



HUMAN RIGHTS AT HOLCIM

GOVERNANCE & CASE STUDIES

July 2023



HUMAN RIGHTS AT HOLCIM - GOVERNANCE & CASE STUDIES

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OUR STRATEGIC HUMAN RIGHTS APPROACH

Holcim's commitment to respecting and promoting human and labor rights is embedded in key company policies and processes, and is aligned with international standards.

The Group's Human Rights Approach, outlined in the Holcim Human Rights Directive, details how we implement our commitment to human rights. The aim is to ensure the systematic identification, prevention, mitigation, monitoring and remediation of potential or actual risks to and impacts on people

that may occur as a result of our business activities.

Our approach, aligned with the principles and values contained in the UN Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines for Multinational Enterprises, is outlined in the diagram on page 4.

HOLCIM HUMAN RIGHTS APPROACH

The diagram highlights the core elements of our approach: the ongoing need to carry out human rights due diligence and impact

assessments, identify and address our salient risks (listed in our Human Rights and Social Policy), engage with a wide range of stakeholders, and train key people in Holcim and other relevant stakeholders.

As part of our framework, we reference not only the principles and values contained in the UNGPs and OECD Guidelines, but also the internationally recognized rights in the International Bill of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the UN Convention on the Rights of the Child, as well as applicable laws.



Policy Commitment

- > Human Rights and Social Policy
- > Embed in related policies and processes



Grievance and Remedy

- > Global, country, site and community level grievance mechanisms
- > Provide remedy where appropriate



Identify Risks and Impacts

- > Conduct impact/self assessments
- > Regular dialogue with communities

HOLCIM HUMAN RIGHTS APPROACH

Core elements

- Ongoing due diligence
- Salient risks
- Stakeholder engagement
- Impact Assessments
- Training



Monitor and Communicate

- > Track effectiveness of response
- > Communicate on performance



Address Adverse Impacts

- > Integrate findings in functions, processes
- > Prioritize salient issues, develop action plans

RISK-BASED APPROACH

ALL GROUP REPORTING UNITS ARE REQUIRED TO CONDUCT A HUMAN RIGHTS ASSESSMENT

CATEGORIZATION OF OPERATING ENVIRONMENTS

Based on global indices:

- Freedom House Index (FH)
- UN Human Development Index (HDI)

ASSESSMENTS

**FH rating “not free”
or HDI < 0.70**

**HIGH RISK
Business Environment**

Impact assessment required:
7–10 days per Group
company led by a trained
facilitator

**FH rating “partly
free” or HDI < 0.79**

**MEDIUM RISK
Business Environment**

Impact assessment in cases
of opposition or human
rights-related claims or
problems, otherwise
self-assessment

**FH rating “free” or
HDI ≥ 0.79**

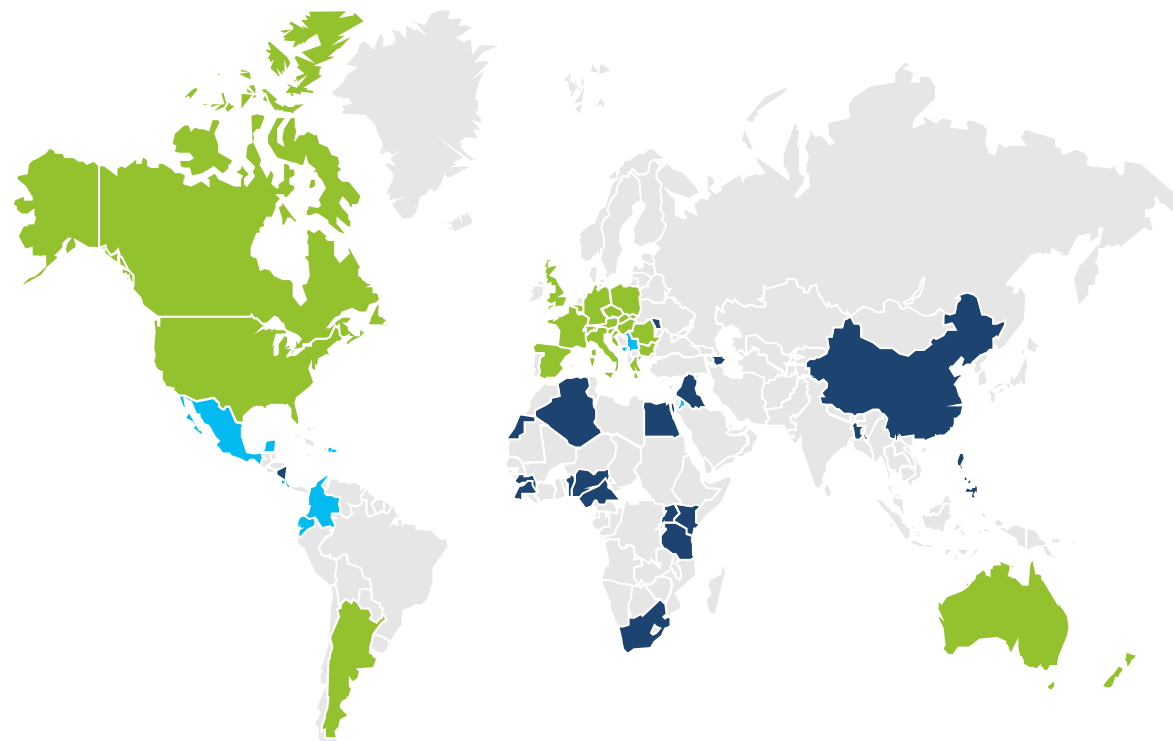
**LOW RISK
Business Environment**

Self-assessment required:
½ day internal workshop with
the representation of key
departments

ACTION PLAN IMPLEMENTATION AND MONITORING

Addressing identified risks and seizing opportunities in:

- Own operations
- Business relationships



22 high risk countries
Impact Assessment

9 medium risk countries
Impact or Self-Assessment*

21 low risk countries
Self-Assessment

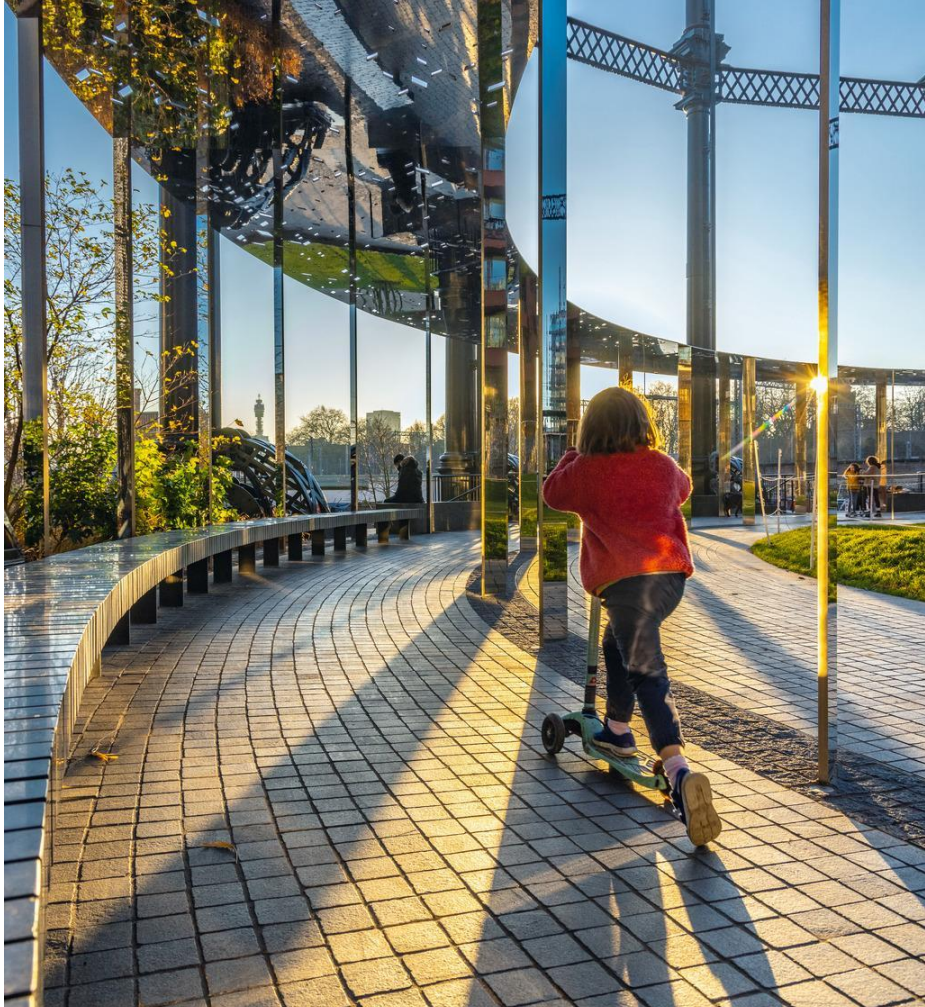
* Impact Assessment is conducted if there is an ongoing controversy

SUMMARY OF REQUIREMENTS

	How we identify and address human rights risks and impacts at different levels								
	Country (GRU)	Corporate	Cement	Grinding	AGG	RMX	Other sites	Business Partners	Suppliers
Human Rights Approach	☐	●	●	●	●	●	●	●	●
Stakeholder Map & Engagement	☐	●	●	●	●	●	●	○	○
Community Advisory Panel (CAP)	N/A	N/A	●	●	◐	◐	◐	N/A	N/A
Impact Assessment	☐	○	●	●	○	○	○	○	○Ⓢ
Self-Assessment	●	○	○	○	○	○	○	○	○Ⓢ
Action Plan	☐	○	●	●	◐	◐	◐	○	○Ⓢ

- ☐ Consolidation
- Mandatory
- Covered through consolidation at country-level
- ◐ If needed (based on local situation)
- ◓ Sustainable procurement directive

HUMAN RIGHTS POLICY FRAMEWORK



Holcim operates according to the highest standards of human rights governance, with oversight and responsibility at Board, Executive Committee, country and site levels, across all its markets.

Continuously strengthening its approach, in 2021 Holcim:

- Adopted its first standalone [Human Rights and Social Policy](#)
- Updated its [Human Rights Directive](#), setting out its approach to human rights
- Updated the [Code of Business Conduct for Suppliers](#)

Holcim also carried out a global internal and external consultation, which included senior management, external human rights experts and civil society representatives, to identify and best manage its most salient risks to people.

The risks have been identified as: health and safety; working conditions in our operations and particularly our supply chain; discrimination and harassment; security-related abuses and violations; child labor in high-risk supply chains; dust and other emissions; and climate change and its impacts. Other risks were identified during our assessment process that did not reach the level of salient risks. These other risks are itemized in the Human Rights Directive.

The most relevant policies, including the Code of Business Conduct, are set out in the Human Rights Directive and can be found on the ESG resources page.

HUMAN RIGHTS GOVERNANCE

Robust performance requires strong governance: the CEO and the Chief Sustainability and Innovation Officer (a member of the Executive Committee) have overall responsibility for the Human Rights and Social Policy. The Board of Directors' Audit Committee and its Health, Safety and Sustainability Committee (HSSC) oversee the Holcim Risk Management and Internal Control process, which both include human rights. The HSSC's mandate is to support and advise the Board on promoting a healthy and safe environment for employees and contractors, as well as on sustainable development and social responsibility. The committee also reviews and approves Holcim's sustainability and climate-related strategy and major initiatives, health and safety performance and the company's approach to human rights. At a country level, chief executive officers and executive committees take responsibility and are accountable for assessing and addressing local human

rights issues, and ensuring appropriate human rights due diligence and grievance mechanisms. They are supported by Group-level specialists, who carry out Human Rights Impact Assessments, and local sustainability experts. Country management oversees remedial action plans where potential or actual risks of negative impacts are identified. A series of processes are in place at country and Group level to ensure that action plans are examined, completed and reported internally.

Our global Human Rights and Social Network are specialists designated by country CEOs. They are tasked with ensuring the cross-functional implementation of the Human Rights Approach at country and site levels. They are trained regularly by the Group's specialized team and participate in virtual meetings and in-person training. Peer learning and exchange across countries is a key success factor in our global network.



HUMAN RIGHTS ASSESSMENTS



HUMAN RIGHTS IMPACT ASSESSMENTS



Holcim carries out human rights assessments in all the countries where it operates and detailed Human Rights Impact Assessments (HRIAs) at sites in high-risk areas to ensure we operate as a responsible citizen around the world.

The aim is to understand, prevent or mitigate any risks to people from our operations and business activities. These assessments form the backbone of our human-rights due diligence, and are key to ensuring we have and maintain a social license to operate.

Considerable preparation is required before any assessment, including workshops with all members of a country management team just before the work begins.

All countries where we operate have a human rights assessment (impact- or self-assessment depending on the risk environment) process in place and have defined action plans to address risks based on our methodology.

These country-level human rights assessments cover operations and legal entities managed by a country, including local subsidiaries, business partners and suppliers. Action plans are put in place to deal with any potential or actual issues and are supervised by sustainability specialists, the country CEO and management team. In addition, high-risk findings and mitigation actions are monitored by a cross-functional team at the Group level.

In addition, we have carried out more than 100 in-depth HRIAs since 2011 at site level for cement plants and grinding units in high-risk countries. Trained Group-level specialists, sometimes supported by local experts, focus on more than 50 human and labor rights issues in detail during the HRIA. The assessment typically lasts at least four days and may include a wide range of stakeholders, both on-site and outside the company.

We look at areas such as working conditions, employment contracts, workers' accommodation and facilities, as well as issues such as diversity and health and safety. Another key area of focus is the availability and use of grievance mechanisms, and how substantiated grievances are remediated.

Any high-risk findings from the impact assessment are to be addressed and are immediately subject to regular follow-up by country management and our Group functions.

HRIAs are carried out every three years in high-risk countries but may take place more frequently depending on local circumstances, or on the nature of the potential or actual risk. More detail is available in the Holcim Human Rights Directive.

A TYPICAL HUMAN RIGHTS IMPACT ASSESSMENT

Human Rights Impact Assessments require both careful preparation and detailed work on the ground with a range of stakeholders.

Identifying stakeholders and their likely issues is a key part of preparation. During one of Holcim's assessments in 2021, we held a week of in-depth consultations with various stakeholders at several sites in a country, after consulting with human rights experts in the area and conducting wide-ranging desktop research to identify relevant organizations, people and issues. During that assessment – the third in six years in this country – we consulted about 100 internal and external stakeholders, including Holcim managers, employees and contract workers at offices, sites and worker camps. We also met suppliers and customers, diplomats and a national human rights organization, as well as labor and human rights specialists.

The assessment showed that our employees and contractors are treated well, working and living conditions are good, and labor rights are respected. In many areas, the Holcim operating company goes considerably beyond minimum legal requirements. The impact assessment was carried out by highly experienced and trained Group-level staff members who have done similar Human Rights Impact Assessments in many parts of the world. The assessment was conducted together with a local corporate team that is not usually involved in the daily operations. Furthermore, training local teams is part of our strategy to embed human rights due diligence in ongoing processes. After the visit, the assessment team wrote a report with an overview of positive aspects, including the closure of actions from previous assessments, and recommendations

for improvements and actions to counter risks identified in the upstream and downstream value chain. The report was discussed with the country's executive team and ownership for actions was transferred to relevant managers and teams. The findings and actions were reported in a global system and are followed up regularly by the country's human rights responsible.

Progress by the countries is also periodically reviewed by the Group's experts on human rights.

100% of our countries have a human rights assessment process in place and have defined action plans to address risks based on our methodology.



INDIGENOUS PEOPLES' RIGHTS

Holcim seeks to ensure that indigenous peoples' rights are respected and supported at our sites and in the communities where we operate or have partnerships.

We work constructively with indigenous communities for better engagement, and strive to build effective, long-term and mutually beneficial relationships. In areas with indigenous communities, we provide additional education and awareness training for our employees at all levels of our operations.

As noted in our Human Rights Directive, we take into account many international human rights conventions and standards, including the ILO Indigenous and Tribal Peoples Convention. We acknowledge that indigenous peoples' rights could potentially be at risk as a result of our business activities.

To raise awareness proactively, indigenous peoples' rights are included in our human rights assessments in countries with indigenous communities, and in any subsequent action plan that may be required. Furthermore, as stated in our Human Rights Directive, at the beginning of a CAPEX project (e.g. a new plant or significant upgrade in a plant), a Human Rights Impact Assessment must be conducted, irrespective of whether the country is located in a high-, medium- or low-risk business environment. This is to proactively identify any potential risks to people linked to the project (e.g. free, prior and informed consent, FPIC). We also report publicly on our performance related to indigenous peoples under the terms of the Global Reporting Initiative (GRI).

STRENGTHENING INDIGENOUS RELATIONS IN CANADA

As part of our commitment to work with indigenous communities in Canada, we have an economic benefits and services agreement with the Sumas First Nation and Semá:th Economic Development Corporation. It is designed to build effective, long-term and mutually beneficial relationships.

The agreement, signed by Lafarge Canada, includes support for a local development fund and measures to drive employment growth within the Sumas community and support social development.

→ [Lafarge Canada and Sumas First Nation](#)

RESPECTING INDIGENOUS RIGHTS IN AUSTRALIA

Holcim in Australia, which has more than 250 sites, launched its inaugural Reconciliation Action Plan (RAP) to advance reconciliation with Aboriginal and Torres Strait Islanders in the country.

Announcing the initiative, CEO George Agriogiannis said his employees had now joined more than 2.3 million people working or studying in an organization with a RAP, advancing key pillars of reconciliation – respect, relationships and opportunities. “Today we acknowledge our commitment to reconciliation with Aboriginal and Torres Strait Islanders as our employees, customers, contractors, suppliers and the traditional owners of the lands upon which we operate,” he said.

→ [Reconciliation Action Plan](#)



TRAINING FOR HUMAN RIGHTS

Training is essential to ensure our people know what human rights are, how to recognize and prevent risks, and what mitigation measures need to be put in place once a potential risk has been identified.

Every year, Holcim aims to train 10,000 people on human rights in a range of online and in-person training programs – in 2022, over 12,500 employees, contractors, community members and other stakeholders were trained on a variety of topics.

Leadership is essential. Through global training and dialogue, CEO Jan Jenisch regularly reaffirms that upholding human rights is at the core of our business model and success.

The training takes many different forms and is tailored to specific parts of the business, functions and areas of focus. For example, individual training is given to all country CEOs and their management teams around

the world at least every three years; country management teams, including sustainability specialists, are responsible for training site-level teams and raising awareness among internal and external stakeholders at a local level.

HRIAs are in themselves useful vehicles for awareness raising and training. An assessment begins and ends with a full workshop for the entire country management team, leading to further sensitization on different issues. At a global level, we also bring in external specialists to carry out in-person or online training sessions on supply chain issues, and on how to carry out effective due diligence, human rights assessments and stakeholder consultations. Human rights is also integrated into different risk management processes. It is included, for example, in the Minimum Control Standards, which is a key internal risk instrument, as well as the Code of Business Conduct training for all employees, which is carried out globally in several languages.



MONITORING ACTIONS GLOBALLY

HUMAN RIGHTS ACTION PLANS IN iCare - QUARTERLY REPORTING

Holcim's country operations regularly monitor, assess and report relevant human rights risks findings and corresponding actions. The live progress of actions taken to mitigate identified risks is reported in iCare 2.0 Holcim's Global Environment, Health and Safety platform. Each action is assigned to an action owner, who is the only person authorized to close an action after completion.

On a Group level, the data is consolidated quarterly and the reported progress is analyzed in an overview, country breakdown and closure achievements. Actions which are overdue by the end of the quarter are pro-actively followed up by the Holcim Group Human Rights & Social Impact Department to support the global Human Rights and Social Network, specialists designated by country CEOs in the duly implementation of corrective actions.

OVERVIEW

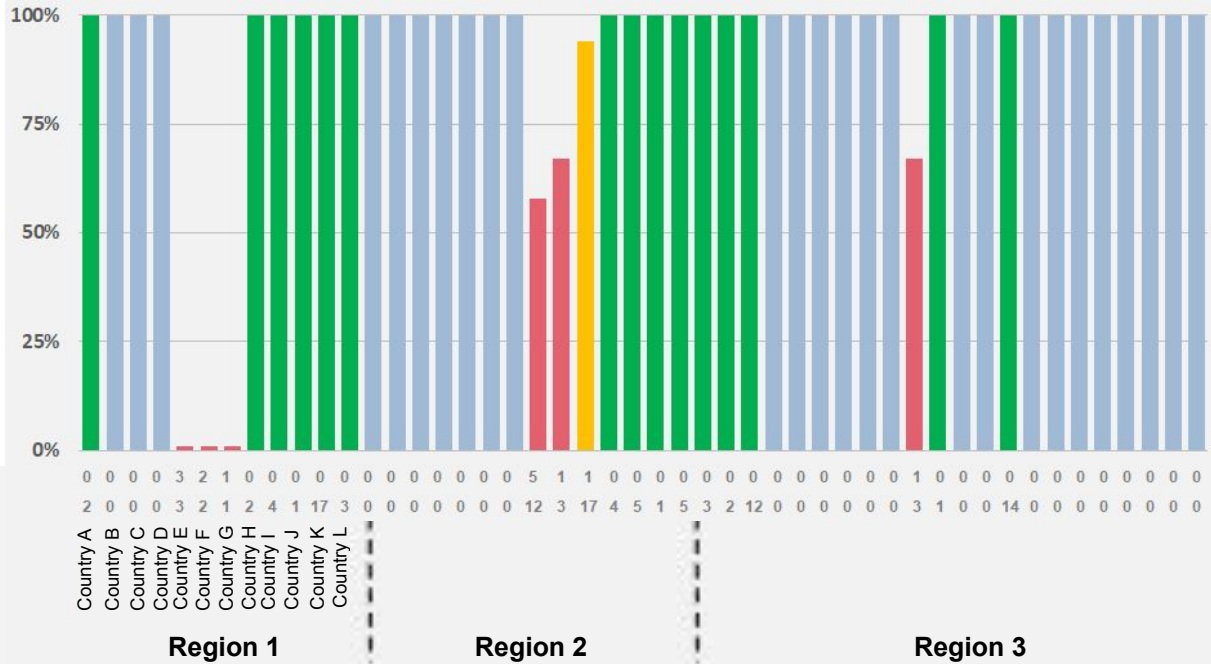
Nr. of HRights Action Plans*	Nr. of Total Findings	Nr. of Level 1 (high risk) Findings	Nr. of Level 1 findings due in Q1
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* Audits / gap assessments in iCare

HUMAN RIGHTS ACTION CLOSURE Q1

	On-time closure (L1)	
Region 1	●	%
Region 2	●	%
Region 3	●	%

BREAKDOWN BY COUNTRIES & REGIONS



Green = optimal performance (on-time completion = 100%)
Yellow = average performance (on-time completion >= 80 and <100%)
Red = low performance (on-time completion < 80%)
Blue = no Level 1 findings

* Total open L1 findings with due date up to Q1
 ** Total L1 findings (incl open and closed) with due date up to Q1

All the graphs and illustrations on this slide are illustrative examples and don't reflect actual performance data.



STAKEHOLDER ENGAGEMENT



STAKEHOLDER ENGAGEMENT

Engaging with a wide range of stakeholders is an integral part of our Human Rights Approach. From Group level to our sites, we speak to stakeholders regularly to explain company positions, build trust, understand expectations and listen to grievances.

Our Human Rights and Social Policy and the review of our salient risks were achieved after global consultation. We carried out interviews with a wide range of senior executives at Group and country levels, international human rights experts and civil society representatives to formulate the policy, and we also canvassed the views of an additional 200 staff members around the world to update our list of salient risks.

At and around our sites, we aim to build and maintain regular and constructive relationships with the people who influence our business activities or could be impacted by them. Every site must have a locally managed stakeholder map and engagement plan in place.

Having a Community Advisory Panel is mandatory for cement plants and grinding units and ensures regular exchanges with community representatives. Engagement with relevant stakeholders is also mandatory in the planning stage of a new development, such as a new quarry.

We have a number of mechanisms in place to address stakeholder questions and concerns. The 'IntegrityLine' is an anonymized and confidential channel, available in multiple languages, for employees and their families, contractors, suppliers, business partners, customers, community members and other stakeholders. The hotline service is operated by an external third party.

In addition, all countries should install a site-level mechanism for employees and members of the public to raise issues related to our operations. This may be a publicly available and widely communicated telephone number or an email address. All grievances must be investigated and responded to.

Regular engagement with key stakeholders helps us to better communicate how our business activities, as well as our sustainability performance, are likely to affect our stakeholders. The dialogue also allows us to better understand our stakeholders' perspectives and provide opportunities to co-create solutions that are to the benefit of all stakeholders.



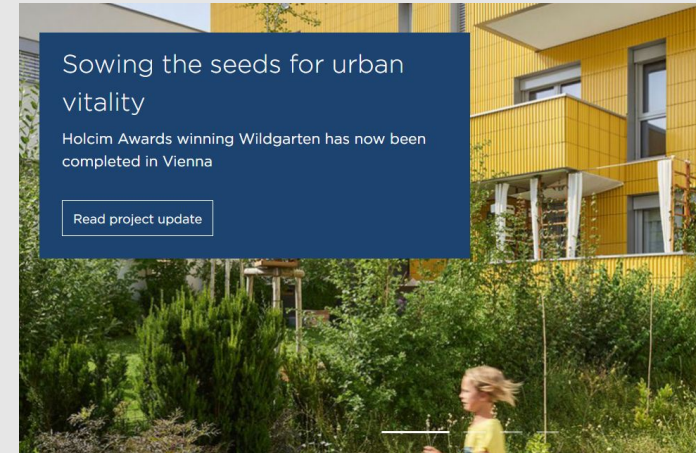
HOLCIM FOUNDATION FOR SUSTAINABLE CONSTRUCTION



An example of the Group's commitment to stakeholder engagement is its continued support of the Holcim Foundation for Sustainable Construction. The Foundation is a non-profit organization that was created by Holcim in 2003 to raise awareness of the important role that architecture, engineering, urban planning, and the building industry have in sustaining our human-made habitat for current and future generations. The Foundation's activities include the organization of the international Holcim Awards competitions for sustainable construction. These have to date

received close to 30,000 entries from 130 countries and have recognized over 250 projects, including three Holcim Award winners who went on to become Pritzker Prize Laureates. The Foundation has also conducted six international Forums and published over 50 publications on sustainable construction. Through these activities, the Foundation has developed a global network of architects, engineers and planners whose primary focus is on designing affordable and socially inclusive spaces which have an enduring positive impact on communities around the world.

[→ Holcim Foundation for Sustainable Construction](#)



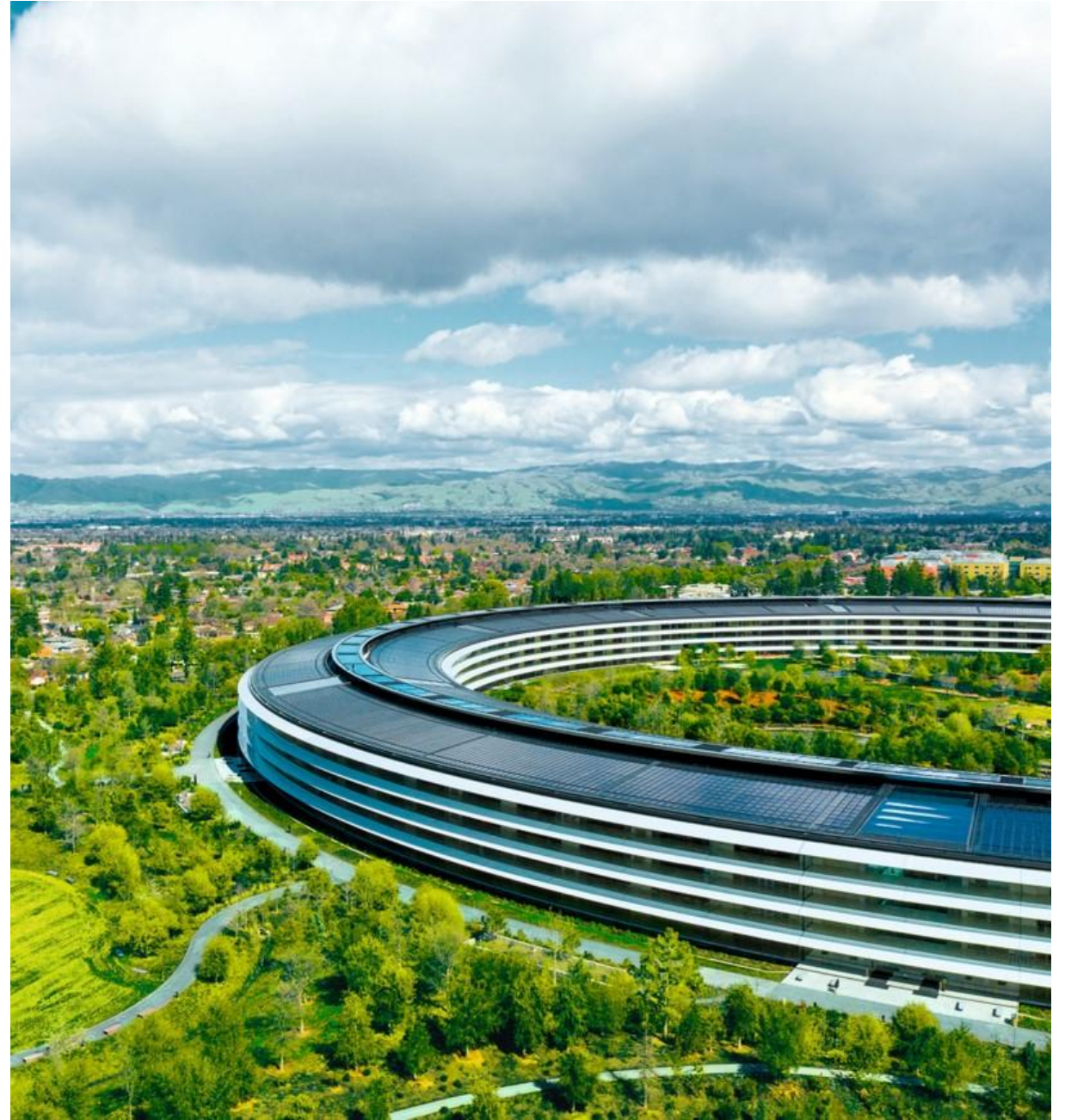
STAKEHOLDER ENGAGEMENT CONTINUED

STAKEHOLDER	HOW WE ENGAGE	ISSUES WE ENGAGE ON	HOW OFTEN WE ENGAGE
Employees	Employee surveys, town hall meetings, newsletters, intranet, social media, performance reviews and objectives setting, team meetings	Health and safety, labor rights, human rights, working conditions, local impacts, diversity, company and employee performance	on a regular basis
Communities (incl. minority groups and indigenous populations)	Community advisory panels, plant open days and tours, one-on-one meetings, community forums, public hearings, social media	Local impacts (environmental and social), health and safety, human rights, creating shared value land rights (e.g. free, prior and informed consent, FPIC)	on a regular basis
Investors and financial institutions	Annual General Meetings, investor roadshows, one-on-one meetings and calls, investor surveys, ratings agencies assessments, site visits	Business performance, corporate governance, sustainability (climate, environmental impacts, social impacts), innovation, human rights	on a regular basis
Suppliers	Supplier qualification, development and relationship management process, contract negotiations, supplier audits, one-on-one meetings	Business ethics, health and safety, human rights, contract performance, local impacts (environmental and social)	on a regular basis
Customers	Customer surveys, net promoter score, key account contacts, customer events, local country websites, social media, product and services brochures, contract negotiations	Commercial negotiations, customer satisfaction, sustainable products, product and service innovation, health and safety, human rights	on a regular basis

STAKEHOLDER ENGAGEMENT CONTINUED

STAKEHOLDER	HOW WE ENGAGE	ISSUES WE ENGAGE ON	HOW OFTEN WE ENGAGE
Regulators	Meetings, briefings, position papers, industry associations, stakeholder forums	Local impacts, health and safety, human rights, circular economy, sustainability (climate, environmental impacts, social impacts), sustainable construction, corporate governance	on a regular basis
Media	Interviews, media releases, briefings, social media, site visits	Business performance, health and safety, sustainability (climate, environmental impacts, social impacts), sustainable construction, innovation	As required
Unions	Meetings, Workers' Council, industry associations, Annual Assembly	Local agreements, labor rights, health and safety, human rights, company performance	on a regular basis
NGOs/United Nations/development agencies	One-on-one meetings, Annual Assembly, responding to information requests, partnerships, participation in UN forums, Holcim Foundation for Sustainable Construction	Local impacts (environmental and social), health and safety, human rights, creating shared value	As required
Academia	Seminars and lectures by Holcim experts, Foundation for Sustainable Construction, one-on-one meetings, research partnerships and projects, funding of Sustainable Construction Chair and the Holcim Foundation for Sustainable Construction	Life cycle analysis, sustainable construction, innovation, human rights, talent pipeline, sustainable procurement, impact valuation	on a regular basis

SUSTAINABLE PROCUREMENT



SUSTAINABLE PROCUREMENT

We require our business partners to respect human rights. Through our Sustainable Procurement program, we verify compliance with our Code of Business Conduct for Suppliers, identifying environmental, social and governance issues in our supply chain and measures to prevent risks or address identified breaches. Due diligence is key to identifying and preventing such risks.



1. GOVERNANCE AND SOURCING DECISIONS

We integrate sustainability compliance and performance into sourcing decisions, our supplier selection and the “purchase-to-pay” process. Sustainability is embedded in the Group Procurement Policy and enforced through our [Minimum Internal Control Standards](#) and formal contractual terms and conditions aligned with [SA 8000](#). We have a Group Suppliers Sustainability Management Standard to support countries on the implementation of responsible sourcing practices.



2. IDENTIFY IMPACT

We identify potential impacts by applying a risk-based screening methodology on our supplier base. This is a three-step approach based on:

1. ESG risks related to the product/services provided
2. Risk exposure related to business relationship (volumes and spend)
3. Country risk level, according to the [UN Human Development Index](#) and the [Freedom House Index](#)



3. VERIFY COMPLIANCE (SUPPLIER QUALIFICATION)

We verify compliance, following a three-step verification approach, based on risk level:

1. Self-assessment questionnaire: We use qualification platforms (e.g. [Avetta](#) or equivalent) to make this step more efficient, consistent and transparent
2. Fact-finding: We collect evidence to verify breaches identified in the self-assessment
3. Audits: We conduct field audits to confirm breaches and to verify compliance on high-risk procurement categories



4. PREVENT, MITIGATE, CEASE

We work with our suppliers to **prevent** potential breaches of our Supplier Code of Conduct.

Where necessary, we **mitigate** potential breaches by implementing improvement action plans and supporting supplier development.

When appropriate, we **cease** business relationships with non-compliant suppliers that refuse improvement plans.

We reserve the right to exclude suppliers that are not compliant with local, national or international laws and regulations.

Our suppliers, like our employees and any external stakeholders, have access to our “grievance mechanism line,” an independent platform to raise concerns regarding business practices: [Holcim IntegrityLine](#).



5. MONITOR PERFORMANCE

We monitor suppliers' ESG performance through our ongoing performance evaluation process, which involves conducting regular meetings and assessments. Performance is integrated in the Supplier Scorecard, where sustainability criteria are weighted among other performance criteria (e.g. quality, price, after-sale service).

The overall performance of the Procurement function is monitored through a Procurement Dashboard that includes sustainability as one of the eight leading indicators.

Procurement professionals have annual performance objectives linked to sustainability.



6. COMMUNICATE

We report on the progress of sustainable procurement actions in our [Group Sustainability Performance Reports](#), according to Global Reporting Initiative standards, including the following KPIs:

- Suppliers from national markets (% of total suppliers)
- Suppliers with Supplier Code of Conduct as part of contractual agreement
- Countries that have identified high ESG-impact suppliers
- High ESG-impact suppliers qualified (% spend)

More information about our Sustainable Procurement approach is on the [Our Commitments](#) page on our website.

→ [more about Sustainable Supply Chain at Holcim](#)

EXTENDING VISIBILITY OF SUPPLY CHAIN ESG MONITORING WITH A THIRD PARTY PLATFORM

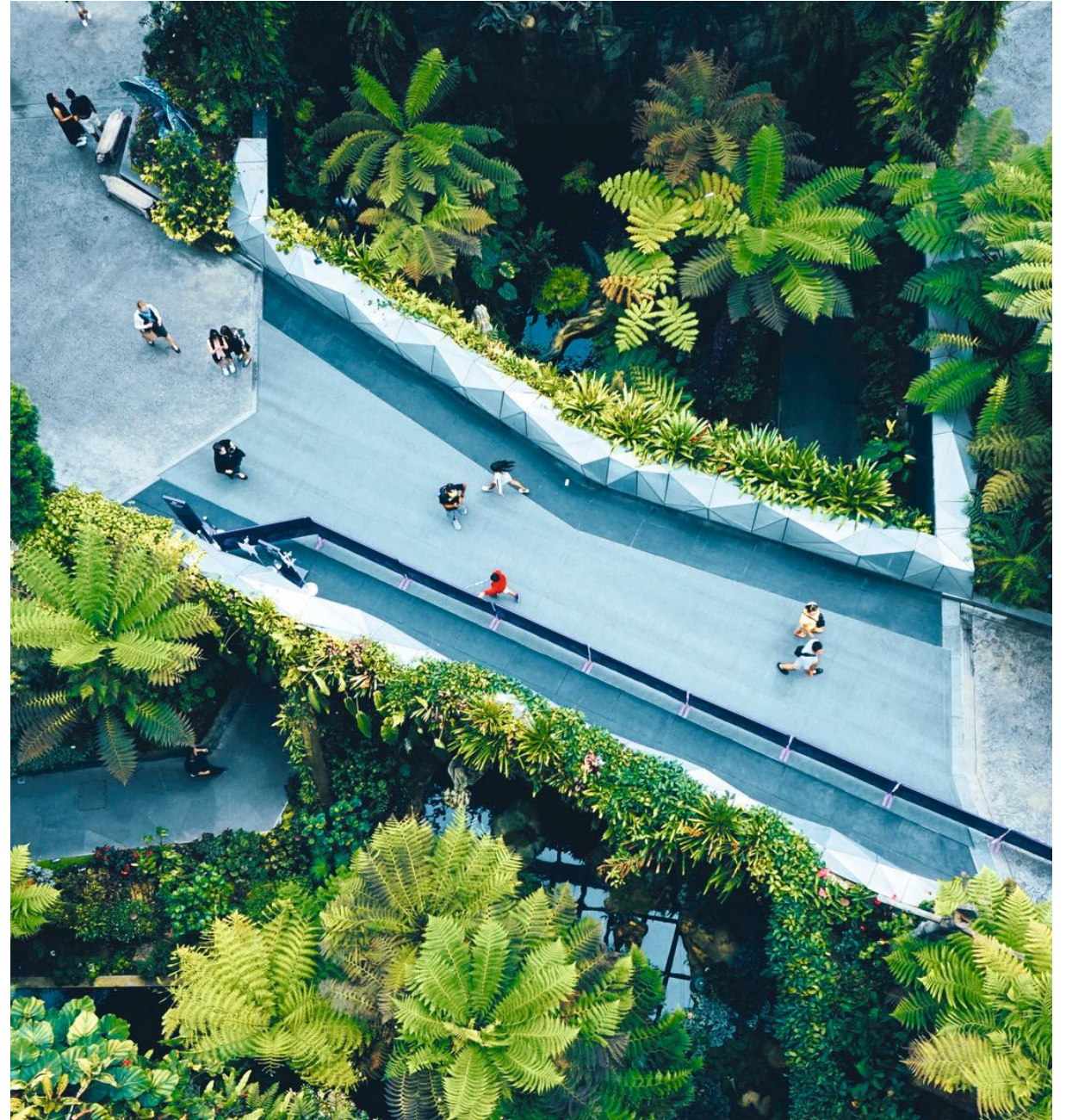
To support our efforts, we have piloted a platform to extend the visibility of our supply chain in high-risk countries and high-risk procurement categories. The platform helps to map our Tier 1 suppliers, their site and their first-tier suppliers (our Tier 2). Mapping is done through artificial intelligence monitoring of controversies in mainstream and social media in many languages. Controversies trigger alarms for our professionals to analyze and act upon. During this pilot, we mapped about 750 suppliers (Tier 1), some 2,100 sites and around 8,400 sub-suppliers (Tier 2). We are rolling out the platform throughout the Group.

RESPONSIBLE SOURCING IN OUR SUPPLY CHAIN

CODE OF BUSINESS CONDUCT FOR SUPPLIERS | 2021



OUR SALIENT RISKS



OUR APPROACH TO HUMAN RIGHTS

PROACTIVELY IDENTIFYING & ADDRESSING SALIENT RISKS

Holcim Salient Human Rights Risks

We have identified salient human rights risks from our business activities, which we may cause or contribute to, or to which we could be directly linked, and which we seek proactively to identify, cease, prevent or mitigate.

**WORKING CONDITIONS IN OUR OPERATIONS AND PARTICULARLY OUR SUPPLY CHAIN****DISCRIMINATION AND HARASSMENT****DUST AND OTHER EMISSIONS****SECURITY-RELATED ABUSES AND VIOLATIONS****CHILD LABOR IN HIGH-RISK SUPPLY CHAINS****CLIMATE CHANGE AND ITS IMPACTS ON HUMAN RIGHTS**

Health and Safety is a core value at Holcim and prioritized in all our activities at all sites. It is seen as a core competency at all levels of our organization, from site operators to top managers, and as a key component of successful personal performance.

To support our aim of zero harm, we launched the [Health, Safety and Environment strategy](#) Ambition “0” in 2017. It focuses on seven areas: on-site safety, zero-harm culture, systems and processes, road safety, control of health risks, environmental excellence and contractor partnerships.

We have been making steady progress in many areas but we will not be satisfied until we reach zero harm.

We hold regular audits to ensure a strong health and safety culture for our employees, contractors, communities and customers. We believe in visible leadership and personal accountability at all levels and throughout our organization.

Our global Health and Safety Management System is designed to continuously improve our performance and actively minimize risks in our business. We have also introduced a new health, safety and environment operating model based on the three pillars of critical risk management, workforce engagement and continuous improvement.

We will continue to work every day to improve performance and reduce risks. Our products are manufactured to the required specifications for engineering and construction standards that meet material and design parameters for relevant applied loads. Holcim follows regulated quality management systems including required sampling and testing under all relevant industry standards.



WORKING CONDITIONS IN OUR OPERATIONS AND PARTICULARLY OUR SUPPLY CHAIN

Holcim is committed to respecting human and labor rights wherever we have business operations – at our own sites and in our supply chain.

The areas of focus we seek to manage and audit within our business relationships include, but are not limited to, child and forced labor, health and safety, working conditions, discrimination, harassment and abusive behavior, freedom of association, non-retaliation, security and compliance-related issues. The [Code of Business Conduct](#) also reminds stakeholders of different available grievance mechanisms.

Holcim acknowledges the potential impacts associated with a multi-tier global supply chain, and we are working hard to identify, prevent and mitigate potential risks in our extended supply chain. That commitment to human and labor rights also applies to our own sites where we inform and consult regularly with employees.

Freedom of association and collective bargaining are seen as fundamental pillars of our social dialogue.

Holcim is committed to promoting an active social dialogue with employee organizations, unions and other stakeholders at all levels. Holcim is further committed to inform and consult employee representatives and hold briefings for the workforce on important matters that affect them.

One of our key areas of focus is diversity and inclusion, with a commitment to being an equal opportunities employer. All Holcim entities are required to develop plans to comply with any local regulations in the area of equal opportunities and non-discrimination, and seek greater gender balance. Countries have to make diversity and inclusion an integral part in every people-related process.

We seek to maintain a healthy work–life balance. To support our employees, in many locations Holcim offers different flexible working arrangements such as part-time, home office, job-sharing, flexible shifts or similar, in line with local labor regulations and business needs. As a global principle, we aim for a maximum of 48 working hours per week, subject to business needs and market conditions. We respect all limits provided by applicable international standards and local laws.

We continually strengthen the [Code of Business Conduct for Suppliers](#), emphasizing our aim to have long-term relationships with suppliers who are committed to sustainable development and who demonstrate responsible management practices.



DISCRIMINATION AND HARASSMENT

Holcim is proud to have a highly diverse workforce in the 60 countries where we operate around the world. We recognize that as we build diversity and inclusion, we also need to safeguard them. Ensuring a workplace free of discrimination, harassment and abusive behavior – and one where employees and contractors are encouraged to speak up – is a key area of focus globally.

At Holcim, we underline the imperative for all employees to treat each other with dignity, which means appreciating diversity, whether that diversity exists because of race, religion, gender, sexual orientation or any other difference. Our work to eliminate discrimination and harassment is reinforced in key policies such as our [Code of Business Conduct](#) and our Human Resources Policy, and in different training programs that are carried out regularly around the world. All Holcim entities are required to develop plans to comply with any local regulations covering equal opportunities and non-discrimination.

The characteristics of discrimination and harassment are detailed in our Code of Business Conduct, and our employees are also reminded that their commitment extends beyond our own operations to include business partners, suppliers and other stakeholders.

This commitment also covers our supply chain. Our [Code of Business Conduct for Suppliers](#) not only covers our expectations on ensuring no discrimination in the workplace and in employment-related decisions, but also requires that suppliers do not use corporal punishment, disciplinary practices and any form of harassment or abusive behavior, including physical, sexual or psychological compulsion, exploitation or coercion.

Despite policies and training, incidents are reported. They are thoroughly investigated and appropriate action is taken to hold those responsible accountable, draw key lessons and work to prevent any recurrence.

Holcim also takes part in international initiatives to support global efforts to drive change. We have signed the [UN Women's Empowerment Principles](#), elevating our efforts to promote gender equality and foster a fair workplace. More information on our Diversity and Inclusion Indicators can be found on the ESG resources page.



SECURITY-RELATED ABUSES AND VIOLATIONS

As a company operating worldwide, Holcim needs to be prepared for a variety of security-related issues, including the security of our employees, our communities and contractors at our operations or while traveling for business.

To protect people, we also need to ensure the security of our assets, which includes building strong and trusting relations with the highly diverse communities and stakeholders where we operate.

The potential for incidents and misunderstandings in some of the countries and communities around our sites needs to be carefully scoped. Holcim countries are trained regularly to manage different scenarios in an effective, sensitive and human rights-aware manner.

Holcim's operations are committed to protect our people, assets and reputation, and engage security services only on an "as-needed" basis, following a strict risk-based approach and stringent rules of professionalism and integrity.

We have a global Security and Resilience Policy in place to protect our people from criminal activity, malicious acts and unwanted events. It highlights ten commitments to be followed throughout the Group to ensure the effective implementation of our risk-based Security and Resilience Management System.

One of the commitments stipulates that when security services and providers are engaged, we follow and promote applicable human rights standards, regulations and country legislation. Holcim's governance framework, i.e. the "Security Services with Integrity" Directive, is mainly based on the [International Code of Conduct for private security service providers](#) and the [Voluntary Principles on Security and Human Rights](#) as well as the specific country legislation.

Another commitment stipulates that the Holcim Group is a lethal weapon and firearm-free environment.

We have started implementing a specific waiver process with an associated approval tool to formally manage exceptions to this rule whenever a country has no other choice than engaging private armed guards and/or public forces.

The security staff is also fully associated with the regular human rights training program at Holcim. In addition, a "security services with integrity" training webinar and online table-top exercise have been launched internally and are being rolled out in countries where there is a presence of security guards of any kind.

Holcim also seeks to support more robust standards in international initiatives. For example, we have joined the International Code of Conduct Association (ICoCA) as an observer.

BUSINESS AND HUMAN RIGHTS CLINIC FOR SECURITY

Holcim regularly pressure tests the security-related human rights exposure in different ways: on the ground, in training sessions and exercises, and through audits and assurances. One of the latest ways was through the development of cross-functional training scenarios in collaboration with the Geneva Center for Business and Human Rights at the University of Geneva.

→ [Geneva Center for Business and Human Rights](#)



CHILD LABOR IN HIGH-RISK SUPPLY CHAINS

Holcim does not tolerate child labor in any part of our business or supply chain, and has strict policies that are in line with UN and International Labour Organization (ILO) standards in every country where we operate.

It does, however, remain a risk that requires constant vigilance. For example, we have, in general, no direct control over quarries that are part of our supply chain. However, our suppliers have to go through a prequalification process and demonstrate compliance toward addressing key ethical and human rights issues, including child labor.

When there were allegations of the use of child labor at a quarry in 2016, our subsidiary conducted a thorough investigation and launched a series of regular unannounced visits to the quarries in question. We found no evidence of artisanal mining by children.

To demonstrate our commitment to the local community, we then developed a number of social activities to support healthcare and partnered with an NGO to improve household incomes through agriculture.

We have stepped up our long-term efforts to respect and promote child rights by embedding our commitment into our Human Rights Approach and sustainable procurement systems. We made that commitment public in our [Eliminate Child Labour Action Pledge](#).

As part of the pledge, we said: “We will continue our proactive approach to human rights, strengthen ongoing due diligence on potential child labor risks, increase the training of colleagues on child labor through our internal communication and training channels, and join a collective action platform.”

Holcim has continued to make significant progress to cut dust and other emissions across our sites, knowing they can potentially impact people's health and local communities.

We require all our cement sites to measure and manage air and other emissions and to make significant investments and plant upgrades. To further improve our performance, we have completed the global installation of the TIS (Technical Information System) and CEMS (Continuous Emissions Monitoring System), which enable us to monitor air emissions from any kiln in the world in real time.

Among the measures we have launched is a program to cut other sources of dust, such as from roads close to our sites, and another initiative to consistently reduce fugitive emissions in all our plants.

Such programs are designed to preserve the local environment and minimize the impacts on neighboring communities.

Globally, Holcim follows the guidelines of the World Health Organization for general air quality (for residential exposure) and the American Conference of Governmental Industrial Hygienists (for occupational exposure), considered worldwide as the de facto standard reference, as well as any applicable local regulations.

Further details of our performance can be obtained in the [Holcim Annual Report](#) and on the [Environment page](#) on our website.

RESOLVING A DUST ISSUE IN NIGERIA

When a dust filter problem occurred at our Ewekoro plant in Nigeria, we immediately took action to remedy the situation and informed the community. More than CHF 7 million was invested to improve dust-related equipment at the plant.

After another issue emerged later, we stopped the line and upgraded the filtering system. One of the cement plants stopped operating for nine months so the upgrade could take place. The problem has not recurred. As an additional measure, we decided to reduce our dust emissions to half the legal limit. To ensure continuous improvement, we also purchased a portable instrument for fugitive dust measurement and conducted a plant-wide fugitive dust audit, including a corrective action plan.

As part of our commitment to stakeholder engagement, we shared information with the community on the cause of the emissions, the actions being taken and the timeline for corrective maintenance. We have a community advisory panel in place for our Ewekoro plant and have regular formal meetings with stakeholders. More than CHF 2 million has been invested in community projects around the site in recent years, including initiatives on education, economic empowerment and health and safety, as well as shelter and infrastructure.





CLIMATE CHANGE AND ITS IMPACTS ON HUMAN RIGHTS

As part of the work to determine our salient human rights risks, we clearly recognize the importance of a company's environmental performance with regard to climate change, and how that in turn impacts human rights.

We are addressing global warming and the impact on people and communities in four distinct areas of action:

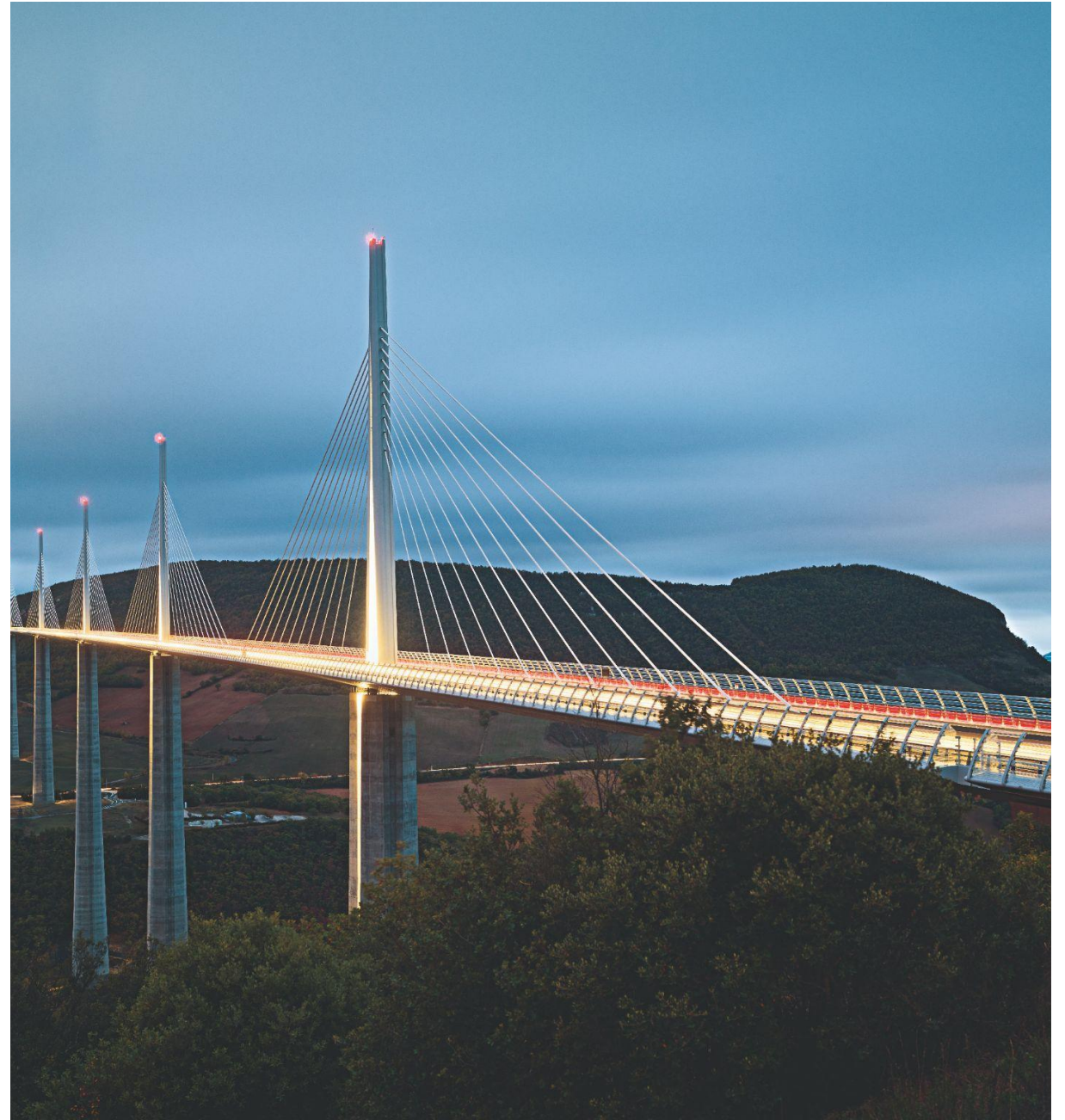
- Reducing emissions: Through our net zero pledge and roadmap, we are reducing carbon emissions in our carbon-intensive operations and the entire value chain.
- Climate resilience and adaptation: We are identifying key areas of need for climate resilience and adaptation, particularly in the local communities where we operate. We are using our products, business skills and market knowledge, as well as social initiatives, to contribute to thriving communities.

- Just transition: The transition toward an environmentally sustainable economy through innovative solutions creates many opportunities, which we pursue as part of our net-zero roadmap. When well managed, the transition to a low-carbon economy contributes to the [Sustainable Development Goals](#), including the goals covering decent work for all, social inclusion and the eradication of poverty.

- Public advocacy: We support efforts to advance public policy that makes the link between climate and human rights. For example, we signed a statement of support by companies for the [UN resolution on the Human Right to a Healthy and Sustainable Environment](#) in 2021.

Read more about our carbon reduction pathway and performance in the [2023 Holcim Climate Report](#).

SUPPORTING DOCUMENTATION



SUPPORTING DOCUMENTATION

More details on the field of work mentioned above can be found in the following documents and resources.

HUMAN RIGHTS

- [Human Rights and Social Policy](#)
- [Human Rights Directive](#)
- [Code of Business Conduct](#)

HR, DIVERSITY & INCLUSION

- [Human Resource Policy](#)
- [Diversity & Inclusion Policy](#)

SUSTAINABLE PROCUREMENT

- [Our supply chain commitments](#)
- [Code of Business Conduct for Suppliers](#)

HEALTH, SAFETY AND ENVIRONMENT

- [Ambition “0” HSE Strategy](#)
- [Our Health & Safety Approach](#)
- [Our Environmental Approach](#)

CLIMATE

- [Our net-zero journey](#)
- [Climate Report](#)

ESG

- [Our ESG Commitments](#)
- [Memberships and recognitions](#)
- [Sustainability Performance Report](#)



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