

HeidelbergCement AG · P.O. Box 10 44 20 · 69034 Heidelberg

**HeidelbergCement AG**

Group Communication  
& Investor Relations

Berliner Strasse 6  
69120 Heidelberg

Germany

Phone +49-6221-481-0

Fax +49-6221-481-13554

Mr. Arvind Ganesan  
Mr. Eric Goldstein  
c/o Human Rights Watch  
350 Fifth Avenue, 34th Floor  
New York, NY 10118-3299  
United States of America

10.06.2020

## **Re: Meeting Request Regarding Nahal Raba Quarry Expansion**

Dear Mr. Ganesan,  
Dear Mr. Goldstein,

Thank you for your interest to continue our productive dialogue. We welcome a meeting to further discuss the mentioned matters. I will liaise with Mrs. Somayajula for scheduling a meeting.

Be assured that neither our commitment to respect human rights nor our intention to sell Nahal Raba quarry has changed. We have progressed well in the sale of Nahal Raba quarry and investigate the mentioned deliveries.

Please let me elaborate on this further by answering your questions:

### **1. Can you confirm how and why you are expanding the Nahal Raba quarry? How does expansion of this quarry align with the company's human rights position?**

HeidelbergCement started a disposal process in 2018 for the Nahal Raba quarry due to a strategic reorientation of Hanson Israel. The permit extension for the Nahal Raba quarry is a part of the disposal process.

The contract for the quarry divestment – together with adjacent asphalt and RMC plants – is signed. It will be subject to condition precedent of the permit extension approval by the authorities. Please note that the civil administration as a permitting body is very restrictive and offers possibilities to provide objections and appeals to permitting decisions from Israelis and Palestinians alike. Received objections from various parties are currently being assessed by the relevant courts. To date, no final decision has been made by the permitting authorities.

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Kevin Gluskie, Hakan Gurdal, Ernest Jelito,  
Jon Morrish, Chris Ward

**HeidelbergCement AG**  
Corporate seat  
Heidelberg  
Register court  
Mannheim  
HRB Nr. 330082

**Banking account**  
Commerzbank Heidelberg  
IBAN: DE97 6724 0039 0191 3003 00  
BIC: COBADEFF672

**2. Can you confirm your continued sale or delivery of goods to Israeli settlements?**

We have been recently informed about three alleged deliveries to Israeli settlements. We are currently investigating the matter.

**3. Is Heidelberg seeking to sell Nahal Raba quarry? If so, what steps has it taken to do so?**

As mentioned above, we still intend to sell the quarry. A buyer has been found and the contract is signed. The execution is pending due to the mentioned ongoing permitting process.

**4. What amount of taxes, royalties, and other fees does HeidelbergCement, through its subsidiary Hanson Israel, pay annually to Israel for the extraction of resources and associated facilities in the occupied Palestinian territories?**

The payments from Hanson Israel to the Israeli authorities for the year 2019 were approx. 1 million € in royalties, approx. 50,000 € for the land lease and approx. 1 million € in municipality taxes.

**5. Is Heidelberg aware that Hanson has apparently continued to deliver building materials to Israeli settlements from Nahal Raba quarry and other facilities as recently as this year? How do such sales or deliveries align with the company's human rights position?**

We have been recently informed about three alleged deliveries to Israeli settlements. We are currently investigating the matter. As this investigation is still ongoing, we unfortunately cannot provide you with further details at the current point in time.

**6. What steps has Heidelberg already taken, or plan to take, to stop deliveries on behalf of its subsidiaries to settlements?**

Apart from conducting a thorough human rights risk assessment for Hanson Israel, we will increase awareness of management and personnel by conducting human rights trainings and implementing an action plan based on the results of the human rights risk analysis.

I look forward to continuing the productive dialogue we began several years ago.

Kind regards,



**Christoph Beumelburg**

Director  
Group Communication & Investor Relations  
HeidelbergCement AG