

**Subject:** AW: Deadline to respond TODAY: Heidelberg Cement in our weekly updates  
**Date:** Wednesday, 8 May 2019 at 15:40:44 Eastern European Summer Time  
**From:** Schaller, Andreas (Heidelberg) DEU  
**To:** Salma Houerbi  
**CC:** Schoenig, Elke (Heidelberg) DEU, Luenborg, Ursula (Heidelberg) DEU, Johannes Blankenbach, Baur, Pamela (Heidelberg) DEU, Sterr, Roland (Heidelberg) DEU  
**Attachments:** image002.jpg

Dear Salma,

Thank you very much for giving us the opportunity to respond. We would like to repeat our earlier assessment of the situation and give an update regarding latest developments.

The Nahal Raba quarry is located on public land in Area C, directly at the border to Israel. Before the Australian company Pioneer started quarry operations in 1986, the ownership of the land was checked thoroughly according to the statutes of article 43 of the Hague Conventions (IV) of 1907 on the basis of the Jordanian planning law No. 79 from 1966 and an extensive planning approval process was conducted that offered extensive veto rights to potentially affected local residents. No private ownership could be determined. Therefore no expropriation has taken place; consequently, any potential allegation of violations against article 47 of the Hague Convention (IV) from 1907 must be firmly rejected, too. In addition, neither Hanson Israel/HeidelbergCement, nor Pioneer has been confronted with complaints by Palestinian local residents with respect to any violations of property rights since the beginning of the quarrying activity 29 years ago.

Furthermore and in-line with the second guiding principle of the chapter on human rights of the OECD guiding principles and article 49 of the Fourth Geneva Convention, Hanson Israel does not sell building materials to Israeli settlements in the West Bank or the construction of border protection systems. There is no discrimination of Palestinian customers.

From HeidelbergCement's perspective, the quarrying activity is compatible with international humanitarian law as it produces substantial advantages for the local Palestinian population and at the same time it hardly affects the raw material reserves. In addition to royalties and leasing fees that are used by the civil administration for local projects (as mentioned in reports by the administration), for example infrastructure projects, in Area C of the West bank, the local Palestinian population benefits especially from the creation of attractive jobs in a region that is otherwise characterized by high unemployment and long-term economic stagnation. More than 60% of employees and contractors working in the quarry are local Palestinians. Palestinian and Israeli employees are treated the same and receive equal payment that is several times higher than the average wages paid in the West Bank. In addition, employees benefit from state-of-the-art trainings, which open up new career opportunities and from healthcare organized by Hanson Israel. Palestinian and Israeli employees work together in intercultural teams, which also open up informal channels of cultural exchange that foster mutual understanding. This is especially important in a situation where contact between the different ethnic groups has become very limited, if not non-existent, throughout the last decade with increasing anti-normalization campaigns worsening the situation.

The quarrying itself impacts existing raw materials reserves only by less than 0.01% per year. According to common interpretations of article 43 of the Hague Convention (IV) from 1907 and article 64 of the Fourth Geneva Convention from 1949 with respect to the duties of an occupier in a situation of long-term occupation, opening and operating the quarry under these circumstances is compatible with international humanitarian law as it prevents a socio-economic downturn in the region without compromising the existing raw material reserves in the area.

HeidelbergCement has been and is open to discuss the situation with investors and responds to

engagement process invitations. Meanwhile, the business setup of Hanson Israel has further developed and a cement import business to Israel has been started. At the same time, HeidelbergCement has decided to sell the Nahal Raba quarry and a disposal process was started.

Kind regards,

Andreas

**Andreas Schaller**

Director Group Communication & IR

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**Von:** Salma Houerbi [mailto:houerbi@business-humanrights.org]

**Gesendet:** Mittwoch, 8. Mai 2019 09:50

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**Betreff:** Deadline to respond TODAY: Heidelberg Cement in our weekly updates

Dear Andreas,

I am writing to follow up on my email below to see whether **Heidelberg Cement** plans to respond to the allegations that the company is engaged in quarrying in the Occupied Palestinian Territories. The deadline to respond is 5pm ET today (Wednesday 8<sup>th</sup> of May). If we do not hear from you by that time, we will publish the report and indicate on our website and Weekly Update that **Heidelberg Cement** did not respond.

Please do let me know if you have any questions or if you are interested in responding and need additional time. We look forward to hearing whether **Heidelberg Cement** will submit a response.