

Policy Compliance

March 4 2020

1. Framework

The Holcim Compliance Policy (“Compliance Policy”) is an integral part of the Holcim Policy Landscape.

This Compliance Policy sets out:

- Scope of the Compliance Function
- Policy Principles governing the Compliance Program
- Annex 1: Roles and Responsibilities
- Annex 2: Holcim Directives related to the Compliance Function
- Annex 3: Definitions and Abbreviations

2. Scope

2.1 Applicability of this Compliance Policy

This Compliance Policy applies to all officers, directors and employees of all grade and levels of Holcim Ltd and its consolidated affiliated group companies (“Holcim” or the “Group”). Compliance risk in non-consolidated entities is addressed through the requirements of the Holcim third party management directive in respect of joint ventures and other associate entities.

2.2 Scope of the Compliance Function’s Mandate

2.2.1 Promotion of a Principles-based Culture of Integrity

Holcim promotes a principles-based culture of integrity that respects not only the letter of the law but also the spirit of the underlying principles. The Compliance Function assists Holcim management to develop compliance-minded leaders and promote and foster a foundation of integrity in its business practices.

2.2.2 Compliance Risk Management and Delivering Solution

The Compliance Function provides reasonable assurance to management that compliance risks within its scope of responsibility are appropriately identified and managed using a risk-based and structured approach. The key responsibilities of the Compliance Function lie in the prevention, detection and correction of compliance infringements through the implementation of a system of adequate procedures

through which risks are identified and assessed, controls to mitigate those risks are defined and implemented, controls are communicated and employees trained, and these are followed up, monitored and reported to management and the applicable governing bodies. This system of adequate procedures is structured through the compliance program which is as follows:

- Risk Assessment. The compliance program is based on a review of the risks present in the business. The compliance risk assessment enables the development of controls that target and mitigate the identified and assessed risks.
- Controls. Controls include the policies, directives, entity level and transactional internal controls, guidance and advice to the business through which mitigation measures are structured and implemented.
- Training and Communication. The implementation of controls and the recognition of risks require that the compliance function communicate and train employees. Such communication and training shall be developed and delivered on a risk –basis across the group.
- Monitoring and Reporting. The conduct of risk assessments, the implementation of controls, and the delivery of training and communication shall be monitored and reported to the first line management, executive management and the governing bodies of the group. There shall be provision for an alert system, warning of possible breaches in the code of business conduct, laws and regulations, an investigation capability, ongoing functional review of the performance of the compliance program in specific geographies, internal audit and continuous improvement.
- Organization and Governance. The group shall assign roles and responsibilities sufficient to support the requirements of the compliance program, and provide oversight of such resources through the governance of the compliance functional council and the Ethics, Integrity and Risk Committee (EIRC).

The Compliance Function also supports other stakeholders, such as Legal, Finance, Human Resources, Health & Safety and Sustainable Development in the prevention of compliance violations, compliance risk detection and mitigation activities. In this respect the Compliance Function complements other Group assurance providers, such as Internal Control, Internal Audit and Group Security. Accordingly, the Compliance Function serves to strengthen the risk management capabilities of Holcim.

2.2.3 Compliance within the "Three Lines of Defense"

With respect to its role as a compliance assurance provider, the Compliance Function (together with the Legal and Internal Control Function) forms the second line of defense under the "Three Lines of Defense" model:

1st Line: Holcim business and management owns, implements and operates business controls to ensure compliance with laws, regulations and policies (including supervisory controls).

2nd Line: Within its scope of responsibility, the Compliance Function (i) works with first line management to identify risk exposures and applicable mitigation activities; (ii) performs monitoring to gain assurance that compliance controls operate effectively; and (iii) reports upon its activities as well as significant findings to the first line management, executive management and governing bodies (EIRC, Audit Committee and Board of Directors of Holcim) . The Compliance Function aligns its activities with the other 2nd Line assurance providers, in particular with Legal, Risk Management, Internal Control and Group Security.

3rd Line: Independent assurance providers, e.g., Group Internal Audit or external auditors opine on the effectiveness and efficiency of Holcim's systematic risk management, internal control system and governance processes. With respect to the Compliance Program this ensures that compliance-related processes, directives and controls achieve their objectives, are regularly tested and effectively enforced.

2.2.4 Areas of Responsibility

The Compliance Function is responsible for the management of Holcim's compliance risks in the below areas. The Compliance Function executes its responsibilities in conjunction with first line management and other functions that may have content ownership or control responsibility in those risk areas.

- Active and/or passive bribery or corruption in business transactions;
- Embezzlement/fraudulent breach of trust;
- Fraud, including accounting fraud and violations of financial reporting principles;
- Theft and misappropriation of corporate funds and property;
- Conflict of interest rules;
- Insider dealing/insider trading;
- Applicable competition and anti-trust laws;
- Data privacy laws and regulations;
- Gifts and hospitality rules;
- Donations and sponsorship guidelines, including contributions to charitable and/or political institutions;
- Workplace retaliation vis-à-vis reporters of violations or concerns;
- Anti-money laundering;
- Embargoes and trade control regulations; and
- Any other relevant areas determined by the EIRC from time to time.

3. Policy Principles

3.1 General Compliance-related Principles

3.1.1 Top management commitment

A compliance culture begins with leadership from the top of the organization. The commitment of the Board of Directors (“BOD”) and the executive committee, and each leadership level below sets the tone for the standards of behavior that are tolerated, and the standards that are not. At the Holcim Group, the BOD is directly engaged in setting the framework for compliance and supervising its execution.

3.1.2 Acting with integrity equals sustainable business

Acting with integrity, including compliance with laws, regulations and ethical standards is key to the sustainable success of Holcim. Holcim strives to do business with the best possible results but only if such results are consistent with a culture of integrity. The Holcim Policy Landscape serves to embody Holcim's

aspirations in this regard, and therefore consequently preserves the interests of Holcim's many stakeholders as the organization's cornerstone of good corporate governance.

3.1.3 Personal accountability

Each Holcim employee is responsible for ensuring compliance in his or her area of competence and influence; to act with integrity and comply with local laws, the Holcim Code of Business Conduct and other applicable Holcim policies and directives.

3.1.4 Zero tolerance approach

Compliant behavior is expected at all levels of the Holcim organization, especially from Holcim management, who is responsible for setting a consistent and credible example. Consequently, Holcim does not tolerate any violations of applicable laws and regulations, or internal policies and directives, in particular of the Holcim Code of Business Conduct.

3.2 Three Compliance Action Levels: Prevent, Detect and Correct

The three compliance action levels encompass a comprehensive system of activities by which Holcim intends to ensure that its business is conducted with integrity and in accordance with applicable laws and regulations, internal policies and directives.

3.2.1 Prevent

The predominant role of the Compliance Function lies in the prevention of potential compliance infringements. Within the scope of its mandate, the Compliance Function:

- Enables Holcim management to promote an integrity-based culture within the Group (including a strong "tone from the top");
- Delivers compliance solutions, such as practical guidance, policies, business advice and trainings, compliance due diligence processes and other processes mitigating compliance risks;
- Actively communicates the compliance responsibilities to the Holcim staff and spearheads internal awareness campaigns on conducting business with integrity;
- Identifies Group-wide compliance risks, including thorough periodic risk assessments;
- Assists first line management to manage and mitigate identified compliance risks effectively and provide assurance to the Holcim management in this respect; and
- Coordinates with other corporate functions (in particular Legal, Human Resources, Internal Audit, Internal Control, Health & Safety, and Sustainable Development) to ensure proper internal oversight of business and governance functions in all compliance-related matters.

3.2.2 Detect

The Compliance Function is responsible for detecting violations or concerns through:

- Maintaining a Group directive relating to the reporting of violations or concerns;

- Supporting internal reporting systems and other escalation channels to facilitate reporting of violations and concerns;
- Promoting awareness of the expectation and capabilities to report violations or concerns;
- Specific compliance assessments upon request by the Executive Committee and/or the Audit Committee / EIRC; and
- The evaluation, investigation and systematic tracking of information resulting from specific internal communications, anonymous sources and external information providers in accordance with law.

The Holcim Business Integrity and Speaking Up Directive (as amended and restated from time to time, the "Business Integrity Directive") collates the relevant principles for internal investigations in order to ensure that investigators fully comply with the law and the best professional and ethical standards. The Compliance Function and all other functions and employees who participate in the investigation process must strictly abide by the process and the principles set out in the Investigation Directive.

If and to the extent local business, process or legal requirements are incompatible with the Business Integrity Directive, the relevant Regional Compliance Officer ("RCO"), Area Compliance Officer ("ACO") or Local Compliance Officer ("LCO") may develop local investigation guidelines and policies. Such local investigation procedures require consultation and prior approval of the Head of Group Investigations ("HGI") and the Head of Group Compliance ("HGC").

3.2.3 Correct

Compliance-related infringements may expose breaches or gaps with regard to internal policies, processes and controls. It is the responsibility of the Compliance Function to work with all stakeholders to identify weaknesses and control gaps, cooperate with the Internal Control function in preparing proposals for control-related corrective measures, support management during implementation of corrective measures and ensure a systematic follow up of such measures.

At times, a violation of law or corporate regulations, in particular the Holcim Code of Business Conduct, may be detected, which could have serious consequences, including disciplinary action up to and including termination of an employment contract, as well as possible civil or criminal penalties for individuals as well as Holcim.

The EIRC and Regional Legal and Compliance shall be responsible for approving process-related corrective measures and recommending appropriate sanctioning measures for Group relevant compliance infringements and non-Group relevant compliance infringements, respectively, to the appropriate level of management in accordance with the relevant committee charters.

3.3 Compliance Reporting

Periodic compliance reporting is part of the oversight mechanism within the Compliance Function to ensure that its mandate is fulfilled and the objectives of the function are met, both in terms of quality and timeliness. This task encompasses a periodic up-stream reporting as well as ad hoc reporting measures.

3.3.1 Periodic Reporting

The quarterly reporting within the Compliance Function encompasses (scope and details as further instructed and specified by the HGC from time to time):

- Reported violations and concerns as reviewed through the Integrity Line and Business Integrity processes
- Activities/progress of compliance management implementation as reflected in the Compliance '6 Pack' or similar metrics
- Identified compliance risks and planned/implemented risk mitigation measures (included in the '6 pack')
- Training activities (included in the '6 pack')
- Monitoring/review activities Other compliance-related activities
- Resources (Local) laws and trends

The LCOs provide reports to the RCO responsible for their region. The RCO consolidates the information on a regional level and reports to the HGC in his/her area of responsibility within the timeframe specified by the HGC and according to the scope and format as defined by the HGC. Much of this reporting is conducted through the Compliance Functional Council.

The HGC provides quarterly compliance updates to each EXCO member regarding his/her area of responsibility and to each Country CEO regarding the implementation of compliance risk mitigation activities in the country. The Group General Counsel reports to the Executive Committee, Audit Committee and board of directors on the overall status of Holcim's compliance program, the Group's adherence to the Code of Business Conduct, major legislative and regulatory developments and, as Chairman of the EIRC, on Group-relevant investigations and related (disciplinary and process) remedial measures.

3.3.2 *Ad hoc reporting*

The Business Integrity Directive articulates the obligation on all employees to report real or apparent breaches of the Code of Business Conduct, or laws and regulations. These reports are then dealt with the procedures laid down in the Business Integrity Directive and internal process documentation authorized by the EIRC.

All reports are assessed by the Head of Group Investigations (HGI) and a recommendation made as to whether to assess further, investigate or close. The recommendation is approved by a sub-committee of the EIRC, which meets regularly to review reports. The Group General Counsel reports as required on an ad hoc basis to the (i) Chairman of the Audit Committee, and (ii) the Group CEO if a potential violation could (a) jeopardize the reputation of Holcim, (b) lead to a financial exposure of more than CHF 5'000'000, or (c) carry a high likelihood of investigation by public authorities.

This Policy was approved by Group Executive Committee on July 20, 2015 and the Finance and Audit Committee of the Board of Directors on August 31, 2015, and will come into force on September 1, 2015.

Original dated: July 20, 2015; Revision 1: March 4, 2020

Compliance Policy

Date of Approval	Responsible Group Executive Member	Responsible Manager
Revision March 4, 2020	Keith Carr, Group General Counsel	Christopher Wright, Head of Compliance

Annex 1: Roles & Responsibilities

A clear and transparent organizational and functional structure with defined accountabilities is essential for the execution of the Holcim Compliance Program. The following roles and responsibilities of particular relevance include:

1. *Corporate level*

1.1 *Board of Directors ("BoD")*

The Holcim BoD has ultimate responsibility for corporate governance in accordance with the Swiss Code of Obligations, including the Compliance Function and the Code of Business Conduct. In this respect, the BoD is responsible for emphasizing the undisputed necessity of compliance, to initiate comparisons with best practices in the industry and to amend the Compliance Policy accordingly. The BoD has delegated the responsibility for oversight of compliance with laws and regulations and the Code of Business Conduct to the Audit Committee of the BoD.

1.2 *Audit Committee of the BoD ("Audit Committee")*

The mission and duties of the Audit Committee, as defined in the Audit Committee Charter, include the assessment of the Group's Compliance Function. In this context, the Audit Committee reviews:

- The overall development regarding the status of Holcim's compliance with laws and the Code of Business Conduct;
- Major legislative and regulatory developments;
- Processes and procedures for monitoring compliance with local laws;
- Compliance by the Holcim management with company policies; and
- Such other matters in relation to Holcim's compliance with laws as the Audit Committee may in its own discretion and in accordance with the Audit Committee Charter deem desirable.

The Audit Committee shall have the authority to conduct or authorize investigations into any matters within its scope of responsibilities.

1.3 *Holcim Ltd CEO ("Group CEO")*

In addition to the responsibilities listed for all Executive Committee Members and the Group CEO in the Group Organizational Rules, the Group CEO is accountable for overall compliance at Group level and promotes a culture of integrity and zero-tolerance within the Group.

1.4 *Chief Legal and Compliance Officer (Group General Counsel)*

The Group General Counsel is responsible for the oversight and management of the Compliance Function. The Group General Counsel has the authority to establish performance objectives for any member or classification of members of the Compliance Function. The Group General Counsel reports on a periodic and ad hoc basis to the Audit Committee of the BoD on the status of Holcim's compliance program, the

Group's adherence to the Code of Business Conduct, major legislative and regulatory developments and, as Chairman of the EIRC, violations of Code of Business Conduct and compliance-related remedial measures.

1.5 *Holcim Group Executive Committee ("EXCO")*

In accordance with the Holcim Organizational Rules, the EXCO of Holcim:

- Is responsible for setting the tone from the top and leading by example;
- Is responsible for the organization, execution and supervision of the Group's business, which include the group-wide implementation of the Compliance Policy and the allocation of adequate resources, if needed;
- Approves, amends or withdraws policies, directives, tools and compliance solutions with Group-wide significance within the framework set by the Audit Committee; and
- Ensures compliance in its members' respective areas of authority, and in particular that specific compliance responsibilities therein are clearly assigned to the appropriate functions as required by applicable laws and regulations, and as stated in the various policies and directives of the Holcim Policy Landscape.

1.6 *Ethics, Integrity and Risk Committee (EIRC)*

The EIRC meets at least quarterly and in addition (as required) on an ad hoc basis to:

- Provide advice and guidance as requested from the Compliance Function;
- Make decisions in respect of adjustments to the compliance program recommended by the Compliance Functional Council;
- Oversee the conduct of compliance investigations;
- Oversee disciplinary action recommended to relevant management related to compliance violations of Group interest, and initiate remediation of identified process or control deficiencies;
- Review significant changes to compliance policies, directives and procedures; and
- Render Compliance-related advice to the Executive Committee and the Audit Committee of the BoD upon request.

The membership of the EIRC consists of the Group General Counsel, the CFO, the EXCO member for Human Resources, the Head of Group Sustainability, the HGC, and the Head of Internal Audit. The HGI participates in meetings of the Ethics and Integrity Sub-committee of the EIRC to deliver and present recommendations for investigations and the results of relevant compliance investigations. Constitution, organization and reporting requirements of the EIRC are outlined in the EIRC Charter.

The Compliance Functional Council shall provide expert advice on compliance matters, including direct inputs from the region and country legal and compliance officers, to the EIRC.

1.7 *Head of Group Compliance ("HGC")*

The HGC is accountable for the effective execution of the Compliance Function's mandate, with the exception of competition and market disclosure/insider trading law issues (assumed by Group Legal with support provided by the Compliance Function), within the Group. The HGC reports to the Group General Counsel. The Group General Counsel delegates the responsibility for the organization and management of the Compliance Function to the HGC, who, consequently, has the authority to fulfil the Compliance Function's mandate. In addition to a reporting line to the Group General Counsel, the HGC has, in urgent or exceptional cases, a direct reporting line to the Chairman of the Audit Committee. With respect to the HGC, any employment-related disciplinary actions require the prior approval of the Audit Committee in order to safeguard against potential retaliation.

1.8 Head of Group Investigations ("HGI")

The HGI organizes, coordinates and conducts investigations of alleged compliance violations at the direction of the EIRC. The HGI is responsible for all aspects of Group-relevant investigations, which includes management of the Group Investigation team. The HGI supports the Compliance Function but also other Group functions with investigation responsibilities (Health & Safety, Sustainable Development and Human Resources) as well as local case managers with regard to the organization, conduct, documentation and reporting of investigations. The HGI's reporting lines within the Legal & Compliance Function shall be determined by the Group General Counsel from time to time. With respect to the HGI, any employment-related disciplinary actions require the prior approval of the Audit Committee in order to safeguard against potential retaliation.

1.9 Head of Competition Law ("HCL")

The HCL liaises between the Legal and Compliance Functions by coordinating activities relevant to group-wide antitrust and competition law compliance. The HCL reports to the Group General Counsel who delegates responsibility for group-wide antitrust and competition compliance. In this context, the HCL is responsible for all aspects of competition law compliance and litigation. As such, the HCL regularly identifies and analyses competition law compliance risks, provides advice, sets forth best practice policies, directives, procedures, standards and trainings and delegates as appropriate to Competition Law Practice Groups. The HCL both monitors competition compliance throughout the Group and, if any potential infringement is detected, supports and leads competition law related investigations where necessary.

1.10 Other Compliance Functional Roles

The HGC has responsibility for the organization design and oversight of the compliance function and shall establish such roles and responsibilities as fit for purpose. These shall include global roles, located in the corporate centre of the Holcim Group, regional roles located within the region management teams, and as required and in agreement with Country CEOs, local compliance roles in some countries.

The responsibilities of the roles the HGC establishes shall be documented and communicated for the purpose of recruitment and performance management.

1.11 Head of Internal Control ("HIC")

The HIC defines the internal control methodology to address operational risks that could have an impact on Holcim's assets, compliance with laws and regulations, fraud prevention, or the reliability of financial statements. With respect to the Compliance Program, the HIC supports the HGC in defining and implementing control standards and remediating control deficiencies, thereby supporting compliance with laws and Holcim policies and directives.

1.12 Head of Group Internal Audit ("HIA")

The HIA is responsible for managing the Group Internal Audit function, a third line of defense function dedicated to provide the Board and Executive Management with an independent, objective and risk-based assurance on the effectiveness of governance, risk management and control processes including compliance processes and activities. As part of Internal Audit's role in assessing the Compliance Program, the HIA (i) provides an independent and reasonable assurance that compliance risks are properly identified, assessed, managed and reported to the Audit Committee; (ii) tracks progress of compliance remediation activities; (iii) coordinates planning efforts between the Audit and Compliance functions, and (iv) is a permanent member of the EIRC.

2. Regional and Country level

2.1 Regional General Counsel ("RGC") and Country General Counsel ("CGC")

The Compliance Function is an element of the Legal and Compliance Department. The Region Compliance Officer (RCO) reports to Region General Counsel (RGC) and Local Compliance Officers (LCO) report to Country General Counsel (CGC). RCOs may have Area Compliance Officers (ACO) reporting to them to assist with advice and monitoring of the compliance program in the applicable region.

Both RGCs and CGCs closely lead and support the respective RCO, Local Compliance Officer, and Local Compliance Delegate (if any), in particular with respect to the development and preparation of proposals for approval, amendment or withdrawal of local policies, directives, recommendations and tools in all areas of compliance. Both RGCs and CGCs support local compliance assessments and investigations; and where there is no specifically identified Local Compliance Officer or Delegate, the CGC is responsible for supporting the Country CEO in the implementation of the compliance program in the country.

2.2 Regional Compliance Officer ("RCO")

Each RCO is responsible for the direction and oversight of the Compliance Function and compliance personnel within his or her designated region(s). In this capacity, the RCO is accountable for the appointment and training of their direct reports, and supporting Country CEOs with the appointment of Local Compliance Officers and Local Compliance delegates. RCOs support the Region Head and Country CEOs to implement the compliance program throughout the region.

2.3 Group Company CEO

Each Group Company CEO is accountable for all business operations in their country and compliance with all laws and regulations. Country CEOs are accountable for the implementation of the compliance

program in the country, and the assignment of specific compliance responsibilities to achieve this. He or she is responsible to seek advice from line management and the Legal & Compliance Functions to ensure all legal and compliance issues are dealt with professionally and in a timely manner.

2.4 Local Compliance Officer ("LCO")

Each Local Compliance Officer or Local Compliance Delegate is responsible to the Country CEO through the Country General Counsel for the execution of the Compliance program in his or her respective country/countries or jurisdiction. The LCO may be a role of the Country General Counsel.

Annex 2: Policies and Directives related to Compliance

Holcim Policies and Directives

Related Policy or Directive(s)	
	Code of Business Conduct Anti-bribery and corruption Directive Decisions with Integrity Directive (updating the Conflict of Interest Directive) Business Integrity and Speaking Up Directive (replacing and updating the Compliance Reporting Directive and Compliance Investigations Directive) Third Party Due Diligence Directive Fair Competition Directive Fair Competition Implementation Directive Commercial Documentation Directive Strategic Social Investments Sponsorships and Donations Directive Code of Business Conduct for Suppliers Sustainable Procurement (Responsible Sourcing) Directive. Sanctions and Export Controls Compliance Directive General Data Protection Directive Gifts, Hospitality, Entertainment and Travel (GHET) Directive Minimum Control Standards Framework

Annex 3: Definitions and Abbreviations

ACO	Area Compliance Officer
BoD	Board of Directors
EIRC	Ethics, Integrity and Risk Committee
HGC	HGC Head Group Compliance
HGI	Head Group Investigations
LCO	Local Compliance Officer
RCO	Regional Compliance Officer