



UN Global Compact - Communication on Progress (COP)

About Holcim

Holcim builds progress for people and the planet. As a global leader in innovative and sustainable building solutions, Holcim is enabling greener cities, smarter infrastructure and improving living standards around the world. With sustainability at the core of its strategy Holcim is becoming a net zero company, with its people and communities at the heart of its success. The company is driving the circular economy as a world leader in recycling to build more with less. Holcim is the company behind some of the world's most trusted brands in the building sector including ACC, Aggregate Industries, Ambuja Cement, Disensa, Firestone Building Products, Geocycle, Holcim and Lafarge. Holcim is 70,000 people around the world who are passionate about building progress for people and the planet through four business segments: Cement, Ready-Mix Concrete, Aggregates and Solutions & Products.

Statement from Holcim's Chief Executive Officer Jan Jenisch:

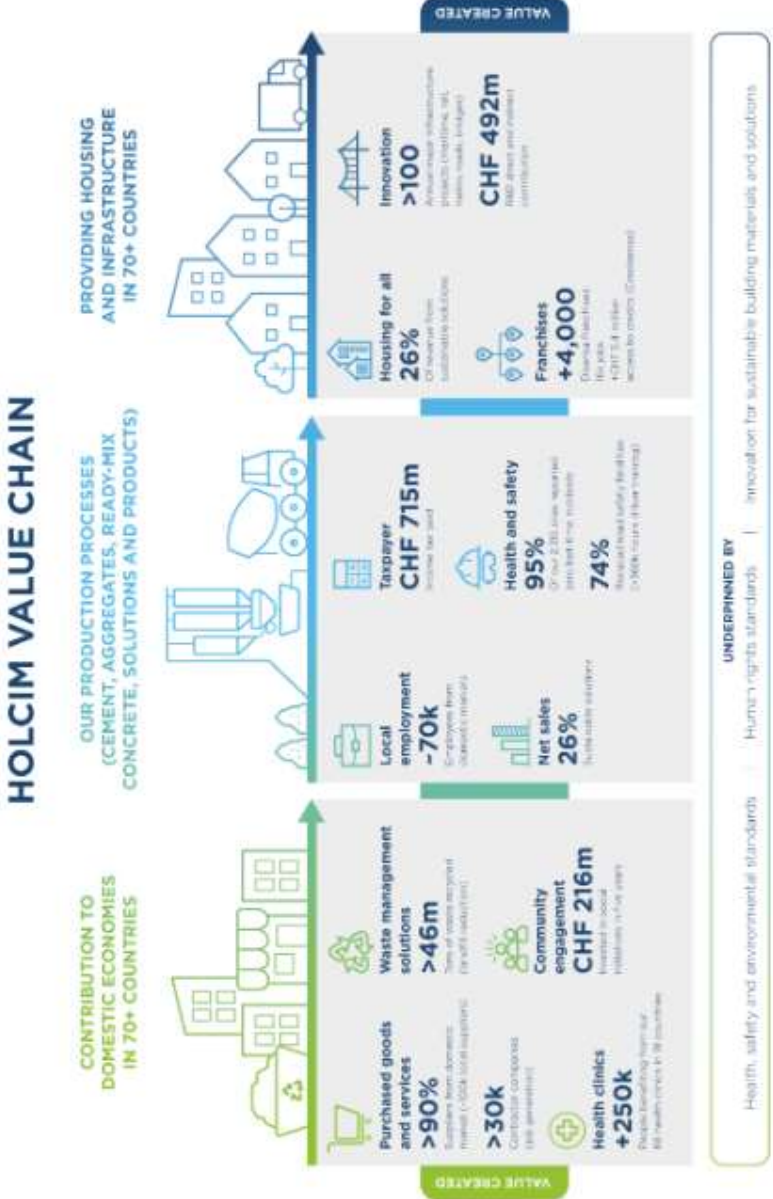
I am pleased to confirm that Holcim reaffirms its support to the UN Global Compact (UNGC) Principles as well as its continuing commitment to work with the UN on promoting sustainable development as a Global Compact participant company. Hereafter follows a summary of the progress made by Holcim in 2020:

Holcim commitment	Links
<p>Implementing the Ten Principles into Strategies & Operations</p>	
<p>Criterion 1: The COP describes mainstreaming into corporate functions and business units</p> <p>At Holcim, our vision is to be the global leader in innovative and sustainable building solutions, and we are driven by our purpose of building progress for people and the planet. Corporate functions such as Finance, Human Resources, Procurement, Legal & Compliance and Health, Safety & Environment play a key role in implementing this vision and providing specialist advice, skills and experience to our operations as well as monitoring and driving performance in their respective areas. At an operational level, the country CEO is ultimately responsible for ensuring delivery of these targets. Since 2020, sustainability KPIs (CO₂, Sustainable sales, Waste reused, Freshwater withdrawal and community investments) have been monitored and reported to Senior Management on a monthly basis. In 2020 we introduced a sustainability objective with one third of the overall weighting into the long term incentive for the 200 Holcim top senior managers. This encompasses three pillars of the company's sustainability strategy, monitored on a monthly basis, in line with Holcim's commitment to build a zero net future with science-based targets:</p> <ul style="list-style-type: none"> • Climate and energy: reduction of CO₂ emissions per ton of cement produced (50% weight); • Circular economy: quantity of re-used waste derived resources (25% weight); • Environment: reduction of freshwater withdrawal per ton of cement produced (25% weight). <p>A broader range of sustainability driven metrics are reported and externally verified on an annual basis in Holcim's Integrated Annual Report and Sustainability Performance Report. Sustainability impacts, risks and opportunities for the business are a key element of the risk management process and materiality review implementation, overseen by the Ethics, Integrity and Risk Committee, reporting to the Audit Committee of the Board of Directors.</p> <p>Holcim was the first player in the building materials industry to bind Climate commitments to its financial engagements by launching a Sustainability-linked bond in November 2020. Recognizing the role of sustainable finance in supporting the transition to a low-carbon and more resource efficient economy, Holcim has put in place a Sustainability-Linked Financing Framework to link funding with its sustainability objectives.</p>	<p>Integrated Annual Report 2020</p> <p>Sustainability Performance Report 2020</p> <p>Materiality Review</p> <p>Minimum Control Standards</p> <p>Sustainability - Finance Framework</p>

Criterion 2: The COP describes value chain implementation

We believe in building a world that works for people and the planet. A world that keeps people safe, connected and thriving. Supply chains are key channels to scale up and accelerate positive impacts to advance society and uplift communities.

The magnitude of our supply chain footprint gives us the opportunity to scale up positive impact, as summarized below:



We are one of the pioneers of the growing discipline of impact valuation, which we use to assess on an annual basis our Economic, Social and Environmental impacts (Triple Bottom Line) in monetized terms and we disclose it through our Integrated Profit & Loss statement since 2014. The IP&L complements our traditional financial and sustainability metrics. It enhances decision-making processes to sustain long-term value creation for shareholders, society, and the environment.

- [Sustainable Supply Chain](#)
- [Code of business conduct for suppliers](#)
- [Working Group - Sustainable Supply Chain Management](#)
- [Ecopact](#)
- [Integrated Profit & Loss Statement](#)
- [Value Balancing Alliance](#)
- [Net Zero Pledge](#)

We are founding members of the "Value Balancing Alliance", a group of multinational companies coming together with a common goal: to create a way of measuring and comparing the value of contributions made by businesses to society, the economy, and the environment.

In addition we collaborate across our value chain to scale-up value creation:

- Founding member of the Concrete Sustainability Council,
- Global Cement and Concrete Association (CEO Jan Jenisch was a Board member in 2020 and was elected President in October 2021)
- member of the UNGC Network Switzerland - Supply Chain Working Group.
- Academia: [LINK](#)
- More partnerships in this [LINK](#)

Value creation is integrated in the way we work with our suppliers, through governance, process and standards that reflect our commitments to environment, social, governance and health & safety.

1) Due Diligence in the supply chain

We conduct due diligence in our supply chain to identify, prevent and address breaches in every market where we operate.

We recognize the importance of responsibility along our value chain and have developed a Supplier Code of Conduct. Guided by the UNGC Ten Principles, the Code is communicated to all suppliers in local languages.

We actively verify and monitor suppliers' compliance with our Supplier Code of Conduct, based on the standards and principles enshrined in the United Nations Global Compact, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.

Additionally, our grievance mechanism (Integrity Line) is open and available in 36 languages for all components of our value chain.



2) Environmental impacts

We identify environmental impact from products and services purchased and engage with suppliers to identify and manage those impacts. We integrate environmental compliance in our sourcing decisions. We apply a systematic screening methodology to prioritize suppliers that have good environmental governance to identify, monitor and reduce environmental impacts

We monitor performance and address breaches through our Sustainable Procurement program.

3) CO₂ emissions in the supply chain (Scope 3)

We measure and account for the CO₂ in our supply chain, using a comprehensive and rigorous approach, aligned with Greenhouse Gases (GHG) and Global Concrete and Cement Association (GCCA) Scope 3 protocol and externally verified.

We were the first in our industry to take a target on our scope 3 emissions in 2020.

Since 2017, we have operated our "Transport Analytics Center" (TAC), an industry-leading digital logistics platform, powered by artificial intelligence, that enables us to become more efficient, safer and reduce CO₂ from our transportation activities.

4) Health and Safety

We are committed to conduct our business with zero harm to people and to create a healthy and safe environment for our employees, contractors, communities, and customers.

Holcim has a systematic approach to suppliers and contractors' health and safety management, designed to ensure compliance to applicable laws and regulations and adherence to solid health and safety standards

- Prequalifying and selecting contractors and suppliers that behave in a responsible manner.
- Sharing of health and safety requirements at an early stage and engaging through a contract that includes specific health and safety terms and conditions.
- Onboarding to ensure understanding of the health and safety requirements prior to commencement and train them on relevant procedures or specific hazards associated with the work they will undertake.
- Monitoring health and safety performance during execution, including through closer engagement with contractors and suppliers, to ensure that health, safety and well-being are managed effectively.
- Evaluation of performance upon completion of the work and on a periodic basis to recognize and promote continuous improvement.

Value creation is integrated in the way we work with our customers and in our commitments and actions to decarbonize the build environment, fostering innovation and deploying sustainable building solutions in the markets where we operate:

- Value creation is embedded in our portfolio of [green building solutions](#) and [construction solutions](#)
- In July 2020, Holcim launched Ecopact, the industry's broadest range of green concrete, now offered in all regions of the world where we operate. Ecopact allows our customers to build sustainably with a range of low-carbon concrete, from 30% to 100% less CO₂ emissions compared to standard (CEM I) concrete. We continue to develop and launch products globally to enable greener cities and smarter infrastructure, building more with less.

	<ul style="list-style-type: none"> • Our retail chain Disensa is present in 8 Latin America countries, where we make our products and solutions available at all times, generating additional business for retailers, distributors and stores. Through those channels we provide technical and commercial education. We have developed a specific affordable housing microcredit offer available in several countries. We partner with banks and microcredit institutions to offer lower credit rates to your customers so they can buy materials for home completion, extension, or renovation. • Value is also created through our Waste Management and Co-processing solutions: Holcim has pioneered the co-processing of waste materials, and for decades developed innovative and tailored industrial and municipal waste management services for a wide range of customers. This heritage of innovation continues under the Geocycle brand which maintains a network of more than 50 operations that together comprise one of the world's leading providers of waste management services. Our actions prevented more than 8 million tonnes of CO₂ annually through recovery of the energy from the processed waste and contributed to reducing negative impact from landfills.
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<p>Robust Human Rights Management Policies & Procedures</p>	
<p>Criterion 3: The COP describes robust commitments, strategies or policies in the area of human rights</p>	<p>Holcim is committed to respecting and promoting human rights in our operations and activities, business relationships and in the communities where we work. Respect for human rights is fundamental to our ability to do business across our 2,300 sites and value chain in 70 countries. By respecting human rights we strengthen our social license to operate: we empower people and communities to build better futures for themselves, we avoid harming people, we live up to our own and society's expectations, and create positive social impact linked to our business. Systematically addressing business-related human rights is sound risk management and key to our ability to implement our group strategy. Holcim respects and promotes human rights in our own operations, supply chain and the communities where we operate. Our commitment to human rights is aligned with the principles and values contained in the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises, and with the internationally recognized rights in the International Bill of Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, and the Convention on the Rights of the Child as well as relevant laws. Ongoing human rights due diligence, human rights impact assessments and stakeholder engagement are core elements of our human rights approach. As a signatory of the UN Global Compact since 2003, our commitment to respecting human rights is deeply embedded in our operations.</p> <p>In February 2020, Holcim CEO Jan Jenisch joined the Call to Action for Business Leadership on Human Rights by the World Business Council for Sustainable Development (WBCSD).</p>
	<p>Human Rights & Social Policy</p> <p>Human Rights Directive</p> <p>Minimum Control Standards</p> <p>Call to Action for Business Leadership on Human Rights</p>

<p>Criterion 4: The COP describes effective management systems to integrate the human rights principles</p>	<p>While we are a global business, we operate very locally in each of our 70 markets. Our approach to identify risks and opportunities, act upon the findings and monitor and communicate on our advancements are further outlined in our Human Rights due diligence methodology. Our vision is to make human rights more than just a risk and compliance issue for companies – they should be actively promoted as part of a commitment to social responsibility. At Holcim we promote transformative change in the human rights dimension through such long standing policies as our Supplier Code of Conduct and our Human Rights due diligence methodology. At the same time we champion human rights internally, for example by setting concrete targets for diversity and inclusion across our operations. We make significant investments to support community development around the world, for example by providing education and medical care in line with our human rights agenda. With many of our employees living closer to our facilities than to the nearest hospital, we're fulfilling our duty to support the health of our communities. Every year, we offer health services to around 250,000 of our employee's dependents and other community members through the more than 50 health clinics we own and manage in different countries. As part of our efforts to create a regulatory level playing field, we support the implementation of regulatory frameworks that require mandatory human rights and environmental due diligence. Over the last five years Holcim has invested CHF 216 million in community projects. These benefits come on top of the inherent advantages we already offer (e.g., direct employment, infrastructure development and local procurement) to the communities where we live and work. These social investments are based on long-term strategies and implemented together with specialized partners.</p> <p> Global Integrity Line Public Policy and Advocacy Position Health, Safety & Sustainability Committee People & Communities </p>
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<p>Criterion 5: The COP describes effective monitoring and evaluation mechanisms of human rights integration</p>	<div data-bbox="272 625 539 1921"> <p>Our approach to Human Rights is complemented by a global "Integrity Line," a whistle-blowing mechanism available on our website, enabling our full value chain including all employees and their families, contractors, suppliers, business partners, community members and other stakeholders to report any integrity-related concerns in 36 languages. The hotline service is operated by an external third party and is a safe, anonymous and confidential way that allows individuals to report possible Code of Business Conduct violations or raise compliance-related questions. All grievances must be treated without any retaliation. We collaborate with internal and external stakeholders to investigate these reports and where misconduct is substantiated, we seek a fair and just remedy, and measures to prevent recurrence.</p> </div> <div data-bbox="574 625 945 1921"> <p>We transparently disclose, on an annual basis, the percentage of countries that conducted the Human Rights assessments in the last 3 years (>95%). As part of these assessments, action plans are defined to mitigate any issues identified. Progress monitoring of each action is crucial to ensure good risk management. Regular status updates, including on-time closure rate by the functions in charge of implementation are completed. The CSR / SD / Communications Coordinator at the country is responsible for the coordination of this process and for overall oversight of action plan implementation. High risk issues will be periodically and actively followed up by Group SD and Legal & Compliance teams directly with the country. High risk actions closure must be validated by Group SD. In order to anticipate developments in the operating environment, identified priority areas should be continuously monitored. Impact or self-assessments should be repeated after 3 years, with a special focus on high risk action closure to ensure it has mitigated the identified risk.</p> </div> <div data-bbox="980 676 1114 1921"> <p>The Corporate Human Rights Benchmark, where in 2020 we scored highest in the building materials sector with 18 points out of a maximum 26 points, also provides a reference that confirms that Holcim due diligence methodology is fully in line with the UN Guiding Principles for Human Rights, with a strong approach when benchmarked against other companies in our sector.</p> </div> <div data-bbox="305 264 367 571"> <p>Corporate Human Rights Benchmark (CHRB)</p> </div> <div data-bbox="402 264 464 571"> <p>See Criterion 3 and 4 for other links</p> </div>
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<u>Robust Labour Management Policies & Procedures</u>	
Criterion 6: The COP describes robust commitments, strategies or policies in the area of labour	<p>Employment practices and conditions for both employees and contractors are very important to Holcim and are an integral part of all human rights assessments. Holcim is committed to providing equal opportunities for all its employees and to nurturing a culture of mutual respect, trust and openness. Open dialogue with our stakeholders sets the basis for Holcim to develop its communication and exchange of information and ideas at a global level. Our employees are required to demonstrate the highest integrity, in alignment with our code of conduct, and to perform at a consistently high level. Sustaining this robust performance culture is the key goal of our people strategy. All our country operations undertake thorough assessments of our employment practices (including those concerning contractors and suppliers) and develop detailed local action plans when needed. The Group Human Resources Policy is applicable to all companies where Holcim Ltd has a controlling interest. The policy provides global principles for the correct execution of HR processes considering proper balance between fair treatment of our employees and business needs.</p> <p>In early 2020, at the beginning of the Coronavirus pandemic, Holcim focussed on taking the necessary measures to protect the health of its employees, customers, suppliers and other stakeholders. The situation was closely monitored in each of our 70 markets according to the evolving situation and to the guidance provided by the authorities in each country. In Europe this meant weekly/bi-weekly virtual meetings with the European Works Council to analyze together the impact of Covid-19 in our operations and our people, supported by the Health, Cash and Cost initiative. Similar processes were followed at the country level with the local unions and workers representatives.</p>
	<p>Group Human Resources Policy</p> <p>Diversity & Inclusion</p> <p>Our Code of Business Conduct</p> <p>Code of Business Conduct for Suppliers</p> <p>Health, Cost & Cash</p> <p>Covid-19</p>
Criterion 7: The COP describes effective management systems to integrate the labour principles	<p>Holcim Integrity line enables employees anywhere in the world to anonymously exercise their whistleblowing rights and report any breach of the rules laid down in our Code of Business Conduct. Holcim is committed to promote an active social dialogue with employee organizations, unions and other social stakeholders at all levels. This includes the Group's commitment to conduct business with a goal of zero harm and in full compliance with our code of business conduct. We work closely with our European Works Council and global unions as well as with diverse local unions and social stakeholders to ensure that the voices of our people are heard and their concerns are properly addressed. In addition, as part of our Human Rights due diligence, there are many elements related to our labour practices, such as working conditions, non-discrimination, minimum wage, freedom of association, contract workers and others.</p>
	<p>Global Integrity Line</p> <p>See Criterion 6 for other links</p>

<p>Criterion 8: The COP describes effective monitoring and evaluation mechanisms of labour principles integration</p>	<p>In each country the local HR team is monitoring the relations with the employee representatives and unions, developing the respective collective bargaining actions, and engaging in active social dialogue. The regional HR team supervises that the Group HR policies and applicable labor laws are fully complied in each country. All labor related concerns raised either by countries, regions, Integrity Line or other channels are investigated and remediated if required. To align the compliance of our HR policies in the countries we hold regular global webinars with the HR teams. In the case of Europe, an active dialogue with the European Works Council and the European Federation of Unions (EFBBW) are developed regularly including collaborations for research in supply chain working conditions. Regular dialogue is maintained with the global federations of unions (IndustriAll and BWI) and these channels are used to raise country specific cases and apply remedies as necessary. We collaborate with the OECD National Contact Points in Switzerland in relation to compliance of the OECD Guidelines for Multinational Companies in Holcim, facilitating contacts and mediation processes when needed.</p> <p>See Criterion 6 and 7 for other links</p>
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Robust Environmental Management Policies & Procedures	
Criterion 9: The COP describes robust commitments, strategies or policies in the area of environmental stewardship	<div> Net Zero Pledge Circular Economy Nature Health, Safety & Environment </div>
<p>As building materials draw on natural resources, protecting our environment is also a strategic priority. Holcim is committed to continuously improve its environmental performance and provide positive contributions to society and nature through its activities and engagements. Responsibility for environmental stewardship and compliance is shared between all levels of the organization. Climate change is one of today's biggest global challenges.</p> <p>In 2020, we became the first global building materials company to sign the United Nations Global Compact's "Business Ambition for 1.5°C" initiative with intermediate targets approved by the Science Based Targets initiative (SBTi) in alignment with the net zero pathway. In 2020 our climate goals were the most ambitious in our industry and we have partnered with the SBTi to define our net zero roadmap beyond 2030. Going one step further, we have developed a more comprehensive and rigorous approach to measure our Scope 3 emissions. Our revised methodology is aligned with the Greenhouse Gas and Global Concrete and Cement Association (GCCA) protocols. For the first time, our published Scope 3 data has received the same level of assurance as our Scope 1 and Scope 2 data.</p> <p>In 2020, we sharpened our focus on the circular economy. We announced a revised target to recycle 100 million tons of waste by 2030 and expanded our range of "eco" products containing recycled materials.</p> <p>In 2020, the amount of freshwater withdrawal per ton of cementitious material decreased by 8.6%. We have added more rigor to our water management program at some high-intensity sites, including an improvement in estimation methodology.</p>	

Criterion 10: The COP describes effective management systems to integrate the environmental principles	<p>"Integrity Line," a whistle-blowing mechanism enabling all employees and their families, contractors, suppliers, business partners, community members and other stakeholders to report any integrity-related concerns in 36 languages. The hotline service is operated by an external third party and is a safe, anonymous and confidential way that allows individuals to report possible Code of Business Conduct violations or raise compliance-related questions, including those related to environmental impacts. In 2020, 977 reports were made to the integrity line covering all integrity related topics.</p> <p>In 2020, we renewed our Quarry rehabilitation & biodiversity directive.</p> <p>In 2020, the number of cement sites with an Environmental Management System (EMS) certified to ISO14001 increased from 72% to 75% cement sites with EMS certified to a validated equivalent to ISO14001 increased from 86% to 89%.</p> <p>In 2020, a new reporting program focused on identifying critical Environmental Incidents and investigating root causes and improvements to avoid reoccurrence.</p>	<p>Environmental Policy</p> <p>Cement Environmental Directive</p> <p>Quarry rehabilitation & biodiversity directive</p> <p>Water & Waste Management Q&A</p> <p>Compliance program FAQ</p>
Criterion 11: The COP describes effective monitoring and evaluation mechanisms for environmental stewardship	<p>For the Executive Committee, and other senior managers, long term incentive performance share rewards are based on progress in CO2 emissions, Circular Economy (waste recycling) and freshwater withdrawal. This direct link between sustainability performance and executive compensation demonstrates that sustainability is a central part to the strategy and principles of our company. Holcim has implemented a global process to report, investigate and prevent environmental adverse events, which is based on aspects and impacts, and potential criticality of outcomes. Holcim participates in the Climate Disclosure Project (CDP), Sustainalytics, Morgan Stanley Capital International (MSCI), DOW Jones Sustainability Index (DJSI) and other ESG rating agencies. As part of the Minimum Control Standards, specific controls related to environmental impact (MCS 61), quarry rehabilitation and restoration (MCS 17) and human rights / stakeholder engagement (MCS 62) are defined. The Minimum Control Standards are assessed and tested every year in all our businesses across the globe. Our local CEOs and CFOs certify through signed letters to the Group that they are in place and operating effectively.</p>	<p>Sustainability Performance Report 2020</p> <p>CDP Water response 2020</p> <p>CDP Climate Change response 2020</p> <p>Minimum Control Standards</p>

<u>Robust Anti-Corruption Management Policies & Procedures</u>	
Criterion 12: The COP describes robust commitments, strategies or policies in the area of anti corruption	
<p>As a global leader in our industry, Holcim adheres to the highest of standards when it comes to how we manage and operate our day to day business everywhere around the world. We see it as our ethical duty.</p> <p>The guiding document is the Code of Business Conduct. The Code of Business Conduct ensures that all directors, officers and employees share Holcim's commitment to conducting business with integrity, and provides guidance on how to embed this commitment. Following from the Code of Business Conduct, Holcim has a number of internal policies & directives to provide greater detail of conducting business with integrity on a day to day basis. These include the Supplier Code of Business Conduct, Anti Bribery and Corruption policy, directives that set standards for gift giving and hospitality, sponsorships and donations, working with third party intermediaries (due diligence) managing conflicts of interest. Some of these documents are publically available and others for internal use only.</p>	<p>Anti-bribery and corruption policy</p> <p>Our Code of Business Conduct</p> <p>Code of Business Conduct for Suppliers</p> <p>Compliance Policy</p>

Criterion 13: The COP describes effective management systems to integrate the anti-corruption principle	<div data-bbox="240 321 269 569">Global Integrity Line</div> <div data-bbox="318 249 347 569">Compliance program FAQ</div> <div data-bbox="207 646 337 1917"><p>Compliance with the anti-corruption objectives of the Code of Business Conduct and the Anti Bribery and Corruption policy is obtained through implementation of a global compliance program. The compliance program is a behaviourally based set of activities designed to shape behavioural outcomes and build culture in the organisation. It includes all the elements to establish a system of adequate procedures.</p></div> <div data-bbox="378 636 472 1917"><p>The program controls are reinforced with transactional controls as part of the Minimum Control Standards, and accounting controls. The program is subject to audits, which are conducted at country level and include in scope all the controls of the program.</p></div> <div data-bbox="513 632 979 1917"><p>The compliance program includes annual and comprehensive risk assessments for bribery and corruption, conducted in every country, validated at group level, consolidated and included in the annual report. The second element of the program is controls, which are designed and deployed based on the levels of identified risk. The third element of the program is training and communications. Every country has an annual training and communications plan by which the country manages the continual dissemination of materials to build a culture of compliance. Communications are routinely made in the name of the Country business leadership, sending a clear signal and setting the tone from the top. The fourth element of the program is monitoring and follow-up. This has four components: (1) the quarterly publishing of compliance metrics from all countries that track and show the progress each country is making in implementation of the anti-bribery measures in country; (2) compliance functional reviews, a deeper dive into the implementation of the program in a country; (3) the IntegrityLine global whistle blower system, available in 36 languages with and extensive investigation and remediation follow-on infrastructure; and (4) internal audit. The fifth element of the compliance program is the organisation and governance over the program, to ensure fitness for purpose and adequacy of resources.</p></div>
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Criterion 14: The COP describes effective monitoring and evaluation mechanisms for the integration of anticorruption	<p>The investigation process for whistleblower reports is formalised, documented and reviewed at the highest governance level of the group. The Ethics, Integrity and Risk Committee (EIRC) meets every two weeks to review new cases and assign investigations. It monitors the progress of investigations and reviews the remediations taken. The EIRC reports extensively to the audit Committee on all investigations to ensure transparency and oversight by the board of directors.</p> <p>The design of the compliance program and the effectiveness and suitability of its controls are under continual improvement through the operation of the Compliance Functional Council, which comprises the regional heads of compliance and the group compliance officer, and makes expert and field-based recommendations to the EIRC. The program is designed and structured to meet with the requirements of the US FCPA, the UK Bribery Act and the French Sapin II law. The program is periodically reviewed by external specialist counsel.</p> <p>Minimum Control Standards</p> <p>See Criterion 12 and 13 for other links</p>
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Taking Action in Support of Broader UN Goals and Issues	<p>Criterion 15: The COP describes core business contributions to UN goals and issues</p> <p>As a major player in the industry, Holcim has a role to contribute to sustainable products and building techniques through product and process innovation. In order to increase our contribution to the UN SDGs, Holcim also collaborates with external initiatives and makes adjustments to its operating procedures.</p> <p>Holcim's proudly contributes to all SDGs, but focuses its efforts on the following: Clean water and sanitation (6), Decent work and economic growth (8), Industry, innovation and infrastructure (9), Sustainable cities and communities (11), Responsible consumption and production (12), Climate action (13), Life on land (15), and Partnership for the goals (17).</p> <p>Green Building Solutions</p> <p>UN Sustainable Development Goals</p>
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<p>Criterion 16: The COP describes strategic social investments and philanthropy</p>	<p>Holcim aims to link its Social Investments / Social Responsibility engagement with its business activities. Over the past five years, we have invested CHF 216 million in community projects, benefitting over 31 million people around the world. In 2020, we spent CHF 35.6 million on social investments, inclusive business programs, and donations. Around 5,000 employees throughout the Group spent over 50,000 hours on volunteering programs in their local communities. In 2020 our community initiatives focussed on a healthy and resilient response to the pandemic. Globally we:</p> <ul style="list-style-type: none"> • Contributed 3,750 tons of our products to build emergency field hospitals from Canada to Uganda • 4,150 days of volunteering in the fight against COVID-19 • Donated 1.7m masks and gloves • >700,000 meals and food packages for people in need. <p>Country operations focus on projects in collaboration with stakeholders where their expertise can contribute to achieving greater impacts. Holcim makes significant Strategic Social Investments in the communities in which we operate, primarily in the areas of affordable housing and infrastructure, health, education and skills. "Inclusive Business" initiatives focusing on shelter, such as our Affordable Housing program and sanitation have continued to be rolled out globally during the year. In order to coordinate efforts with other organizations and initiatives to amplify the impact of other contributors, Holcim's Human Rights and Social Policy clearly outlines the requirement to assess local needs and to partner with stakeholders around our operations to contribute to educational, cultural, social and economic development. Additional internal Directives encourage operating countries to establish partnerships with local, regional or global organizations in their strategic social investments, to provide additional sources of income and the necessary expertise.</p> <p>To take responsibility for the intentional and unintentional effects of funding and have due regard for local customs, traditions, religions, and priorities of pertinent individuals and groups, Holcim adopted the Strategic Social Investment, Sponsorship and Donations Directive in 2017. The Directive contains rules and requirements on how to target and manage donations, sponsorships and strategic social investments and outlines the organisational responsibility, management of contribution requests and monitoring and reporting.</p> <p>The Holcim Foundation for Sustainable Construction encourages sustainable responses to the technological, environmental, socioeconomic and cultural issues affecting building and construction. The Foundation stimulates exchange among all players in the construction industry to contribute proactively to tomorrow's built environment.</p> <div> Integrated Annual Report 2020 Sustainability Performance Report 2020 Human Rights & Social Policy Helping Communities - Covid-19 Holcim Foundation </div>
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<p>Criterion 17: The COP describes advocacy and public policy engagement</p>	<p>Holcim constructively contributes to the climate change policy debate to develop effective regulatory incentives to improve energy efficiency and CO2 intensity. We have published a statement outlining our views on climate policy, where it advocates for the introduction of effective carbon pricing mechanisms. We engage proactively and transparently with external stakeholders on the basis of positions that are aligned and consistent with the goals of the Paris Agreement. At the global level this is best illustrated through our cooperation with the World Bank's Carbon Pricing Leadership Coalition (CPLC) and UNEP's Global Alliance for Buildings and Construction (GABC) where we collaborate on an international scale on the transition towards net zero construction. We are also active within the industry to advance the sector's transition and support our climate policy views with leadership positions in the Global Cement and Concrete Association (GCCA) and Cembureau. Our climate-related advocacy focuses on four main topics:</p> <ol style="list-style-type: none"> 1. carbon pricing mechanisms adapted to net zero economies and value chains, 2. the creation of market-pull policies for low carbon products and solutions (incl. construction and building standards that embodied carbon performance on the basis of material-neutrality and lifecycle performance), 3. the deployment of advanced technologies such as CCUS and 4. access to competitive non-fossil energy. <p>Additionally, Holcim supports the implementation of regulatory frameworks that require mandatory human rights and environmental due diligence. A common legal requirement, such as proposed at the European Union level, contributes to bringing companies to the same standard. It also ensures that efforts made by companies to respect people and the planet are not undermined by the lack of uniform standards. Such regulatory frameworks increase legal certainty and ensure a competitive level-playing field, to the benefit of the environment and of local communities.</p> <p> Responsible lobbying and advocacy directive Industry Associations Climate Policy review Holcim Advocacy FAQ Public Policy & advocacy positions Global Citizenship </p>
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Criterion 18: The COP describes partnerships and collective action	<p>As a global leader in building materials and solutions, we are conscious of the bigger picture and strive to ensure that we live up to the responsibilities that come with our presence in many diverse countries. We partner with various organisations to promote sustainability within our sector and beyond at local, national and global level. For example, we collaborate with the World Bank's Carbon Pricing Leadership Coalition (CPLC), the Global Alliance for Building and Construction (GABC), the Value Balancing Initiative (VBA), the Conference Board and various other organisations. Our CEO is a member of the Executive Committee of the World Business Council For Sustainable Development (WBCSD) and our Chief Sustainability & Innovation Officer is a member of the Business for Nature Strategic Advisory Group and the Corporate Advisory Group of the World Green Building Council (WGBC).</p>	Global Citizenship
Corporate Sustainability Governance and Leadership		
Criterion 19: The COP describes CEO commitment and leadership	<p>The Executive Committee, under the leadership of the CEO, is ultimately responsible for execution of the sustainability strategy. Sustainability issues are represented at the Executive Committee by the Chief Sustainability & Innovation Officer. The appointment, and position at the Executive Committee, of a Chief Sustainability and Innovation Officer is representative of our vision to be the global leader in innovative and sustainable building solutions and to build progress for people and the planet. In 2020 we introduced a sustainability objective with one third of the overall weighting into the long term incentive for the 200 Holcim top senior managers. This encompasses three pillars of the company's sustainability strategy in line with Holcim's commitment to build a zero net future with science-based targets:</p> <ul style="list-style-type: none">• Climate and energy: reduction of CO2 emissions per ton of cement produced (50% weight);• Circular economy: quantity of re-used waste derived resources (25% weight);• Environment: reduction of freshwater withdrawal per ton of cement produced (25% weight). <p>We integrated our sustainability and financial reporting, driven by the CEO and Exco. Consistent with this commitment and accounting for financial and non-financial value in our strategic thinking, we conducted a comprehensive review of our material issues, asking external and internal stakeholders which topics were most relevant for future value creation.</p> <p>In February 2020, Jan Jenisch, Holcim CEO, joined the Call to Action for Business Leadership on Human Rights by the World Business Council for Sustainable Development (WBCSD). In 2020, Holcim's CEO Jan Jenisch signed the Call to Action of Business for Nature, which brings together influential organizations and forward-thinking businesses seeking to reverse nature loss. By signing the call we aim to positively influence policymakers who are currently discussing international agreements on nature and climate change.</p>	Integrated Annual Report 2020 Call to Action for Business Leadership on Human Rights Chief Sustainability & Innovation Officer - press release

<p>Criterion 20: The COP describes Board adoption and oversight</p>	<p>The Board of Directors bears ultimate responsibility for strategy and overall governance of the company. Through the Audit Committee and the Health, Safety and Sustainability Committee (HSSC), established in 2017, the Board of Directors oversees Holcim risk management, Internal Control and sustainability related risks. The Audit Committee mandate includes the oversight of compliance and risk management processes and the review of management and internal audit reports on the effectiveness of internal control systems and on the performance of the annual risk assessment process. The HSSC mandate is to support and advise the Board of Directors on promoting a healthy and safe environment for employees and contractors, as well as on sustainable development and social responsibility. The HSSC approves Holcim's sustainability strategy framework and reviews performance against key targets.</p> <p>Audit Committee Charter Health Safety & Sustainability Committee Charter See Criterion 19 for links</p>
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Criterion 21: The COP describes stakeholder engagement	<div data-bbox="224 321 284 594">See earlier criterion for links</div> <div data-bbox="224 642 711 1890"> <p>Holcim has been committed to proactive stakeholder engagement that focuses on awareness, dialogue and collaboration and is designed to create shared value. Holcim applies high standards to corporate governance. The goal is to assure the long-term value and success of the company in the interests of various stakeholder groups: customers, shareholders, employees, creditors, suppliers, and the communities where Holcim operates. As outlined in the Sustainability Performance Report under stakeholder engagement and human rights, Holcim reports data such as the number of community advisory panels, number of engagements with key stakeholders at site level, and complaints related to indigenous people, land rights, human rights, environmental impact, and other potential topics are recorded. Furthermore, any conflicts with stakeholders they may have or expect in the future and how such conflicts are addressed is captured. Also, countries report on the latest version of their human rights assessment and the implementation status of their human rights action plan.</p> <p>In order to further strengthen our stakeholders' ability to reach us, Holcim has a public Integrity line, which enables any stakeholder anywhere in the world to anonymously exercise their whistleblowing rights and report any breach of the rules laid down in our Code of Business Conduct.</p> </div>
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Zug, 30th of November 2021


Jan Jenisch
Holcim Chief Executive Officer