

# Policy

## Group Human Resources

July 08 2021

### Scope and Objective

The Group Human Resources policy is an integral part of the Holcim policy landscape and MCS framework. The policy is applicable to all Group Companies where Holcim Ltd has a controlling interest. The policy provides global principles for the correct execution of HR processes considering proper balance between fair treatment of our employees and business needs. The principles of this policy have global application. Wherever is needed, the policy should be further adjusted to comply with local laws but maintaining the essence of this policy of: fairness, respect and human rights. In the event of a breach of the CoBC, the matter shall be investigated (see the Business Integrity and Speak Up directive), and if employee misconduct is substantiated, employee disciplinary measures may be taken.

Our employees are at the center of whatever we do. Our vision is to deliver sustainable competitive advantage through our people, teams and organizations.

### Our Commitments

- **Staffing:** Holcim conducts staffing processes based on fairness, equitable, and non-discriminatory principles, balancing firstly internal candidates over external talent and wherever appropriate giving priority to candidates who help us to build our diversity balance. By principle, a diverse candidate pool must be provided as part of the recruitment and selection process, especially in terms of gender. Anybody involved in the staffing process is obliged to act as Holcim ambassadors displaying the best characteristics and values that represent our company. Please refer to principles of Diversity, fairness and respect contained in the **CoBC**.
- **Onboarding:** We provide quality onboarding processes ensuring a successful integration of all new employees. Three months is a reference period for a full onboarding: adaptation to the work environment, awareness of Holcim policies and directives, inclusion in HR processes (e.g. personal work space, basic HR administration, H&S induction, personal access to systems, individual objectives, payroll, etc.). All companies are obliged to follow and fulfill the MCS25.01, MCS25.03.
- **Learning & Development Opportunities:** Holcim Group provides development opportunities locally, regionally and globally. Any development opportunity is properly balanced between presential, digital learning and on the job activities. Learning & Development opportunities are strategically aligned to address business needs. All managers and employers

are responsible to maintain a continuous development and career discussion in order to ensure an engaging professional progress in the company. All employees are accountable and empowered to take action and address development experiences in the organization. All companies are obliged to report the training hours on an annual basis through the Stakeholder questionnaire sent by Group Sustainability team as stated in the MCS 62.01

- **Career Opportunities abroad:** We offer career opportunities locally and internationally to support the business and development of our employees. Some of the opportunities can take place in other locations in the world with a transfer of employment or through an expatriation process whenever the business rationale is adequate. Please refer to the following policy & directives: **International Mobility Policy, Short Term Assignment, Long Term Assignment, Local Plus directives.**

- **Performance Management:** Holcim fosters a performance based culture. To instrument this, managers and employees are accountable to have regular and frequent performance discussions across the year. All employees are accountable together with their manager to define an Individual Development Plan as well as to identify and close performance gaps. All companies are obliged to perform these processes in accordance with principles of Diversity, fairness and respect contained in the **CoBC.**

- **Talent and Succession Management:** All organizational units in Holcim deploy an annual talent review and succession planning process to assure a robust talent pipeline to fulfill high standards of performance and the Group's growth ambitions. Diverse elements (such as leadership competencies model, people assessments models, experience based career plan, succession planning, performance and talent calibrations) follow a common framework defined by Group HR. Countries are accountable for its local adoption and high quality deployment. All companies are expected to perform these processes in accordance with principles of Diversity, fairness and respect contained in the **CoBC.**

- **Total Reward and Pensions:** Holcim promotes a performance culture, whilst ensuring transparency, equality, fairness and competitiveness of the reward offer to all employees. Holcim follows an orientation of 'total rewards' to assess the competitiveness of our compensation models. All companies are expected to use certified remuneration methodologies and benchmarks to assess and offer competitive remuneration packages. To further drive and differentiate performance, the Group favors the use of variable pay for specific populations. Countries are accountable to define and apply competitive compensation schemes according to local circumstances, practices and regulations in alignment with Group HR Directives. LTIP are managed solely by Group HR. The execution of compensation, benefits and pensions requires full compliance by all Group companies to MCS26.01, MCS26.02, MCS26.03, MCS27.01, MCS27.02, MCS27.03, MCS 28.01, MCS 28.02, MCS 28.03, MCS 28.04, MCS 28.05 For Pensions, please consult the existing directive: **Group Pensions & Benefits Directive.**

- **Diversity & Inclusion:** Holcim is an equal opportunity employer making no distinctions on the grounds of gender, sexual orientation, race, religion or wherever local

legislation permits. Holcim provides a safe environment to speak up. All Holcim entities are required to develop plans as part of the ongoing activities to comply with any local regulations in the area of equal opportunities and non-discrimination, as well as to achieve an adequate level of gender balance. Countries are accountable to make Diversity & Inclusion an integral part in each one of their People related processes. All companies are obliged to perform these processes in accordance with our **CoBC**.

- **Labor relations, social policies and care for our people:** Holcim is committed to promoting an active social dialogue with employee organizations, unions and other stakeholders at all levels. Holcim is further committed to consult employee representatives on important matters that affect them. Holcim is also committed to promote an open dialogue culture and to have regular employee briefings and informal meetings to update the employees on the course of the business followed by Q&A sessions. The Group commits to proactively expand labor practices in its operations that ensure 'freedom of association' and collective bargaining as fundamental pillars of our social dialogue. This includes the Group's commitment to conduct business with a goal of zero harm and in full compliance with our code of business conduct. For more info please consult the **Health & Safety Policy** and **CoBC**.

- **Working regulations:** To support our employees, wherever possible Holcim offers different flexible working arrangements such as part - time, home office, job-sharing, flexible shifts or similar. All of this in compliance with local labor regulations and in alignment with business and employee needs. All companies in the Holcim Ltd. Group ("Holcim") will endeavor to provide their employees satisfying careers and a healthy balance between work and personal life. Expectations for hours worked will be set in accordance with legal requirements, and, where applicable, employment contracts or agreements with labor unions. Holcim will provide fair compensation for work performed, including overtime in accordance with local law, individual contracts, or union contracts.

As a global principle in Holcim, the ordinary working hours will be limited to a maximum of 48 hours per week, subject to any other limits provided by the applicable relevant international and/or country working time rules and regulations. Exceptions and exemptions as provided by international and/or country laws and regulations will continue to apply.

- **Digital HR and HR Systems:** Holcim strives for a data-driven organization culture that captures the best opportunities in the use of technology applied to HR. Globally Group HR manages MCS37, MCS38 and MCS40. Group HR builds the configuration to comply by the group companies with MCS36. Locally, companies are obliged to comply with MCS11.

- a. **Data Accuracy:** All employees are responsible for informing any changes in their relevant personal data through the available processes and systems. Accurate recording and reporting is required as stated in point 2.4 of the **CoBC**
- b. **Compliance:** Management of personnel data is performed in full legal compliance and data privacy as stated in MCS11

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c. **Efficiency:** HRIS solutions are developed to support efficient people management processes in the organization.

- **Exiting:** Holcim applies a principle of fair treatment to people who exit our Group according to the applicable legislations and existing practices. Countries are responsible to adjust their practices to the normal comparable ones in their reference environments and fully align to Group Directives and approval processes. All companies are obliged to follow and fulfill the MCS25.02

- **Travels & Events:** Through its Travel & Events Directive, the Group set its philosophy to conduct travel and events ensuring safety, productivity and cost efficiency. All companies are obliged to follow the framework outlined in this directive and adjust it where it is legally needed. The compliance with the MCS32.01, MCS 07.01 is obligatory. For more info please consult the Travel & Events Directive.

Document Control	
Approved by:	Feliciano González - Group Head of Human Resources
Related Policy, Directives and MCS	International Mobility Policy, Short Term Assignment Directive, Long Term Assignment Directive, Group Pensions & Benefits Directive, Local Plus, Health & Safety, Code of Business Conduct, Travel & Expenses MCS07, MCS11, MCS25, MCS26, MCS27, MCS28, MCS32, MCS36, MCS37, MCS38, MCS40 & MCS62

**Annex 1: Definitions and Abbreviations**

<i>CoBC</i>	Code of Business Conduct
<i>Group HR</i>	Group Human Resources
<i>HRIS</i>	Human Resources Information System
<i>LTIP</i>	Long Term Incentive Plan
<i>MCS</i>	Minimum Control Standards