What is LafargeHolcim’s approach to public and industry advocacy?

LafargeHolcim engages with public authorities in a transparent and constructive way, on policy issues relevant to its activities. It remains politically neutral, supports freedom of expression and respects other stakeholders’ rights to express their opinions and positions.

The Group shares publicly its policy positions and topics of engagement. It is transparent on its membership in coalitions, think-tanks and professional organizations. The Group is committed to giving reliable and up-to-date information to public authorities.

LafargeHolcim requires that any third-party that engages with public authorities on its behalf undergo due diligence.

The Group does not make political donations, unless it is expressly permitted under written local laws and applicable LafargeHolcim policies and guidelines, and transparently and accurately recorded.

Those principles form part of the Group’s Responsible Lobbying and Advocacy Directive. The Directive is applicable to all LafargeHolcim employees engaging with Public Authorities.

Who is accountable for advocacy activities at LafargeHolcim? How do you make sure your positions are globally aligned?

Employees within LafargeHolcim designated to engage with public authorities are clearly identified. In countries, Country CEOs (CCEO) are accountable for Advocacy activities. At corporate level, the Public Affairs function is under the responsibility of the ExCo member in charge of sustainability. Advocacy activities are publicly available and recorded.

The Public Affairs function ensures alignment on policy positions in all parts of the company by sharing on a regular basis position papers and by engaging with the internal lobbying and advocacy network through calls, webinars and newsletters. Positions on policy issues are validated by the relevant internal experts (sustainability, waste management, finance, innovation, etc.) and made available to the Public Affairs community across the Group.

What do we advocate for?

LafargeHolcim engages with public authorities, international organisations and external stakeholders on issues that are directly related to its activities. The issues that we engage in often depend on the geographical scope of the organisations we are involved in. In many cases, the issues addressed are in support of day-to-day activities and are related to regulations and standards impacting our manufacturing activities (e.g. permitting), market access and product-related regulations and norms.

The Group also engages on longer-term and global public policy issues, that can be categorized under three main themes:

- **Climate Change:** LafargeHolcim engages on climate policies in a constructive and forward-looking manner. Our objective is to drive forward the low carbon agenda and an enabling framework that
allows to scale-up the deployment of low-carbon technologies and accelerate the demand for low-carbon solutions.

- **Circular Economy**: LafargeHolcim engages in the transition of manufacturing and construction models towards full circularity. This includes upstream activities (e.g. the use of non-recyclable waste in industrial processes) as well as downstream services (e.g. the recycling of construction & demolition waste and the integration of recycled materials in our products).
- **Sustainable Construction**: LafargeHolcim engages with a view to facilitate the integration of sustainability performance across the construction value chain and alongside existing criteria (such as safety, cost and durability), in a way that respects the principles of material neutrality and lifecycle performance.

More details are available in our [Public policy and advocacy leaflet](#).

**What Trade / Business Associations do you belong to? Are they involved in advocacy?**

LafargeHolcim is present in over 70 markets globally and we are members of over 200 local business organizations such as chambers of commerce, business councils and trade associations. The major trade associations do advocate on issues linked to local regulations and building standards, but the main focus of most of the organizations we are members of is on networking, research and marketing activities for the products and services of their members.

The list below contains the most significant trade associations and chambers of commerce our Group companies are members of. The list contains the organizations where our membership fee exceeds CHF 100 000 annually. This accounts for 90% of total membership fees paid.

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<tr>
<th>Country</th>
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<tbody>
<tr>
<td>Global</td>
<td>● Global Cement and Concrete Association</td>
<td>USA</td>
<td>● Portland Cement Association</td>
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<td>● National Stone Sand &amp; Gravel Association</td>
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<td>● National Ready Mixed Concrete Association</td>
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<td>Spain</td>
<td>● Agrupación De Fabricantes De Cemento (Oficemen)</td>
<td>Poland</td>
<td>● Stowarzyszenie Producentów Cementu</td>
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<td>● Instituto Español Del Cemento Y Sus</td>
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<td>Greece</td>
<td>● Hellenic Cement Industry Association</td>
<td>France</td>
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<td>● Syndicat Français de l'Industrie Cimentière</td>
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| Switzerland | ● CemSuisse  
● EconomieSuisse  
● Fachverband der Schweizerischen Kies- und Betonindustrie | Romania  | ● CIROM                                                                       |

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In addition, to the above list, we are associated with the European Cement Association, CEMBUREAU, through our memberships of local European cement associations.

How do you ensure that the advocacy positions taken by your trade associations are aligned with your own stated positions? What do you do if you find your positions and the positions of your trade associations are not aligned?

CCEOs and employees that are active in trade associations that we are members of or associated with are systematically engaging in a way that reflects LafargeHolcim’s positions and ambitions. LafargeHolcim works to ensure that the positions of these organisations are aligned to its own but it also works in full respect of the governance rules in place in all trade associations.

Should major divergences in position appear, LafargeHolcim will dissociate itself from the trade association’s position and related activities, or in extreme cases, renounce its mandates within the organisation and/or its membership.

How much do you spend on advocacy?

LafargeHolcim Group companies reported spending CHF 1.04 million on direct advocacy activities in 2019. The issues they advocated for included:

- Global issues such as the climate and circular economy agenda
- Local / regional regulatory and permitting issues linked to our activities, assets and products
- Waste management
- Sustainable construction
- Infrastructure & housing development
- Research & Innovation
- Product standards & norms

Total membership fees paid by Group companies to trade associations and chambers of commerce in 2019 amounted to CHF 15.5 million. A large portion of the membership fees paid are used by the associations for administration and running costs, member services, marketing, research and public relations. Approximately one third of the fees we paid was used by the associations for advocacy purposes.
How do you ensure that your advocacy is done ethically?

LafargeHolcim commits to dealing transparently and fairly in all its lobbying activities and complies with all the laws and regulations related to such activities. Similarly, all third parties engaging in advocacy activities on behalf of LafargeHolcim, including consultancy and lobbying firms and individuals, must be informed about and agree to full compliance. These entities are subject to the Group’s Third Party Due Diligence Directive and Lobbying and Advocacy Directive.

LafargeHolcim has a strict Anti-Bribery & Corruption policy that applies to its lobbying and advocacy activities and forms part of the Group’s Responsible Lobbying and Advocacy Directive. Annual training is conducted in countries on the Anti-Bribery & Corruption policy.

To ensure compliance with its policies, the Group has a number of tools and procedures in place such as the Minimum Control Standards and the Integrity Line, as well as a thorough Third Party due diligence procedure.

LafargeHolcim enrolls in lobbying and transparency registers where applicable and where it exists. By way of example, LafargeHolcim is a participant of the EU Transparency Register, where advocacy activities, priorities and estimated spending in the EU are listed.