

Supplier Code of Conduct

Holcim Group Support Ltd-
Procurement and Sustainable Development



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1. Introduction to Sustainable Procurement at Holcim

Holcim is committed to creating value for all its stakeholders. The principles of sustainable development – value creation, sustainable environmental performance and corporate social responsibility – are integral to our business strategy. Our approach to sustainable development includes how we work with our Suppliers¹.

“The principles of sustainable development – value creation, sustainable environmental performance and corporate social responsibility – are integral to our business strategy.”

Sustainable procurement at Holcim is based on the standards enshrined in the United Nations Global Compact and in the following corporate policies and directives:

- [Holcim Mission Statement](#)
- [Holcim Code of Conduct](#)
- [Holcim Environmental Policy](#)
- [Holcim Group Occupational Health and Safety \(OH&S\) Policy](#)
- [Holcim Corporate Social Responsibility Policy](#)

We integrate sustainable development into our procurement strategy, our day-to-day operations and relationships with Suppliers. All Holcim operating companies are required to identify, prevent and manage risks pertaining to OH&S, social responsibility and environment in their supply chain.

2. Our Commitment to Suppliers

Holcim seeks to engage in long-term relationships with Suppliers that are committed to sustainable development. Our goal is to partner with Suppliers to deliver value-for-cost procurement for the Group and our customers, and to demonstrate responsible supply chain management.

“Holcim seeks to engage in long-term relationships with Suppliers that are committed to sustainable development.”

2.1 Business Conduct

When carrying out procurement duties and responsibilities, all Holcim employees are expected to share with Suppliers the company's commitments to high legal, ethical and moral standards. Our Code of Practice for Procurement sets norms of behavior in procurement activities in the areas of courtesies, conflict of interest, corruption, competition law and confidential information. Holcim employees are encouraged to continually consider and discuss issues of ethical behavior. Ethics is an integral part of the Holcim procurement training programs.

2.2 Strategic Sourcing and Supplier Relationship Management

Holcim has established methodologies to conduct strategic sourcing and to guide relationships with Suppliers. These guidelines ensure a fair, competitive and transparent negotiation process, according to our policies and values.

¹ The term Suppliers refers to suppliers of goods and services. More detailed provisions addressing the same issues may be in place for Contractors or stated in contracts with providers of goods. Nothing in this Code is meant to supersede any more specific provision.

3. Our Expectations of Suppliers

Holcim is committed to meeting high social, environmental, and OH&S standards and we expect our Suppliers to do likewise. Suppliers must comply with local and national laws and regulations. Furthermore, we expect Suppliers to adhere to the following standards²:

3.1 Occupational Health and Safety (OH&S)

Suppliers shall provide a safe and healthy work place for their employees and subcontractors. Suppliers must be compliant with local and national laws and regulations on OH&S, and have the required permits, licenses and permissions granted by local and national authorities. Suppliers must have documented health and safety policies and/or procedures in place together with appropriate safety infrastructure and equipment. Suppliers identified as being moderate to high risk for OH&S shall have a recognized OH&S management system in place. When on Holcim sites, Suppliers must comply fully with applicable Holcim policies and directives.

3.2 Working Conditions

Suppliers shall uphold fair working conditions. Workers shall be paid at least the local industry rate or minimum wage stipulated by national law, whichever is higher, and benefit from social security schemes according to national legal standards.

3.3 Freedom of Association and Non-retaliation

Suppliers shall not interfere with worker's freedom of association. Employee representatives shall not be subject to discrimination or termination of contract in retaliation for exercising employee rights, submitting grievances, participating in union activities, or reporting suspected legal violations.

3.4 Forced Labor

Suppliers shall not use work that is performed involuntarily under threat of penalty, including compelled overtime, human trafficking, debt bondage, forced prison labor, slavery or servitude.

3.5 Child Labor

Suppliers shall not employ children at an age where education is still compulsory. Children under the age of 15 or below the legal minimum age, if higher, shall not be employed and Minors (below 18 years of age) shall not be hired to perform work that is hazardous or harmful to their health, safety or morals.

3.6 Non-discrimination

Suppliers shall make no distinctions on the grounds of gender, sexual orientation, race or religion for employment-related decisions.

3.7 Environmental Regulatory Compliance

Suppliers shall respect and comply with environmental regulatory requirements on all levels (local, provincial and national). All their activities shall be covered by respective environmental permits and licenses required.

3.8 Management of Environmental Impacts

Suppliers shall systematically manage their environmental impacts with respect to energy, water, waste, chemicals, air pollution and biodiversity and set objectives and targets to reduce such impacts. Suppliers identified as having a high environmental impact shall have a recognized Environmental Management System in place.

² Standards are based on the United Nations Global Compact principles

3.9 Bribery and Corruption

Suppliers shall not utilize bribery and corruption in conducting their business. Suppliers shall not offer or provide, either directly or indirectly, or request, agree to receive or accept any undue pecuniary or other advantage for the purpose of obtaining, retaining, directing or securing any commercial, contractual, regulatory or personal advantage. It includes any financial or other vantage given or requested for the improper performance of a public function or business activity.

4. Terms of Engagement

This Code of Conduct applies to all Holcim Suppliers and it is communicated to potential and existing Suppliers. As part of the qualification process new suppliers should be assessed to ensure adherence to the standards stipulated in this document. Current Suppliers are prioritized for assessment based on the potential sustainability risk associated with the goods and services delivered and by their relationships with Holcim.

“Holcim favors working with Suppliers that are committed to sustainable development.”

For prioritized Suppliers, Holcim conducts regular risk evaluation in the form of self-assessments, fact finding or audits, as determined by local procurement functions. Holcim provides guidelines to Suppliers on how to meet our expectations and on how Suppliers will be evaluated.

When a Supplier does not meet our requirements, corrective action plans are to be established within a specified time-frame (depending on the severity of the issue) and Holcim will monitor progress. Holcim may support Suppliers in developing their capabilities and improving their performance. Holcim may terminate the relationship with Suppliers that repeatedly and knowingly violate the present Code of Conduct and refuse to implement improvement plans. During the tendering process Holcim reserves the right to exclude Suppliers that are not compliant with local, national or international laws or regulations.

Holcim is committed to transparency and dialogue with stakeholders. We track and report the performance of our sustainable procurement activities in the form of a scorecard that applies to all procurement functions in the Group. Suppliers shall communicate and promote the application of the same principles as described in this document in their supply chain.



Holcim Group Support Ltd

Procurement

Im Schachen

CH – 5113 Holderbank

Switzerland

procurement@holcim.com

www.holcim.com

Phone +41 58 858 9163

Fax +41 58 858 9149