Responsible Logistics
ESG targets and activities 2020/21

LafargeHolcim

LafargeHolcim – the zero harm culture

At LafargeHolcim we strive to create a healthy and safe environment for our employees, contractors, customers, and stakeholders. Nobody should get injured while working with or for us. Our goal is zero harm to **people**.

As responsible citizens we are all aware of our continuing obligations towards the **environment**, and the need for active engagement to protect and enhance our natural resources. We commit to minimize the negative impact and maximize the positive impact to nature.

LafargeHolcim strives to be a trusted corporate citizen and to fulfil its responsibilities to the **communities** in which it operates.

Environment, Social and Governance activities of LafargeHolcim logistics

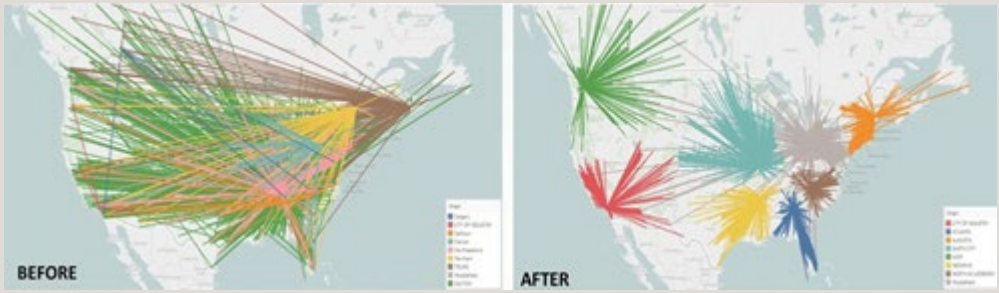
Environment	We aim to reduce traditional fuel consumption by 1)delivering our products to the customer on the safest, most efficient route; 2)using alternative transportation methods to road 3)using alternative fuel where the market allows it.
Social	Logistics team around the world has a strict target to 1)ensure industry leading labour standards and drivers' skills & behaviour 2)increase customer satisfaction through the delivery services 3)build good relationship within the communities we operate
Governance	The Transportation Analytics Centers using data from In-Vehicle Monitoring System allows the LafargeHolcim and its third party transportation companies to ensure compliance, manage risk and improve the drivers' skills and behaviour.

Reduction of traditional fuel consumption by Network optimisation

We target to reduce fuel consumption by **1-3% in 2021,** by continuously optimising our logistics networks.

LafargeHolcim's tailor made network optimisation solutions allow the countries with complex logistics network of plants and warehouses to identify the shortest and most efficient paths to the customers, reducing the driven kilometres, hours, fuel consumption and increase the drivers' safety.

Improving logistics processes such as planning and dispatching we improved our fleet utilisation, that resulted in 20% less CO_2 emissions in Brazil, Mexico and Argentina.



Reduction of traditional fuel consumption by optimised transportation mode

We target to reduce fuel consumption by choosing more fuel efficient transportation modes, wherever available. By switching road to rail in Cameroon in 2021 we **avoid 1.100 truck movements**, resulting in less emissions and increased safety.

Regularly auditing the logistics networks allows us to identify the best possible transportation mode and reduce the driven kilometres on road by choosing rail or waterways transportation.

In Cameroon, by implementing an optimization model, the ideal number of distribution centers was defined and the whole network optimized identifying the best flows to supply the market.

Reduction of traditional fuel consumption by using alternative fuel

LafargeHolcim countries have initiatives to contract transportation operating with alternative fuels to move raw materials and products.

We are committed to continue this effort in all countries where the market allows.

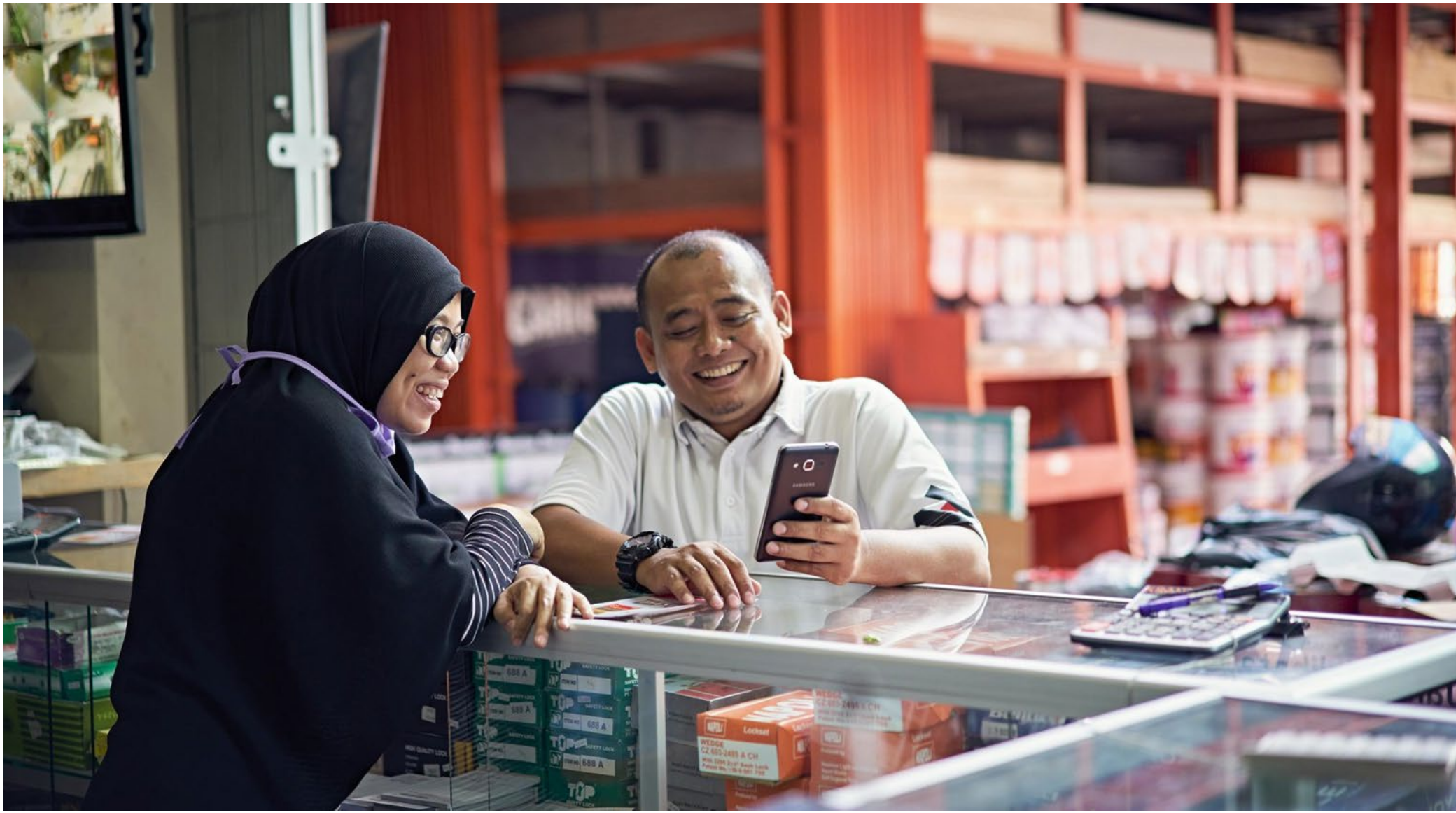
For example, in France we target to operate 50 LNG/CNG trucks by end 2021 (YTD 26 LNG/CNG trucks in operation).

France	Liquefied Natural Gas; Compressed Natural Gas
Italy	Liquefied Natural Gas
Switzerland	Electrical trucks
Belgium	Liquefied Natural Gas

Reduction of traditional fuel consumption by market specific initiatives

Having an agile business model that builds on local talent and strong collaboration with third-party transporters; LafargeHolcim countries reduces their fuel consumption and so CO_2 emissions through locally relevant initiatives.

Drivers trainings, including change of driving behaviour, training on various terrains and under difficult conditions, vehicles design changes, such as installing mirrors camera systems and reducing the weight of the vehicle helped to **decrease fuel consumption by 16% in Germany in 2021.**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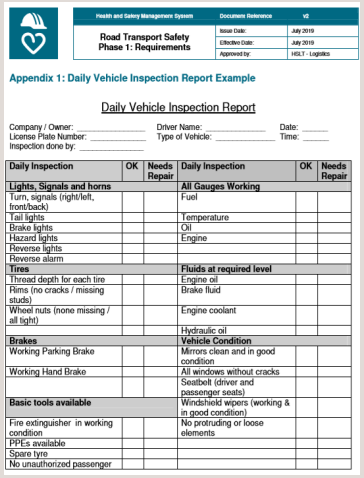
Industry leading labor standards
Drivers' safety, resting facilities, training

For products transported by truck, the road safety of our partners is of utmost importance for LafargeHolcim.
The **Ambition "0"** program makes road transport safety a mandatory objective in every LafargeHolcim country.

The LafargeHolcim Road Transport Safety Standards helped **reduce road fatalities by 77% since 2016.** Improvement in 2020 vs 2019 is **49%**
by defining:

- Theoretical & In-Vehicle Drivers' training and assessment
- Driver performance monitoring through In vehicle Monitoring System (IVMS), coaching and consequence management
- Daily vehicle inspection criteria
- Drivers' fatigue management practices



Health and Safety Management System | Document Reference | v2

Road Transport Safety Phase 1: Requirements

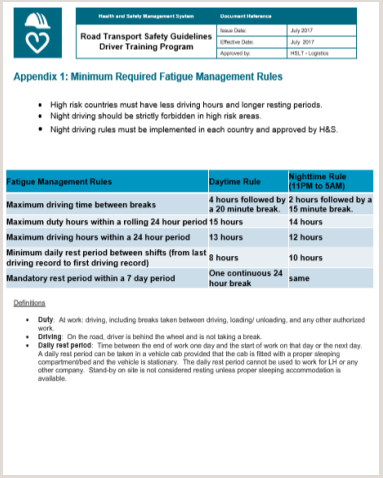
Issue Date:	July 2019
Effective Date:	July 2019
Approved by:	HSLT - Logistics

Appendix 1: Daily Vehicle Inspection Report Example

Daily Vehicle Inspection Report

Company / Owner: _____ Driver Name: _____ Date: _____
License Plate Number: _____ Type of Vehicle: _____ Time: _____
Inspection done by: _____

Daily Inspection	OK	Needs Repair	Daily Inspection	OK	Needs Repair
Lights, Signals and horns			**All Gauges Working**		
Turn, signals (right/left, front/back)			Fuel		
Tail lights			Temperature		
Brake lights			Oil		
Hazard lights			Engine		
Reverse lights					
Reverse alarm					
Tires			**Fluids at required level**		
Thread depth for each tire			Engine oil		
Rims (no cracks / missing studs)			Brake fluid		
Wheel nuts (none missing / all tight)			Engine coolant		
			Hydraulic oil		
Brakes			**Vehicle Condition**		
Working Parking Brake			Mirrors clean and in good condition		
Working Hand Brake			All windows without cracks		
			Seatbelt (driver and passenger seats)		
Basic tools available			Windshield wipers (working & in good condition)		
Fire extinguisher in working condition			No protruding or loose elements		
PPEs available					
Spare tyre					
No unauthorized passenger					



Health and Safety Management System | Document Reference

Road Transport Safety Guidelines Driver Training Program

Issue Date:	July 2017
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Approved by:	HSLT - Logistics

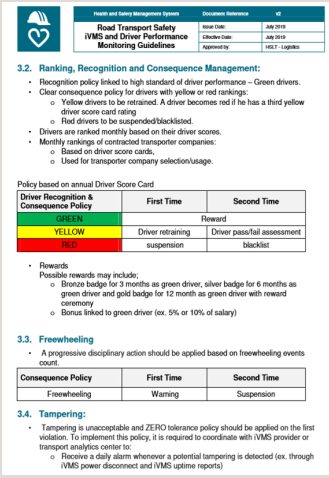
Appendix 1: Minimum Required Fatigue Management Rules

- High risk countries must have less driving hours and longer resting periods.
- Night driving should be strictly forbidden in high risk areas.
- Night driving rules must be implemented in each country and approved by H&S.

Fatigue Management Rules	Daytime Rule	Nighttime Rule (11PM to 5AM)
Maximum driving time between breaks	4 hours followed by a 20 minute break.	2 hours followed by a 15 minute break.
Maximum duty hours within a rolling 24 hour period	15 hours	14 hours
Maximum driving hours within a 24 hour period	13 hours	12 hours
Minimum daily rest period between shifts (from last driving record to first driving record)	8 hours	10 hours
Mandatory rest period within a 7 day period	One continuous 24 hour break	same

Definitions

- **Duty**: At work: driving, including breaks taken between driving, loading/ unloading, and any other authorized work.
- **Driving**: On the road, driver is behind the wheel and is not taking a break.
- **Daily rest period**: Time between the end of work one day and the start of work on that day or the next day. A daily rest period can be taken in a vehicle cab provided that the cab is fitted with a proper sleeping compartment/bed and the vehicle is stationary. The daily rest period cannot be used to work for LH or any other company. Stand-by on site is not considered resting unless proper sleeping accommodation is available.



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Road Transport Safety iVMS and Driver Performance Monitoring Guidelines

Issue Date:	July 2019
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Approved by:	HSLT - Logistics

3.2. Ranking, Recognition and Consequence Management:

- Recognition policy linked to high standard of driver performance – Green drivers.
- Clear consequence policy for drivers with yellow or red rankings:
  - Yellow drivers to be retrained. A driver becomes red if he has a third yellow driver score card rating
  - Red drivers to be suspended/blacklisted.
- Drivers are ranked monthly based on their driver scores.
- Monthly rankings of contracted transporter companies:
  - Based on driver score cards,
  - Used for transporter company selection/usage.

Policy based on annual Driver Score Card

Driver Recognition & Consequence Policy	First Time	Second Time
GREEN	Reward	
YELLOW	Driver retraining	Driver pass/fail assessment
RED	suspension	blacklist

- Rewards
  Possible rewards may include;
  - Bronze badge for 3 months as green driver, silver badge for 6 months as green driver and gold badge for 12 month as green driver with reward ceremony
  - Bonus linked to green driver (ex. 5% or 10% of salary)

3.3. Freewheeling

- A progressive disciplinary action should be applied based on freewheeling events count.

Consequence Policy	First Time	Second Time
Freewheeling	Warning	Suspension

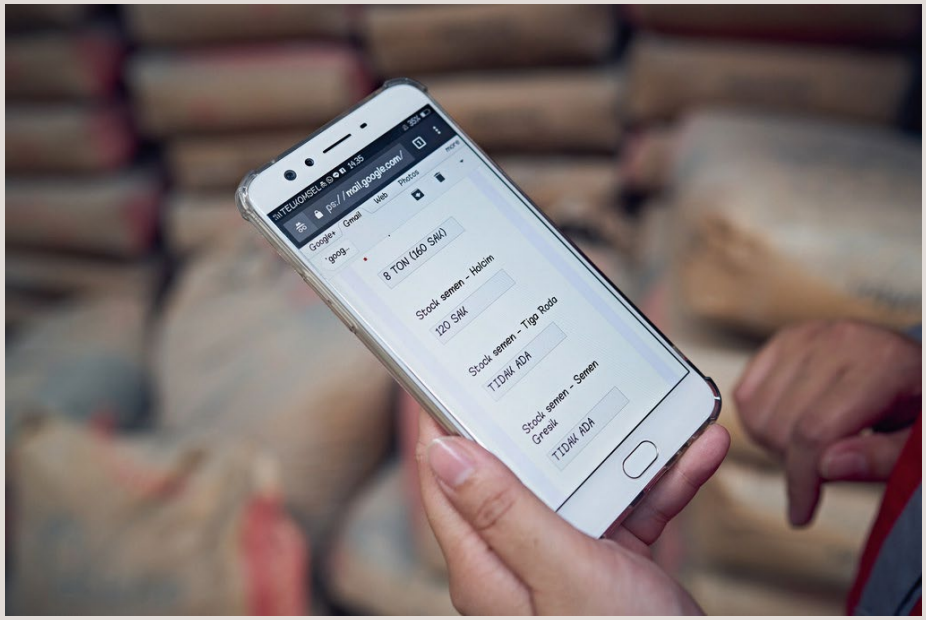
3.4. Tampering:

- Tampering is unacceptable and ZERO tolerance policy should be applied on the first violation. To implement this policy, it is required to coordinate with iVMS provider or transport analytics center to;
  - Receive a daily alarm whenever a potential tampering is detected (ex. through iVMS power disconnect and iVMS uptime reports)

Customer satisfaction and community relations Continue to be priorities in 2021

We developed and implemented industry specific digital solutions to continuously improve our customers' experience while working with us.

We continue to launch mobile Apps across Africa, the Middle East, Latin America and Asia to allow our customers to manage their orders anytime, anywhere and define delivery times that cause the least disruption on the road and for the neighbouring community.



Diversity is of key importance in 2021 for Logistics

In the Logistics function we aim to:

- To represent the diversity of LafargeHolcim Group.
- Address the global business risk due to shortage of skilled truck drivers.

"Women behind wheels" is a project to attract and retain women as truck drivers.

The program focuses on two approaches:

Development: Partnering with companies to develop women truck drivers and create sustainable job opportunities; collaborating with leading truck manufacturers to design trucks for female drivers.

Hiring & Retention: Identify best practices to hire and retain women truck drivers e.g project in Uganda, Kenya, South Africa, Romania and the US.


Holcim

Transport Analytical Centers
Centralized compliance control of driving monitoring

Delivering on the **"Zero Harm"** culture by digital performance management tools - with centralized monitoring to ensure full compliance in all geographies.

In-Vehicle Monitoring Systems capture data about trip compliance and drivers' behaviour on the road, which is translated into valuable input for individual drivers' training. Vendor selection, optimising logistics routes and transport modes are improving service levels. The Transport Analytical Centers located in India and Colombia are serving the global LafargeHolcim logistics and commercial networks.

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