergCement employees must comply not only with the letter but also with the spirit of the Code of Business Conduct. Managers have the additional responsibility of fostering a culture in which compliance with the HeidelbergCement policy and an applicable law is at the core of our business activities.

Living high ethical and legal standards in all our business activities is fundamental for the future success of HeidelbergCement and its employees.

Managing Board
Heidelberg, August 2012

1 Introduction

HeidelbergCement wants to attain its strategic and business goals in line with high ethical and legal standards.

HeidelbergCement's public image is determined by the conduct of each of its employees. A single inappropriate behaviour can significantly affect the company's reputation. Its employees are required to respect the different cultures and laws, the people and institutions of the countries they operate in.

This Code of Business Conduct is designed to set certain standards of conduct for all employees of HeidelbergCement. These rules do not cover every issue that may arise, but set out basic principles to guide all employees in carrying out their business duties. These rules are to be adapted, as the case may be, depending on local laws and regulations. In all business situations in which the requirements of this Code of Business Conduct appear incomplete or unclear, employees shall use good judgement and common sense and seek advice from their supervisors as to how to handle the situation. They are expected to adhere both to the letter and the spirit of the Code of Business Conduct. All employees, whatever their positions, must comply with the Code of Business Conduct set forth below and ensure compliance by all persons under their supervision.

2 Definitions

Unless the context indicates otherwise the following terms as used in the Code of Business Conduct shall have the following meanings:

Group: HeidelbergCement AG and any of its direct or indirect subsidiaries;

Employee: Any and all directors, officers and employees within the Group;

Responsible company officer: The CEO of the HeidelbergCement AG or the CEO, President, Managing Director or any other head of its subsidiaries.

3 Compliance

■ **Compliance with applicable laws**

The Group is committed to conducting its business in accordance with applicable law and regulations in all countries where the Group operates. All employees are expected to respect and comply with laws and regulations that apply to them. When dealing with customers, suppliers, competitors or other third parties, employees shall neither undertake any commitment nor engage in any agreement which is prohibited as anti-competitive, discriminating, or illegal. Beyond compliance with laws and regulations, all employees are expected to carry out their duties with integrity and professionalism when conducting their dealings with customers, suppliers, governmental bodies or partners.

■ **Compliance with laws on competition and anti-trust**

The Group respects the principles and rules of fair competition which prohibit anti-competitive behaviours and abuse of a dominant market position. All employees shall comply with all applicable antitrust/competition laws.

■ **Compliance with laws on corruption**

The use of corporate funds for any unlawful or improper purpose is strictly prohibited. No employee will utilize bribery and corruption in conducting business. Nor will any employee offer, provide or accept, either directly or indirectly, any undue pecuniary or other advantage for the purpose of obtaining, retaining, directing or securing any improper business advantage.

■ **Compliance with laws on insider trading**

Insider information is defined as knowledge of data, projects, transactions or processes, the disclosure of which could affect the stock market price of securities, especially the HeidelbergCement AG shares. All employees who have access to insider information, likely to result in substantial movements of the price of the stock or any other financial instruments of an involved company, shall comply with applicable insider trading laws.

■ **Compliance with Group policies**

All employees shall comply with Group policies.

4 Avoiding conflicts of interest

A conflict of interest exists when an employee's private interest is in conflict with the interests of the Group in a given professional engagement. In all situations in which outside activities, personal or financial interests may conflict with those of the Group, all employees are expected to fully disclose them. No employee shall take part in any business activities of the Group where the employee may be influenced by personal relations that are, or may be, construed as a hindrance to objective decision taking.

No employee shall have any personal interest that is incompatible with the loyalty and the responsibility owed to the Group. All employees must discharge their responsibilities solely on the basis of what is in the best interest of the Group and independent of personal considerations or relationships. Employees are expected to adhere to both the letter and spirit of this policy and to disclose any relationship to their immediate supervisor that might give rise to conflicts of interest.

■ **Dealing with suppliers and customers**

All employees are expected to maintain impartial relationships with customers and suppliers and only to act in the best interest of the Group. In addition, they shall not have an interest in any supplier or customer. Disclosure shall be made to the responsible company officer if any employee or member of his family (employee's spouse, children or any other immediate family member) has or acquires, by gift, inheritance or otherwise, an interest in a supplier's or customer's business; this does not apply to ownership of less than 0.5 per cent of the stock of a publicly traded company.



■ **Dealing with competitors**

No employee shall have an interest in companies whose products compete with any of the Group's product lines (i.e. cement, concrete, aggregates or other building materials). All employees are expected only to act in the best interest of the Group. Disclosure shall be made to the responsible company officer if any employee or member of his family (employee's spouse, children or any other immediate family member) has or acquires, by gift, inheritance or otherwise an interest in a competing business; this does not apply to ownership of less than 0.5 per cent of the stock of a publicly traded company. In addition employees shall not perform services of any kind for any competitor of the Group. Disclosure shall be made to the responsible company officer if an employee's spouse, children or any other immediate family member performs services for any competitor of the Group.

■ **Payments, gifts and donations**

All employees shall only commit to a payment if contractually agreed goods or services have been rendered. Payment has to be reasonable and must be recorded in accordance with generally accepted accounting principles. All employees are prohibited from, either directly or indirectly, offering, granting, demanding or accepting gifts and donations or any other unjustified advantage of value related to our business. This does not apply to offering or accepting occasional gifts, hospitality or entertainment, which are of insignificant monetary value and arise only occasionally and out of ordinary corporate hospitality and customary business practices provided that these do not violate any laws or regulations and any influence on a business or authority's decision can be ruled out from the outset.

Offering, granting, demanding, or accepting money for personal use or gain is always impermissible. Donations for political or social purposes are permitted only within the limits of local laws and in complete transparency. All donations must be authorized by two individuals, one of them being the responsible company officer.

5 Handling of company property

All employees entrusted with property – be it tangible or intangible – belonging to or controlled by the Group are responsible for the careful use, protection and administration of such assets. Expenditures/funds must be handled with due care. All employees are expected to avoid damage, unnecessary costs or other disadvantages and shall not misappropriate company property.

6 Handling of information

■ **Records and reports**

All business transactions must be recorded in a true, fair and timely fashion. In accordance with established procedures, generally accepted accounting principles, appropriate accounting systems, controls and audits, all employees shall ensure the reliability and accuracy of our accounts, records and reports. The requirement of truthful statements applies to travel and other expense accounts as well.

■ **Confidentiality, data protection and data security**

All documents and all other information on the Group's internal operations, the disclosure of which could be harmful to the Group, have to be treated confidentially; they shall not be passed on or made accessible to third parties and shall be protected against any unauthorized use, in particular against access from the outside. Confidential information includes all non-public strategic, financial, technical or business information such as, but not limited to, administrative processes and procedures, organizational issues, technical know-how, business and financial plans, costs, product development, employees, customers, suppliers,

marketing, sales and prices. This applies also to documents and information entrusted to the Group by third parties.

Confidential information may be disclosed only if required by law or authorized for business reasons. In all such cases, employees must inform their immediate supervisor or the person responsible for the confidential information prior to any disclosure. All outsiders who receive such information will be required to sign a confidentiality agreement. All employees who use IT systems shall pay particular attention to IT aspects of confidentiality such as data protection and data security.

The accountability for information security management lies with the responsible company officer in the respective country.

7 Fair employment practices

The Group is committed to fair employment practices and to following the applicable labour and employment laws. As part of its employers' commitments, the Group is determined not to tolerate any prohibited or unlawful discrimination, harassment or offence. The Group ensures an honest and fair interaction with our employees' representatives.

8 Environment, occupational Health & Safety

The Group is committed to comply with all applicable environmental laws, standards and requirements and takes a proactive and long-term view on environmental matters to prevent pollution and continuously improve environmental performance. Health & Safety is an integral part of all our business activities. It is the responsibility and duty of each and every employee to take care of Health & Safety measures, to follow all relevant rules, regulations and work instructions and to use appropriate personal protective equipment as required by applicable law.

9 Responsibility

All employees are responsible to know the relevant laws and regulations including this Code of Business Conduct. All managers are accountable to ensure appropriate communication, and to oversee compliance. In all business situations where the requirements of the law or this Code of Business Conduct appear incomplete or unclear, all employees shall use good judgement and common sense and seek advice from their supervisor or the legal counsel of the respective unit. All employees are expected to adhere to this Code of Business Conduct in both the letter and the spirit. Violations of this Code of Business Conduct will not be tolerated. Non-compliance may subject an employee to disciplinary sanctions including termination of employment.



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