



SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

GENERAL INSTRUCTIONS

A. Use of Form I-ACGR

This SEC Form shall be used as a tool to disclose Publicly-Listed Companies' compliance/non-compliance with the recommendations provided under the Code of Corporate Governance for Publicly-Listed Companies, which follows the “comply or explain” approach, and for harmonizing the corporate governance reportorial requirements of the SEC and the Philippine Stock Exchange (PSE).

B. Preparation of Report

These general instructions are not to be filed with the report. The report shall contain the numbers and captions of all items.

The I-ACGR has four columns, arranged as follows:

RECOMMENDED CG PRACTICE/POLICY	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<p>Contains CG Practices/ Policies, labelled as follows:</p> <p>(1) “Recommendations” – derived from the CG Code for PLCs;</p> <p>(2) “Supplement to Recommendation” – derived from the PSE CG Guidelines for Listed Companies;</p> <p>(3) “Additional Recommendations” – CG Practices not found in the CG Code for PLCs and PSE CG Guidelines but are expected already of PLCs; and</p> <p>(4) “Optional Recommendation” – practices taken from the ASEAN Corporate Governance Scorecard</p> <p>*Items under (1) – (3) must be answered/disclosed by the PLCs following the “comply</p>	<p>The company shall indicate compliance or non-compliance with the recommended practice.</p>	<p>The company shall provide additional information to support their compliance with the recommended CG practice</p>	<p>The PLCs shall provide the explanations for any non-compliance, pursuant to the “comply or explain” approach.</p> <p>Please note that the explanation given should describe the non-compliance and include how the overall Principle being recommended is still being achieved by the company.</p> <p>*“Not Applicable” or “None” shall not be considered as sufficient explanation</p>

<p>or explain” approach. Answering of items under (4) are left to the discretion of PLCs.</p>			
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C. Signature and Filing of the Report

- a. Three (3) copies of a fully accomplished I-ACGR shall be filed with the Main Office of the Commission **on or before May 30 of the following year for every year that the company remains listed in the PSE;**
- b. At least one (1) complete copy of the I-ACGR shall be duly notarized and shall bear **original and manual** signatures
- c. The I-ACGR shall be signed under oath by: (1) Chairman of the Board; (2) Chief Executive Officer or President; (3) All Independent Directors; (4) Compliance Officer; and (5) Corporate Secretary.
- d. The I-ACGR shall cover all relevant information from January to December of the given year.
- e. All reports shall comply with the full disclosure requirements of the Securities Regulation Code.



SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended 2021.
2. SEC Identification Number 026126 3. BIR Tax Identification No. 000-121-507-000
4. Exact name of issuer as specified in its charter HOLCIM PHILIPPINES, INC.
5. PHILIPPINES.
Province, Country or other jurisdiction of
incorporation or organization
6. (SEC Use Only)
Industry Classification Code:
7. 7/F Two World Square, McKinley Hill, 1634
Fort Bonifacio , Taguig City
Address of principal office Postal Code
8. (632) 8581 1511
Issuer's telephone number, including area code
9. N/A
Former name, former address, and former fiscal year, if changed since last report.

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
The Board's Governance Responsibilities			
Principle 1: The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.			
Recommendation 1.1			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	COMPLIANT	The Company's Board of Director's are nominated and elected based on their expertise, relevant professional background and trainings relative to the Company's business and academic qualifications.	
2. Board has an appropriate mix of competence and expertise.	COMPLIANT	Consequently, the Company's Board of Directors is composed of professionals with collective working knowledge that is relevant to the Company's industry.	
3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.	COMPLIANT	<p>Please refer to: the Company's Annual Report for 2021 (part III, Item 9, pp. 37 to 39 available at https://www.holcim.ph/about-us/company-disclosures</p> <p>Definitive Information Statement for the professional and academic backgrounds of the individual directors (Item 5, pp. 5-7) https://www.holcim.ph/about-us/company-disclosures</p> <p>(ii) Company's revised Manual of Corporate Governance for the Individual and collective qualifications</p>	

		of the Board and their duties and responsibilities https://www.holcim.ph/about-us/corporate-governance/corporate-governance-manual	
Recommendation 1.2			
1. Board is composed of a majority of non-executive directors.	COMPLIANT	The Company's Board of Directors is composed of Seven Directors, majority of whom are non-executive directors. There are three (3) Independent Directors and two non-executive directors or directors who are not involved in the day-to-day operations of the Company. Please refer to: part III, Item 9, pp. 37 to 39 of the Company's Annual Report for 2021 and Definitive Information Statement for write up of the Director's profiles (Item 5, pp. 5-7) available at	
Recommendation 1.3			
1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	COMPLIANT	All new directors undergo an onboarding seminar led by the Office of Corporate Secretary in collaboration with the Head of the different functions. Further, all directors are required to attend an annual corporate governance for at least four hours to ensure to ensure that they are aware of the business of the Company, their duties and responsibilities as	
2. Company has an orientation program for first time directors.	COMPLIANT		
3. Company has relevant annual continuing training for all directors.	COMPLIANT		

		<p>directors and also to keep them abreast of the latest trends in Corporate Governance.</p> <p>For 2021, The Directors and Key officers of the Company attended an in house virtual Corporate Governance Seminar conducted by Institute of Corporate Directors Inc. on the following topics: (i) Digital Transformation; (ii) Building Business Resilience in the Corporate Strategy; and (iii) Sustainability in the Boardroom: A Corporate Director's Roadmap.</p> <p>Please refer to page 11 of the Corporate Governance Manual https://www.holcim.ph/sites/philippines/files/documents/Revised_Corporate_Governance_Manual.pdf</p>	
Recommendation 1.4			
1. Board has a policy on board diversity.	NON-COMPLIANT		The Company has not adopted a formal policy on board diversity. The members of the Board are nominated and selected based on a process which determines the qualifications, competency and capacity of an individual to contribute to sound corporate strategies regardless of gender, religion and race. As of 31 December 2021, the Board is composed of one female and six male members. The Board currently has seven members.

Optional: Recommendation 1.4			
1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.	NON-COMPLIANT		The Company has not adopted a formal policy on board diversity. The members of the Board are selected based on a process which determines the competency and capacity of an individual to contribute to sound corporate strategies regardless of gender. As of December 2021, the Board is composed of one female and six male members. The Board currently has seven members.
Recommendation 1.5			
1. Board is assisted by a Corporate Secretary.	COMPLIANT	Please refer to Section 2 (2.1) pp. 1 -2 of the Company's Corporate Governance Manual https://www.holcim.ph/sites/philippines/files/documents/Revised_Corporate_Governance_Manual.pdf	The Company's Corporate Governance Manual provides that the Corporate Secretary shall also be the Compliance Officer. Considering the size, structure and risk profile of the Company, the Board determined that full compliance to this recommendation is not necessary.
2. Corporate Secretary is a separate individual from the Compliance Officer.	NON-COMPLIANT		
3. Corporate Secretary is not a member of the Board of Directors.	COMPLIANT		
4. Corporate Secretary attends training/s on corporate governance.	COMPLIANT	The Corporate Secretary attends the Corporate Governance training with the Directors on 01 June 2021.	
Optional: Recommendation 1.5			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.	COMPLIANT	The Company requires all meeting materials of the Board and the Board Committees to be distributed at least 5 business days prior to the meeting schedule. The Board materials are sent to the Board via e-mail and uploaded in our Board Management Software, Convene, to ensure that the Board can	

		readily and easily access the meeting materials. Please refer to page 7 of the Company's Board Charter available at https://www.holcim.ph/sites/philippines/files/documents/HPI_-_Board_Charter_1_June_2017_signed.pdf	
Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	COMPLIANT	The Corporate Governance Manual provides that the Corporate Secretary shall also be the Compliance Officer.	The Compliance Officer of the Company, who is also the Corporate Secretary has a rank of Vice-President. While the Company does not strictly comply with this requirement, the Corporate Secretary/ Compliance Officer has adequate stature and authority in the Company that allows her to perform her functions as such.
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	NON-COMPLIANT	Please refer to Section 2 (2.1) pp. 1 -2 of the Company's Corporate Governance Manual available at https://www.holcim.ph/sites/philippines/files/documents/Revised_Corporate_Governance_Manual.pdf	
3. Compliance Officer is not a member of the board.	COMPLIANT		
4. Compliance Officer attends training/s on corporate governance.	COMPLIANT	The Corporate Secretary attends the Corporate Governance training with the Directors on 01 June 2021.	
Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.			
Recommendation 2.1			
1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	COMPLIANT	The Board of Directors meets regularly on a quarterly basis and as often as necessary to discuss matters concerning the Company. To ensure that the Board acts on a fully informed basis, the Corporate Secretary, in collaboration with the different	

		<p>function heads, prepares the materials for the Board and Board Committee meetings. These materials are required to be sent to board/ committee members at least five (5) business days prior to the meeting. The Board materials are sent to the Board via e-mail and uploaded in our Board Management Software, Convene, to ensure that the Board can readily and easily access the meeting materials. The members of the Board may ask the Corporate Secretary for information and/or additional materials to allow them to prepare for meetings.</p> <p>Please refer to page 7 of the Company's Board Charter available at https://www.holcim.ph/sites/philippines/files/documents/HPI_-_Board_Charter_1_June_2017_signed.pdf</p>	
Recommendation 2.2			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	COMPLIANT	The Board of Directors are responsible to foster the long-term success of the Company and secure its sustained competitiveness and profitability in a manner consistent with its fiduciary responsibility, which it shall exercise in the best interest of the Company. The Board meets at least once every quarter and as often as may be necessary to oversee the development, review and approval of the Company's business objectives and strategy.	
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	COMPLIANT		

		<p>Please refer to Section 2.2 (f), pp. 9 of the Company's Manual of Corporate Governance available at https://www.holcim.ph/sites/philippines/files/documents/Revised_Corporate_Governance_Manual.pdf</p> <p>Section 2.3, pp. 6 of the Company's Board Charter and the Company's By-Laws</p> <p>Available at https://www.holcim.ph/sites/philippines/files/documents/HPI_-_Board_Charter_1_June_2017_signed.pdf and https://www.holcim.ph/sites/philippines/files/atoms/files/20181220_hpi_articles_of_incorporation_v2.pdf</p>	
Supplement to Recommendation 2.2			
1. Board has a clearly defined and updated vision, mission and core values.	COMPLIANT	<p>Please refer to the Corporate Governance Manual available at https://www.holcim.ph/sites/philippines/files/documents/Revised_Corporate_Governance_Manual.pdf</p>	
2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.	COMPLIANT	<p>In the performance of their functions, the Board of Directors is supported by the Board Committees such as the Corporate Governance Committee, Executive Committee and the Audit Committee who also acts as the Related Party Transactions Committee. Each Committee is tasked to oversee a</p>	

		<p>particular aspect of the Company's strategy or Company objective.</p> <p>Please refer to Section 4 of the Company's Charter of the Board of Directors and the Charter of the Audit Committee available at https://www.holcim.ph/sites/philippines/files/documents/HPI_-_Board_Charter_1_June_2017_signed.pdf</p> <p>https://www.holcim.ph/sites/philippines/files/documents/HPI_Audit_Committee_Charter_1_June_2017_signed.pdf</p>	
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Recommendation 2.3

1. Board is headed by a competent and qualified Chairperson.	COMPLIANT	<p>The Company's Chairman, Mr. Tomas I. Alcantara, is highly competent, qualified and knowledgeable in the industry where the Company operates.</p> <p>Please refer to: (i) the Company's Annual Report for 2021 (part III, Item 9, pp. 37 and Definitive Information Statement for his profile (Item 5, pp. 6) Available at https://www.holcim.ph/about-us/company-disclosures</p>	
Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	COMPLIANT	Under the guidance and supervision of the Corporate Governance Committee, the Company's Organization and Human Resource function has in place a succession policy for key officers and management and regularly conducts succession planning.	
2. Board adopts a policy on the retirement for directors and key officers.	NON-COMPLIANT	<p>Please refer to Section 2, 2.3(a), pp. 18 of the Company's Corporate Governance Manual available at https://www.holcim.ph/sites/philippines/files/documents/HPI_CorpGov_Committee_Charter_1_June_2017_signed.pdf</p>	The Company has a retirement plan which covers all regular employees including key officers. However, the retirement plan does not include the members of the Board of Directors and expatriates.
Recommendation 2.5			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	COMPLIANT	The Company's remuneration policy is based on its Total Rewards System which rewards key officers and	

		directors based on individual performance. The Corporate Governance Committee is in charge of reviewing and evaluating compensation/ remuneration of the Company with due regard to the overall remuneration policy and procedures of the Holcim Group. It is also tasked to disallow any director to decide his or her own remuneration.	
2. Board adopts a policy specifying the relationship between remuneration and performance.	COMPLIANT		
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	COMPLIANT	<p>Please refer to Section 5, 5.3, page 6 of the Company's Charter of the Corporate Governance Committee available https://www.holcim.ph/sites/philippines/files/documents/HPI_CorpGov_Committee_Charter_1_June_2017_signed_.pdf</p> <p>Annual Report for 2021 and Definitive Information Statement available at https://www.holcim.ph/about-us/company-disclosures</p>	
Optional: Recommendation 2.5			
1. Board approves the remuneration of senior executives.	COMPLIANT	The remuneration of senior executives of the Company is based on the Total Rewards System which pays remuneration based on individual performance. Recommended compensation levels are presented to the Board for approval, through the Corporate Governance Committee, annually.	
2. Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses.	COMPLIANT	Link References:	

		<p>Corporate Governance Manual https://www.holcim.ph/sites/philippines/files/documents/Revised_Corporate_Governance_Manual.pdf</p> <p>Charter of the Corporate Governance Committee https://www.holcim.ph/sites/philippines/files/documents/HPI_CorpGov_Committee_Charter_1_June_2017_signed.pdf</p>	
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	COMPLIANT	<p>The Company has a formal and transparent board nomination and election policy embodied in the Manual of Corporate Governance the Company's By-laws and the guidelines of the Corporate Governance Committee. All shareholders have the right to nominate members of the Board in accordance with the procedure set out in the Company's By-laws. Nominations received are then screened, evaluated and shortlisted by the Corporate Governance Committee.</p> <p>Link References: Article II, pp. 2 – 4 of the Company's By-laws, https://www.holcim.ph/sites/philippines/files/atoms/files/20181220_hpi_articles_of_incorporation_v2.pdf</p>	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	COMPLIANT		
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	COMPLIANT		
4. Board nomination and election policy includes how the board shortlists candidates.	COMPLIANT		
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	COMPLIANT		
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	COMPLIANT		

		Item 5, pp. 8 – 9 of the Definitive Information Statement available at https://www.holcim.ph/about-us/company-disclosures	
Optional: Recommendation to 2.6			
1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.		Identify the professional search firm used or other external sources of candidates	
Recommendation 2.7			
1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	COMPLIANT	The Board is mandated by Company's Corporate Governance Manual to formulate and implement policies and procedures that would ensure the integrity and transparency of RPT transactions. In 2018, the Board approved its RPT policy and tasked the Audit Committee to act as the RPT Committee. The RPT policy undergoes amendment from time to time to ensure that all RPTs are conducted at arms' length. The latest amendment was in 2021. Link References: RPT Policy https://www.holcim.ph/sites/philippines/files/atoms/files/related_party_transaction_policy_-_final_copy.pdf Section 2.2 (f)(ii)(9) Corporate Governance Manual https://www.holcim.ph/sites/philippines	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	COMPLIANT		
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	COMPLIANT		

		/files/documents/Revised Corporate Governance Manual.pdf	
Supplement to Recommendations 2.7			
<p>1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered <i>de minimis</i> or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.</p>	COMPLIANT	<p>RPT categories under the RPT policy:</p> <p>Exempt-Transactions: RPT transactions of a non-material nature and are by nature, normal transactions in the ordinary course of business and are covered by separate Board approvals. The review of these transactions is delegated to the Management provided these transactions do not exceed Php 100Million per transaction and in aggregate within a 12 month period ("exemption threshold")</p> <p>Material: A transaction among related parties and the Company (or its subsidiaries), either individually, or in aggregate over a 12 month period with the same related party, amounting to 10% or higher of the Corporation's total consolidated assets based on its latest Audited Financial Statements regardless of how the payment terms of the contract are structured.</p> <p>Please refer to the Company's Updated Related Party Transactions Policy (approved by the Board on November 18, 2021) which is available at www.holcim.ph</p>	

		Link Reference: https://www.holcim.ph/sites/philippines/files/atoms/files/related_party_transaction_policy_final_copy.pdf	
2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.	NON-COMPLIANT		The Company adopts the provisions of the Revised Corporation Code, Securities Regulations Code and all applicable regulations to protect shareholders.
Recommendation 2.8			
1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	COMPLIANT	<p>All nominees for executive positions are evaluated by the Corporate Governance Committee composed of 5 members of the Board. The CG Committee then endorses the names of the approved nominees for Management positions for approval by the Board.</p> <p>The Board of Directors appoints the Company's CEO, CFO and all head of functions at every organizational meeting held immediately after the Annual Stockholders meeting.</p> <p>Link References:</p> <p>17C Results of the Annual Stockholders Meeting</p> <p>https://edge.pse.com.ph/openDiscViewer.do?edge_no=47d24cb13f089a193470cea4b051ca8f</p>	

		<p>Organizational Board Meeting</p> <p>https://edge.pse.com.ph/openDiscViewer.do?edge_no=6e590010affcad2e3470cea4b051ca8f</p> <p>Article II, pp. 4 -5 of the By-laws</p> <p>https://www.holcim.ph/sites/philippines/files/atoms/files/20181220_hpi_articles_of_incorporation_v2.pdf</p>	
2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	COMPLIANT	Please refer to the Corporate Governance Manual and the Charter of the Board of Directors which are available at www.holcim.ph	
Recommendation 2.9			
1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.	COMPLIANT	The Board, through the CEO and the Organization and Human Resource function, implements a well-developed performance management framework which involves midyear and annual performance review of the personnel's performance. The performance review is based on the individual personnel's annual goal which is aligned with the standards and goals set by the Board and the Senior Management.	
2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.	COMPLIANT	Please refer to Section 2, 2.2(f)(ii)(14) pp. 11 of the Corporate Governance Manual which is available at https://www.holcim.ph/sites/philippines	

		/files/documents/Revised_Corporate_Governance_Manual.pdf	
Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	COMPLIANT	The Board, through its Audit Committee reviews and monitors the Company's established systems and processes for risk management, internal control and good governance. In the review of the design effectiveness and adequacy of internal controls particularly those processes relating to financial reporting, the Audit Committee is assisted by the Internal Audit Function and the external auditor. Results of the Review are presented to the Audit Committee every quarter.	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	COMPLIANT	<p>Please refer to the Charter of the Audit Committee Section 5, 5.1 pp. 5 to 6 https://www.holcim.ph/sites/philippines/files/documents/HPI_Audit_Committee_Charter_1_June_2017_signed.pdf</p> <p>ICQA Charter is available at https://www.holcim.ph/sites/philippines/files/atoms/files/icqa.pdf</p>	
3. Board approves the Internal Audit Charter.	COMPLIANT	Please refer to the Internal Audit ICQA Charter is available at	

		https://www.holcim.ph/sites/philippines/files/atoms/files/icqa.pdf	
Recommendation 2.11			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	COMPLIANT	The Board, with the assistance of the Audit Committee, ensures that a sound ERM framework is in place to effectively identify, monitor, assess and manage key business risks.	
2. The risk management framework guides the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	COMPLIANT	<p>The risks associated with the Company's activities are reviewed regularly by the Board, which assesses the Company's risk appetite/tolerance, and considers major risks and evaluates their impact on the Company. Policies and procedures, which are reviewed and monitored by the Internal Audit, are in place to deal with any matters, which may be considered by the Board to present significant exposure.</p> <p>Link References:</p> <p>Enterprise Risk management https://www.holcim.ph/about-us/corporate-governance/enterprise-risk-management</p> <p>Manual of Corporate Governance Section 2, 2.3(b) (ii) pp. 20, 23 https://www.holcim.ph/sites/philippines/files/documents/Revised_Corporate_Governance_Manual.pdf</p>	
Recommendation 2.12			

1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	COMPLIANT	The Charter of the Board of Directors is available at https://www.holcim.ph/sites/philippines/files/documents/HPI - Board Charter 1 June 2017 signed.pdf	
2. Board Charter serves as a guide to the directors in the performance of their functions.	COMPLIANT		
3. Board Charter is publicly available and posted on the company's website.	COMPLIANT		
Additional Recommendation to Principle 2			
1. Board has a clear insider trading policy.	COMPLIANT	The Company's Insider Trading Policy is available at https://www.holcim.ph/sites/philippines/files/documents/Insider_Trading.pdf The Corporate Secretary also regularly sends reminders to all insiders of trading blackouts and prohibitions as per the Company's insider trading policy	
Optional: Principle 2			
1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.	COMPLIANT	The Company's Related Party Transactions Policy prohibits granting of loans and/or financial assistance to any Director. A copy of the Company's RPT policy is available at https://www.holcim.ph/sites/philippines/files/atoms/files/related_party_transaction_policy - final copy.pdf	
2. Company discloses the types of decision requiring board of directors' approval.	COMPLIANT	The Company adopts the provisions of the Corporation Code on the types of	

		decisions requiring approval by the Directors.	
<p>Principle 3: Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.</p>			
<p>Recommendation 3.1</p>			
<p>1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.</p>	<p>COMPLIANT</p>	<p>The Board is supported by the Corporate Governance Committee, Executive Committee and Audit Committee. The Audit Committee has Business Risk and RPT oversight.</p> <p>Please refer to the Corporate Governance Manual and Committee charters which are available at:</p> <p>Corporate Governance Manual https://www.holcim.ph/sites/philippines/files/documents/Revised_Corporate_Governance_Manual.pdf</p> <p>Charter of the Board of Directors: https://www.holcim.ph/sites/philippines/files/documents/HPI - Board Charter 1 June 2017 signed .pdf</p> <p>Charter of the Corporate Governance Committee https://www.holcim.ph/sites/philippines/files/documents/HPI_CorpGov_Committee Charter 1 June 2017 signed .pdf</p>	

		<p>Charter of the Audit Committee https://www.holcim.ph/sites/philippines/files/documents/HPI_Audit_Committee_Charter_1_June_2017_signed_.pdf</p> <p>Definitive Information Statement, pp. 8 & 15 https://www.holcim.ph/about-us/company-disclosures</p>	
Recommendation 3.2			
<p>1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.</p>	COMPLIANT	<p>Please refer to the Corporate Governance Manual and Charter of the Audit Committee, which are available at www.holcim.ph.</p> <p>The Audit Committee is responsible for deliberating and recommending appointment and removal of the Company's external auditor and has oversight on financial reporting and disclosures which include the responsibility of reviewing financial statements for Board approval</p> <p>Link References:</p> <p>Section 2, 5.2 pp. 7-8, Charter of the Audit Committee https://www.holcim.ph/sites/philippines/files/documents/HPI_Audit_Committee_Charter_1_June_2017_signed_.pdf</p>	
<p>2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.</p>	COMPLIANT	<p>The Chairman of the Audit Committee is Mr. Medel Nera, an independent director of Holcim Philippines, Inc.</p>	

		<p>Please refer to Section 4, 41., pp. 4 of the Charter of the Audit Committee https://www.holcim.ph/sites/philippines/files/documents/HPI_Audit_Committee_Charter_1_June_2017_signed_.pdf</p> <p>Pp. 15 of the Definitive Information Statement https://www.holcim.ph/about-us/company-disclosures</p>	
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	COMPLIANT	<p>Pp. 6,7 & 15 of the Definitive Information Statement for the individual write up of the professional profile of the members of the Audit Committee and its composition https://www.holcim.ph/about-us/company-disclosures</p>	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	COMPLIANT	<p>The Chairman of the Audit Committee is Mr. Medel Nera, an independent director of Holcim Philippines, Inc. He is not the Chairman of the Board or of any other committee</p>	
1. Audit Committee approves all non-audit services conducted by the external auditor.	COMPLIANT	<p>The Charter of the Audit Committee requires the Audit Committee to evaluate and determine non-audit work of the external auditor to ensure that this will not be in conflict with its duties as external auditor or may pose a threat to its independence</p> <p>Section 5.6, pp. 14 of the Charter of the Audit Committee https://www.holcim.ph/sites/philippines</p>	

		/files/documents/HPI Audit Committee Charter 1 June 2017 signed .pdf	
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	COMPLIANT	Please refer to Section 5.6, pp. 14 of the Charter of the Audit Committee https://www.holcim.ph/sites/philippines/files/documents/HPI Audit Committee Charter 1 June 2017 signed .pdf	
1. Audit Committee meet at least four times during the year.	COMPLIANT	The Charter of the Audit Committee requires the Audit Committee to hold meetings at such times and places as it considers appropriate, but not less than quarterly. For 2021, the Audit Committee conducted 4 regular quarterly meetings and 5 special meetings. Please refer to Section 6, pp. 15 of the Charter of the Audit Committee https://www.holcim.ph/sites/philippines/files/documents/HPI Audit Committee Charter 1 June 2017 signed .pdf	
2. Audit Committee approves the appointment and removal of the internal auditor.	COMPLIANT	The Audit Committee is mandated by the Charter of the Audit Committee to organize a local and independent Internal Audit Department including the criteria of the Head of Internal Audit/ Chief Audit Executive. The Committee approves the appointment, replacement, reassignments, dismissal, remuneration and performance of the Head of Internal Audit who directly reports to the Committee	

		Section 5.5(d), pp. 12 of the Audit Committee https://www.holcim.ph/sites/philippines/files/documents/HPI_Audit_Committee_Charter_1_June_2017_signed.pdf	
Recommendation 3.3			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	COMPLIANT	Please refer to Section 2, 2.3(a), pp. 17-20 the Manual of Corporate Governance Manual https://www.holcim.ph/sites/philippines/files/documents/Revised_Corporate_Governance_Manual.pdf Charter of the Corporate Governance Committee https://www.holcim.ph/sites/philippines/files/documents/HPI_CorpGov_Committee_Charter_1_June_2017_signed.pdf	
2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	COMPLIANT	Pursuant to the Charter of the Corporate Governance Committee, the Committee in 2021 was composed of five directors, among which are 3 independent directors. Please refer to Section 4, 4.1 , pp. 2 of the Charter of Corporate Governance Committee https://www.holcim.ph/sites/philippines/files/documents/HPI_CorpGov_Committee_Charter_1_June_2017_signed.pdf	

<p>3. Chairman of the Corporate Governance Committee is an independent director.</p>	<p>NON-COMPLIANT</p>	<p>Section 2, 2.3(a) pp. 17 of the Manual of Corporate Governance https://www.holcim.ph/sites/philippines/files/documents/Revised_Corporate_Governance_Manual.pdf</p> <p>The Charter of Corporate Governance Committee is available at: https://www.holcim.ph/sites/philippines/files/documents/HPI_CorpGov_Committee_Charter_1_June_2017_signed.pdf</p>	<p>The Company's Manual of Corporate Governance provides that the Chairman of the Committee shall be a non-executive non-independent Director.</p> <p>The Board of Directors assessed that full compliance to this recommendation is not necessary considering that majority of the CG Committee members are independent directors</p>
<p>Optional: Recommendation 3.3.</p>			
<p>1. Corporate Governance Committee meet at least twice during the year.</p>	<p>COMPLIANT</p>	<p>Section 6, pp. 7 of the Charter of Corporate Governance Committee is available at: https://www.holcim.ph/sites/philippines/files/documents/HPI_CorpGov_Committee_Charter_1_June_2017_signed.pdf</p>	
<p>Recommendation 3.4</p>			
<p>1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.</p>	<p>COMPLIANT</p>	<p>The BROC functions are currently exercised by the Audit Committee pursuant to the Charter of the Committee.</p> <p>Please refer to Section 5.3 pp. 8-10 of the Charter of the Audit Committee which is available at https://www.holcim.ph/sites/philippines/files/documents/HPI_Audit_Committee_Charter_1_June_2017_signed.pdf</p>	

<p>2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.</p>	<p>COMPLIANT</p>	<p>The Audit Committee pursuant to the Charter of the Committee exercises BROC functions.</p> <p>Please refer to Section 4, 41., pp. 4 of the Charter of the Audit Committee https://www.holcim.ph/sites/philippines/files/documents/HPI_Audit_Committee_Charter_1_June_2017_signed.pdf</p> <p>Pp. 15 of the Definitive Information Statement https://www.holcim.ph/about-us/company-disclosures</p>	
<p>3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.</p>	<p>NON-COMPLIANT</p>		<p>The BROC functions are currently exercised by the Audit Committee pursuant to the Charter of the Committee.</p>
<p>4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.</p>	<p>COMPLIANT</p>	<p>Please refer to pp. 6-7 of the Definitive Information Statement for the write up on the professional profile of the members of the Audit Committee who also acts as the BROC https://www.holcim.ph/about-us/company-disclosures</p>	
<p>Recommendation 3.5</p>			
<p>1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.</p>	<p>COMPLIANT</p>	<p>Pursuant to the Company's Related Party Transactions Policy, the Audit Committee acts as the RPT Committee.</p> <p>A copy of the Company's RPT policy is available at https://www.holcim.ph/sites/philippines</p>	

		/files/atoms/files/related_party_transaction_policy_-_final_copy.pdf	
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	COMPLIANT	<p>Pursuant to the Company's Related Party Transactions Policy, the Audit Committee acts as the RPT Committee. The Audit Committee is composed of two independent directors and one non-executive director. The Chairman of the Audit Committee is an independent director.</p> <p>Please refer to the Company's RPT policy available at https://www.holcim.ph/sites/philippines/files/atoms/files/related_party_transaction_policy_-_final_copy.pdf</p>	
Recommendation 3.6			
1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	COMPLIANT	<p>Copies of the committee charters are available at the following: Charter of the Corporate Governance Committee https://www.holcim.ph/sites/philippines/files/documents/HPI_CorpGov_Committee_Charter_1_June_2017_signed_.pdf</p>	
2. Committee Charters provide standards for evaluating the performance of the Committees.	COMPLIANT	<p>Charter of the Audit Committee https://www.holcim.ph/sites/philippines/files/documents/HPI_Audit_Committee_Charter_1_June_2017_signed_.pdf</p>	
3. Committee Charters were fully disclosed on the company's website.	COMPLIANT	All charters are available to the public at www.holcim.ph	

Principle 4: To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.

Recommendation 4.1

<p>1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele- /videoconferencing conducted in accordance with the rules and regulations of the Commission.</p>	<p>COMPLIANT</p>	<p>The Company's Manual on Corporate Governance mandates each director to devote time and attention necessary to actively participate in all meetings of the Board, Committees and shareholders. The Director's record of attendance to meetings is also reported to the PSE and SEC annually.</p> <p>Please refer to the By-laws, Corporate Governance Manual and Charter of the Corporate Governance Committee which are available at www.holcim.ph</p> <p>https://edge.pse.com.ph/openDiscViewer.do?edge_no=b0ecab618015e6b33470cea4b051ca8f</p>	
<p>2. The directors review meeting materials for all Board and Committee meetings.</p>	<p>COMPLIANT</p>	<p>The Charter of the Board of Directors require meeting materials to be sent to the directors least 5 business days prior to the scheduled meeting so that the directors may review the said materials and ask questions/clarifications, if necessary. The Corporate Secretary, in collaboration with the different function heads, prepares the meeting materials and are sent to the Board via e-mail and uploaded in our Board Management Software, Convene, to ensure that the Board can readily and easily access the meeting materials. The members of the Board may ask the</p>	
<p>3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.</p>	<p>COMPLIANT</p>		

		<p>Corporate Secretary for information and/or additional materials to allow them to prepare for meetings.</p> <p>Please refer to page 7 of the Company's Board Charter</p> <p>Link Reference: https://www.holcim.ph/sites/philippines/files/documents/HPI - Board Charter 1 June 2017 signed .pdf</p>	
Recommendation 4.2			
1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long-term strategy of the company.	NON-COMPLIANT	<p>Please refer to the Company's Corporate Governance Manual, available at https://www.holcim.ph/sites/philippines/files/documents/Revised_Corporate_Governance_Manual.pdf</p>	While one of the independent director is currently serving as independent director in more than five publicly-listed companies, he is able to competently serve and perform his roles, responsibilities and duties of the Company.
Recommendation 4.3			
1. The directors notify the company's board before accepting a directorship in another company.	COMPLIANT	<p>Please refer to the Company's Corporate Governance Manual, available at https://www.holcim.ph/sites/philippines/files/documents/Revised_Corporate_Governance_Manual.pdf</p>	
Optional: Principle 4			
1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.			
2. Company schedules board of directors' meetings before the start of the financial year.	COMPLIANT	On the last quarterly meeting for the year, the Board of Directors agree on the dates of the Regular Board meetings for the succeeding year.	

3. Board of directors meet at least six times during the year.		For year 2021, the Board conducted 9 meetings. Link reference: https://edge.pse.com.ph/openDiscViewer.do?edge_no=b0ecab618015e6b33470cea4b051ca8f	
4. Company requires as minimum quorum of at least 2/3 for board decisions.		The Charter of the Board of Directors provide that resolutions shall be validly adopted by the majority vote of the directors present at a meeting at which there is a quorum, unless a higher requirement is imposed by the applicable laws or By-laws: Link Reference: Section 2.4, pp. 8 of the Charter of the Board of Directors available at https://www.holcim.ph/sites/philippines/files/documents/HPI_-_Board_Charter_1_June_2017_signed.pdf	

Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs

Recommendation 5.1

1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.	COMPLIANT	As of date, the Company's Independent Directors: 1. Dr. Thomas Aquino 2. Mr. Leandro Javier 3. Mr. Medel Nera	
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Recommendation 5.2

<p>1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.</p>	<p>COMPLIANT</p>	<p>Please refer to pp. 6-7 of the Company's, Definitive Information Statement available at: https://www.holcim.ph/about-us/company-disclosures</p>	
<p>Supplement to Recommendation 5.2</p>			
<p>1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.</p>	<p>COMPLIANT</p>	<p>The Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote.</p> <p>Please refer to the following reference links:</p> <p>By-laws https://www.holcim.ph/sites/philippines/files/atoms/files/20181220_hpi_articles_of_incorporation_v2.pdf</p> <p>Section 2.2 , f (ii) and g of Company's Corporate Governance Manual, available at https://www.holcim.ph/sites/philippines/files/documents/Revised_Corporate_Governance_Manual.pdf</p>	
<p>Recommendation 5.3</p>			
<p>1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).</p>	<p>COMPLIANT</p>	<p>The Company complies with the term limit as provided by the relevant regulations and SEC issuances.</p> <p>Please refer to Section 2 of the Corporation's By-laws, https://www.holcim.ph/sites/philippines/files/atoms/files/20181220_hpi_articles_of_incorporation_v2.pdf</p>	

		pp. 6-7 of Definitive Information Statement available at https://www.holcim.ph/about-us/company-disclosures	
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	NON-COMPLIANT		While nothing in the Company policies or in the charters bar an independent director from serving in such capacity after the nine-year term limit, the Company will abide by existing laws and regulations. The Company has no intention of extending the service of any independent director beyond the term limit of nine years.
3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.	COMPLIANT	Currently, the Company has no intention to retain any independent director after the term limit of nine years in compliance with the relevant regulations and SEC issuances.	
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	COMPLIANT	Chairman: Tomas I. Alcantara CEO: Horia Ciprian Adrian Please refer to the Company's General Information Sheet and Definitive Information Statement for 2021 available at https://www.holcim.ph/about-us/company-disclosures	
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	COMPLIANT	Please refer to Article III, pp. 6 of the Company's By-laws available at	

		https://www.holcim.ph/sites/philippines/files/atoms/files/20181220_hpi_articles_of_incorporation_v2.pdf Section 2.2 (c) of the Corporate Governance Manual available at https://www.holcim.ph/sites/philippines/files/documents/Revised_Corporate_Governance_Manual.pdf	
Recommendation 5.5			
1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.	COMPLIANT	The Company's Lead Independent Director is Mr. Medel T. Nera. Section 2.2 (c) (iii) of the Corporate Governance Manual available at https://www.holcim.ph/sites/philippines/files/documents/Revised_Corporate_Governance_Manual.pdf	
Recommendation 5.6			
1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	COMPLIANT	The Company's Corporate Governance Manual requires a director to fully and immediately disclose and should not participate in the decision-making process involving an actual or potential conflict of interest on his part. Section 2.2 (d), items 7 & 9, pp. 7 of the Corporate Governance Manual available at https://www.holcim.ph/sites/philippines/files/documents/Revised_Corporate_Governance_Manual.pdf	
Recommendation 5.7			

1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present.	NON-COMPLIANT		Considering the size, risk profile and structure of the Company, the Board assessed that full compliance to this recommendation is not necessary. The Audit Committee meets with the external auditor and the Company's internal auditor.
2. The meetings are chaired by the lead independent director.	NON-COMPLIANT		Considering the size, risk profile and structure of the Company, the Board assessed that full compliance to this recommendation is not necessary. The Audit Committee meets with the external auditor and the Company's internal auditor. The Chairman of the Audit Committee is also the Lead Independent Director.
Optional: Principle 5			
1. None of the directors is a former CEO of the company in the past 2 years.	COMPLIANT	Please refer to the Company's disclosures which are available at www.holcim.ph	
Principle 6: The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.			
Recommendation 6.1			
1. Board conducts an annual self-assessment of its performance as a whole.	COMPLIANT	In 2020, the Board approved the Company's policy on Director's self-assessment which includes self-assessment of the performance of the Board and Committee chair. The policy provides that every three years from the effective date of the policy, the assessment will be supported by an external facilitator.	
2. The Chairman conducts a self-assessment of his performance.	COMPLIANT		
3. The individual members conduct a self-assessment of their performance.	COMPLIANT		
4. Each committee conducts a self-assessment of its performance.	COMPLIANT		

5. Every three years, the assessments are supported by an external facilitator.	COMPLIANT	Please refer to Annex I of the Definitive Information Statement. https://www.holcim.ph/about-us/company-disclosures	
Recommendation 6.2			
1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	COMPLIANT	In 2020, the Board approved the Company's policy on Director's self-assessment which require them to answer a self-assessment questionnaire composed of statements based on company's compliance with governance principles and practices, individual participation and requirements of the Company's Manual of corporate Governance and Committee charters.	
2. The system allows for a feedback mechanism from the shareholders.	COMPLIANT	<p>Please refer to Annex I of the Definitive Information Statement.</p> <p>https://www.holcim.ph/about-us/company-disclosures</p> <p>The Company has a whistleblowing policy available at https://www.holcim.ph/sites/philippines/files/documents/Whistle_Blowing_Policy.pdf. Further, all shareholders are free to give comment/feedback on the Board performance by sending an e-mail to Hpi-Investor-relations@lafargeholcim.com. The Corporate Secretary will report such comments/feedback to the Corporate Governance Committee.</p>	

Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.

Recommendation 7.1

<p>1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.</p>	<p>COMPLIANT</p>	<p>Please refer to the Code of Business Conduct available at https://www.holcim.ph/about-us/corporate-governance/lafargeholcim-code-of-business-conduct</p>	
<p>2. The Code is properly disseminated to the Board, senior management and employees.</p>	<p>COMPLIANT</p>	<p>A copy of the Company's Code of Business Conduct (COBC) as well as training on the same is given as part of the Company's on-boarding seminar conducted by the OH&R for employees and the Corporate Secretary for new directors.</p>	
<p>3. The Code is disclosed and made available to the public through the company website.</p>	<p>COMPLIANT</p>	<p>The Code of Business Conduct available at https://www.holcim.ph/about-us/corporate-governance/lafargeholcim-code-of-business-conduct</p>	

Supplement to Recommendation 7.1

<p>1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.</p>	<p>COMPLIANT</p>	<p>The Company strictly adheres to its Anti-Bribery and Corruption Directive, a copy of which is available at www.holcim.ph</p>	
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Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	COMPLIANT	The Internal Audit (IA) Function has been assisting the Audit Committee of the Board in the effective performance of its oversight responsibilities and improvement of the effectiveness of the Company's governance, risk management and internal control processes which include the COBC.	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	COMPLIANT	<p>All Directors, Officers and Employees are required to comply with the Code of Business Conduct.</p> <p>The Code of Business Conduct available at https://www.holcim.ph/about-us/corporate-governance/lafargeholcim-code-of-business-conduct</p> <p>Section 5.3 pp. 8 of the Charter of the Audit Committee available at https://www.holcim.ph/sites/philippines/files/documents/HPI_Audit_Committee_Charter_1_June_2017_signed.pdf</p>	

Disclosure and Transparency

Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.

Recommendation 8.1

1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and	COMPLIANT	The Company follows and complies with the disclosure policies and procedures of the PSE and SEC.	
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<p>timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.</p>		<p>Please refer to the Corporate Governance Manual and Corporate Disclosures available at www.holcim.ph</p>	
Supplement to Recommendations 8.1			
<p>1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period.</p>	<p>COMPLIANT</p>	<p>The Corporation complies with the PSE and SEC disclosure requirements relating to annual and quarterly consolidated reports.</p> <p>Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period.</p> <p>Company disclosures are posted in PSE Edge and the Company website https://www.holcim.ph/about-us/company-disclosures</p>	
<p>2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.</p>	<p>COMPLIANT</p>	<p>Please refer to Part III, pp. 45-46 of the Annual Report and Item 3, B, pp. 3 to 5 of the Definitive Information Statement available at: https://www.holcim.ph/about-us/company-disclosures</p>	
Recommendation 8.2			
<p>1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.</p>	<p>COMPLIANT</p>	<p>Please refer to Company's policy on Dealing in Securities attached as Annex A to the Manual of Corporate Governance available at</p>	

2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.	COMPLIANT	https://www.holcim.ph/sites/philippines/files/documents/Revised_Corporate_Governance_Manual.pdf	
Supplement to Recommendation 8.2			
1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).	COMPLIANT	<p>The Company discloses all relevant and material information relating to the Board of Directors and controlling shareholders.</p> <p>Please refer to the Company's, Annual Report and Definitive Information Statement available at https://www.holcim.ph/about-us/company-disclosures</p>	
Recommendation 8.3			
1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	COMPLIANT	<p>The Company discloses all relevant and material information relating to the Board of Directors and nominees for election as directors.</p> <p>Please refer to pp. 6 to 7 of Definitive Information Statement available at https://www.holcim.ph/about-us/company-disclosures</p>	
2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	COMPLIANT	<p>Individual profile of the Company's key executives are disclosed in pp. 9 – 12 of the Company's Definitive Information Statement available at https://www.holcim.ph/about-us/company-disclosures</p>	
Recommendation 8.4			

<p>1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.</p>	<p>COMPLIANT</p>	<p>Other than directors per diem, the directors of the Company do not receive any other compensation from the Company. Please refer to Item 6, pp. 14 of the Definitive Information Statement available at available at https://www.holcim.ph/about-us/company-disclosures</p>	
<p>2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.</p>	<p>COMPLIANT</p>	<p>Please refer to Item 6, pp. 13-14 of the Definitive Information Statement available at https://www.holcim.ph/about-us/company-disclosures</p>	
<p>3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.</p>	<p>NON-COMPLIANT</p>		<p>The Company complies with the disclosure requirements of the SEC and PSE relating to remunerations. Individual remunerations are not disclosed for security purposes.</p>
<p>Recommendation 8.5</p>			
<p>1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.</p>	<p>COMPLIANT</p>	<p>The Corporate Governance Manual prohibits a director from participating in the decision-making process of matters where there is an actual or potential conflict of interest concerning him.</p> <p>Please refer to the Corporate Governance Manual available at https://www.holcim.ph/sites/philippines/files/documents/Revised_Corporate_Governance_Manual.pdf</p> <p>A copy of the Updated Related Party Transactions Policy is available at https://www.holcim.ph/sites/philippines/files/atoms/files/related_party_transaction_policy_-_final_copy.pdf</p>	

2. Company discloses material or significant RPTs reviewed and approved during the year.	COMPLIANT	Please refer to the, Annual Report for 2021 and Definitive Information Statement available at https://www.holcim.ph/about-us/company-disclosures	
Supplement to Recommendation 8.5			
1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	COMPLIANT	The Corporate Governance Manual requires directors to fully and immediately disclose actual and potential conflict of interest. To implement the same, the Directors are required annually to execute a Conflict-of-Interest questionnaire which requires them to disclose any probable or existing conflict of interest transactions.	
Optional : Recommendation 8.5			
1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.	COMPLIANT	Please refer to the RPT Policy and Corporate Governance Manual available at https://www.holcim.ph/sites/philippines/files/atoms/files/related_party_transaction_policy_-_final_copy.pdf Note 31 of the Annual Financial Statement annexed to the Definitive Information Statement available at https://www.holcim.ph/about-us/company-disclosures	
Recommendation 8.6			
1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the	COMPLIANT	The Company complies with the disclosure requirements of the Securities and Exchange Commission and the Philippine Stock Exchange.	

viability or the interest of its shareholders and other stakeholders.		Please refer to the Annual Report for 2021 and Definitive Information Statement for 2021 found in the Company's website www.holcim.ph	
2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	NON-COMPLIANT		The Company RPT policy does not require engagement of an independent party to evaluate the fairness of the transaction. Based on the assessment of the Board, full compliance with this recommendation is not necessary considering the size, structure, risk profile and complexity of operations of the Company. The Audit Committee exercises this function. A copy of the RPT policy is available at https://www.holcim.ph/sites/philippines/files/atoms/files/related_party_transaction_policy_-_final_copy.pdf
Supplement to Recommendation 8.6			
1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.	COMPLIANT	The Company complies with all disclosure requirements of the SEC and PSE. There are no such agreements for the year 2021.	
Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	COMPLIANT	A copy of the Manual of Corporate Governance Manual is available at https://www.holcim.ph/sites/philippines/files/documents/Revised_Corporate_Governance_Manual.pdf	
2. Company's MCG is submitted to the SEC and PSE.	COMPLIANT		

3. Company's MCG is posted on its company website.	COMPLIANT		
Supplement to Recommendation 8.7			
1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	COMPLIANT	There have been no changes in the Corporate Governance Practices of the Company since the filing of the Corporate Governance Manual on May 31, 2017.	
Optional: Principle 8			
1. Does the company's Annual Report disclose the following information:	COMPLIANT	Please refer to the Annual Report for 2021 available at https://www.holcim.ph/about-us/company-disclosures	
a. Corporate Objectives	COMPLIANT		
b. Financial performance indicators	COMPLIANT		
c. Non-financial performance indicators	COMPLIANT		
d. Dividend Policy	COMPLIANT		
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors	COMPLIANT		
f. Attendance details of each director in all directors' meetings held during the year	NON-COMPLIANT		Attendance details of director in all directors' meetings held during the year is disclosed via PSE and EDGE and filing of SEC Form 17C at the beginning of the succeeding year.
g. Total remuneration of each member of the board of directors	NON-COMPLIANT		Disclosure of remuneration is done on a lump sum basis. Individual remuneration of the members of Board of Directors are not disclosed for security purposes.

2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance and where there is non-compliance, identifies and explains reason for each such issue.	COMPLIANT		
3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems.	COMPLIANT		
4. The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems.	COMPLIANT		
5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e., financial, operational including IT, environmental, social, economic).	COMPLIANT		

Principle 9: The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.

Recommendation 9.1

1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	COMPLIANT	The Audit Committee reviews the performance of and recommends to the Board the appointment, reappointment, removal and fees of the external auditor who undertakes an independent audit of the Company.	
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		Please refer to 5.6 , pp. 13 to 15 of the Charter of the Audit Committee available at https://www.holcim.ph/sites/philippines/files/documents/HPI_Audit_Committee_Charter_1_June_2017_signed.pdf	
2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.	COMPLIANT	The appointment of external auditor was recommended by the Audit Committee and approved by the Board. Such appointment was ratified by shareholders present and represented during the 2021 Annual Stockholders' Meeting of the Company. Please refer to 5.6, pp. 13 to 15 of the Charter of the Audit Committee available at https://www.holcim.ph/sites/philippines/files/documents/HPI_Audit_Committee_Charter_1_June_2017_signed.pdf Please see Annex E in the Definitive Information Statement for the copy of the 2021 Annual Shareholders meeting	
3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.	COMPLIANT	External auditor for 2021 has not been changed or removed.	
Supplement to Recommendation 9.1			
1. Company has a policy of rotating the lead audit partner every five years.	COMPLIANT	The Audit Committee is tasked to ensure the rotation or change of the lead engagement partner or the audit firm itself every five (5) years or earlier	

		Please refer to 5.6, (b) pp. 14 of the Charter of the Audit Committee available at https://www.holcim.ph/sites/philippines/files/documents/HPI_Audit_Committee_Charter_1_June_2017_signed.pdf	
Recommendation 9.2			
1. Audit Committee Charter includes the Audit Committee's responsibility on: <ul style="list-style-type: none"> i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and iii. Exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements. 	COMPLIANT	Please refer to 5.6, pp.13 to 15 of the Charter of the Audit Committee available at https://www.holcim.ph/sites/philippines/files/documents/HPI_Audit_Committee_Charter_1_June_2017_signed.pdf	
2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	COMPLIANT	Please refer to 5.6, pp.13 to 15 of the Charter of the Audit Committee available at https://www.holcim.ph/sites/philippines/files/documents/HPI_Audit_Committee_Charter_1_June_2017_signed.pdf	
Supplement to Recommendations 9.2			
1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party	COMPLIANT	Please refer to 5.6, pp.13 to 15 of the Charter of the Audit Committee available at	

transactions, its counterparties, and valuations of such transactions.		https://www.holcim.ph/sites/philippines/files/documents/HPI_Audit_Committee_Charter_1_June_2017_signed_.pdf	
2. Audit Committee ensures that the external auditor has adequate quality control procedures.	COMPLIANT		
Recommendation 9.3			
1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.	COMPLIANT	The external auditor did not perform any non-audit work for the Company in 2021.	
2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.	COMPLIANT	The Charter of the Audit Committee available at https://www.holcim.ph/sites/philippines/files/documents/HPI_Audit_Committee_Charter_1_June_2017_signed_.pdf	
Supplement to Recommendation 9.3			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	COMPLIANT	The external auditor did not perform any non-audit work for the Company in 2021.	
Additional Recommendation to Principle 9			
1. Company's external auditor is duly accredited by the SEC under Group A category.	COMPLIANT	<p>1.Name of the audit engagement partner: BONIFACIO F. LUMACANG, JR.</p> <p>2.SEC Accreditation number: 1793 -A</p> <p>3.Date Accredited: November 11, 2019</p> <p>4.Expiry date of accreditation: November 10, 2022</p> <p>5.Name, address, contact number of the audit firm:</p> <p style="text-align: center;">Navarro Amper & Co</p>	

		19 th Floor, Net Lima Plaza, 5 th Avenue cor 26 th St., Bonifacio Global City, Taguig City Philippines	
2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA).	COMPLIANT	Navarro Amper & Co. has been selected for review in 2021. As the Company has been made aware, the review started last September 30, 2021.	

Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.

Recommendation 10.1

1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.	COMPLIANT	The Company adopts and complies with the sustainability disclosure requirements of SEC. The 2021 Sustainability report is attached to the Sec Form 17 A Annual Report for year 2021 as Exhibit 6. A copy of which is available at www.holcim.ph and at https://edge.pse.com.ph/openDiscViewer.do?edge_no=d331c43d42e8dc583470cea4b051ca8f	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	NON-COMPLIANT		The Company does not currently have a policy on disclosure of non-financial information. The Company adopts and complies with the disclosure requirements of SEC and PSE.

Principle 11: The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.

Recommendation 11.1

1. Company has media and analysts' briefings as channels of communication to ensure the	COMPLIANT	Company communicates to its stakeholders through the Company	
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<p>timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.</p>		<p>website press releases, social media accounts and the reports required by PSE and SEC.</p> <p>Company Website: www.holcim.ph Facebook page: https://www.facebook.com/holcimphilippines</p>	
Supplemental to Principle 11			
<p>1. Company has a website disclosing up-to-date information on the following:</p>		<p>The Company's website is www.holcim.ph</p>	
<p>a. Financial statements/reports (latest quarterly)</p>	<p>COMPLIANT</p>		
<p>b. Materials provided in briefings to analysts and media</p>	<p>COMPLIANT</p>		
<p>c. Downloadable annual report</p>	<p>COMPLIANT</p>		
<p>d. Notice of ASM and/or SSM</p>	<p>COMPLIANT</p>		
<p>e. Minutes of ASM and/or SSM</p>	<p>COMPLIANT</p>		
<p>f. Company's Articles of Incorporation and By-Laws</p>	<p>COMPLIANT</p>		
Additional Recommendation to Principle 11			
<p>1. Company complies with SEC-prescribed website template.</p>	<p>COMPLIANT</p>		

Internal Control System and Risk Management Framework

Principle 12: To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.

Recommendation 12.1

<p>1. Company has an adequate and effective internal control system in the conduct of its business.</p>	<p>COMPLIANT</p>	<p>Please refer to the Charter of the Audit Committee and ICQA Charter available at https://www.holcim.ph/sites/philippines/files/atoms/files/icqa.pdf</p> <p>Charter of the Audit Committee https://www.holcim.ph/sites/philippines/files/documents/HPI_Audit_Committee_Charter_1_June_2017_signed.pdf</p>	
<p>2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.</p>	<p>COMPLIANT</p>	<p>The Board, through the Audit Committee annually reviews, approves and oversees the implementation of the Company's Business Risk Management (BRM) plan to ensure continued relevance, comprehensiveness and effectiveness.</p> <p>Link references:</p> <p>Section 5.3, pp. 8-10, Charter of the Audit Committee https://www.holcim.ph/sites/philippines/files/documents/HPI_Audit_Committee_Charter_1_June_2017_signed.pdf</p> <p>Enterprise Risk Management https://www.holcim.ph/about-us/corporate-governance/enterprise-risk-management</p>	

Supplement to Recommendations 12.1			
<p>1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.</p>	COMPLIANT	<p>The Company is supported by a Local Compliance Officer (a position distinct from the Compliance Officer under the Manual) who is specifically tasked to establish and implement the Company's Compliance Program, which includes the COBC, ABCD, Integrity Line, COI Directive, Data Privacy Act and Third Party Due Diligence. The Local Compliance Officer conducts the trainings and workshop on the various directives and policies, attendance to which trainings and workshops are mandatory. Certain directives are supported by e-learning online tools which are required to be accessed annually with signed certifications.</p>	
Optional: Recommendation 12.1			
<p>1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board.</p>	COMPLIANT	<p>The Company follows Holcim global directives on IT issues.</p>	
Recommendation 12.2			
<p>1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.</p>	COMPLIANT	<p>The Company has an in-house Internal Audit department led by a Chief Audit Executive</p>	

Recommendation 12.3			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	COMPLIANT		
2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third-party service provider.	COMPLIANT	The responsibilities of the CAE are outlined in the Company's ICQA Charter which is available at https://www.holcim.ph/sites/philippines/files/atoms/files/icqa.pdf	The Board has appointed Atty. Maria Kathrina A. Mamba as OIC, Chief Audit Executive on 01 July 2021
3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.	COMPLIANT	The Company currently does not outsource any of its internal audit activities but in the event that there will be a need to outsource, the CAE will manage the outsourced internal audit activity.	
Recommendation 12.4			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	NON-COMPLIANT		The Company's size, structure and risk profile do not justify the existence of a separate risk management function. This function is exercised by the Strategy, Finance and Internal Audit Functions under the supervision of the Audit Committee.
Supplement to Recommendation 12.4			
1. Company seeks external technical support in risk management when such competence is not available internally.	COMPLIANT	For year 2021, no external technical support was necessary	
Recommendation 12.5			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	NON-COMPLIANT	I	The Company does not have a Chief Risk Officer. The functions of the CRO are now being exercised by the Company's CFO, Ms. Eliana Nieto Sanchez.

2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	NON-COMPLIANT		The functions of the CRO are now being exercised by the Company's CFO, Ms. Eliana Nieto Sanchez
Additional Recommendation to Principle 12			
1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.	NON-COMPLIANT		The Company's Annual Certification on internal control is signed by the CEO and CFO.
Cultivating a Synergic Relationship with Shareholders			
Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
Recommendation 13.1			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	COMPLIANT	Please refer to Section 6, pp. 29 -31 of the Company's Manual of Corporate Governance Manual available at https://www.holcim.ph/sites/philippines/files/documents/Revised_Corporate_Governance_Manual.pdf	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	COMPLIANT	The Manual of Corporate Governance is posted at the Company's website https://www.holcim.ph/sites/philippines/files/documents/Revised_Corporate_Governance_Manual.pdf	
Supplement to Recommendation 13.1			
1. Company's common share has one vote for one share.	COMPLIANT	Please refer to the Article I, pp. 1 of Company's By-laws available at https://www.holcim.ph/sites/philippines/files/atoms/files/20181220_hpi_articles_of_incorporation_v2.pdf Item19, pp. 18 of the Definitive Information Statement available at : https://www.holcim.ph/about-us/company-disclosures	

<p>2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.</p>	<p>COMPLIANT</p>	<p>The Company has Common and Preferred Shares and shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.</p> <p>Please see the Company's Articles of Incorporation available at https://www.holcim.ph/about-us/our-company/articles-of-incorporation-and-by-laws</p>	
<p>3. Board has an effective, secure, and efficient voting system.</p>	<p>COMPLIANT</p>	<p>Please refer to Item 19, pp. 19 of the Definitive Information Statement available at : https://www.holcim.ph/about-us/company-disclosures</p>	
<p>4. Board has an effective shareholder voting mechanisms such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.</p>	<p>NON-COMPLIANT</p>		<p>Stockholders of record owning common shares are entitled to one vote per share</p>
<p>5. Board allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.</p>	<p>COMPLIANT</p>	<p>Please see Section 6.1 (a), pp. 30 of the Corporate Governance Manual available at https://www.holcim.ph/sites/philippines/files/documents/Revised_Corporate_Governance_Manual.pdf</p>	
<p>6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.</p>	<p>COMPLIANT</p>	<p>Please see Section 6.1 (a), pp. 30 of the Corporate Governance Manual available at https://www.holcim.ph/sites/philippines/files/documents/Revised_Corporate_Governance_Manual.pdf</p>	

7. Company has a transparent and specific dividend policy.	COMPLIANT	<p>The Company's Dividend Policy can be found in Section 6.1 (e), pp. 31 of the Corporate Governance Manual available at https://www.holcim.ph/sites/philippines/files/documents/Revised_Corporate_Governance_Manual.pdf</p> <p>Article V, pp 10 of the By-laws available at https://www.holcim.ph/sites/philippines/files/atoms/files/20181220_hpi_articles_of_incorporation_v2.pdf</p> <p>The Company declared dividends in 2021.</p> <p>Reference Link: https://edge.pse.com.ph/openDiscViewer.do?edge_no=608313eed6cbc6155d542af6f1e997b9</p>	
Optional: Recommendation 13.1			
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.	COMPLIANT	The Company's stock and transfer agent, Stock Transfer Service, Inc., validates the shareholders attendance. The votes are based on the validated attendance.	
Recommendation 13.2			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.	NON-COMPLIANT		The Corporation's By-laws provides that notices should be sent to the stockholders not less than 15 working days before the scheduled date of meeting. Based on the assessment of the Board of Directors, full compliance to this recommendation is not

			necessary considering the size, structure and risk profile of the Company. Article I, Section III, pp. 1 of the By laws https://www.holcim.ph/sites/philippines/files/atoms/files/20181220_hpi_articles_of_incorporation_v2.pdf
Supplemental to Recommendation 13.2			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:	COMPLIANT	Please refer to the Company's Definitive Information Statement for 2021 available at https://www.holcim.ph/about-us/company-disclosures	
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	COMPLIANT		
b. Auditors seeking appointment/re-appointment	COMPLIANT		
c. Proxy documents	COMPLIANT		While the Notice includes a proxy form, the Company does not solicit proxies.
Optional: Recommendation 13.2			
1. Company provides rationale for the agenda items for the annual stockholders meeting	COMPLIANT	The rationale for the agenda items were explained by the Chairman during the Annual Stockholders' Meeting	
Recommendation 13.3			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual	COMPLIANT	The results of the Annual Shareholders' meeting are immediately disclosed to the SEC and PSE. Please refer to the 17C	

or Special Shareholders' Meeting publicly available the next working day.		filed with the SEC and the PSE available at www.holcim.ph	
2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.	COMPLIANT	Minutes of shareholders' meetings are available at www.holcim.ph	
Supplement to Recommendation 13.3			
1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.	COMPLIANT	The external auditors and other relevant individuals are present during ASM.	
Recommendation 13.4			
1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	NON-COMPLIANT		The Board is putting in place an alternative dispute mechanism to resolve intra-corporate disputes in its Manual of Corporate Governance.
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	NON-COMPLIANT		The Board is putting in place an alternative dispute mechanism to resolve intra-corporate disputes in its Manual of Corporate Governance.
Recommendation 13.5			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	COMPLIANT	Below are the contact details of the Company's Investor relations Officer who is the same as the Chief Financial Officer: ELIANA NIETO SANCHEZ (632) 85811511 eliana.nieto@holcim.com	

2. IRO is present at every shareholder's meeting.		The IRO, who is also the CFO, is present at every shareholders meeting.	
Supplemental Recommendations to Principle 13			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	COMPLIANT	The common shares carry one vote for one share and thus minority shareholders are very well represented.	
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	NON-COMPLIANT		The Company complies with the 10% minimum public float requirement.
Optional: Principle 13			
1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting	COMPLIANT	Please refer to the Company's Corporate Governance Manual available at the Company's website: www.holcim.ph	
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.	COMPLIANT	Please refer to the Company's Definitive Information Statement available at https://www.holcim.ph/about-us/company-disclosures	For year 2021, the Company uses Convene AGM Platform which guarantees secure voting in absentia during the Annual Meeting.
Duties to Stakeholders			
Principle 14: The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.			
Recommendation 14.1			
1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	COMPLIANT	Please refer to Section 7, pp. 32 of the Company's Manual of Corporate Governance available at https://www.holcim.ph/sites/philippines/files/documents/Revised_Corporate_Governance_Manual.pdf	
Recommendation 14.2			

1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	COMPLIANT	Please refer to Section 6, pp. 29-32 of the Company's Manual on Corporate Governance available at https://www.holcim.ph/sites/philippines/files/documents/Revised_Corporate_Governance_Manual.pdf	
Recommendation 14.3			
1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.	COMPLIANT	Please refer to the Company's website: www.holcim.ph	
Supplement to Recommendation 14.3			
1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.	COMPLIANT	Alternative Dispute resolution system mechanisms for different stakeholders are found in different documents/policies relevant to such stakeholders. (i.e., Contracts for the vendors/suppliers, HPHI Way for employers, etc.)	
Additional Recommendations to Principle 14			
1. Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action, as well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation.	COMPLIANT	The Company does not seek any exemption from the application of law, rule or regulation concerning corporate governance issues.	
2. Company respects intellectual property rights.	COMPLIANT		

Optional: Principle 14			
1. Company discloses its policies and practices that address customers' welfare	COMPLIANT	Please refer to the Company's website: www.holcim.ph	
2. Company discloses its policies and practices that address supplier/contractor selection procedures			
Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.			
Recommendation 15.1			
1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	COMPLIANT	The Board, through the CEO and the Organization and Human Resource department, implements several programs and procedures aimed to encourage employees to actively participate in the realization of the Company's goals and its governance.	
Supplement to Recommendation 15.1			
1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.	NON-COMPLIANT		The Company currently does not have ESOP but it has in place a merit based performance incentive mechanism that rewards employees based on the Company's performance.
2. Company has policies and practices on health, safety and welfare of its employees.	COMPLIANT	The Company has established policies on health, safety and security of the employees. Please refer to https://www.holcim.ph/health-and-safety	
3. Company has policies and practices on training and development of its employees.	COMPLIANT	The Company provides continuous training and development to its employees that include local training in leadership, innovation and foundation	

		courses as well as global technical trainings.	
Recommendation 15.2			
1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.	COMPLIANT	Please refer to the Company's Anti – Bribery and Corruption Policy available at the website www.holcim.ph	
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	COMPLIANT	Online and face-to-face trainings across the organization on the ABCD are regularly conducted by the Local Compliance Officer (a position separate and distinct from the corporate Secretary/Compliance Officer)	
Supplement to Recommendation 15.2			
1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.	COMPLIANT	Violation of the Company's ABCD is a ground for termination of employment. Please refer to the Company's Anti-Bribery and Corruption Directive available at the website www.holcim.ph	
Recommendation 15.3			
1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation	COMPLIANT	The Company has an Integrity Line under its Anti-Bribery and Corruption Directive, which specifically mandates non-retaliation for good faith reporting of genuine concerns. Please refer to the Company's whistle-blowing policy available at https://www.holcim.ph/sites/philippines/files/documents/Whistle_Blowing_Policy.pdf	

2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	COMPLIANT	The Company's Integrity Line handles whistleblowing concerns.	
3. Board supervises and ensures the enforcement of the whistleblowing framework.	COMPLIANT	Please refer to the Company's whistleblowing policy available at https://www.holcim.ph/sites/philippines/files/documents/Whistle_Blowing_Policy.pdf	
Principle 16: The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.			
Recommendation 16.1			
1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.	COMPLIANT	The Company has several Community Service Relations (CSR) Programs to its host and neighboring communities. Please refer to the company website www.holcim.ph for the Company's CSR programs.	
Optional: Principle 16			
1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development	COMPLIANT	The Company is committed to the highest standards of environmental responsibility, with operations adhering to relevant laws and regulations. Programs are implemented related to circular economy, climate and water to contribute to the achievement of the United Nation's Sustainable Development Goals. The Company has Geocycle Philippines which is a part of the global waste management program of the Holcim Group that envisions a zero-waste future. It has	

		been actively developing and promoting innovative, customized and safe environmental waste management solutions.	
2. Company exerts effort to interact positively with the communities in which it operates	COMPLIANT	Identify or provide link/reference to policies, programs and practices to interact positively with the communities in which it operates.	

Pursuant to the requirement of the Securities and Exchange Commission, this Integrated Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned thereunto duly authorized, in the City of Taguig on June _____, 2022.

SIGNATURE

A handwritten signature in black ink, appearing to be 'H. Adrian', written over a horizontal line.

HORIA-CIPRIAN ADRIAN
President & Chief Executive Officer

SUBSCRIBED AND SWORN TO before me this JUN 10 2022 2022 at Taguig City, Metro Manila, affiant exhibiting to me his current competent evidence of identity bearing his photograph and signature with the following details:

Name of Affiant	Government-issued Identification Card	Place Issued/Official Issuing Agency	Date Issued
Horia Ciprian Adrian	Passport No. 056390642	Bucuresti, Romania	August 22, 2018

Notary Public
 Doc No. 211
 Page No. 50
 Book No. 11
 Series of 2022.

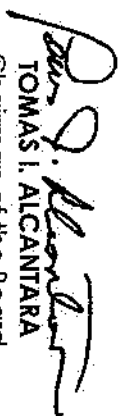


Henry D. Salazar
 PATRICK HENRY D. SALAZAR
 Notary Public for Taguig City, 2022
 Appointment No. 6 valid until July 30, 2022
 (pursuant to Supreme Court En. Banc Resolution
 dated September 28, 2021 - B.M. No. 3785
 12th Floor, OneTwo Building, 28th St. cor. 3rd Ave,
 OneCentral Park West, Bonifacio Global City, Taguig City 1634
 Appointment No. 62515, PTR No. A-5800034, 01182022, Taguig City
 IGP License No. 12285, 10032014, Makati City
 IGP License No. 12285, 10032014, Makati City

Pursuant to the requirement of the Securities and Exchange Commission, this Integrated Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned thereunto duly authorized, in the City of Taguig on June ____, 2022.

JUN 13 2022

SIGNATURE


TOMAS I. ALCANTARA
Chairman of the Board


THOMAS G. AQUINO
Independent Director


MEDEL T. NERA
Independent Director


LEANDRO D. JAVIER
Independent Director


BELINDA E. DUGAN
Corporate Secretary/Compliance Officer

SUBSCRIBED AND SWORN TO before me this JUN 13 2022 2022 at Taguig City, Metro Manila, affiant exhibiting to me his current competent evidence of identity bearing his photograph and signature with the following details:

Name of Affiant	Government-issued Identification Card	Place Issued/Official Issuing Agency	Date Issued
TOMAS I. ALCANTARA	Senior Citizen ID No. 131-3057	Lipa City/Office for Senior Citizens Affairs	July 10, 2006
MEDEL T. NERA	Driver's License No. N15-B2-012443	Quezon City/Land Transportation Office	July 5, 2021
THOMAS G. AQUINO	Driver's License No. N17-77-000546	Quezon City/Land Transportation Office	February 16, 2024
LEANDRO D. JAVIER	Senior Citizen ID No. 07532	Muntinlupa City/ Office for Senior Citizens Affairs	November 28, 2012
BELINDA E. DUGAN	Passport ID No. P7916925A	Legazpi/DFA Legazpi	July 12, 2018

Notary Public

Doc No. 214
 Page No. 50
 Book No. VI
 Series of 2022.



Henry D. Salazar
 Notary Public for Taguig City
 Appointment No. 5 valid until June 30, 2022
 (pursuant to Supreme Court En Banc Resolution
 dated September 28, 2021 - B.J.L. No. 3785)
 12th Floor, OneMesa Building 20th St. cor. 3rd Ave.
 Crescent Park West, Business District Taguig City 1634
 Office of Attorney No. 62515, PRT No. A-5800834, 0118/2022, Taguig City
 IGP License No. 12285, 1032314, Manila City
 IGP License No. V4002314, 04072015