

Decision to reinclude Heidelberg Materials AG

September 2026

1. Introduction and conclusion

As of September 2026, KLP and the KLP funds (KLP) have decided to revoke their exclusion of Heidelberg Materials AG (formerly HeidelbergCement), and thereby also reinclude the company into their investment universe.

Heidelberg Materials is a leading global manufacturer of building materials and solutions. The company holds a leading market position in cement, aggregates, and ready-mixed concrete. Heidelberg Materials was excluded from KLP's investment universe in 2015 because its wholly owned subsidiary, Hanson Quarry Products Israel Limited (hereinafter Hanson Israel), at that time operated the Nahal Raba quarry located in the occupied West Bank. The settlements in the West Bank, including East Jerusalem, are considered to be a violation of international law, including a breach of Article 49 of the Fourth Geneva Convention, which constitutes a war crime¹. KLP concluded then that the company's extraction of non-renewable resources in occupied territory created an unacceptable risk of contributing to violations of international law².

KLP continuously reviews excluded companies to determine whether the basis for exclusion remains valid. Heidelberg Materials has publicly stated that all activities at the Nahal Raba quarry ceased in 2023³. In dialogue with KLP, the company has further confirmed that the entire facility remains closed and that it has no intention of resuming operations. On this basis, KLP has conducted a new assessment of the basis for exclusion.

2. Dialogue with the company

KLP has been in dialogue with the company over an extended period, in part due to Heidelberg Materials inclusion in the United Nations database of companies with links to Israeli settlements in the Occupied Palestinian Territory (oPt), and due to the company's public response to the Office of the United Nations High Commissioner for Human Rights (OHCHR). KLP has also assessed the information publicly reported by the company⁴.

¹ <https://ihl-databases.icrc.org/en/ihl-treaties/gciv-1949/article-49>

² [Heidelberg og CEMEX beslutning om utelukkelse ENG.pdf](#)

³ <https://www.ohchr.org/sites/default/files/documents/issues/business/pot-db/78-heidelberg-materials-ag.pdf>

⁴ [https://www.heidelbergmaterials.com/sites/default/files/2022-05/2022%20HV%20-%20Stellungnahme%20zu%20Gegenantr%C3%A4gen%20Dachverband%20Kritische%20Aktion%C3%A4re.p](https://www.heidelbergmaterials.com/sites/default/files/2022-05/2022%20HV%20-%20Stellungnahme%20zu%20Gegenantr%C3%A4gen%20Dachverband%20Kritische%20Aktion%C3%A4re.pdf)

Through the dialogue, Heidelberg Materials has informed KLP that:

- All operations at the Nahal Raba quarry ceased in 2023. The company has no plans to resume operations, despite having been granted a license in 2025 related to the expansion of the quarry.
- Application for the new license was submitted several years before it was granted. Since then, operations at the site were terminated and the situation and risk landscape have changed. This has subsequently affected the company's position and risk assessment regarding future activities in the Occupied Palestinian Territory.
- The company informed KLP that it intends to sell the rights to develop the quarry, and a valid license is important for the facilitation of such a sale. If sale proceedings are initiated, the company's due diligence assessments will cover both the risks associated with the transaction itself and the prospective buyer. Human rights considerations will be part of this assessment. The company further states that these assessments will include the buyer's governance and compliance framework, business activities, sector and country risks, and any publicly known information relevant to responsible business conduct.

3. UN database of companies with links to Israeli settlements

The Office of the United Nations High Commissioner for Human Rights (OHCHR) has established a database of companies with tangible links to Israeli settlements in the Occupied Palestinian Territory⁵.

In September 2025, Heidelberg Materials was included in the database under the category *"The use of natural resources, in particular water and land, for business purposes"*. Beyond this categorisation, the UN does not publish company-specific assessments to explain why companies are included – or removed – from the database.

In response⁶ to the UN, Heidelberg Materials stated:

«The High Commissioner for Human Rights has indicated that Heidelberg Materials AG is considered to be engaged in the activity of "use of natural resources, in particular water and land, for business purposes" as referenced in paragraph 96(g) of report A/HRC/22/63 due to the operations of our subsidiary Hanson Israel in Nahal Raba. In this context, we wish to clarify the following:

Hanson Israel ceased all operation at the Nahal Raba quart, asphalt plant, and ready-mix concrete plant in 2023. The entire Nahal Raba complex remains closed, and as of today, Hanson Israel does not operate any active facilities in the Occupied Palestinian Territory, including East Jerusalem.

Heidelberg Materials AG and Hanson Israel have not previously been listed in the database established under Human Rights Council resolution 31/36. Given the absence of any current

⁵ [Database of Business Enterprises Pursuant to Human Rights Council Resolutions 31/36 and 53/25 | OHCHR](#)

⁶ [78-heidelberg-materials-ag.pdf](#)

operational presence in these territories, their inclusion in the updated database does not reflect the present situation»

This database is an important source of information for KLP, alongside other publicly available information. However, a company's inclusion in the database does not automatically result in exclusion. KLP's assessment is based on the company's current activities and the future risk of violation of norms and standards.

4. KLP's assessment

KLP's exclusion of Heidelberg Materials was based on the company's extraction of non-renewable natural resources in the occupied territory. The key question in the reinclusion assessment was therefore whether this activity has ceased and whether there remains a risk that the company will resume it in the future.

KLP's assessment is based on the premise that all activity at the Nahal Raba quarry ceased in 2023. On several occasions, the company has confirmed to KLP that it has no plans to resume operations.

KLP notes that Heidelberg Materials still holds a license related to the quarry. In KLP's view, it was the actual extraction activity that formed the basis for the exclusion, not ownership of the license itself. KLP emphasises that the license renewal application was submitted several years before it was granted, and that the company has noted that changes to the situation and associated risk profile have led to a revised assessment of the company's future activities in the area.

KLP also notes that Heidelberg Materials has strengthened its human rights and due diligence framework in recent years, including through more frequent risk assessments⁷ and clearer references to international humanitarian law in conflict-affected areas⁸.

On this basis, KLP concludes that there is no longer sufficient basis for excluding Heidelberg Materials. KLP is aware that the company remains listed in OHCHR's database of businesses with links to Israeli settlements. However, in KLP's assessment, this does not alter the conclusion, since the assessment is based on the company's current operations and the risk of future violations of norms and standards.

Should the situation change, for example if Heidelberg Materials resumes its activities, KLP will reassess the company against KLP's Guidelines for Responsible Investments.

5. Decision

Heidelberg Materials AG is reincluded to KLP's investment universe.

⁷ https://www.heidelbergmaterials.com/sites/default/files/2024-03/Policy_Statement_on_Human_Rights.pdf, p.9

⁸ Ibid, p.4