

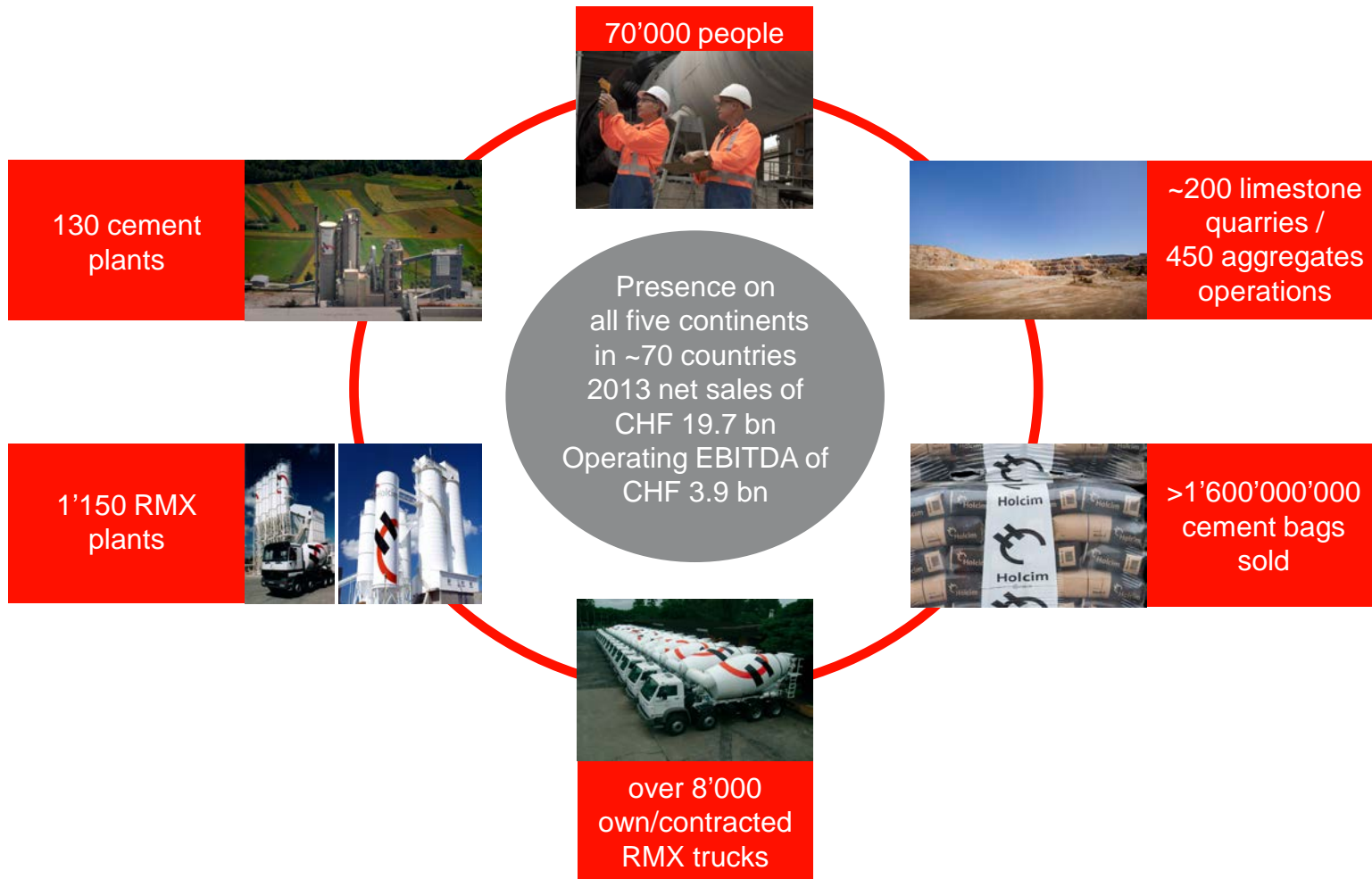


Governance in emerging markets - a Holcim perspective

2nd Swiss Sustainability Leaders Conference, November 2014
Bernard Mathieu, Head of Sustainable Development



Holcim at a glance



Holcim is one of the world's leading suppliers of cement and aggregates (crushed stone, gravel, and sand), as well as further activities such as ready-mix concrete and asphalt including services.

Customer Commitments and Sustainable Development: Holcim commits to create value for all stakeholders

Our Customer Commitments



1 We are easy to do business with

We keep things simple for our *Customers* in everything we do.



2 We keep our promises

We deliver on the promises we make to our *Customers*; we ask for feedback and always act upon it.



3 We create value

We understand who our *Customers* are, what drives their business and what they value; we build lasting relationships and find the best possible solutions to their needs.

Our vision is to be the most customer focused company with the highest customer loyalty in our industry; to create more value for our customers and higher and sustainable returns for our company

Our Sustainable Development Ambition 2030

Sustainability Enhanced Solutions

Grow our portfolio of sustainability solutions to 1/3 of revenues in 2030

Climate

Acting to cap the carbon footprint across the lifecycle



Resources

Minimize the use of primary resources
Show a positive impact on water and a positive change on biodiversity



Communities

Invest strategically and develop 'inclusive business' models to create positive social impact and business returns



To provide foundations for society's future

Holcim – well balanced global portfolio

Sales volumes per region 2013 (million t or m³)



Asia Pacific

• Cement	70.3
• Aggregates	25.2
• RMX	10.9



Latin America

• Cement	25.0
• Aggregates	10.2
• RMX	8.0



Europe

• Cement	26.7
• Aggregates	74.1
• RMX	12.3



North America

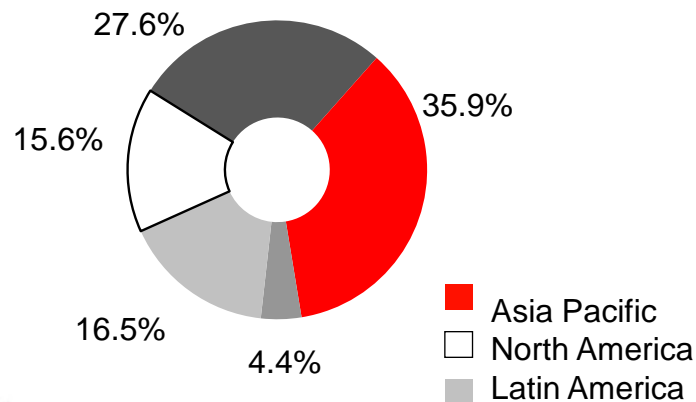
• Cement	11.7
• Aggregates	42.8
• RMX	7.5



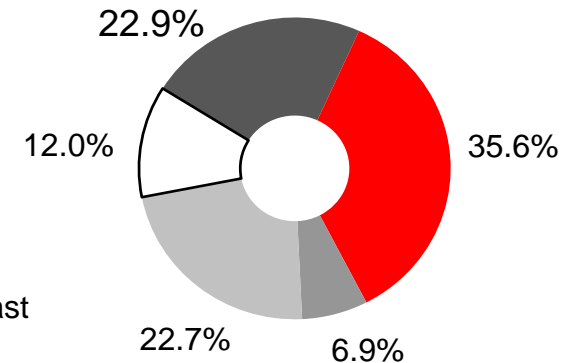
Africa Middel East

• Cement	7.9
• Aggregates	2.2
• RMX	0.8

CHF 19.7 million net sales 2013



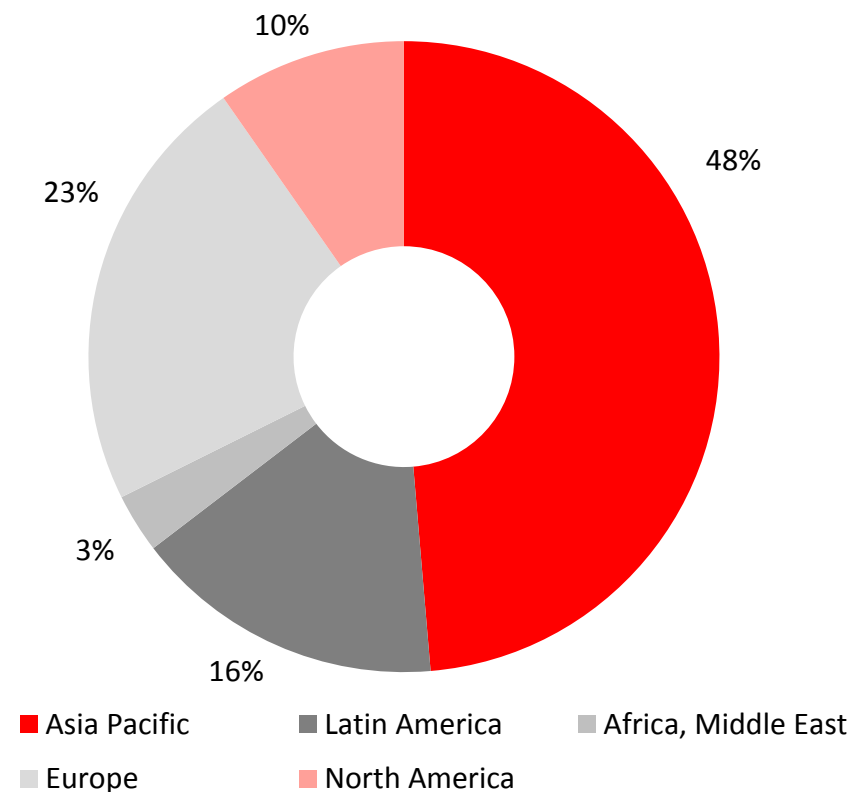
CHF 3.9 billion op. EBITDA 2013



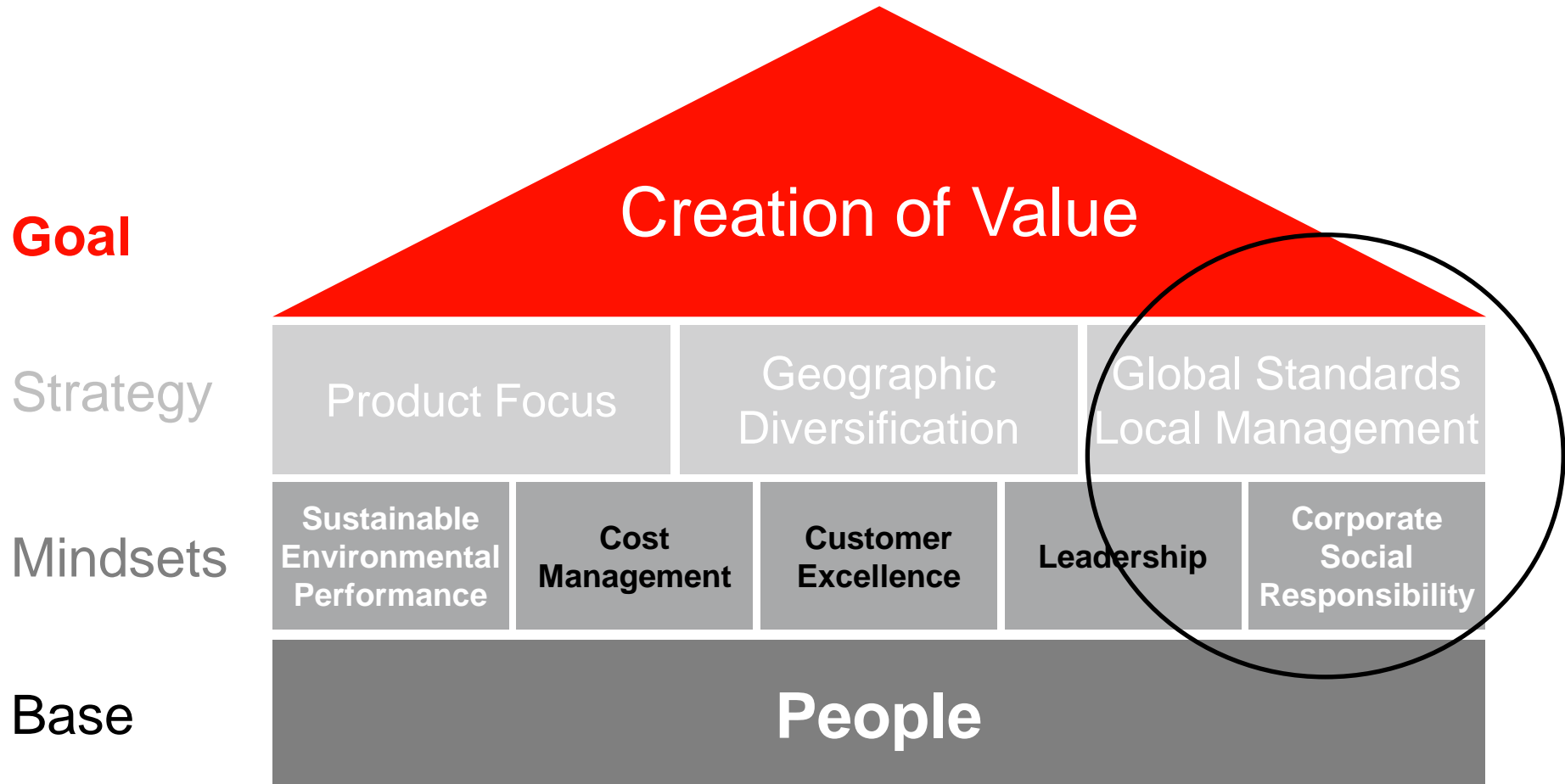
Our global portfolio brings about opportunities – but also significant challenges

- Majority of our employees are in emerging markets
- Inherent social, human rights and compliance challenges
- Two speed economy
- Attraction and retention of talent is a growing challenge
- Long term business - societal license to operate is critical
- Widespread and diverse supplier base – mainly local
- Increasing scrutiny on how MNCs conduct their business

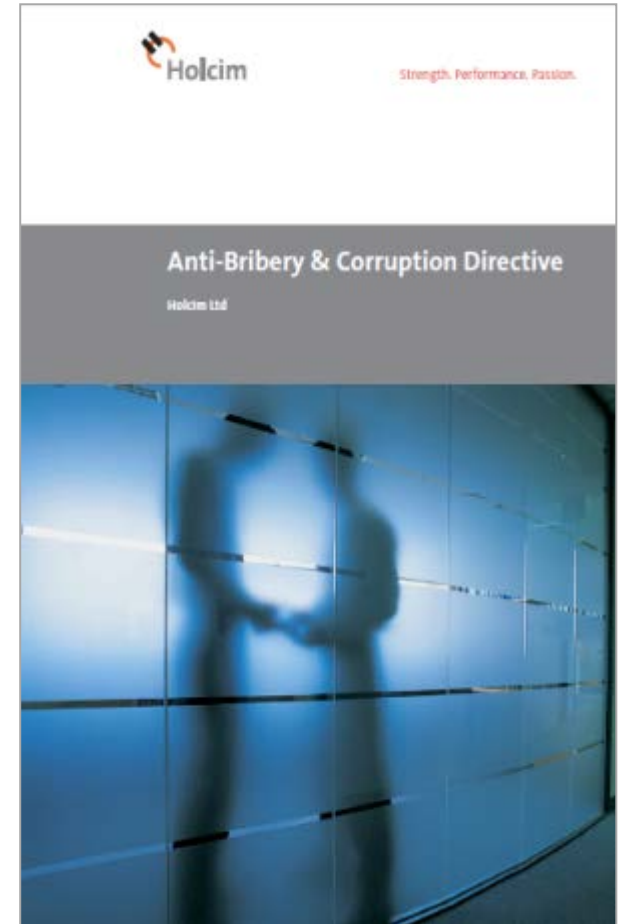
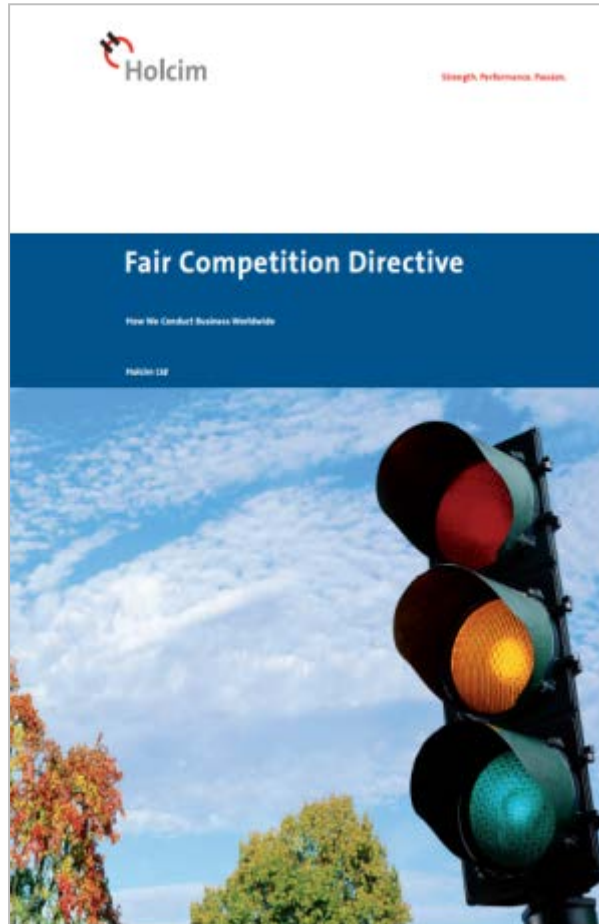
Geographic distribution of employees 2013



The need for global standards and corporate responsibility is embedded in our strategy



It starts with a zero tolerance approach to non compliance infringements.....



Formalized into binding policies and directives.....

.....and backed up with a strong tone from the top, training and a global reporting and advice tool

Integrity Line



Dear Colleagues,

In today's world, carrying out Holcim's activities requires us to act with integrity and in strict compliance with the law regardless of challenge or consequence. That's the way Holcim does business.

Over the past few years, we have been constantly raising the bar for our professional practices. We have successfully implemented new policies and processes in governance, ethics and compliance. As part of these efforts, we are committed to ensuring an open culture of integrity where all employees feel secure in seeking advice and in raising concerns.

As a Holcim employee you have the responsibility to raise compliance and ethics concerns through our established channels. If you see any behavior or practice against our Code of Conduct, you are encouraged to speak to your line manager, local legal or compliance counsel or a human resources representative to voice concerns. An alternative option for reporting concerns or asking questions is the Holcim Integrity Line, a secure phone and web-based ethics advice and reporting system supported by an independent provider. The Integrity Line is available for you to ask compliance-related questions or make a report 24 hours a day, seven days a week.

Regardless of the way you choose, we stand by our promise of a retaliation-free environment for anyone who comes forward in good faith to report suspected violations.

Every employee will have my support and the support of the management in defending our Code of Conduct and promoting our values.

Regards,

Bernard Fontana
CEO of Holcim Ltd

Integrity Line



Access to Integrity Line

--> Online
--> By phone

Availability

Is the Integrity Line available already in your country?

Technical Support

+41 44 500 11 39

Contact Group Compliance

group-compliance@holcim.com
Phone: +41 58 858 87 00



Know the Business

2014 Annual Compliance Training

Compliance Department

Aggregate Industries US



Legal & Compliance, AGG 2014 Annual Compliance Training

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Your safe way to speak up

Integrity Line

<https://integrityline.holcim.com> , 1800 81 75 08

operated on behalf of
Holcim

Addressing the challenges in implementing policies

- Resources
- Effective training
- Country culture and practices
- Support to operations
- Consistent consequence management
- Communication
- Leadership from the top is critical



Our CSR strategy engages the community....

Building capacity of people and organizations through social engagement and investment



Social Engagement

Developing business solutions to social problems



Creating Shared Value

Engaging employees worldwide for Sustainable Development



Employee Involvement



Risk Management

Ensuring promotion of global social standards


Promoting global labor standards.....

- Contract Workers Directive issued in 2012
- Formalizes the obligations of Group companies i.r.o
 - ▶ compliance with national legal regulations
 - ▶ Holcim global standards
 - ▶ ILO core labor conventions
- Provision made for auditing of adherence
- Included in scope of CSDR assurance



.....Human Rights assessments.....

I Categorization of Operating Environments



Based on global indices:

- ▶ Freedom House Index
- ▶ UN Human Development Index


II Assessments

HIGH RISK Business Environment	MEDIUM RISK Business Environment	LOW RISK Business Environment
Impact assessment: 7-10 days per Group company led by a trained facilitator	Impact assessment in case of relevant claims, otherwise self-assessment	Self-assessment: ½ day internal workshop with local management

III Action Plan Implementation and Monitoring

Addressing identified risks and seizing opportunities in:

- ▶ Own operations
- ▶ Business relationships



- The methodology is based on a global risk mapping and pilot assessments conducted between 2010 and 2012.
- Implementation to date:
 - 6 human rights impact assessments completed
 - Manual and tools communicated to all Group companies
 - Face-to-face and online trainings delivered
- Appropriate assessments in line with the risk categorization of the operating environment are planned in all Group companies.

...and sustainable supply chain management

1. Supplier Code of Conduct

Supplier Code of Conduct approved by Holcim EXCO and communicated to all suppliers and Group Companies

2. Supplier prioritization

High risk suppliers to be prioritized by Group Companies and Corporate Procurement based on assessment of business, safety, environmental social and legal risk

3. Risk assessment

Continuous evaluation of risk exposure through self-assessment / fact finding / verification, as determined by Group Companies

4. Risk mitigation

Supplier development or replacement, as determined by procurement and other relevant functional experts

5. Scorecard

Continuous performance tracking for the Holcim Corporate Sustainable Development Report.





Holcim