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1. Introduction, scope and objective

LafargeHolcim Ltd and its consolidated affiliated companies (“**LafargeHolcim**”) is committed to integrity and an open culture where everybody feels secure in seeking advice or raising concerns, and has confidence that reports are handled in a professional and transparent way.

To help in its ability to provide advice and enable employees to report concerns or misconduct, LafargeHolcim Group Compliance is establishing the global Integrity Line, a secure web- and phone-based advice and issue reporting system administered by an independent third party (“**Integrity Line**”). The Integrity Line covers all relevant LafargeHolcim business operations (LafargeHolcim Group entities, countries and languages).

Employees must not use the Integrity Line to report events presenting an immediate threat to life, health or property. As set out below, reports submitted through the Integrity Line may not receive an immediate response. If emergency assistance is required, employees must contact the local police, fire department or ambulance service.

The Compliance Reporting Directive (“**CRD**”) sets out the relevant information needed by LafargeHolcim employees and stakeholders. It is a comprehensive resource guide for LafargeHolcim employees who have questions or feel they should raise a concern or report suspected misconduct. In any case where applicable local law contradicts with a provision of the CRD, the local law shall prevail and preempt the CRD.

The CRD is intended for internal use only and applies to all directors, officers, and employees of LafargeHolcim (collectively, “**Employees**”).

2. When should Employees speak up?

Every Employee should feel comfortable to speak up, ask questions when unsure and report in good faith concerns or misconduct. LafargeHolcim strongly encourages Employees to report violations of the LafargeHolcim Code of Business Conduct, LafargeHolcim policies or directives or any other breaches of law.

When reporting a concern or misconduct, Employees must be aware that the information provided or the allegations made could result in investigations and decisions that affect other Employees or third parties. Accordingly, only information that is fact-based, reasonably substantiated and accurate to the best of the Employee’s knowledge shall be reported. Employees abusing the LafargeHolcim reporting resources by knowingly making false reports to denunciate other Employees will face disciplinary consequences.

3. Means of reporting violations

If Employees become aware of a situation that they know or suspect violates the LafargeHolcim Code of Business Conduct or the law, Employees are strongly encouraged to report it through any of the means set out below:

- Bringing the violation or concern to the attention of their local supervisor, or any member of local management, as appropriate;
- Informing the Local Compliance Officer, Legal Counsel or Human Resources (HR) Manager responsible for their relevant country;
- Making a direct report to the following address:

Holcim Group Services Ltd
Attn: Head Group Compliance
Im Schachen, 5113 Holderbank, Switzerland
group-compliance@lafargeholcim.com
Telephone: +41 58 858 8700

- In addition, depending on the nature and location of the concern or violation, reports may be made through the Integrity Line. Section 5 below sets out all relevant details relating to the Integrity Line.

4. Obtaining guidance and asking questions

Employees may encounter situations where they are unsure of the right course of action. In such a situation, Employees should ask themselves: *“What if my actions were broadcast on the local news for all of my coworkers, family and friends to see?”*. If this would be embarrassing, it is most likely unethical. Employees should not follow through with the action they were contemplating. Instead, they should seek guidance.

All questions relating to the LafargeHolcim Code of Business Conduct, the laws and regulations applicable to LafargeHolcim’s business operations, LafargeHolcim policies and directives or a specific situation can be addressed to the resources listed in Section 3 above for making reports.

The Integrity Line web-based platform includes a functionality called “Ask a Question” on its landing page where questions can be submitted anonymously. Within seven business days an answer will be provided through the secure and confidential mailbox system (see Section 5 below for details). The “Ask a Question” functionality will be centrally administered and dispatched by LafargeHolcim Group Compliance in Zurich, Switzerland. Due to different time zones and translation requirements this resource is not advisable if an imminent decision is required.

5. Reporting through the Integrity Line

All LafargeHolcim Employees worldwide can make a report through the Integrity Line once the Integrity Line has been launched in their country. The Integrity Line is a LafargeHolcim Group internal reporting system. The Integrity Line is available 24 hours a day, seven days a week and gives Employees the choice between a web- and phone-based reporting system.

Access to the web-based reporting system can be found at <https://integrity.lafargeholcim.com>. Employees may also call the reporting system telephone number, which wherever possible is toll-free, in their respective countries. A list of the available phone numbers in each country (as updated by Group Compliance from time to time) can be found on the communications material and on the Integrity Line website stated above.

Only concerns or suspected misconduct related to the LafargeHolcim Group, its business operations and its interactions with third parties can be reported. The categories and types of reports that can be made via the Integrity Line follow the LafargeHolcim Code of Business Conduct, LafargeHolcim policies and directives and certain restrictions imposed by data privacy laws in the various countries. Unless country-specific restrictions apply, the Integrity Line platform allows reports relating to the following categories:

- Abusive Labor/Employment Practices
- Bribery, Corruption & Kickbacks
- Competition Law Issues
- Conflicts of Interest
- Environmental Violations
- Falsification of Company Records
- Financial Irregularities
- Human Rights Violations
- Health and Safety Violations
- Release of Confidential Information
- Retaliation Against Whistleblowers
- Trade Violations, Sanctions and Embargoes

The Integrity Line will give further instructions on how to report a particular concern. When filing a report online, click on “Make a report” and follow the instructions. When making a report, Employees should describe the type of concern and provide as many relevant facts as possible, including dates, persons, details and explanations in relation to the reported misconduct that could assist the investigation specialists in their fact-finding exercise.

6. Rules and obligations governing the reporting process

6.1 General rules

All Employees are advised to adhere to the following principles:

- Ensure timely reporting of incidents you want to raise through any of the means described in Section 3 above, as any delay in reporting may cause substantial financial and/or reputational damage.
- Report only to the channels mentioned in Section 3 above and do not report to any other person within or outside the organization (subject to the exceptions in Section 7 below).
- Do not try to investigate or solve the case yourself.
- Do not discuss with the person who is the subject of your concern or others either inside or outside of the organization.

6.2 Reporting obligations of Senior Management

The following obligations apply to the Senior Management of each LafargeHolcim Group company, i.e. each member of the Group or local executive committee, their direct reports and the heads of the finance, legal, procurement, accounting, internal control and internal audit departments at Group, regional and local level:

- Mandatory and prompt reporting of all alleged violations of the LafargeHolcim Code of Business Conduct or the law that are brought to their attention to the Head Group Compliance specified in Section 3 above.
- Refrain from initiating a local review or investigation into the allegations.
- Refrain from reporting the issue to the local authorities (police, state prosecutors, anti-trust authorities, etc.) without the prior approval of the Head Group Compliance.

7. Reporting outside of the LafargeHolcim channels

Employees are bound to strict confidentiality and loyalty under their employment contract with LafargeHolcim. Subject to the following paragraph, Employees may not disclose any internal information, including information about suspected improper activities, to public authorities or third parties outside the LafargeHolcim reporting channels specified in Section 3 above.

Exceptions apply only if and to the extent applicable local law (i) prohibits such limitations on Employees’ disclosure rights to public authorities, or (ii) protects, or even demands, reports to public authorities without bringing the activity to the attention of the responsible supervisor or another designated internal function beforehand and thereby affording the employer a reasonable opportunity to correct the improper activity.

8. Data security and data privacy

All data related to the Integrity Line (“**IL Data**”) is controlled by:

Holcim Group Services Ltd,
a member of the LafargeHolcim Group
Group Compliance
Im Schachen
5113 Holderbank, Switzerland
group-compliance@lafargeholcim.com
(“**Data Controller**”)

The secure Integrity Line is hosted by Integrity Line GmbH, a specialized and independent service provider in Switzerland. Integrity Line GmbH and Metadata AG, the Swiss server host, have no access to the encrypted IL Data. Only the transcription and translation service provider A.C.T. Fachübersetzungen GmbH, Mönchengladbach, Germany will have read-only access to IL Data directly on the Integrity Line web-based platform for transcription and translation purposes. A.C.T. Fachübersetzungen GmbH and all translators involved are contractually bound to strict confidentiality and state of the art data security principles.

All reports made in accordance with the CRD will be managed by LafargeHolcim Group Compliance. As such, investigation reports as well as supporting documentation will be stored on the Integrity Line system and will be linked to the initial report.

The Integrity Line system is protected by state of the art IT security principles. LafargeHolcim and all service providers involved in the data processing will take all reasonable technical and organizational precautions to preserve the security of the data and protect it from accidental or unlawful destruction or accidental loss and unauthorized disclosure or access.

Based on applicable data privacy laws, upon request, data subjects will be provided access to IL Data registered on him or her in order to verify data accuracy and rectify potentially inaccurate, incomplete or outdated data. All such requests will have to be directed to the Data Controller set out above. The Data Controller may, at its own discretion but subject to applicable data privacy laws, restrict the mentioned rights in order to protect the investigation process or other data subjects involved.

Based on applicable data retention and data privacy laws, the Data Controller will keep the IL Data as long as required for any required investigation, remediation processes and, if applicable, to conclude any resulting formal dispute resolution process. Personal data relating to reports found to be unsubstantiated will be anonymized as soon as possible. Where legally permissible, the Data Controller may choose to anonymize IL Data once the applicable retention period has lapsed.

9. Protection of reporters

9.1 Ensuring confidentiality

LafargeHolcim will take all reasonable steps to ensure confidentiality throughout the reporting and investigation process, so Employees raising concerns should not fear that their identity or IL Data will be improperly disclosed or abused.

If Employees disclose their name when making a report, their identity may only be disclosed on a strictly need-to-know basis to selected people involved in any investigation or subsequent judicial or administrative proceedings instigated as a result of the report. Access and processing of data is restricted to members of the Group Legal & Compliance department in Zurich and to those persons who are assigned by Group Legal & Compliance in the investigation or remediation processes.

9.2 Option of anonymous reporting

While anonymous reporting is permissible in most countries LafargeHolcim strongly encourages all Employees to disclose their identity and to state their name and a phone number or e-mail address. Sharing one's identity when making a report will help LafargeHolcim conduct the most thorough investigation possible, because it may be more difficult to thoroughly investigate anonymous reports.

If Employees are uncomfortable identifying themselves, they may report anonymously in most jurisdictions. Regardless of how Employees choose to report, all reports of actual or suspected misconduct will be taken seriously and addressed promptly.

The Integrity Line is not part of the LafargeHolcim website, intranet or phone systems. All data is encrypted and stored on the independently hosted servers based in Switzerland. Once Employees choose to report on the web-based Integrity Line anonymously, the content of their report cannot be traced back to them. The secure web-based Integrity Line system does not log or record any IP address data, time stamps or metadata. While telecommunication companies providing the local Integrity Line phone numbers may be required by local law to log each caller's phone number, such data is not made available to LafargeHolcim.

If Employees access the Integrity Line web-based system by using their work computer, the LafargeHolcim IT system will automatically log that they have accessed the Integrity Line web-based platform. The LafargeHolcim IT Department is prohibited from reporting on this data unless anonymized and only for the purpose of reporting on IT functionality and/or security. The LafargeHolcim IT Department cannot, however, see or track any activity performed on the Integrity Line platform, i.e., whether an Employee has asked a question, filed a report or has closed the Integrity Line web-based system without submitting anything at all. Nevertheless, if Employees want to prevent their work IP address from being logged when accessing the Integrity Line web-based system, they are advised to visit an internet café or use their personal computer at home.

Employees reporting anonymously through the Integrity Line web-based platform should make sure to logout and clear their browser history once their report has been submitted. The LafargeHolcim Information Systems User Directive sets out further information on data security.

9.3 Protection from retaliation

LafargeHolcim strictly prohibits acts of retaliation against Employees who have, in good faith, reported a concern or possible misconduct or who are participating in a compliance investigation. In this context "good faith" means that the reporting Employees (i) provide all of the information they have, (ii) reasonably believe that the allegations are substantially true, and (iii) are not acting for personal gain. It is not relevant whether, following an investigation, the reported concern or misconduct is found to be valid and substantiated or not.

Retaliation is prohibited in any way that might have a direct or indirect negative effect on the physical or psychological integrity, employment, earnings possibilities, bonus payments, career options or other work-related interests of the reporting Employees. Consequently, any form of disadvantaging or discrimination, as well as the threat thereof, is not permitted.

Employees who believe that they have been confronted with imminent or threatened retaliation are asked to immediately consult any of the resources set out in Section 3 above.

LafargeHolcim will take all measures that are required to protect the interests of the affected Employee. In the event of alleged retaliation, a separate investigation regarding the alleged retaliation will be initiated. Individuals who take action against an Employee for making a report or participating in an investigation will be subject to disciplinary action, up to and including termination of his/her employment contract.

10. Investigation and sanctioning process

Regardless of how Employees choose to report, all reports of actual or suspected misconduct will be taken seriously and addressed promptly. The appropriate investigation personnel will carefully investigate the reports and the relevant LafargeHolcim employing company will take appropriate and necessary action.

All reports are read and processed by a team of LafargeHolcim compliance and investigation experts. They will ensure required steps for investigating and resolving the situation are taken. Depending on the complexity and severity of the report the case will be handled either at Group, regional or local level. Reports not involving violations of the LafargeHolcim Code of Business Conduct may be investigated and resolved by the local Human Resources department.

A compliance investigation may take several months, especially in complex cases. Furthermore, for data privacy and other reasons, it may not be possible to communicate with the reporter regarding the investigation process or disclose the investigation outcome.

11. Periodic reporting on reporting and investigation activities

The Chief Legal & Compliance Officer will report quarterly to the Executive Committee and the Finance and Audit Committee of LafargeHolcim Ltd on all key aspects of reporting, investigation and remediation activities. This includes the regional and divisional allocation of reports, their outcome and disciplinary sanctions taken.

This Directive was approved by the Group Executive Committee on July 27, 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.

<i>Original dated:</i> August 31, 2015	Revision Dates:
<i>Version dated:</i> August 31, 2015	
<i>Responsible Group Executive Committee Member:</i> Eric Olsen, CEO <i>Responsible Person:</i> Xavier Dedullen, Chief Legal & Compliance Officer / Laurie Waddy, Head Group Compliance	

Annexes

Annex 1: LafargeHolcim Policies and Directives related to the Compliance Reporting Directive

Link to Policy	Policy/Directive	Definition/Description	Responsibility	Reference
Policy Framework	Code of Business Conduct	Sets clear “tone from the top” and provides concrete compliance-related guidance for employees	All Directors, Officers and Employees	Code of Business Conduct
Policy Framework	Compliance Policy	Mandates the compliance program and outlines its scope and general principles	Compliance	Compliance Policy

Annex 2: LafargeHolcim recommendations related to the Compliance Reporting Directive – not applicable

Annex 3: Definitions and Abbreviations

BoD	Board of Directors
CEO	Chief Executive Officer
CRD	Compliance Reporting Directive
IL	Integrity Line
IL Data	Data related to the Integrity Line

