

Acting for responsible sourcing in our supply chain

Code of Business Conduct for Suppliers



Table of Contents

- 03 Introduction to Sustainable Procurement at LafargeHolcim**
- 04 Our Commitment to Suppliers**
 - Business Conduct
 - Category Management and Supplier Relationship Management
- 05 Our Expectations of Suppliers**
 - Health and Safety
 - Security
 - Working Conditions
 - Freedom of Association and Non-retaliation
 - Forced Labor
 - Child Labor
 - Non-discrimination
 - Environmental Regulatory Compliance
 - Management of Environmental Impacts
 - Bribery and Corruption
 - Competition Laws
- 07 Terms of Engagement**

1. Introduction to Sustainable Procurement at LafargeHolcim

LafargeHolcim 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.

Sustainable procurement at LafargeHolcim is based on the standards enshrined in the United Nations Global Compact.

We integrate sustainable development into our procurement strategy, our day-to-day operations and relationships with Suppliers. All LafargeHolcim group companies are required to identify, prevent and manage risks pertaining to Health and Safety (H & S), social responsibility and environment in their supply chain.

All LafargeHolcim Suppliers are required to communicate and promote the application of the same principles, as described in this document, in their supply chain.

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.

2. Our Commitment to Suppliers

LafargeHolcim 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.

Business Conduct

When carrying out procurement duties and responsibilities, all LafargeHolcim employees are expected to share with Suppliers the company's commitments to high legal, ethical and moral standards. Our internal guidance sets norms of behavior in procurement activities in the areas of courtesies, conflict of interest, corruption, competition law and confidential information. LafargeHolcim employees are encouraged to continually consider and discuss issues of ethical behavior.

Category Management and Supplier Relationship Management

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



3. Our Expectations of Suppliers

LafargeHolcim is committed to meeting high social, environmental, and H & 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.

Health & Safety and Security

Health and Safety

Suppliers shall provide a safe and healthy work place for their employees and contractors. Suppliers must be compliant with local and national laws and regulations on occupational Health and Safety (H & 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 H & S shall take action and bring proof of continuous improvement towards a recognized H & S management system in place. When on LafargeHolcim sites, Suppliers must comply fully with applicable LafargeHolcim policies and directives.

Security

Suppliers shall ensure that all necessary security arrangements are in place to protect their employees, contractors performing work at their sites, as well as their assets, especially in areas of conflict. In particular, suppliers are expected to

have an actionable crisis management policy in place to be able to respond to emergencies timely and efficiently.

Working Conditions

Suppliers shall uphold fair and decent 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. Should there be no legal minimum wage in the country of operation, fair and decent conditions imply suppliers shall pay their workers considering the general level of wages in the country, the cost of living, social security benefits and the relative living standards.

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.

² Standards are based on the United Nations Global Compact principles

Forced Labor

Suppliers shall not use work that is performed involuntarily under threat of penalty, including forced overtime, human trafficking, debt bondage, forced prison labor, slavery or servitude. Suppliers shall not withhold migrants' workers' identification documents.

Child Labor

Suppliers shall not employ children at an age where education is still compulsory. Children under the age of 18 or below the legal minimum age, shall not be employed.

Non-discrimination

Employment-related decisions shall be based on relevant and objective criteria. Suppliers shall make no distinctions on grounds including, but not limited to: age, disability, gender, sexual orientation, political or other opinion, ethnic or social origin or religion. Employment-related decisions include, but are not limited to: hiring, promotion, lay-off and relocation of workers, training and skills development, health and safety, any policy related to working conditions like working hours and remuneration.

Environmental Regulatory Compliance

Suppliers shall respect and comply with environmental regulatory requirements on all levels (local, national and international). In all their activities, they shall be covered by required environmental permits and licenses, and support a precautionary approach to environmental challenges.

Management of Environmental Impacts

Suppliers shall systematically manage their environmental impacts with respect, but not limited 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 take action and demonstrate proof of continuous improvement towards having a recognized Environmental Management System in place.

Bribery and Corruption

Suppliers shall comply with all applicable anti-corruption laws and regulations and, to this effect, have a zero tolerance policy towards any form of bribery, corruption, extortion and embezzlement. In particular, Suppliers shall not pay bribes or make any other inducement (including kickbacks, facilitation payments, excessive gifts and hospitality, grants or donations) in relation to their business dealings with customers and public officials. Suppliers are expected to perform all business dealings transparently and these dealings shall be accurately reflected on their business books and records. Suppliers shall not hire third parties do something they are not allowed to do themselves, like paying bribes.

Competition Laws

Suppliers shall comply with all applicable competition laws in the performance of their contract with LafargeHolcim and, to this effect, have a zero tolerance policy towards any form of violation of such rules. Suppliers shall not, in particular, attempt to introduce in their contractual agreements with LafargeHolcim any conditions that would be in breach of competition laws. Suppliers are also expected to take all necessary precautions in order to avoid the disclosure of any commercially sensitive information about their supply relationship with LafargeHolcim to third parties and vice versa.

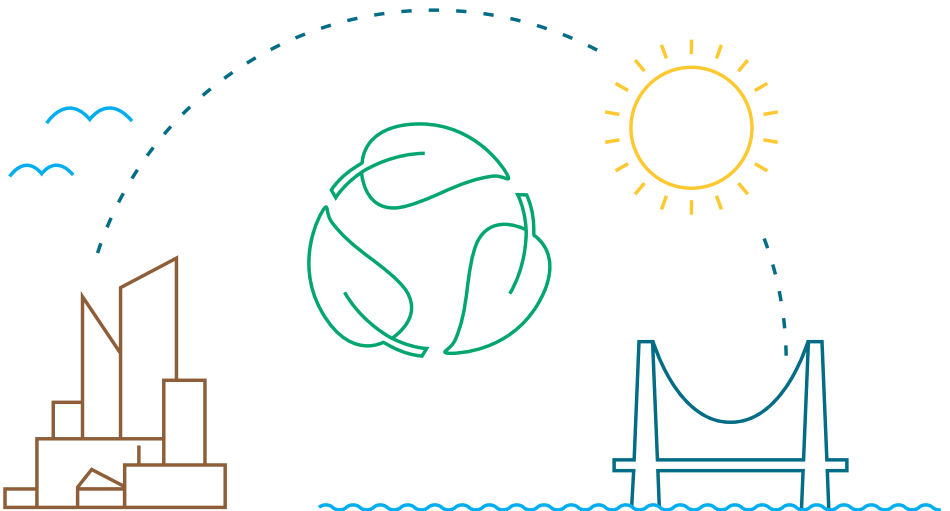
4. Terms of Engagement

This Code of Conduct applies to all LafargeHolcim 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 LafargeHolcim.

For prioritized Suppliers, LafargeHolcim conducts regular risk evaluation in the form of self-assessments, fact finding or audits, as determined by local procurement functions. LafargeHolcim 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 LafargeHolcim will monitor progress. LafargeHolcim may support Suppliers in developing their capabilities and improving their performance. LafargeHolcim 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 LafargeHolcim reserves the right to exclude Suppliers that are not compliant with local, national or international laws or regulations.





LafargeHolcim Ltd
Züricherstrasse 156
8645 Jona
Switzerland
www.lafargeholcim.com

© 2016 LafargeHolcim Ltd
Version as of January 27, 2016

