

# 2020 Integrated Annual Report

Cementing Resilient Partnerships for Progress





## Cementing Resilient Partnerships for Progress

**About the Report** 102-45, 102-50, 102-53, 102-54

Holcim Philippines' 2020 Integrated Annual Report carries the theme *Cementing Resilient Partnerships for Progress*, reflecting how the Company's solid operational foundation and core values enabled it to stand strong and resilient despite a very challenging year.

This Report discloses Holcim Philippines' financial and non-financial performance from 1 January 2020 to 31 December 2020. It showcases the Company's emphasis on the environment, social responsibility, and good governance while continuing to deliver value to its shareholders, as well as quality products and services to the general public.

The reporting standards are in accordance with the "Core" option of the Global Reporting Initiative (GRI) Reporting Guidelines, and the Sustainability Accounting Standards Board (SASB) standards for the Construction Materials Sector. A materiality assessment was undertaken in December 2020.

The Report's coverage includes Holcim Philippines, Inc., Excel Concrete Logistics, Inc., Holcim Philippines Manufacturing Corporation, Mabini Grinding Mill Corporation, Bulkcem Philippines, Inc., and Calamba Aggregates, Inc. The consolidated financial statements of Holcim Philippines, Inc. and its subsidiaries have been duly audited by Navarro Amper & Co. in accordance with Philippine Standards on Auditing.

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## 2020 Performance Highlights

### Financial KPIs

<b>PHP 26,015.3 B</b> Revenue	<b>PHP 5,687.9 B</b> Operating Cost
<b>PHP 2,064.0 B</b> Net Profit	<b>PHP 41,365.4 B</b> Total Assets



### Operational KPIs

<b>5.2 M metric tons</b> Total Installed Clinker Production Capacity / Year	<b>9.4 M metric tons</b> Cement Production Capacity / Year
<b>4</b> Cement Plants	<b>3</b> Cement Terminals
<b>1</b> Grinding Station	<b>1</b> Bag Plant <b>1</b> Dry Mix Plant



### Sustainability KPIs

<b>608 kg of CO<sub>2</sub> per ton</b> cementitious product Climate and Energy	<b>290 liters</b> freshwater withdrawal per ton of cementitious product Environment
<b>575,000 metric tons</b> of waste-derived resources used in cement production Circular Economy	<b>1,174 employees</b> <b>164,913 beneficiaries</b> People and Communities



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# Company Overview

## The Nation's Leader in Building Solutions

Our vision is to provide foundations for society's future.

Our mission is to be one of the most admired companies in the Philippines and in the LafargeHolcim Group.

### Strength

We build strong relationships and strive for sustainable growth.

We act responsibly and with integrity.

### Performance

We demand excellence from ourselves and search for better ways.

We work as a team to provide sustainable value to our stakeholders.

We take pride in performing well, and we recognize and celebrate success.

### Passion

We empower our employees and take care of their safety and their development.

We care about our customers and their success.

We are dedicated to the communities we live and work in.

## Holcim Philippines 102-1

Holcim Philippines, Inc. (Philippine Stock Exchange: HLCM) is one of the leading building solution companies in the country. The Company has a deep portfolio of innovative solutions fostered by a full range of products, from structuring to finishing applications, that can help local builders execute with high performance and efficiency a wide range of projects from massive infrastructure to simple home repairs.

With cement manufacturing facilities in La Union, Bulacan, Misamis Oriental and Davao, as well as aggregates and dry mix business and technical support facilities for building solutions, Holcim Philippines is a reliable partner of builders in the country.

Holcim Philippines is also committed to the highest standards of sustainable operations and manufacturing excellence with its plants certified under ISO 14001:2015 (Environmental Management System), ISO 9001:2015 (Quality Management System) and OHSAS 18001:2007 (Occupational Health and Safety Management System).

Holcim Philippines is a member of the LafargeHolcim Group, the world leader in the building materials industry. The Group is present in 80 countries and employs over 75,000 employees.

## Core Values 102-16

We have been operating in the Philippines for over five decades, providing essential materials for building important structures that have made people's lives better.

We are guided by the following core values in our commitment to be a partner of progress of the country.

- **Health and Safety** is our overarching value and embedded in everything we do.
- We are committed to building an organization focused on continuously improving to better serve our **Customers**.
- We are passionate to delivering excellent **Results** based rigorous execution, with zero harm to people.
- We are committed to creating an environment of **Integrity** where compliance is a central focus.
- We are determined to operate with **Sustainability** through leadership in environment stewardship and role-modelling responsibility to future generations.
- We are committed to making our organization one that cares and respects **People** through **Openness and Inclusion**.

## Membership in Associations 102-13

Holcim Philippines is an active member of the following associations:

### Trade Associations:

- Cement Manufacturer's Association of the Philippines (CeMAP)
- European Chamber of Commerce of the Philippines (ECCP)
- Philippine Chamber of Commerce and Industry (PCCI)
- Philippine Constructors Association, Inc. (PCA)
- Philippine Concrete Industry Association (PCIA)
- Philippine Green Building Council (PHILGBC)
- United Architects of the Philippines (UAP)
- Philippine Institute of Civil Engineers (PICE)

### Non-trade Associations:

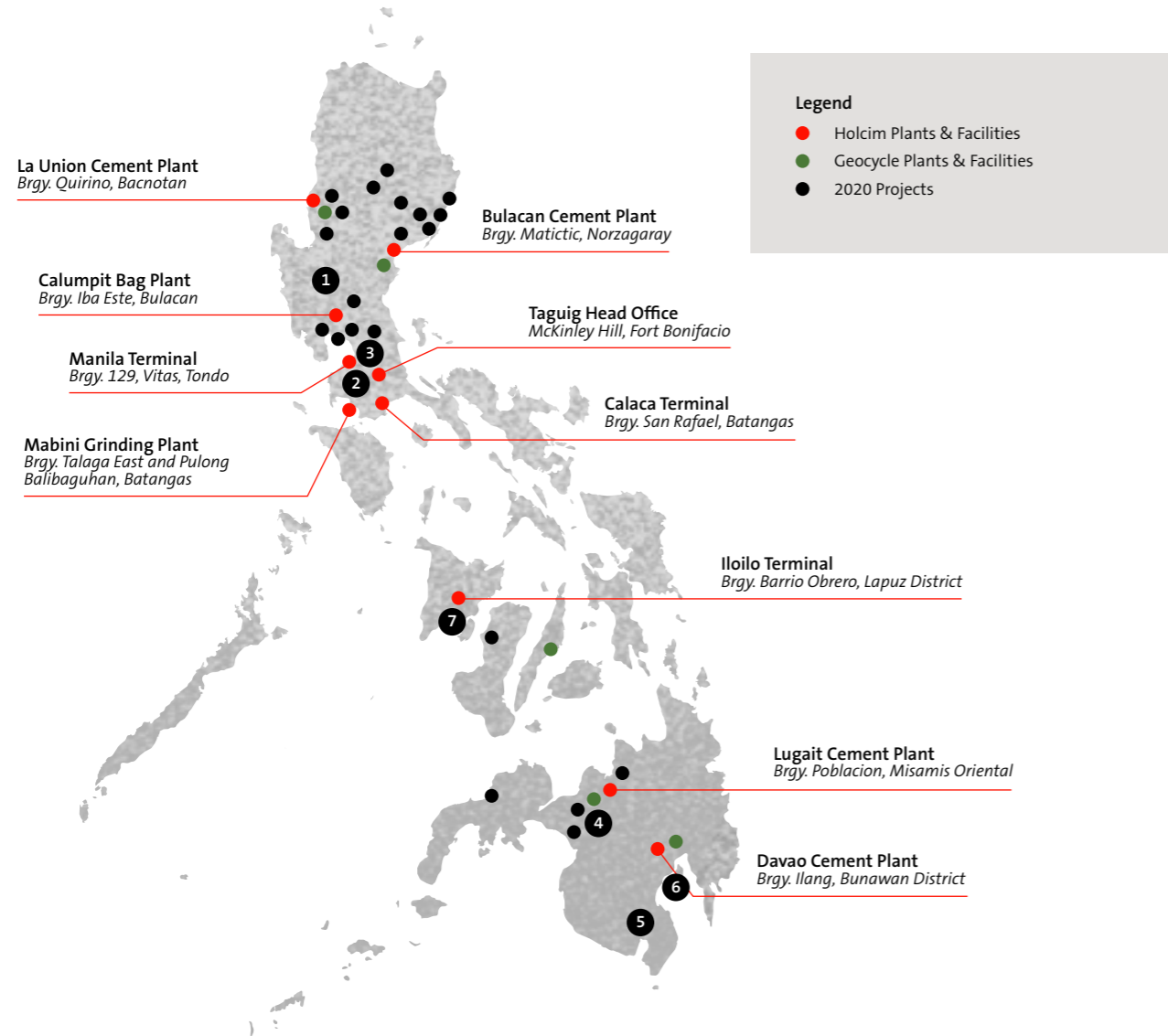
- Business for Sustainable Development (BSD) previously Philippine Business for the Environment (PBE)
- Philippine Business for Social Progress (PBSP)
- League of Corporate Foundations (LCF)
- Pollution Control Association of the Philippines, Inc. (PCAPI)
- Environmental Practitioners Association
- Philippine Society for Training and Development, Inc. (PSTD)
- Employers Confederation of the Philippines (ECOP)
- People Management Association of the Philippines
- Institute of Corporate Directors (ICD)
- Tax Management Association of the Philippines, Inc. (TMAP)



## Plant Overview

# Strategically Located Plants and Facilities

102-3, 102-4



All Holcim plants are certified to OHSAS 18001:2007—Occupational Health and Safety Management System, ISO 14001:2015—Environmental Management System, and ISO 9001:2015—Quality Management System standards.

Holcim Philippines operates four plants in key areas around the country. Together, these plants have an annual capacity of 5.2 million metric tons of clinker and 9.4 million metric tons of cement.

In May 2020, the Company reopened its plants and terminals after the lockdowns imposed by the national and local governments in mid-March due to the COVID-19 pandemic. Cement production resumed across all integrated plants, specifically at Bulacan, Davao, and La Union plants. Holcim Philippines' Lugait Plant remained open throughout the coronavirus lockdown.

The resumption of operations was a welcome contribution to ongoing efforts by the business community to reinvigorate the economy. Holcim Philippines' expertise in ensuring the health and wellness of its communities and its business partners served as a valuable support to government recovery efforts.

## 2020 Major Projects

Holcim Philippines' resiliency as a partner in progress was demonstrated when, despite disruptions brought by the COVID-19 pandemic, its products played a big role in the government's Build! Build! Build! initiative in 2020. Holcim Solido, among other Holcim products, was widely used in the construction of major infrastructure such as the Clark City projects (hotels and leisure establishments), LRT Line 1 South (Cavite) Extension, and in the reconstruction and recovery efforts for Marawi in Mindanao. These are some of the major projects that Holcim Philippines contributed to:

Client	Location	Project	
1 Dongwang	Clark City, Pampanga	<b>Clark City Projects</b>	Ongoing project of hotels, leisure, and other establishments
2 Bauer Foundation/ Megacem	Cavite	<b>LRT Line 1 South (Cavite) Extension</b>	PHP 64.9B project funded by JICA and Light Rail Manila Corp (LRMC) spanning 11.7 kms and eight new stations (involved 176,000 bags of Solido and subcon work for concrete slurry for foundation)
3 Robinsons Land Corp.	Pasig City and Quezon City	<b>Bridgetowne</b>	A mixed township and business park that consists of seven office towers, a shopping mall, a five-star hotel, and residential condominium - with some towers and other structures already completed and visible from Libis, QC.  The township is a 100% Holcim-supplied project, from land development to eventual building of the planned structures.  Holcim has supplied 12.6 million bags to RLC to all its projects nationwide, with no major quality concern reported over the past four years of business partnership. According to RLC President Frederick Go, this is a testament to the highest quality standard of Holcim plant operations.
4 Department of Public Works and Highways (DPWH)	Lanao del Sur	<b>Emergency Assistance for Reconstruction and Recovery of Marawi</b>	Infrastructure rehabilitation projects for war-torn Marawi in Mindanao utilized Holcim products.
5 DPWH / General Appropriations Act (GAA)	Davao City	<b>Davao City Coastal Road Project, including Bucana Bridge</b>	A government road project that will ease traffic congestion within Talomo, Ulas & Matina area. The project is an 18.23 km road network with a total cost of PHP 34.5 B stretching from the coastline of Bago Aplaya, Talomo to Roxas Avenue, Sta. Ana, Davao City. Segment-A is at 93% completion.
6 Apo Agua (JV Aboitiz & JV Angeles)	Tamugan, Davao City	<b>Apo Agua Bulk Water Facility</b>	Project consists of a hydro dam, which produces electricity for the Water Treatment Facility & the Water Treatment Plant, which will supply clean and potable water to Davao City. Project cost is at PHP 12.6 B. Its customer shall supply bulk water to Davao City Water District at 300 million liters per day, which will address water shortage on the North side of Davao City. The water source will be at Tamugan River located at Baguio District, Davao City. The project used 100% Holcim Solido cement delivered in bulk to their two batching plants at site.
7 DPWH / F. Gurrea	Iloilo City	<b>Metro Iloilo Flyover Projects</b>	Construction of four Metro Iloilo flyover projects at a total cost of PHP 1.2 billion.

## Message from the Chairman

# The Depth of Resilience

102-14

### Dear Stakeholders,

The COVID-19 pandemic tested the world unlike any other. I am proud that your company, Holcim Philippines, is among those that displayed tremendous resolve to overcome last year's challenges.

“Last year’s unprecedented challenge once again proved that Holcim Philippines stands on solid foundations.

It is a company guided by strong values in creating value for all stakeholders, including, you, our dear shareholders.”

### 2020 Revenues

**PHP 26.0 B**  
Revenues

**PHP 2.1 B**  
Net Profit

Last year, the Philippine economy contracted by 9.5%, with the construction industry among the most impacted, shrinking by 25.3%. In the face of this unprecedented situation, our company demonstrated great resilience. Even with health restrictions and weather challenges affecting movement of goods and construction activity, we delivered PHP 26.0 billion in revenues and PHP 2.1 billion in net profits.

More importantly, we helped keep our people and partners safe from the disease, all the while reaching targets which made operations more efficient, improving our environmental footprint, strengthening digital platforms and focusing on innovative building solutions to better serve our customers.

Our performance was the result of prioritizing Health, Cash, and Cost as well our sustained efforts to improve Holcim Philippines’ ability to deliver profitable growth and support the progress of the country in a holistic manner.

Our strong Health and Safety culture proved to be a difference maker in 2020. We quickly implemented measures to keep operations free from COVID-19 and prevent costly disruptions to the business.

Our ongoing focus on managing cost and cash was equally important. We implemented measures to hold expenses down, and worked with our business partners to keep cash at appropriate levels to support business needs.

Our sustained digital transformation also paid off in 2020. The usage of our online customer portal, Easybuild, for order and payments surged last year as business partners shifted to this option given its benefits in making transactions smoother and faster.

We continued to develop specialized solutions for specific applications to help partners build better with the introduction of Holcim Multifix, the first all-in-one drymix product that can help builders to produce walls of higher quality. This, together with cement brands like Holcim Solido for infrastructure, Holcim Excel for general purpose and other building solutions further strengthened the company’s position in delivering great products for our customers based on their application needs.

I am thankful to our employees and business partners who helped us successfully overcome the enormous challenges in 2020. I would like to express my heartfelt gratitude to John Stull, our President and CEO, who led us during this difficult period. In his almost three years at the helm, John, along with the Executive Committee and Leadership Team, drove the many initiatives that made Holcim Philippines withstand the headwinds in 2020.

Lastly, I am pleased to note that this publication provides a more holistic view of our positive impact on society and the environment alongside our financial performance. We have provided a clearer picture of how our current initiatives and roadmap support the noble goals of the LafargeHolcim Group in helping build a world that is greener, smarter and for all.

Sustainability is among our core values at Holcim Philippines. We are determined to improve on the carbon footprint of our operations, we are determined to improve on is the carbon footprint of our operations, accelerate our participation on solid waste management, invest on systems to improve our water withdrawal and further intensify our support to our local communities through the Helps campaign.

Last year’s unprecedented challenge once again proved that Holcim Philippines stands on solid foundations. It is a company guided by strong values in creating value for all stakeholders, including, you, our dear shareholders.

Challenges may continue in the coming years, but this year’s results and your continuing support and trust make us confident in facing these.

Yours,

**Tomas I. Alcantara**  
Chairman



## Message from the President and CEO

# Strength. Performance. Passion.

102-14



Dear Stakeholders,

Magandang araw!

It is an honor to be appointed as the new President and CEO of Holcim Philippines. This company has made significant improvements under the leadership of my predecessor John Stull. I am excited to build on these for Holcim Philippines to continue to deliver the excellent performance that you deserve.

My goals are simple: to make Holcim Philippines the best building solutions provider in the country and among the most admired companies in the LafargeHolcim Group. The ingredients for our future success are very simple: **Strength. Performance. Passion.**

My main priorities for 2021 are the following:

- **Zero accidents.** Last year highlighted the importance of our focus on health and safety. Our company will continue our focus on this. We will make sure that nobody is hurt in our business. I believe it is important that all our colleagues, business partners or community members go home as happy and safe as when they came to work.

The pandemic is not yet over, thus we have to continue our special attention to this matter to protect our employees, their families, as well as all our business partners. COVID-19 is not the only risk we face in our operations. We will give the same attention to the other health and safety matters in our business to meet our goal of Zero Harm.

- **Customer focus and growing our business.** Understanding our customers and meeting their needs every day will be on top of all our minds! We will help customers succeed in their business to make our own success sustainable.

We shall continue to focus and grow our core businesses of Cement, Aggregates, and Dry Mix. It is also crucial to diversify our portfolio and explore opportunities to develop our Solutions and Products pillar.

Building on innovation and digital initiatives, we shall be closer to the end users and capture a greater value from the construction market in the Philippines! Being part of the LafargeHolcim Group, the world leader in building solutions, provides us an unrivaled advantage in these areas. Our partners can count on us to leverage on this strength to drive innovations that help them serve their customers and work with us more effectively.

- **Keep a strong focus on our costs. Especially the fixed ones.** A strong cost discipline is the basis for a financially healthy company. Costs are the business aspect that we can control 100%. We will continue to find ways to improve here. My goal is to further embed cost mindfulness in the organization. We will challenge any type of cost, be it manufacturing, distribution, marketing or administration related. We have to ask ourselves every day: *Is this cost necessary? If yes, is there a more effective way to deliver the same result?*
- **Sustainability.** We have to contribute strongly to the health of our planet! The natural resources that we are using in our operations are limited. We have a responsibility to use these well so future generations can enjoy a healthy and beautiful world! You can count on us to continue improving operations to reduce our carbon footprint, lessen consumption of virgin raw materials, increase use of wastes as alternative fuels and support the development of our communities. As the Philippines moves towards a better future, all our partners can count on our support to build this greener, smarter and for all.

“Together, we will strengthen and nurture a company culture built on respect and appreciation. We will encourage collaboration, entrepreneurial spirit, empowerment, and accountability.”

- **Performance orientation of our organization.** Together, we will strengthen and nurture a company culture built on respect and appreciation. We will encourage collaboration, entrepreneurial spirit, empowerment, and accountability. Having engaged and motivated employees is the key to the success of any excellent company! I am convinced that putting passion in everything is key to becoming the best in the market!

We will have a winner's attitude in everything we do! With the support of our people, we intend to make Holcim Philippines have the safest and most cost-effective business in our industry, and be recognized for great commercial innovation and responsible operations. These will enable us to profitably grow the business and deliver great value to you.

You can count on my enthusiasm, experience, and support to deliver these!

I look forward to your support as we continue the journey of making Holcim Philippines one of the best in the country and the LafargeHolcim Group.

Here's to a better and stronger Holcim Philippines for 2021!

Yours,

**Horia Adrian**  
President and CEO

*Succeeded John Stull as President and CEO of Holcim Philippines effective March 2021*

## Products Overview

# A Portfolio of Innovative Solutions

102-2, 102-6, 102-7, 102-10, EM-CM-000.A



Holcim Philippines is engaged in the manufacture, sale and distribution of cement, dry mix mortar products, clinker and aggregates. It also offers construction-related trainings, consultancies, testing and other technical services to its customers. With the Company's production facilities, ports, storage & distribution terminals, sales offices and channel partners, Holcim Philippines has an extensive sales and distribution footprint due to its strategically located plants and terminals in the Philippines.

The Company has a portfolio of innovative solutions fostered by a wide range of building products and services. Its portfolio of cement, aggregates, finishing and concrete solutions is aimed at helping local builders execute a wide range of projects with quality performance and efficiency, from massive infrastructures to simple home repairs. The Company's product quality and operational capability are geared toward meeting the customers' building needs.

## Cement

Backed by our strong technical expertise and driven by our commitment to help our customers build better, we have developed a line of cement products that meet and exceed the requirements of our partners to deliver quality construction projects from large infrastructures to masonry works.

*The DTI Bureau of Product Standards (BPS) granted Holcim Philippines the license to use the Philippine Standard Quality Certification Mark for its principal products. All other necessary licenses and permits required for the continuous production and sale of Holcim Philippines products have been secured by the Company, including new licenses as well as those that have to be renewed periodically.*

- **Holcim 4X** is an ASTM C150 high performance Portland cement. It is specially formulated for ready mix concrete applications. It has high compressive strength, high workability and is compatible with commonly available admixtures. Supplied in bulk, Holcim 4X is mainly used for high-rise buildings and vertical structures that require high-strength cement. It is ideal for construction that requires optimized concrete mix designs and fast construction cycles. With the high 28-day compressive strength of Holcim 4X, a lower cement factor is needed resulting in lower construction costs. Longer setting time results to better slump retention and pumpability of concrete.
- **Holcim Premium** is an ASTM Type I Portland cement. It is used for general concrete construction. To make Portland cement, powdered limestones, silica and iron-rich materials are homogenized and burnt at 1500°C. The resulting material is called clinker. Portland cement is produced by grinding clinker with a small amount of gypsum, a set retarder. When Portland cement is mixed with water and aggregates to make concrete, the mixture is initially flowable and easy to place, mold and finish. Eventually, the concrete sets, hardens and produces a strong durable construction material.
- **Holcim Solido** is a premium quality ASTM Type IP Cement, which is Portland cement combined with advanced mineral additives. It is sold in bulk, tonner bags and 40-kg bags and used for roads and general concrete applications. Advanced mineral additives are inter-ground with high composition of Portland cement clinker to improve durability of concrete.



- **Holcim Excel** is an ASTM Type IP Cement, which is Portland cement combined with advanced mineral additives. It is sold mainly in 40-kg bags and used for general concrete construction. Advanced mineral additives (including granulated blast furnace slag) are inter-ground with Portland cement clinker and gypsum to improve the workability and early strength. The product is used for the same applications as the Portland cement but it is preferred by many customers because the additives improve its performance.
- **Holcim Wallright Cement** is an ASTM C91 Type S Masonry Cement designed for block laying, plastering and finishing use. It is made by inter-grinding mineral additives and an air-entraining additive with Portland cement clinker during the finish milling operation. The resulting cement will produce smoother, more cohesive and more cost-effective mortars and plasters which are preferred by masons.
- **Holcim SuperFast(SF)Crete Technology** is a total solution offering for one-day concrete pavement. This solution is a package of materials including cement, aggregates and admixtures and technical support to meet one-day concrete design.
- **Holcim Tile Adhesive** is a premium cement-based adhesive for tiles specially formulated for thin-bed vertical and horizontal application. Its unique formulation combined with Holcim cement provides for a faster, stronger adhesion with excellent non-slip properties.





**2020 Production in Numbers**

**6,129,609 tons**  
Cement

**571 tons**  
Dry mix mortars

**1,230 tons**  
Paper bags



## Aggregates

Builders understand that aggregates play an important role in construction as these materials strongly contribute to the compressive strength and durability of concrete. Sourced from high-grade stone deposits from the Rizal Province, our aggregate products' excellent quality have made these the top choice of our partner builders in Metro Manila engaged in residential, commercial and industrial projects.

**Aggregates** are granular materials of mineral compositions used for various construction applications. They are used with a binding medium to form concrete, bituminous concrete, precast concrete, mortar, plaster and other concrete and asphalt applications. They can be used alone for road bases, structural beddings, railroad ballast, filter beds, backfills, etc. The grading and quality conforms to the ASTM C33 Standard Specifications for coarse and fine aggregates.

## Dry mix mortars

Our partner builders can count on our dry mix mortar products to help them deliver quality output and cost savings for masonry construction, flooring, plastering and finishing. Holcim Skim Coat helps masons in making walls smoother and more even, while Holcim Tile Adhesive's superior performance in terms of ease of application and durability ensures that tiles do not delaminate.

**Holcim Skim Coat** is a cementitious plaster specially designed to smoothen vertical structures suitable for both indoor and outdoor use. Holcim Skim Coat is used for rendering and smoothening surfaces prior to the application of sealants or decorative paints.

**Holcim Multifix** is a high performance polymer modified mortar formulated for internal and external wall plastering, floor screed and tile installation by thick bed method. It is the best substitute for traditional mortar. Holcim Multifix, an all-in-one, cost-effective mortar, which was first introduced in the last quarter of 2020 to help builders with a versatile product solution for plastering, floor screed and thick bed tiling resulting in time savings and less material wastage.



## Market Analysis

# Economic Performance

103-1, 103-2, 103-3



## Cost and efficiency initiatives beat the odds in a challenging business environment

COVID-19 may have caused a 25% decline in the construction industry, but Holcim Philippines' revenues from the sales of cement alone reached more than PHP 26 billion in 2020—a testament to its resilience and efficient measures against disruptions to the business.

With Health, Cash and Cost as part of the Company's response to the challenges of the pandemic, it remained resilient as revenues on **Cement** only went down by around 20% versus 2019. This amounted to PHP 26.01 billion as of year-end 2020. Of this amount, PHP 24.75 billion are sales attributed to cement and cementitious materials.

Sales of **Aggregates**, meanwhile, fell almost 50% from its 2019 performance due to the impact of stricter quarantines in Mega Manila where bulk of its business comes from. This resulted in net sales of PHP 1.16 billion constituting about 2 million tons.

**Dry Mix** net sales dipped by 2% to PHP 160 million or a total of 746,300 bags of dry mix mortars.

Net sales declined by 22% to PHP 26.01 billion as volume and prices dropped due to the impact of the pandemic. Lockdowns from March to May and severe weather conditions in the fourth quarter further affected the business. These hampered the delivery of raw materials and services to the cement plants and the dispatch of products to customers.

Holcim Philippines posted Earnings Before Income Tax (EBIT) of PHP 2.8 billion, which is lower than 2019's EBIT of PHP 4.9 billion.

The Company responded to the pandemic by rationalizing costs and managing spend. The sustained efforts on cost yielded an improvement of 7% over 2019 spend. Distribution expenses decreased by 18% due to the operational and cost efficiencies, including the shift of delivery mode to a higher proportion of pick-up sales. The Company also benefited from the global decline in fuel and energy prices.

Holcim Philippines is expected to sustain its gains from cost management and efficiency improvements beyond 2020.

### Results of Efficient Cost Management

**7%**  
Cost Improvement from 2019



**18%**  
Decrease in Distribution Expenses



### 2020 Revenue in Numbers

**PHP 26.01 B**  
Cement

**PHP 1.16 B**  
Aggregates

**PHP 160 M**  
Dry Mix Mortars



## Shared Economic Value 201-4

While the Company did not receive financial assistance from the government in 2020, it generated a direct economic value amounting to PHP 26 billion, PHP 10.77 million of which were used to support our host communities in the form of donations and social responsibility initiatives. Meanwhile, PHP 1.77 billion benefited its employees in terms of wages and benefits, while PHP 3.18 billion went to the government as tax payments.

### Direct Economic Value Generated and Distributed (PHP) 102-7, 201-1

Indicator	Amount (in '000)
Direct economic value generated (revenue)	26,015,342
Direct economic value distributed:	
a. Operating costs	5,687,853
b. Employee wages and benefits	1,771,213
c. Payments to suppliers, other operating costs	15,355,937
d. Dividends given to stockholders and interest payments to loan providers	357,460
e. Taxes paid to the government	3,179,618
f. Investments to community (e.g. donations, CSR)	10,774

### Tax Indicators (in PHP) 207-4

Indicator	Amount (in '000)
Profit / Loss before Tax	19,525,534
Tangible assets	19,525,534
Revenues from third-party sales	26,015,342
Revenue from intra-group transactions	1,257,889
Corporate income tax paid on cash basis	590,291
Corporate income tax accrued on profit / loss	710,490

### For employees

The Company greatly values its employees and provides competitive compensation and benefits. Holcim Philippines has put in place a Total Rewards System with core and non-core benefits beyond the basic financial incentives.

The core benefits include overtime pay, holiday pay, and rest day pay among the rank-and-file employees. This is on top of the statutory bonus of 13th month pay, and the 14th month bonus for regular employees, with a variable performance bonus scheme applied across the organization. Annual paid vacation and sick leaves are also provided. Employees occupying managerial positions are provided a car allowance.

The non-core benefits consist of medical health benefits, medical subsidies (including optical and dental), insurance coverage, and rice subsidy. Employee assistance programs such as educational loan, calamity assistance, and bereavement assistance, may be availed of based on individual needs and circumstances.

### For communities

In the first quarter of 2020, the Company shifted its corporate citizenship budget to provide medical supplies to hospitals treating COVID-19 patients, and food and hygiene products to communities hosting its facilities in La Union, Bulacan, Manila, Batangas, Iloilo, Misamis Oriental, and Davao City. More than 18,000 families and government front line workers have benefitted from the distribution that ended in the 2nd quarter of 2020.

Given the Company's goal to support the LafargeHolcim (LH) Group Sustainability Strategy, The 2030 Plan, more efforts are exerted to align the stakeholder engagement programs to Holcim Philippines' strategic pillars. These consider the critical needs of the communities around the Company's operating sites. Through the CSR Managers or Officers, the plant or terminal conducts meetings and engagements with the local communities to craft and develop relevant programs to address their needs. These CSR programs include projects on public infrastructure, education, health and sanitation, and skills training.

### For service providers 103-1, 103-2, 103-3

Holcim Philippines contributes to the growth of its suppliers and service providers who are committed to sustainable development. It develops long-term partnerships with suppliers to deliver value-for-cost procurement and perform responsible supply chain management. The guidelines for selecting suppliers ensure a fair, competitive, and transparent negotiation process consistent with company policies and values.

The Company procured mostly from local suppliers in 2020. This provided the advantage of shorter lead time and lower shipping costs, allowing for lower inventory and easier management and communication with suppliers.

Risks associated with local suppliers are mitigated by exclusively dealing with authorized local distributors, as validated by the original equipment manufacturer. A supplier's track record and performance are also carefully reviewed. The suppliers are assessed by Dun and Bradstreet (D&B), Holcim Philippines' partner in assessing the eligibility of vendors.

### For government and nation-building

Holcim Philippines recognizes that its tax payments support the programs of the government. Thus, quarterly reporting is done to the LH Group on taxes paid and tax risks to maintain transparency in its contribution to the government.

The Company also maintains communication with government stakeholders through active participation in public consultations and trade policy planning. Company operations are assessed to check the need for further capacity expansion to meet the growing Philippine demand and support the development of the local manufacturing industry.

### Spending on local suppliers 204-1

Facility	Number of Suppliers		Supplier Expense (in '000)	
	Overall	Local	Overall (in PHP)	Local (in PHP)
Holcim Philippines	940	832	12,925,770	10,319,696
Geocycle Philippines	63	63	243,378	243,378

### Supplier Accreditation\*

Topic	Yes / No	If yes, cite reference in the supplier policy
Environmental performance	Yes	Signed Vendor Master Agreement
Forced labor		
Child labor		
Human rights		
Bribery and corruption		

\*Applies to both Holcim Philippines and Geocycle



# Market Behavior

103-1

## Strong market position augurs well for the coming years

Holcim Philippines saw more opportunities to grow the share of its blended cement products in the overall output in 2020, given the continued government focus on roads and real estate development in the countryside. The government’s “Build! Build! Build!” program was expected to play a key role in growing the economy amid the pandemic.

Along with the government focus on infrastructure to spur development is the current thrust on the use of more environment-friendly products. Thus, the Company sought to ensure a reliable supply of its effective building solutions, which are proven to help reduce carbon emissions.

### Holcim Philippines’ share prices

Holcim Philippines share prices recorded a high of PHP 14.08 in the first quarter of 2020 but was soon affected by the impact of the pandemic on the global economy and stock markets worldwide. As of December 2020, the closing price of the Company’s common shares at the Philippine Stock Exchange was at PHP 6.72 per share.

Quarter Period	CY 2020		CY 2019		CY 2018	
	High	Low	High	Low	High	Low
January - March	14.08	10.08	10.34	10.18	10.84	9.40
April - June	8.93	6.02	13.70	13.42	9.90	7.02
July - September	6.44	5.20	14.50	14.10	7.70	6.78
October - December	7.92	6.72	13.70	13.50	6.92	5.70

source: Philippine Stock Exchange, Inc.



### Market challenges

The Philippines’ Gross Domestic Product (GDP) contracted by 9.5% in 2020, much lower than the 5.9% growth registered in the prior year. Sustaining the Company’s net selling prices has been a challenge amid intensified market competition and generally soft demand. Holcim Philippines posted EBIT of PHP 2.8 billion, which is lower than 2019’s EBIT of PHP 4.9 billion.

On the other hand, aggressive cost reductions in production, distribution, and support process costs partially mitigated the topline decline. This was highlighted by the recent completion of maintenance activities in a number of its facilities with minimal support from third-party contractors.

Holcim Philippines also managed to incur lower financial expenses related to its short-term loans due to full settlement of third-party loans during the year. Net income after tax stood at PHP 2.1 billion, giving earnings per share of PHP 0.32.

### Seasonality aspects of the business

Like any other company in the construction industry, the operations of the Holcim Philippines are affected by seasonality. Net sales are generally higher in dry months from February to May, and lower during the start of the rainy months of June up to November. Low sales are also experienced during the December driven by the holidays until early January. Unpredictable weather could also significantly affect sales and profitability compared to previous periods coupled with any unforeseen circumstances such as disruptions in production.

### Key Performance Indicators

The comparative financial KPI for the years ended December 31, 2020 and 2019 are as follows:

Financial KPI	Definition	ended Dec 31, 2020	ended Dec 31, 2019
<b>Profitability</b>			
Return on Assets (ROA)	$\frac{\text{Net Income}}{\text{Ave. Total Assets}}$	4.8%	7.9%
Return on Equity (ROE)	$\frac{\text{Net Income}}{\text{Ave. Total Equity}}$	7.2%	13.5%
Operating EBITDA Margin	$\frac{\text{Operating EBITDA}}{\text{Net Sales}}$	18.2%	20.0%
<b>Liquidity</b>			
Gearing Ratio	$\frac{\text{Net Financial Debt}}{\text{Total Equity}}$	-6.0%	4.7%
EBITDA Net Interest Cover (times)	$\frac{\text{Operating EBITDA}}{\text{Net Interest}}$	23.8	25.5

# Commercial Innovations

## Digital platforms have enabled Holcim Philippines to continue providing seamless service to customers amid the pandemic

### EasyBuild

Holcim Philippines' online customer portal, **EasyBuild**, registered a 91% utilization rate with significant increases in online orders and payments in 2020. This digital platform allows customers to safely and conveniently place orders, check deliveries, settle transactions, and review their credit history.

**EasyBuild** is also meant to lessen the administrative tasks of customers and smoothen their transactions with the Company so they can give more attention to improving and growing their business. It is the latest version of Holcim Philippines' online customer service portal, which pioneered in the cement industry in 2001. Aside from easing transactions, **EasyBuild** also provides information on the Company's commercial offerings to help channel partners guide their own customers in using Holcim products.

Available as a mobile app, **EasyBuild** provides partners with a 24-hour connection with Holcim. It also has an ePayment facility that can be accessed anytime and anywhere, enabling customers to cope with any business situation where traditional forms of transactions are not doable. Enhancements to this application will be introduced in 2021 which will include e-invoice and e-proof of delivery functionalities.

### eKonekta

Holcim Philippines also launched an online customer engagement program to provide updates on the Company's directions, share knowledge and best practices on Health and Safety, and bond with business partners while quarantines were in place.

Called **eKonekta**, the program was devised to continue customer connections while usual modes of interaction are hampered by COVID-19. The Company has held **eKonekta** sessions to engage with close to 88 customers, who have welcomed the use of digital tools to sustain engagement.

### Online customer engagement tools

In the interest of customer safety, some of the trade marketing activities have been transformed into digital engagements to adapt to the changing ways of conducting business.

**Customer Satisfaction (CSAT)** surveys are conducted as part of the Company's Feedback Resolution process, commonly known as Case Management. The process aims to address negative feedback or complaints, and document positive feedback or commendations from customers and business partners. CSAT results are logged in the Company's Customer Relationship Management (CRM) tool via Salesforce.com.

Moreover, the Company conducts **After Action Reviews** to determine areas for improvement and gather positive feedback from customers.

The shift to digital engagement has been a result of the **Customer Pulse Survey** conducted during Q3 2020 to better understand the situation of Holcim Philippines' business partners and determine which kind of engagement is most effective.

Issues and concerns raised by the customers are assigned to solution providers in the Company for resolution. The Customer Experience Team then gets in touch with the customers to validate the Company's action and get their feedback on the overall issue resolution process.

### Social media campaign

A social media campaign was launched featuring ONE Championship heavyweight champ Brandon Vera as the Holcim brand ambassador. Called "Built to Excel," Vera highlights the similarities between his path to becoming a champion, and Holcim Philippines' journey in establishing itself as the leading building solutions provider in the country. The campaign highlighted **Holcim Excel**, the company's flagship general purpose cement brand, which is set to celebrate its 20th year in 2021.

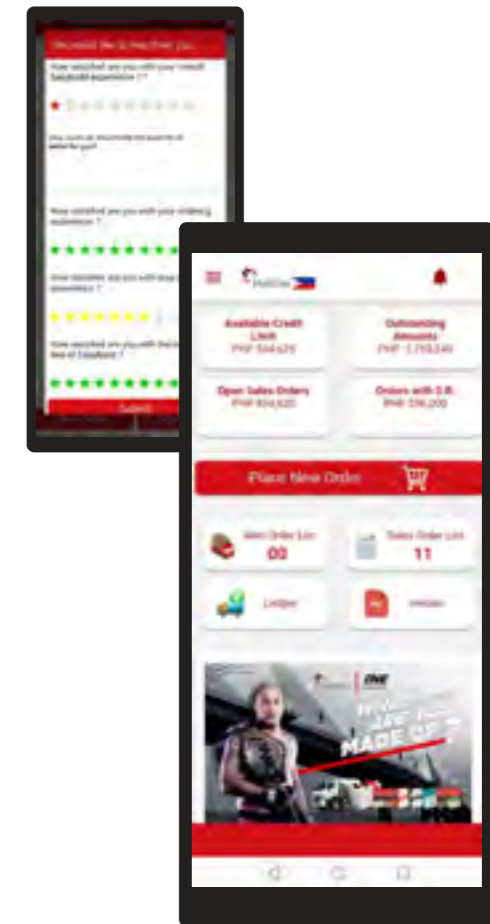
### eKamustahan

The Company's Marketing and Innovations and Sales Teams held meetings called **eKamustahan** with close to a hundred key customers to provide important company updates in view of the pandemic. This initiative received an average positive rating of 95% from the participants.

Through the **E-Customer Safety Engagement**, the Company assured customers about the safety of operations through online sessions about the COVID-19 controls on the sites. Furthermore, Holcim Philippines shared tips with hardware store partners on how to keep safe in the pandemic by sharing best practices in this area.

### FB Community Page

A Facebook community page called **The Excellent Squad** has been established to engage *tinderas* (store front liners or vendors) and cement truck drivers of partners to take advantage of people's heavy use of the social media Facebook platform during this period. This provided the Company a fun way of interacting with key people while driving sales.



# Operational Improvements

## Resilience amid lockdowns and quarantine restrictions



Holcim Philippines' operations remained COVID-19 free in 2020 as a result of immediate actions in line with government guidelines and the LH Group's best practices. These prevented health-related disruptions and enabled the Company to easily resume supplying to customers after the lockdowns were eased nationwide.

### Quick road repair solution

**Holcim SuperFast(SF)Crete**, Holcim Philippines' one-day concrete solution, will soon be made available outside the National Capital Region to support government road repair projects and lessen disruption to commuters. Since its launch in 2016, **Holcim SFCrete** has been used to repair close to 15 kilometers of roads all over Metro Manila. It has been accredited by the Department of Public Works and Highways (DPWH) as a rehabilitation or repair solution for roads. With **Holcim SFCrete**, roads can be reopened in 24 hours after repairs, compared with regular concrete which needs 3 to 14 days for curing.

Aside from the proven performance of **Holcim SFCrete** in fast curing time and concrete strength, Holcim Philippines provides contractors with technical support in optimizing the design of concrete. Its superior workability enables contractors to deploy less people and follow social distancing guidelines in projects. Partners may also avail of the Company's training sessions on cement and concrete technology, **Holcim SFCrete** application, road construction, and road safety to help them build better.

“Key to our resilient 2020 performance was our focus on Health, Cash and Cost. We improved efficiency and sustainability of operations. We also introduced new building solutions and enhanced digital tools to better serve the customers. With our committed employees and loyal business partners, these improvements make us ready to help drive a faster recovery and deliver great value to all our stakeholders.”

— John Stull, President and CEO

### New leaders for plants, logistics

The Company takes pride in the all-Filipino team leading its cement manufacturing facilities. Holcim Philippines' plant in Lugait, Misamis Oriental is now led by former production manager Arnold Pepino, who had been sent to Romania and Austria to learn best practices under the LH Group's Learning "Across Borders program".

The head of Logistics Operations, Edwin Villas, was also promoted to the Senior Vice President for Logistics. As former officer-in-charge of Logistics, Villas successfully steered the team in delivering distribution and road safety targets.

Meanwhile, Bobby Garza, Vice President for Operations of Holcim Lugait Plant, has been appointed to lead the Norzagaray, Bulacan facility—the Company's biggest plant in terms of production capacity. Garza had steered the Lugait Plant to be recognized as among the best in the region and the LH Group. He also championed people development and local talent succession in the company.

### ISO-certified waste management unit

Geocycle received certificates for ISO 9001:2015 (Quality Management System), ISO 14001:2015 (Environment Management System) and OHSAS 18001:2007 (Safety) from third-party certification body Certification International Philippines on 26 May 2020. The audits for the certification were conducted prior to the quarantines, while the documents showing the corrections and corrective actions were shared virtually. The ISO certificates are valid for three years with annual surveillance audits in between. Geocycle has been ISO certified since December 2010.

### Holcim products listed on procurement website for green builders EM-CM-410a.1

**Holcim Solido**, **Holcim Excel**, and **Holcim Wallright**, which are designed for infrastructure, general purpose, and masonry, respectively, are now listed in the Green Building Procurement Hub (Green Building/PH), a website that identifies products, services, and building spaces with green credentials. Green Building/PH is a service provided for the members of the Philippine Green Building Council (PHILGBC), an organization that accredits buildings for following or exceeding environmental standards.

The three products are produced with lower greenhouse gas emissions and overall carbon footprint compared with the Ordinary Portland Cement. Mineral additives reduce their content of clinker, the carbon-intensive component of cement, and are produced with low carbon-alternative fuels.

### Supporting Mindanao infrastructure recovery

The Company has committed to contribute significantly to Mindanao's development and recovery as it has demonstrated that it is well-equipped to support partners in building structures in the region. This was validated by the recent Davao Plant upgrade, the roll out of new building solutions such as road infrastructure cement **Holcim Solido** and pavement repair solution **Holcim SFCrete**, as well as some digital innovations.

## Creating Sustainable Value Sustainability for Holcim Philippines

### A partner for progress beyond cement

Holcim Philippines holds sustainability to great importance. In alignment with the pledges of the LafargeHolcim Group, the company contributes to the achievement of the United Nations' Sustainable Development Goals through various programs and actions.

On environmental protection, Holcim Philippines manages its environmental impact by reducing its GHG, looking for more waste-derived resources, reducing the use of virgin materials, use of alternative fuels through co-processing, energy efficiency, and going above and beyond local regulatory requirements. This translates into an increase in the production of blended cement, while continuously coming up with more innovative building materials and solutions.

Holcim Philippines also seeks to empower people, including its employees, its business partners, its customers and the communities wherein it operates. Due to the new risks and impacts caused by the pandemic, the company has become even more committed to health and safety in its workplace and supply chain. The Company also uplifts its community members by building their competency and by creating more opportunities for them to be economically and financially resilient, especially during the uncertain economic environment during a health crisis.

Holcim Philippines commits to creating sustainable value to be able to be the Philippine's partner for progress beyond cement.

#### Sustainability in the midst of the COVID-19 pandemic

The COVID-19 outbreak in 2020 has disrupted most industries and businesses all over the world. The cement industry in particular suffered from considerably decreased worldwide demand due to work stoppages and interrupted supply chains in the construction sector. This has resulted in overcapacity for many cement companies.

Holcim Philippines' sustainability initiatives and competitiveness enabled it to thrive and look forward to greater prospects in the coming years. Its strong adherence to sustainability has prepared the Company to take on the countless opportunities for rebuilding in the post-pandemic landscape.

In the time of the pandemic, sustainability has empowered the Company not only to rebuild, but to build better.



### Contributing to Sustainable Development Actions 102-12

As a member of the LafargeHolcim (LH) Group, Holcim Philippines is committed to implementing programs that support the Group in achieving its pledges on the following climate actions:

#### Pledge toward Net-Zero emissions

The LH Group joined the Science Based Targets initiative (SBTi) "Business Ambition for 1.5°C," becoming the first global building materials company to sign the pledge with intermediate targets for 2030. The pledge calls for business leaders to set science-based targets aligned with limiting global temperature rise to 1.5°C above pre-industrial levels.

In 2030, the LH Group aims to further lower its target for CO<sub>2</sub> intensity in cement to 475kg net CO<sub>2</sub> per ton of cementitious material or 68% reduction from 1990 baseline.

The initiative likewise called for governments around the world to align COVID-19 efforts with science-based commitments to achieving a zero-carbon economy.

Holcim Philippines joined its parent company in this initiative by introducing low-carbon emitting products: **Holcim Solido, Holcim Excel, and Holcim Wallright** which have been recently listed in the Green Building Procurement Hub (Green Building/PH). These specific products have a lower overall carbon footprint than Ordinary Portland Cement. Holcim Philippines aims to have its dry mixed mortar product range included in the Green Building/PH list in the future.

#### Human rights promotion

LafargeHolcim CEO Jan Jenisch has joined the Call to Action for Business Leadership on Human Rights by the World Business Council for Sustainable Development (WBCSD). This includes a commitment to making human rights more than just a risk and compliance issue for the Company – but as part of LH's commitment to social responsibility.

The Company promotes transformative change in the human rights dimension through such long-standing policies as its Supplier Code of Conduct and its Human Rights due diligence methodology. At the same time, LH champions human rights internally, for example by setting concrete targets for diversity and inclusion across its operations.

#### Supporting UN initiatives on sustainability

As a UN Global Compact participant company, LH provides continuing support to the UN Global Compact (UNGC) Principles on sustainable development.

A summary of the LH Group's progress on this commitment in 2019 included implementing the Ten UNGC Principles into Strategies and Operations.

Holcim Philippines contributed to these initiatives by ensuring compliance with emission regulations and achieve targets on particulate matter and gaseous emissions as well as adhering to some of the UN's Sustainable Development Goals (SDGs). Some of its notable achievements are:

- **Decrease in Injury Frequency Rate** – Holcim Philippines values the health and safety of its employees and continuously ensures that the highest safety standards are met to reduce work-related incidents.
- **Reduction of CO<sub>2</sub> Emissions** – In 2020, Holcim Philippines managed to reduce its net emissions per tonne of cement produced by 22.15% since 1990. It aims to stay on this trajectory as the industry transitions into a net-zero carbon future.
- **Responsible Water Management** – With the interest of protecting water resources and local biodiversity, Holcim Philippines reduces its freshwater withdrawal and manages treatment of effluents, respectively. This is consistent with the Water Directive enacted by the LafargeHolcim.

As a Company, Holcim Philippines contributes to the following UN SDGs through its programs and operations.



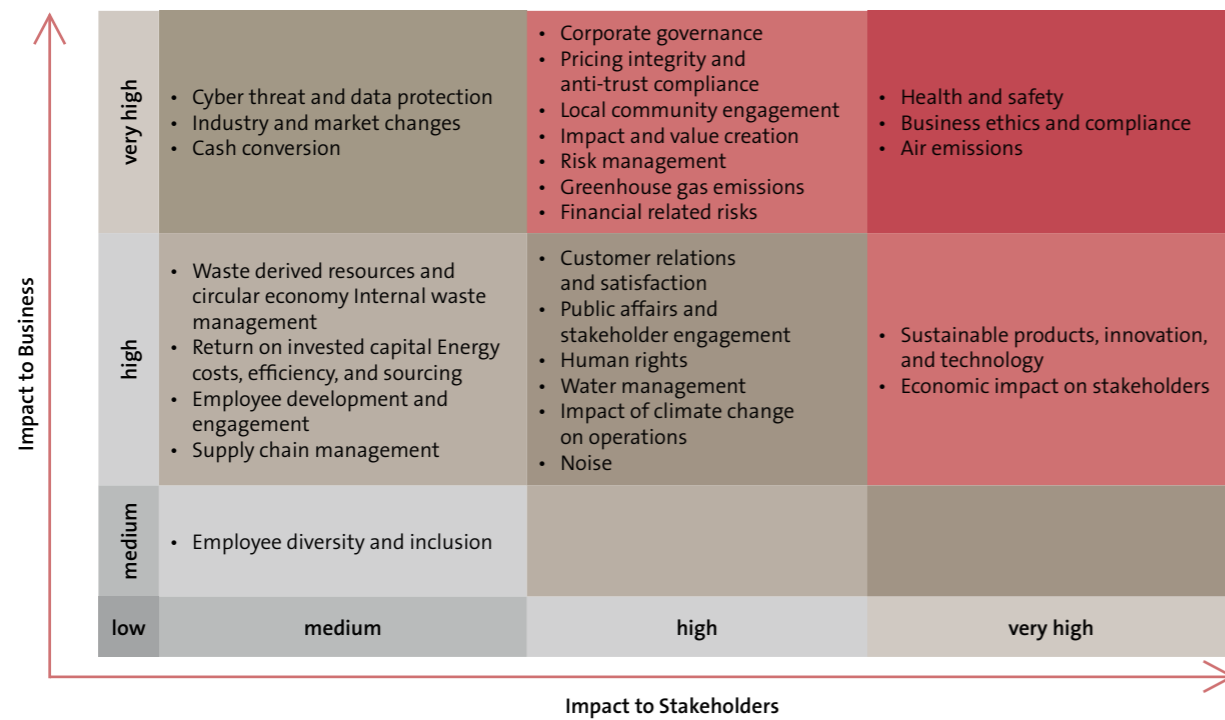
## Materiality 102-46, 102-47

In order to formulate the Company's strategy for sustainability and building long-term value, a materiality assessment was conducted in December 2020. The exercise aimed to identify economic, environmental, social, and governance (EESG) issues that matter most to the Company's partners and stakeholders. The resulting materiality matrix revealed possible risk factors and priority courses of action in the business process.

Materiality Assessment Methodology:

- 1. Selection of industry-wide topics.** This includes topics identified by the standards from the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB) for the sector of Construction Materials. Material topics published in the annual integrated or sustainability reports of LafargeHolcim (LH) Group and other companies in the industry were also included as reference.
- 2. Selection of Holcim Philippines-specific topics.** From the consolidated material topics, each department in Holcim Philippines assigned a representative for consultation and response related to the matters for reporting.
- 3. Online Materiality Survey.** With the participation of 13 Executive Committee and Leadership Team members, the survey was conducted to better reflect Holcim Philippines' strategy and priorities. Each sustainability topic was assessed based on its impact to business and impact to stakeholders.
- 4. Results.** The ratings received from the 13 Executive Committee and Leadership Team members were averaged for each sustainability topic and placed in the appropriate degree in the materiality matrix based on the scores for impact to business and impact to stakeholders.

2020 Materiality Matrix for Holcim Philippines



Emerging as highly critical topics are Health and Safety, Business Ethics and Compliance, and Air Emissions. This shows that the Company strongly values conducting business the right way by thoroughly complying with regulations, ensuring the safety and welfare of its employees especially with the COVID-19 pandemic, and managing its air emissions to preserve a healthy environment for its employees and communities.

## Stakeholder Engagement 102-40, 102-42, 102-43, 102-44

Aside from the Materiality Assessment, the Company's regular engagements with various stakeholder groups yield useful feedback about key concerns. The table enumerates the Company's response to the various issues raised.

### Employees

Engagement Methods and Frequency	Key Concerns	Company's Response
<ul style="list-style-type: none"> <li>Town Hall Meeting, monthly</li> <li>Personal Resilience Survey, annually</li> <li>Employee relations program, monthly/quarterly</li> <li>Site Health and Safety committee, monthly/quarterly</li> <li>Holcim EXPerts Talks (HEX Talks), as needed, no defined frequency</li> <li>Employee Value Proposition, monthly</li> </ul>	<ul style="list-style-type: none"> <li>Business performance and job security</li> <li>Coping with COVID-19</li> <li>Health and Safety</li> <li>Learning and Development</li> <li>Employee Relations (ER) program implementation under the new normal</li> <li>Attracting, retaining, and developing workforce</li> </ul>	<ul style="list-style-type: none"> <li>Implement a flexible work arrangement</li> <li>Employee survey for COVID-19 programs was initiated to ensure that only relevant programs are organized</li> <li>Organized programs that support personal resilience and mental well-being</li> <li>Put in place Health and Safety Protocols to address COVID-19 transmission</li> <li>Conduct Holcim EXPerts Talks (HEX Talks) on environment, health, and finance</li> <li>Launch of Employee Value Proposition</li> </ul>

### Customers

Engagement Methods and Frequency	Key Concerns	Company's Response
<ul style="list-style-type: none"> <li>E-Konekta: E-Kumustahan, as needed, no defined frequency</li> <li>E-Konekta: Customer Safety Engagement Program (E-CSEP), quarterly</li> <li>E-Konekta: Excellent Squad FB Community, almost thrice a week</li> <li>Customer Visits / Virtual Meeting with Sales Officers, weekly/monthly</li> <li>Customer Care Sales Order Call-Out, as needed, no defined frequency</li> <li>Case Management / Feedback Management, as needed, no defined frequency</li> </ul>	<ul style="list-style-type: none"> <li>Invoicing in Payment: Issue with online payment and delay in transmitting sales documents</li> <li>Logistics Delivery and Pick Up: Delay in delivery of cement orders (delivered orders) and issue on incomplete delivered items</li> <li>Product and packaging quality: cement quality</li> <li>Product and Service Offerings: Price related concerns</li> <li>Price and Plant Capacity</li> </ul>	<ul style="list-style-type: none"> <li>Invoicing in Payment: EasyBuild enhancement on e-Invoice. An automated email notification will be sent to the registered email address once an invoice becomes available. This initiative was released last 7 December 2020.</li> <li>Logistics Delivery and Pick Up: Improvement on operations and process review to provide sustainable solutions.</li> <li>Product and Packaging Quality: The Technical Services Team works to address these complaints.</li> <li>Product and Service Offerings: The reasons for price variance are discussed with customers.</li> <li>Competitive pricing is discussed with customers; Updates on site expansion are provided.</li> </ul>



**Investors**

Engagement Methods and Frequency	Key Concerns	Company's Response
The Annual Stockholders' Meeting (ASM) is held once every year. Special Stockholders meetings may be held as often as may be necessary	The key concern for 2020 was the inability to hold the physical gathering due to COVID-19.	In response, the ASM was held virtually in compliance with the relevant regulations of the Securities and Exchange Commission.

**Regulatory bodies**

Engagement Methods and Frequency	Key Concerns	Company's Response
Engagement with key regulatory bodies such as the Multipartite Monitoring Team (MMT) is done quarterly and as necessary (in cases of complaints or environmental monitoring). Most of these formal meetings are held inside the plant.	Fugitive dust and housekeeping inside the facilities are common concerns raised.	Each site is continually improving its pollution control facilities to proactively address concerns raised during MMT meetings.

**Local communities**

Engagement Methods and Frequency	Key Concerns	Company's Response
Engagement with the local community is done weekly or as often as necessary (in cases of complaints or monitoring of corporate social responsibility projects). Most of these meetings are informal and take place inside households or traditional community gathering places.	Most of the concerns raised during engagements with communities are on the implementation of the Stakeholder Engagement Plan. It is common to encounter requests to augment or expand the reach of assistance to stakeholders.	<ul style="list-style-type: none"> <li>A Corporate Citizenship Policy is being drafted and prepared for future implementation to standardize engagement strategies.</li> <li>Regular engagements, whether formal and informal, are conducted at the sites to proactively capture important feedback and implement immediate action to concerns.</li> <li>Community participation is important in the formulation of the annual Stakeholder Engagement Plan to ensure transparency in the process, develop a sense of ownership over programs, and tailor-fit interventions to actual needs.</li> </ul>



**Contractors**

Engagement Methods and Frequency	Key Concerns	Company's Response
<ul style="list-style-type: none"> <li><b>Contractor Pre-Start Meeting</b>, held once</li> <li><b>Contractor Health and Safety Induction/Orientation</b>, held once</li> <li><b>Daily Toolbox Talks</b>, daily, per shift</li> <li><b>Monthly Health and Safety Committee Meeting</b>, monthly</li> <li><b>Global Health and Safety Days</b>, annually</li> <li><b>Risk Assessments (Work Permit issuance, Job Planning Tool, Life Saving Talks)</b>, as needed</li> <li><b>Life Saving Audits</b>, as needed</li> <li><b>Task Observation</b>, as per schedule of routine activity</li> <li><b>Safety Intervention Program</b>, as needed</li> <li><b>Visible Personal Commitment</b>, as needed</li> <li><b>Contractor meetings/performance evaluation</b>, monthly/quarterly</li> <li><b>Health and Safety Trainings/seminars/webinars</b>, as per training schedule, usually annually</li> <li><b>Emergency response drills</b>, as per drill calendar, usually quarterly</li> <li><b>Area inspections and walkthroughs</b>, as per inspection schedule (daily, weekly, monthly, quarterly)</li> <li><b>Posting of Health, Safety and Security communications on noticeboards</b>, regularly</li> <li><b>Health/fitness consultation at the clinic with nurse/physician</b></li> <li><b>Health, Safety and Security Audits</b>, annually</li> <li><b>Group chats, text blast</b>, as needed</li> </ul>	<ul style="list-style-type: none"> <li>Communication of any health, safety, and security-related information and instructions</li> <li>Development/checking of competency and welfare of personnel</li> <li>Assessment of risks and hazardous activities/processes</li> <li>Safeness of tools, equipment, structures, plant, vehicles, premises</li> <li>Conformity to standards, legal, statutory, local government, LH Group requirements</li> </ul>	<ul style="list-style-type: none"> <li>Rewards, Recognition, and Consequence Management system is being applied diligently</li> <li>Contractor companies provide health, safety and security-related feedback to improve our systems and relationships</li> </ul>

**Trade Unions**

Engagement Methods and Frequency	Key Concerns	Company's Response
<ul style="list-style-type: none"> <li><b>Labor Management Council (LMC)</b>, monthly/quarterly</li> <li><b>Town Hall Meeting</b>, monthly</li> <li><b>Various employee relations program committee membership / representation</b>, monthly/quarterly</li> <li><b>Site Health and Safety Committee membership/representation</b>, monthly/quarterly</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of collective bargaining agreement (CBA) provisions</li> <li>Business performance and job security</li> <li>Employee Relations (ER) programs under the new normal</li> <li>Health and safety concerns due to the pandemic</li> </ul>	<ul style="list-style-type: none"> <li>Conduct regular LMC meetings to discuss and resolve any concerns related to CBA implementation</li> <li>Timely release of benefits</li> <li>Flexible work arrangement</li> <li>Organize programs that support personal resilience and mental well-being</li> <li>Put in place a telemedicine facility</li> <li>Townhall meetings are organized to provide business updates to employees</li> </ul>

**Industry associations**

Engagement Methods and Frequency	Key Concerns	Company's Response
As a member of the Cement Manufacturers Association of the Philippines (CeMAP), Holcim Philippines has authorized representatives in the different committees. Committee meetings are held monthly or as needed.	The key risk of industry association engagement is a possible breach of fair competition laws/directives, as representatives from competitors openly discuss key topics.	<ul style="list-style-type: none"> <li>The Company has mandated the disclosure of encounters with competitors through the competitor contact tool in compliance to the Commercial Documentation Directive</li> <li>The conduct of Fair Competition training as a refresher course for all employees.</li> </ul>

## Sustainability Framework

The LH Group focuses on four main areas of action in their approach to sustainability and creating value for stakeholders. These are Climate & Energy, Circular Economy, Environment, and People and Communities.

Holcim Philippines, being a member of the Lafarge Holcim Group, aligns its sustainability and climate policies and strategies with the LH Group. The sustainability initiatives are embedded in the Company's short, mid, and long-term development plans and budgets which are translated to performance objectives and local targets. These are monitored at the Group level and are also discussed in the monthly local performance meetings including regional meetings (APAC).

The LH Group focuses on four main areas of action in their approach to sustainability and creating value for stakeholders. These are Climate & Energy, Circular Economy, Environment, and People and Communities.

The LH Group is the first global building materials company to sign the Business Ambition for 1.5°C pledge with intermediate targets in 2030 approved by the Science-Based Targets initiative (SBTi) in alignment with the net-zero pathway. Holcim Philippines aligns its sustainability strategy and targets with the LH Group.

### The 2030 Plan: The LafargeHolcim Sustainability Strategy

The 2030 Plan is a broad set of clear commitments that support the United Nations' Sustainable Development Goals (SDGs) for the planet. It covers Holcim Philippines' business activities as well as customers, communities, and employees. It includes initiatives and innovative solutions that drive transformation in the value chain and the life cycle of buildings.

The 2030 Plan focuses on how we can improve the sustainability of our operations and come up with innovative, sustainable solutions for better building and infrastructure. Our plan also looks beyond our own business activities to our wider industry with a strong focus on increasing our positive social contribution. We are committed to working in partnerships to make the entire construction value chain more innovative and more mindful of the use of resources and the impact on nature. And we are committed to improving communities' lives by providing solutions to their challenges. Ultimately, we believe The 2030 Plan will help us do better – for communities and the planet, as well as our business.



## The 2030 Plan: Building for Tomorrow

	Climate and Energy	Circular Economy	Environment	People and Communities
Objective	Reduction of CO <sub>2</sub> emissions	Increased reuse of waste-derived resources	Reduction of freshwater withdrawal	Creation of shared value
Lead Metric	CO <sub>2</sub> emitted (kg of CO <sub>2</sub> per ton of cementitious product)	Quantity of waste-derived resources used in cement production (thousand metric tons)	Freshwater withdrawn (liters per ton of cementitious product)	Number of beneficiaries per year (thousands of individuals)
2020 PERFORMANCE	608	575	290	165
2030 TARGETS	475	1,315* <small>*Indicative; subject to strategic planning</small>	262 <small>Aligned with the LH Group's target</small>	1,600 <small>Cumulative (2021 to 2030)</small>

## Sustainability Pillar

### Climate and Energy



# Sound energy management ensures high performance while supporting national climate actions

Holcim Philippines aligns its sustainability strategy and targets with that of the LH Group, according to the local setting. As the leading building solutions company across several countries, the LH Group plays a critical role in steering the building industry toward the net-zero pathway.

The LH Group is the first global building materials company to sign the “Business Ambition for 1.5°C” pledge with intermediate targets in 2030 approved by the Science-Based Targets initiative (SBTi) in alignment with the net-zero pathway.

## Energy Management 103-1, 103-2, 103-3

Being an energy-intensive process, the manufacturing of cement requires a reliable and competitively-priced power supply for uninterrupted and cost-effective production.

We also plan to explore waste-heat recovery in the long run to reduce our electrical energy consumption.

### Coal and fuel supply

To ensure continuous supply of power to our sites, the Company secured long-term contracts with power service providers. As for coal and fuel, we secure our supply annually. We also aim to increase our usage of alternative fuels through Geocycle to support some of our fuel requirements.

The Company uses coal for heating kilns in La Union, Bulacan, Davao and Lugait. Imported Indonesian coal requirements are covered with annual supply contracts. Spot purchases remain as an option to have a healthy balance of supply reliability, market competitive prices, and opportunity for substitute fuels.

The use of Alternative Fuels and Raw materials (AFR) is strongly being positioned to reduce our coal consumption. The Company has partnered with different industries and municipalities to use their qualified wastes to be used as alternative fuel in our operations through our co-processing technology.

For local coal requirements, Holcim Philippines entered into a one-year contract in 2020 with Semirara Mining & Power Corporation. The Company also has a supply contract with Petron and SL Harbour for its diesel and bunker fuel needs, valid until 31 December 2020.

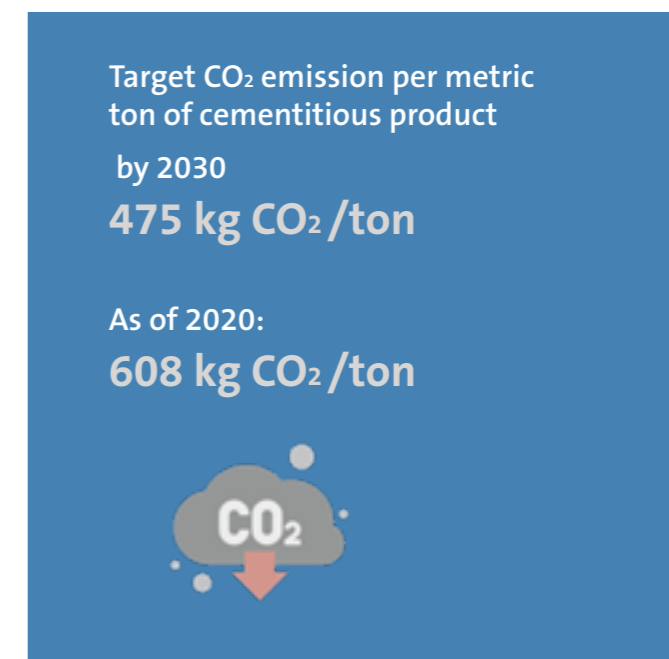
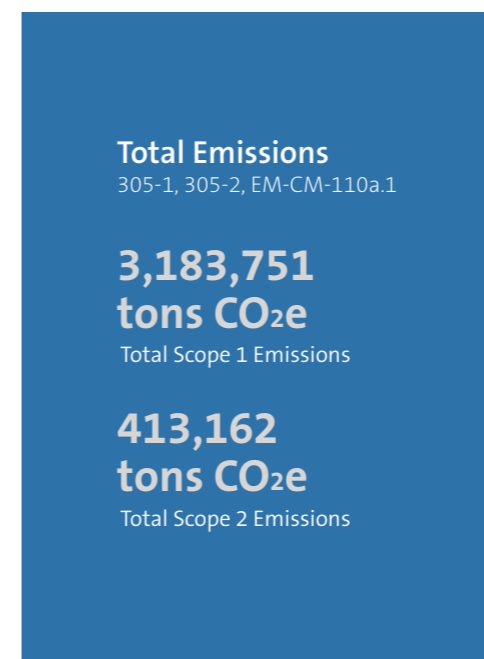
Plant	Power requirement	Power Supply
Bulacan Plant	35 megawatts (“MW”)	AC Energy Philippines, Inc. (ACEPI)
La Union Plant	15 MW	
Davao Plant	22 MW	Davao Light and Power Company (DLPC)
Lugait Plant	27 MW (Line 2 only)	Misamis Oriental-1 Rural Electric Service Cooperative, Inc. (MORESCO-1)
Mabini Grinding Plant	6 MW	AC Energy Philippines, Inc. (ACEPI)

## Reducing Energy Consumption 302-1, 302-4, EM-CM-130a.1

Energy	2019 Consumption	2020 Consumption	Reduction	Energy Cost for Sourcing
<b>Kiln Fuel</b>				
Traditional Fuel	14.33 million GJ	11.55 million GJ	2.78 million GJ	PHP 2.52 billion
Alternative Fuel	1.87 million GJ	1.48 million GJ	389,804 GJ	PHP 170 million
<b>Non-kiln Fuel</b>				
Gasoline	312 L	286 L	26 L	PHP 8,294
Diesel	8.56 million L	6.44 million L	2.13 million L	PHP 174.94 million
<b>Power Consumption</b>				
Electricity	643,436 MWh	551,313 MWh	92,123 MWh	PHP 3.19 billion

## Emissions Reporting 103-1, 103-2, 103-3

Holcim Philippines monitors its Greenhouse Gas (GHG) emissions and has set targets to reduce CO<sub>2</sub> emissions as aligned to the LH Group target. In terms of reporting, the Company follows the CO<sub>2</sub> protocol or CO<sub>2</sub> and Energy Accounting and Reporting Standard for the Cement Sector established by the Cement Sustainability Initiative (CSI), now called the Global Cement and Concrete Association (GCCA). The protocol is based on the Intergovernmental Panel on Climate Change (IPCC) Reporting Protocol, and the Greenhouse Gas Protocol designed by the World Business Council for Sustainable Development (WBCSD) and World Resource Institute (WRI).





**Climate-related Risks and Opportunities** 201-2, 302-5, EM-CM-110a.2

The LH Group joined the Science Based Targets initiative (SBTi) “Business Ambition for 1.5°C,” becoming the first global building materials company to sign the pledge with intermediate targets for 2030. The pledge calls for business leaders to set science-based targets aligned with limiting global temperature rise to 1.5°C above pre-industrial levels.

Holcim Philippines is inline with the voluntary recommendations of the Financial Stability Board’s Task Force on Climate-related Financial Disclosures (TCFD).

The identification, assessment and effective management of climate-related risks and opportunities are fully embedded in our risk management process. Details are as follow:

**a. Governance**

Holcim Philippines, being a member of the LH Group, aligns its climate policies and strategies with the Group. The local Chief Executive Officer, who is a member of the Board and head of the Executive Committee, oversees the Company’s sustainability initiatives. Sustainability strategies and targets are cascaded by the LH Group to the Operations Committee (OpCom). The sustainability initiatives are embedded in the Company’s short, mid, and long-term development plans and budgets which are translated to performance objectives and local targets. These are monitored at the Group level and are also discussed in the monthly local performance meetings, including regional meetings (APAC).

**b. Strategies to reduce emissions**

Plan of action to further reduce carbon emissions:

**Increase clinker substitution**

- Replace clinkers with alternative mineral components such as pozzolan and fly ash or slag, which are waste-derived resources from other industries, to produce blended cement. Blended cement has a lower carbon footprint compared to Ordinary Portland Cement (OPC).

**Increase use of alternative fuel**

- Using alternative fuels converted/transformed from waste and low-carbon fuels is another way to reduce the carbon intensity of cement. The Company also uses biomass which is considered carbon neutral. Using these alternative energy sources divert waste from landfill and illegal dumping, provides solutions to waste management issues, and helps reduce the use of fossil fuels.

**Increase energy efficiency**

- Improve energy efficiency through process optimization and replace the least energy efficient equipment or technology.



**Short-term actions**

- improved clinker production technology;
- higher usage of alternative fuels and alternative raw materials;
- optimization of the cement portfolio with lower CO<sub>2</sub> footprint; and
- increased share of solutions and products with favorable CO<sub>2</sub> impact

**Long-term actions are focused on innovation and research, and development of the following:**

- carbon capture solutions and alternative clinker;
- decarbonized fuel and energy;
- low-carbon cement;
- low-carbon concrete; and
- low-carbon construction methods

**Risk management**

The Company follows the risk management approach of the LH Group composed of several stages:

- **Risk Identification and Analysis:** The management assesses and evaluates the potential impact and likelihood of the key risks which could have a material adverse effects on the current or future operation of business.
- **Risk Mitigation:** The management defines the actions and/or controls to mitigate the risks identified.
- **Monitoring and Reporting:** Regular progress on the action and controls are followed up by risk leaders at country level and reported to the LH Group.
- **Verification and Remediation:** Internal control audit performs assessments of the effectiveness of the risk assessment process. The LH Group Internal Audit also performs independent assessment of the effectiveness of Internal Control.

Risk	Potential Impact	Company’s Response
<b>Greenhouse gas emissions &amp; climate change</b>	Community complaints against emissions generated by the cement plants; stigmatization of the cement industry	Holcim Philippines closely monitors its compliance to environmental laws and regulations and continues to engage with regulating bodies and local communities on any issues and concerns.  The Company is actively working with the Climate Change Commission to align with the country’s commitments on GHG emissions and climate change.

**Metrics and Targets**

CO<sub>2</sub> reporting is done monthly, discussed in management meetings, and monitored by the LH Group.

The following CO<sub>2</sub> emission parameters are monitored:

- Clinker Production Volume
- Cement Production Volume
- Fuel consumption (traditional fuel) and chemical analysis
- Alternative Fuel and Raw Materials (AFR) consumption
- Clinker factor (clinker content of cement)
- Specific thermal energy consumption (STEEC)
- Electrical energy consumption (SEEC)

**Opportunities: Blended cement for smaller carbon footprint**

The supply of alternative fuels and waste-derived resources like fly ash and slag is still limited. The Company continues to explore more sources and industry partners and provide support for regulations allowing importation of alternative fuels due to local supply limitations. The Department of Trade and Industry’s (DTI) amendment of the Philippine National Standard (PNS) on Portland Cement promotes the use of these components from waste-derived resources for the production of blended cement for different construction applications.

The Company is also raising awareness about the importance of its blended cement products to its commitment to improve environmental performance. It is during the production of clinker, the main component of cement, when most carbon emissions occur. By replacing the clinker in its final cement products with alternative mineral components, the carbon intensity of operations is reduced.

<p><b>Holcim Solido</b></p> <p>10-20% lower CO<sub>2</sub> footprint than Ordinary Portland Cement (OPC)</p> 	<p><b>Holcim Excel</b></p> <p>20-25% lower CO<sub>2</sub> footprint than OPC</p> 	<p><b>Holcim Wallright</b></p> <p>35% lower CO<sub>2</sub> footprint than OPC</p> 
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**Air emissions** 305-7, EM-CM-120a.1

The Company is committed to significantly reducing its air emissions below the regulatory limits. Air emissions are monitored and managed from point sources and fugitive sources.

The Continuous Emission Monitoring System (CEMS) in the integrated plants measure and monitor major atmospheric emissions such as dust or particulate matter, nitrogen oxides (NOx), sulfur oxides (SOx), volatile organic compounds (VOC), and carbon monoxide (CO). The Company ensures 100% compliance to regulatory requirements, including the LH Group’s standard. A hundred percent availability of the CEMS is safeguarded through regular maintenance and annual calibration by a third party.

External monitoring is also done through the following:

- Multi-partite monitoring with a team composed of representatives from the local government, community, non-government organizations and DENR Provincial Environment and Natural Resources Office/City Environment and Natural Resource Office which conduct quarterly monitoring and ambient monitoring.
- Annual testhouse measurements at point sources – a third-party service provider conducts stack sampling and testing in all plants to validate the results from the CEMS. They also provide information on heavy metals emissions including levels of dioxins and furans during testing.
- Quarterly ambient air monitoring (area sources) – engagement of a DENR-accredited third-party laboratory to conduct quarterly monitoring.

The Company continuously improves its air emissions management through process optimization and emission control techniques. Plants are equipped with electrostatic precipitators (EP) and baghouses to manage dust or particulate matter emission. Thermal processes are improved through optimization to effectively manage NOx, VOC, and CO. Strict quality controls for raw materials, fuels and AFR are in place to manage SOx and heavy metals emissions as well as other emissions.

The Company also implements dust abatement projects to manage dust or particulate matter emissions.

Pollutant (in mg/Ncm)	DENR Regulatory Limit	Bulacan	La Union	Misamis Oriental	Davao
particulate matter (PM)	150	31.52	15.63	32.03	14.32
oxides of nitrogen (NOx)	1,000	451.82	386.66	229.44	311.73
sulfur oxides (SOx)	1,500	24.18	6.69	32.42	0.75
carbon monoxide (CO)	500	375.87	224.13	307.55	92.62
volatile organic compounds (VOCs)	N/A	17.99	12.90	6.50	1.20
Dioxins / Furans*	0.1	0.002	0.004	0.0026	0.0009

\*in ng/M<sup>3</sup>

**Expenses for air pollution control facilities in 2020**

**PHP 16 M**



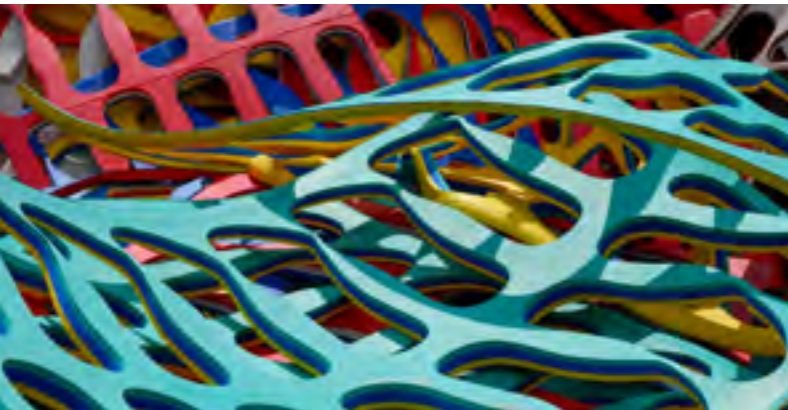
**Sustainability Pillar**

**Circular Economy**

103-1



**Pursuit of alternative fuels offers solutions to communities' waste problems**



**Geocycle** 103-2, 103-3, 306-1, 306-2

Geocycle Philippines is part of the global waste management business of LafargeHolcim Group that envisions a zero-waste future. In the Philippines, Geocycle has been actively developing and promoting innovative, customized and safe environmental waste management solutions for almost two decades.

In 2020, Geocycle once again received certificates for ISO 9001:2015 (Quality Management System), ISO 14001:2015 (Environment Management System) and OHSAS 18001:2007 (Safety) from third-party certification body Certification International Philippines. Geocycle has been ISO certified since 2010.

The business uses cement kiln co-processing technology. Waste materials are pre-processed to be transformed into alternative fuel, and co-processed at temperatures ranging from 1,200°C to 2,000°C with a long residence time. This ensures the total treatment of wastes and no residue through thermal oxidation, and avoids the formation of dioxins and furans.

Geocycle collects the wastes of partner industries and municipalities to be used as alternative fuel or alternative raw material. Wastes are managed by diverting these from traditional disposal facilities like landfills and dumpsites.

Geocycle has clients in various sectors, including agriculture, chemicals, consumer goods, construction, transportation, petroleum, pharmaceuticals, and food processing, among others. Waste processed by the service ranges from hazardous chemicals like paint and oil, rubber waste, agricultural by-products, and other materials that can no longer be reused or recycled.

Geocycle adheres to strict standards in qualifying wastes for pre-processing and use of alternative fuels and raw materials for co-processing. This ensures compliance with health, environmental, safety, and product quality regulations and company standards.

**Our Processes**

**Pre-processing**

The preparation process is crucial prior for waste to be used for co-processing in cement kilns. During the pre-processing phase, a wide variety of waste materials are being converted into a homogeneous mix which is made suitable for co-processing in cement kilns. In this phase, a stable product is made that complies with the technical specifications of cement production. Moreover, it also ensures and guarantees that environmental standards are met. Pre-processing requires considerable quality control and expertise when it comes to shredding, blending, homogenizing or drying waste.

**Co-processing**

Helping in solving societal waste challenges in a sustainable manner, co-processing is a globally recognized innovation by which waste is treated and used in energy intensive industries such as cement. Through co-processing, waste materials are destroyed through Time, Temperature and Turbulence, as cement kilns offer an extremely high destruction removal efficiency (DRE) for all types of waste. Because the process enables minerals from the waste to replace primary mineral materials used to make cement, while combustible waste provides energy for clinker production, 100% of the waste is recycled and recovered, without residue.

This process therefore forms a regenerative circular economy that closes resource cycles, reduces emissions, and lowers dependency on natural resources. Moreover, as it uses existing cement plants, it is a cost-effective solution that brings many gains for the environment.

We believe that collaboration, creative thinking and open-mindedness are the bedrocks for developing workable, sustainable and impactful solutions. Together with our customers, we continue to strive for a zero-waste future.



Holcim Philippines is shifting toward the use of more waste-derived resources as one of its sustainability targets, to reduce the use of virgin raw materials mined from quarries.

In order to promote Circular Economy, the Company seeks to increase the use of waste-derived resources in its operations. These include fly ash, slag, raw materials, alternative fuel and fuel from other industries, thereby providing a sustainable waste treatment technology.

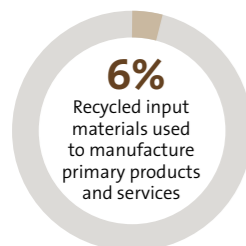
**Materials Used** 103-2, 103-3

Cement production is a resource-intensive process as it utilizes raw materials such as limestone, silica, and shale to produce clinker, the main ingredient of cement. Mineral components such as pozzolan, fly ash, and slag are added to the clinker to produce cement. Gypsum is also added as a cement retarder.

One of the main drivers in reducing material consumption is the reduction of the clinker component of cement by producing more blended cement. This reduces the consumption of natural raw materials like limestone. As an alternative, waste-derived resources as cement additives are utilized, such as fly ash, granulated blast furnace slag (GBFS), and synthetic phosphogypsum. These materials are by-products of other industrial processing plants. Other alternative raw materials, such as contaminated soil and bottom ash, are also used to produce clinker while lessening consumption of natural resources.

Quality control is essential to clinker optimization, such that more cement additives may be added while improving strength. Alternative raw materials are being explored for clinker production to reduce the use of natural resources. The Company partners with coal power plants, the steel industry, and other industries to collect their by-products that can be utilized for operations. Overall, these initiatives lower the Company's carbon footprint.

301-1



Mineral Components / Cement Additives	Total (in tons)
Limestone	276,732
Fly Ash	180,071
GBFS	126,834
Natural Gypsum	178,672
Phosphogypsum	106,619
Pozzolan	696,389

Materials for Clinker Production	Total (in tons)
Silica	390,761
Iron	43,592
Limestone + Shale	6,175,982

## Waste Generated

**Solid Waste** 103-2, 103-3, 306-1, 306-2, EM-CM-150a.1

Holcim Philippines follows proper management and treatment of waste in compliance with environmental regulations such as R.A. 9003, and to mitigate environmental impacts and reputational risks.

The Company follows the waste management hierarchy which prioritizes waste avoidance, reduction, re-processing, and recycling. The materials at the plants that can be recycled are sold to accredited scrap buyers, while some of the wastes are composted when applicable. The combustible fraction of the residual wastes are sent to Geocycle for co-processing.

These practices are included in the Company's waste management protocols which are strictly being implemented in the sites. In areas with no co-processing facility nearby, the wastes are collected by the municipality or barangay. Campaigns on proper waste management are also conducted for Holcim Philippines' employees and contractors.

**Hazardous Waste**

Holcim Philippines provides solutions to other industries in properly managing and disposing of hazardous waste. The Bulacan, La Union, Davao and Lugait integrated cement plants have treatment, storage, and disposal (TSD) permits where there are co-processing facilities. In addition, each plant has a hazardous waste ID generation in compliance with DENR-EMB's online hazardous waste system.

The Company practices proper management and treatment of hazardous wastes, in compliance with regulatory requirements such as the Toxic Substances and Hazardous and Nuclear Wastes Control Act of 1990 (R.A. 6969). The plants generate mostly used oil, grease, and oil-contaminated materials. These materials are co-processed through our cement kilns. Other wastes generated that cannot be co-processed are treated and disposed of through third-party DENR-accredited TSD facilities.

Annual internal and external audits are done to monitor compliance. Site spill control management has also been improved as part of the annual improvement plan.

**Solid Waste** 306-3, 306-4, 306-5



**Hazardous Waste** 306-3



## Sustainability Pillar

# Environmental Management



## Beyond compliance, toward environment-friendly alternatives

The Company is mindful of its impact on the environment and goes beyond mere compliance to international and government directives on environmental management and climate action.

### Environmental Compliance 103-1, 103-2, 103-3, EM-CM-160a.1

Holcim Philippines' environmental policy, aligned to the LH Group Global Framework, aims to go beyond compliance to relevant laws and regulations. The Company is committed to improving the affected environments where it operates to create sustainable sites for all stakeholders.

Compliance is validated regularly by quarterly monitoring of multi-stakeholders and government audits which confirm that the company is compliant with government standards. The plants are ISO 14001-certified, having effective environmental management systems in place to ensure that all environmental impacts and risks are effectively managed and mitigated.

A designated pollution control officer in each plant reports to the managing head and works closely with the corporate environment manager to monitor environmental performance and implement improvement actions. The corporate environment manager cascades and ensures implementation of the strategies and directives from the Group in all the sites.

Active stakeholder engagements with environmental regulatory bodies are also being conducted to anticipate changes in policies that may affect operations. Environmental incidents are reported in a centralized online system to monitor implementation of corrective actions. Management monitoring of permits and licenses, led by the Legal and Compliance department, is also implemented and discussed regularly in management meetings.

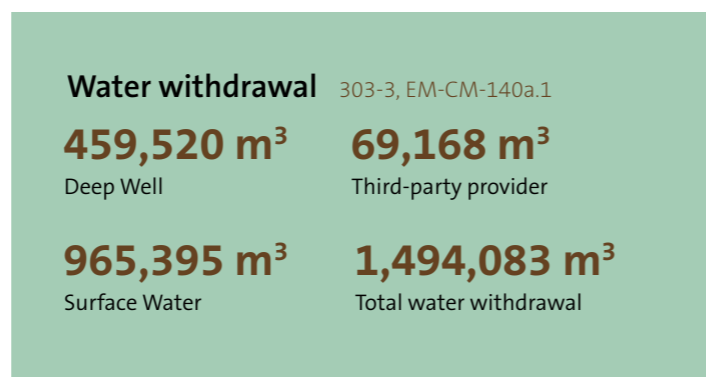
In terms of other emissions, the Company has set internal targets even below the regulatory limit. For example, for dust or particulate matter, Holcim Philippines sets 50 mg/Nm<sup>3</sup> as a benchmark vs. the 150 mg/Nm<sup>3</sup> local standard.

### Water Consumption 103-1, 103-2, 103-3, 303-1

Holcim Philippines aims for greater efficiency in the use of water resources, mindful of nearby communities with which it shares the same water sources. While the construction material industry is not water intensive, Holcim Philippines implements the following actions to ensure the sustainable management of water resources and reduce the water impact of its operations:

- Measurement of operational water footprint
- Managing water usage by improving plant efficiency through recycling, rainwater harvesting, and stormwater management. This also includes automation of water systems to optimize use, especially for cooling systems and regular maintenance of infrastructures to prevent leakages.
- Evaluating and mitigating water-related risks
- Identifying opportunities to make positive contributions to water resources and ecosystems.

The Company implements water efficiency measures to lessen withdrawals of fresh water. Cooling the Company's equipment requires the most volume of water in its operations. Hence, plants are equipped with a water recycling system, a close-loop system where cooling water is recycled. The water being withdrawn by the plants is considered as substitute water for spraying and domestic use. Rainwater harvesting is also practiced at the sites in La Union, Lugait, and Bulacan. Sustainable sourcing of water is ensured through groundwater assessment, including watershed characterization and geo-resistivity studies.



### Effluents 103-1, 103-2, 103-3, 303-2

Company facilities are in place to manage effluents in compliance with the Clean Water Act. The plants generally have no wastewater discharge from operations. However, water runoff such as rainwater may be contaminated with material such as cement spillages, contributing to high total suspended solids (TSS) and/or pH levels.

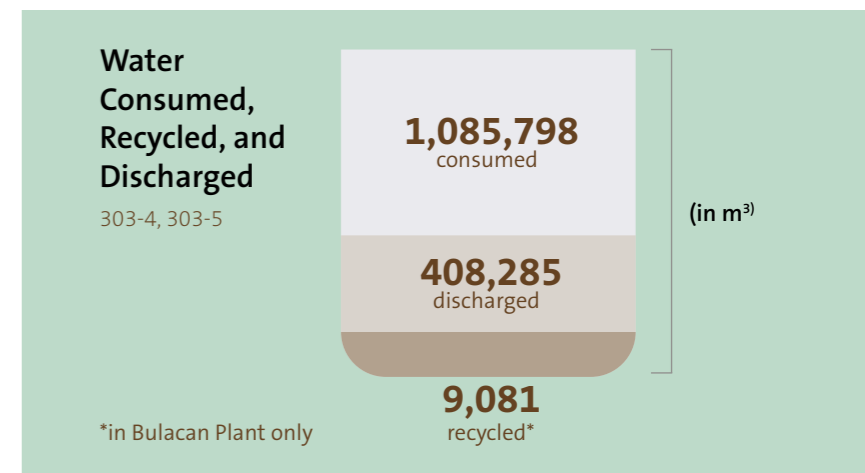
The plants are equipped with pollution control facilities such as siltation ponds to manage effluent and surface runoff. Proper work instructions to prevent spills are also in place, which includes an emergency spill plan. The root causes of spillages are addressed through a site spill pollution program, where all sources of spills or leakages are identified, and containment systems are in place. These consist of pollution control facilities which include a siltation pond and oil-water separator in case of spills. Regular housekeeping is likewise being done.

The following treatment facilities are also in place:

- Septic tanks and water treatment facilities for treatment of sewage;
- Grease traps for removal of grease/oil; and
- Oil/water separators for oil storage run-off

The main industrial wastewater parameters being monitored in cement plants are temperature, pH, and TSS according to DENR Administrative Order 2016-08. Proper storages for material and oil are in place with secondary containment. Regular audits are conducted for continuous improvement.

The Company utilizes rainwater as a means to minimize effluents and water withdrawals from freshwater and groundwater sources.





## Sustainability Pillar

### People and Communities



## Investing in stakeholders and partners toward company strength and excellence

Holcim Philippines is committed to help its stakeholders in the process of rebuilding in the wake of the COVID-19 pandemic. This is accomplished as the Company continues to create value for its partners and stakeholders, seeking the benefit of as many people as possible through its various programs and investments.

### Employees 102-7, 102-8, 103-1, 103-2, 103-3, 202-1, 405-1

Holcim Philippines' 1,174 employees serve as the backbone of its operations. While the male employees exceed the number of female employees (932 males and 242 females), the Company is committed toward gender balance and implements a Diversity and Inclusion (D&I) Policy.

#### COVID-19 response

Stricter government regulations and health and safety protocols to help curb the pandemic disrupted on-site operations. In response to these restrictions, Holcim Philippines implemented a flexible work arrangement – a combination of work on-site, work from home, and forced leave in all sites and temporary deployment of employees to essential roles. Work arrangements are continuously adjusted depending on the quarantine protocols of the local sites and the requirement of the business. These are discussed by the Executive Committee during the regular Business Resilience Team Meeting. These actions allowed the Company to cope with the business situation and support recovery.

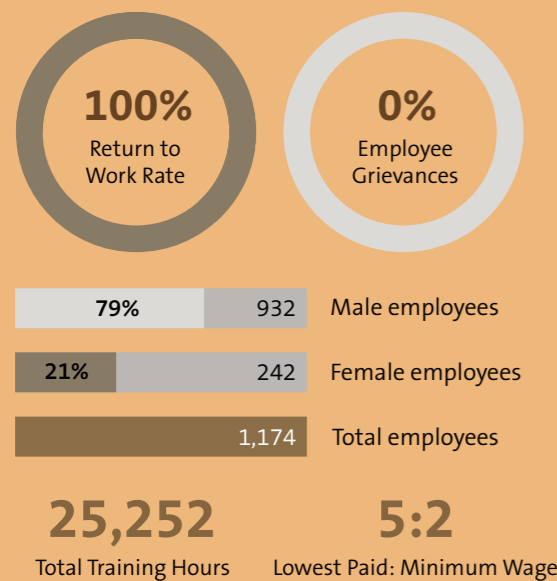
#### Employee turnover and benefits

The Company has an Employee Relations Policy that maintains a healthy relationship toward high productivity, safe environment, industrial peace, high level of retention, and positive company reputation. The Company provides a competitive compensation package to attract and retain high-performing employees. Other employee retention programs, such as employee engagement and communication programs, rewards and recognition, learning and development, and succession planning are also implemented. Holcim Philippines' Total Rewards System is performance-based, competitive, and sustainable which drives its employees to deliver superior performance.

As with other companies, Holcim Philippines has identified the risk of employee separations which could lead to disruption of business operations. The main reasons for resignations in 2020 were better opportunities outside the organization, and partly the divestment announcement in 2019. Several opted to work overseas, while others went back to their hometowns due to the COVID-19 pandemic.

To avoid disruption of business operations in case of employee separations, a Talent Review, Succession Planning, and a monthly People Review are in place to discuss replacement or transition plans for retiring or resigning employees.

Holcim Philippines goes beyond compliance to labor laws and standards. Its policies and programs for salary and benefits go beyond the mandatory requirements. Aside from these, the Company participates in an external salary survey every two years.



#### A. By Contract Type and Gender

Contract Type	Male	Female	TOTAL
Regular/Probationary	932	242	1,174

#### B. By Position and Gender

Position	Male	Female	TOTAL
Senior Management	34	12	46
Middle Management	104	43	147
Supervisors	366	178	544
Rank-and-file	428	9	437
TOTAL	932	242	1,174

#### C. By Position and Age Group

Position	<30 y.o.	30-50 y.o.	>50 y.o.	TOTAL
Senior Management	0	29	17	46
Middle Management	1	116	30	147
Supervisors	92	395	57	544
Rank-and-file	123	202	112	437
TOTAL	216	742	216	1,174

#### D. From Local Community

Contract Type	Male	Female	TOTAL
Regular/Probationary	378	37	415

#### New Hires And Turnover 401-1

Indicator	Male	Female	Total
New hires	57	12	69
New hire rate	6%	5%	6%
Turnover	24	17	41
Turnover rate	3%	7%	3%
Attrition rate			2%

**Employee Benefits** 401-2, 401-3

List of Benefits	% of female employees who availed	% of male employees who availed
SSS	10	12
PhilHealth	8	2
Pag-IBIG	12	8
Vacation Leaves	102*	99
Sick Leaves	38	38
Medical Benefits (aside from PhilHealth)	27	16
Housing Assistance (aside from Pag-IBIG)	3	2
Retirement Fund (aside from SSS)	1	3
Further Education Support	8	11
Telecommuting	74	19

\* This figure includes the resigned employees in 2020.



**Skills Development and Performance Evaluation** 103-1, 103-2, 103-3

Holcim Philippines invests in the learning and development of its employees. The objective of the Company is for all employees to have their own Learning & Development Plan. To achieve this, each employee is encouraged to follow this Learning & Development process:

- Competency assessment;
- Identification of gaps;
- Creation of development actions to address gaps; and
- Execution of development actions.

In view of the pandemic, Holcim Philippines implemented the following approaches to learning and development:

- Online or virtual classroom training;
- Optimized use of Percipio, the LafargeHolcim e-learning platform for leadership, behavioral and management-related training; and
- Use of the 70:20:10 learning and development
  - 10% education – classroom training, workshops, and e-learning
  - 20% exposure – learning from others through coaching, mentoring, networking, and benchmarking
  - 70% experience – learning on the job by getting involved in a project, leading special assignments, taking OIC roles, and other developmental assignments

These changes have reduced training costs while ensuring the personal and professional development of employees. The employees' performances are evaluated through the Performance Management/ Goal Management System consisting of:

- Objective Setting – setting objectives to transform the Company and team priorities into individual accountabilities
- Mid-Year Review – checking the direction and the progress of the WHAT, the HOW and the Individual Development Plans
- Annual Review – assessing past performance and recognizing the employee's accomplishments of objectives and demonstrated behaviors.

To ensure that the individual focus reflects Holcim Philippines' priorities, the Functional Heads introduce the company-wide goals at the start of every year. Because of COVID-19, the Objective Setting was deferred until the Mid-Year Review, during which any necessary adjustment in objectives were discussed and agreed upon. One-on-one discussions and team performance reviews were converted to virtual meetings for employees who were working offsite from their homes. For the face-to-face discussions, safety protocols such as physical distancing were maintained. Meanwhile, the required orientation of managers was carried out as usual to support the performance management process.



**Average training hours** 404-1

	Quantity	Units
Total training hours provided to employees		
Female employees	6,253	hours
Male employees	18,999	hours
Average training hours provided to employees		
Female employees	25.8	hours/employee
Male employees	20.4	hours/employee

**Total training expenditure in 2020**  
**PHP 3.24 M**

**Trainings provided in 2020** 404-2

Training Course	Number of Attendees	Description
Technical		
Cement Manufacturing Course	23	The training covered a deep-dive into the cement manufacturing process in making quality cement.
Turntable Workshop	63	The workshop shares best practices in cement mill, kiln, and vertical raw mill operations & maintenance, and aligns the approach in handling cement mill operations and follows through the actions for improvement.
Business Tax	58	This course is designed to understand the taxability of usual business transactions and the documentary requirements to support tax audit.
Behavioral		
7 Active Management Behaviors	94	The training program cultivates the discipline to consistently demonstrate the active management behaviors that will lead to efficiency and high performance.
Perform Together 2 Win	32	The program was designed as the behavioral component of the Cement Industrial Framework (CIF) to support the transformation to a 4SP plant – Safe, Successful, Self-Sufficient and Sustainable plant through the four pillars of Plant, Process, Performance and People.
Project Management Approach	37	This session aims to help employees identify the fundamentals of Holcim Philippines' project management standard and demonstrate the skills to deliver results in small projects using a systematic approach.
Company Culture		
DOLE 8-hour Mandatory Safety Training	1,174	This is a safety training mandated by DOLE in order to ensure that all employees are up to date with regard to the safety procedures of the organization.
Compliance Training	203	These courses consist of mandatory compliance training which cover anti-bribery and fair competition directives, as well as data privacy.

**Employee performance and development evaluation** 404-3

Position	No. of male employees evaluated	% of male employees evaluated	No. of female employees evaluated	% of female employees evaluated
Executive	28	2.39%	13	1.11%
Management	104	8.86%	43	3.66%
Supervisor	367	31.26%	181	15.42%
Rank and File	418	35.60%	8	0.68%

**Labor-Management Relations** 102-41, 103-1, 103-2, 103-3

Site	No. of consultations conducted with employees concerning employee-related policies	No. of employees under CBA	% of employees under CBA
Head Office	12	0	0%
Bulacan	24	187	82.02%
La Union	24	129	80.63%
Lugait	24	161	83.42%
Davao	24	161	81.31%
Mabini	12	0	0%
Calaca	12	0	0%
Manila	12	0	0%
Iloilo	12	2	40%
Calumpit	12	21	70%
Drymix	12	0	0%

**Total numbers of employees evaluated**

**1,162**



Holcim Philippines respects the employees' freedom of association, in compliance with the Labor Code. The existence of nine labor unions in the Company is a manifestation of its openness to conduct collective bargaining with labor. The Company maintains good labor-management relations through regular joint Labor Management Council (LMC) meetings and labor union involvement in company initiatives and programs. Further, the Company had already established over the years an open environment with the unions where labor-related issues and concerns are discussed and addressed outside of LMC meetings.

Union officers are part of the Health and Safety Working Teams that assess and discuss the Company's Health and Safety Policies and Programs in the sites. Holcim Philippines' Employee Engagement Program encourages

workers to present their ideas as part of work-related decision-making. Policies are communicated to the union through the LMC. Whenever needed, the management organizes a meeting with the union for important business updates. Selected union officers are invited for annual planning and conferences. Labor cases or protests are resolved initially through plant-level dialogue before they are escalated to third party mediation.

With the COVID-19 pandemic, the Company maximized the use of digital platforms to ensure continuous communication with the unions. Plant leaders and HR Business Partners continued to connect with the officers and members of the union through digital platforms such as social media to extend information, carry on with basic services, and provide support as needed.



### Policies Related to Human Rights

- Code of Behavior (HPHI Way)
- Sexual Harassment Policy
- Health & Safety Policies
- Data Privacy Policy
- Solo Parent Policy
- Diversity and Inclusion Policy

#### Diversity and equal opportunity 103-1, 103-2, 103-3

Holcim Philippines believes that diversity provides a broader perspective in the different aspects of business and allows for more creativity. The Company's Diversity and Inclusion (D&I) Policy shows its commitment toward gender balance.

Talents are hired, developed, and deployed according to the best available match between current job requirements, future business needs, and applicant profiles. D&I is integrated in all the Company's people processes to minimize biases and ensure that diverse talent is considered in all recruitment and talent management decisions.

Holcim Philippines continues to educate the entire organization on the importance of D&I, which mitigates any risk of perceived discrimination or inequality. Female employees are also encouraged to assume male-dominated positions. Inclusivity is promoted in the workplace by providing breastfeeding rooms, PWD access in strategic places, communication tools, and compliance with the standards of the Bureau of Working Conditions and Health & Safety.

#### Labor laws and human rights 103-2

The Company ensures full compliance to labor laws and human rights as these have a direct impact on the safety of employees, company reputation, and avoidance of potential financial risk.

A grievance mechanism has been established to discuss and resolve issues. Employees who are not comfortable expressing their grievances personally may use the Company's Integrity Line, a secured web-based and phone-based advice and issue reporting system administered by an independent third party.



#### Safe Workplace 103-1, 103-2, 103-3, 403-1, 403-2, 403-7

Holcim Philippines has taken quick and aggressive measures for personal hygiene, social distancing, and health checks to keep people safe against COVID-19 in its facilities. These health and safety actions enabled the continuous operation of the Holcim Lugalit Plant and the successful reopening of the Holcim Philippines' plants and terminals, with zero work-related cases of COVID-19.

The Company implements an annual Health and Safety Improvement Plan (HSIP) sponsored by the Executive Committee and Leadership Team which focuses on Road Safety, Health, Contractor Safety Intervention Program, raising hazard awareness, and controlling hot meal exposure. All sites have their own HSIP tailored to address their specific concerns. Annual audits are done to validate the program's effectiveness.

Because of the COVID-19 pandemic, several regulations have been added to protect workers, customers, and local communities. Business Resumption Protocols aligned with LH Group Policy and the local enforcement units (DOLE, DTI, DOH, and IATF) were developed, cascaded and implemented prior to restarting the business after the lockdown. These guidelines and protocols were constantly updated to include any changes from the LH Group or local enforcement units.

#### Safety statistics, by employment type 403-9, 403-10, EM-CM-320a.1, EM-CM-320a.2

Indicator	Regular / Probationary Employees	Seasonal / Project-based Employees	Long-term contractors	TOTAL
Number of contractor employees in health and safety committee	109	0	53	162
Total man hours	1,606,828	0	6,376,679	7,983,507
Safe man hours	1,606,828	0	3,746,961	5,353,789
Cumulative safe man hours*	4,676,453	0	17,986,844	22,663,298
Lost time accidents (LTA)	0	0	3	3
Occupational injuries	8	2	26	36
Occupational illnesses	0	0	3	3
Total injury frequency rate	4.98		4.08	4.51
Lost time injury frequency rate	0		0.47	0.38
Lost days	0	0	50	50
Work-related fatalities	0	0	0	0
Reported cases of silicosis	0	0	0	0

\*since last LTA



**Safe Man-hours**  
**5,353,789**

“Our Health and Safety culture makes us confident in our ability to continue running our facilities safely as we embrace the new normal.”

— *Richard Cruz,*  
*Vice President for Health, Safety and Security*

**Safety drills conducted (total for all facilities, plants, terminals, and warehouses)**

Type of Drill	Frequency	Attendance
Fire	11	107
Earthquake	5	201
Chemical spill	2	9
Bomb threat	4	36
Injury / Medical	16	117
Cement spill	0	0
Terrorist attack	3	28
Man overboard	0	0
Fall from height rescue	7	68
Confined space rescue	2	11
COVID-19 Response	16	212
Access Control	2	15
Hot Meal Rush	1	12
Strike / Demonstration	1	30

403-3, 403-4, 403-5, 403-6

A Trigger and Action Response Plan (TARP) was adopted in four phases, including drill exercises for different scenarios and sites. COVID-19-related personal protective equipment (PPE) were also provided, which include permeable gowns, anti-cut nitrile palm gloves, surgical masks, and face shields. Occupational health and safety risks are identified through High-Level Risk Assessment, Work Permit System, Job Planning Tool, Life Saving Talk, Personal Risk Assessment, and Journey Management. Rules, policies, and standards were formulated and constantly communicated to mitigate these risks. Training is regularly conducted to ensure the employees’ knowledge on the proper handling of materials, equipment, and emergency protocols. Equipment is also monitored regularly to make sure that they are in the best condition. Audits and performance monitoring guarantee that rules, policies, and standards are being followed and implemented properly.

On road safety, the Company continuously improves the competency of its drivers through classroom and in-cab training. These continued virtually throughout the pandemic, and a total of 257 drivers were trained from July to December 2020. A Drivers’ Rewards and Consequence Management System is implemented. Transporters were advised to improve their Route Assessment Program to anticipate hazards during deliveries of products and raw materials.

To reduce other health risks in the workplace, the Company implemented dust abatement projects, noise reduction, ear fit validation and testing, and manual handling surveys. Online training was conducted to comply with the mandatory eight-hours training required by the DOLE, despite the pandemic.

Corporate audits on the Health and Safety Management System were done virtually and 100% of sites audited were found compliant with the LH Group and Philippine Health and Safety Standards.

**Customer health and safety** 103-1, 103-2, 103-3, 416-1

The company implemented a virtual Customer Safety Engagement Program (e-CSEP), where Sales Officers cascaded Holcim Philippines’ Health and Safety rules and COVID-19 best practices to customers to assist their businesses in continuing operations despite the challenging times. Some 150 customers were given this support.

Customers are insured and are aware of the proper storage, transport, and handling of products. Holcim Philippines provides them with a material safety data sheet (MSDS) of cement products, where information on the product content, safe use of product and treatment, including possible environmental or social impacts, are indicated. Quality control guidelines are strictly implemented to ensure that products are within health and safety standards.

**Workers covered by an occupational health and safety management system** 403-8

Contract Type	Total
Regular / Probationary	1,174
Seasonal	0
Third party / visitors / customers / FOB drivers / FOB helpers*	0
Project-based and long-term contractors	2,909
TOTAL	4,083

\* The Company has no individual count of number of visitors, third parties and FOB drivers helpers but all of them are being covered by our Health and Safety Management System when they are within the site premises.

**Total security personnel trained**  
**141**

- Human Rights Training
- Investigation and Data Gathering Training
- LV Inspection
- Safety Training

**Training of Security Personnel on Human Rights Policies or Procedures** 410-1

Location	Number of security personnel trained	Percentage of security personnel trained
Bulacan	49	100%
Lugait	44	100%
Manila	16	100%
Calaca	12	100%
Mabini	20	100%

Other sites have not conducted training on human rights for third-party security service providers in 2020. However, the Company ensures the security of its facilities through the deployment of security personnel, installation of access control and hardening measures, monitoring/surveillance, and regular testing and review of policies and procedures.

**Health and Safety Training Programs**

Indicator	TOTAL
DOLE 8-Hour OSH Training	1,142
Ear Fit Validation System	61
Roll-over and Tip-over Prevention	92
Gas Analyzer Training	50
General Works Permit (GWP), Isolation, Hot Works (HW) and Confined Space (CS) Permit Issuers Training	12

Other Health and Safety Training Programs conducted in 2020 include Energy Isolation — Lock-Out, Tag-Out, Try-Out (LOTOTO) refresher course, Working at Heights, Full Body Harness, Automated External Defibrillator Training, and Fire Safety Trainings/Orientation such as Fire Detection and Alarm System (FDAS) Orientation, Fire Hydrant System Orientation and Testing, Minimax Operation and Fire Hose Training, Hose Rolling and Hose Throwing, Fire Extinguisher Familiarization, and Actual Demonstration.

## Customers

### Marketing and labeling

103-2, 103-3, 417-1, 417-2, 417-3

Holcim Philippines complies with relevant marketing and labeling laws and regulations, such as:

- Philippine National Standards (PNS) mandatory bag markings
- LH Group Branding Guidelines
- Holcim Philippines Media Communications Guidelines
- Holcim Philippines Social Media Guidelines

The Company also strictly adheres to the PNS directives of DTI's Bureau of Philippine Standards on product licensing and labeling. It participates in DTI's annual audits in securing certification for its products, approval for new packaging designs prior to commercial run, and Technical Committee discussions for the Cement Manufacturers' Association of the Philippines.

The Marketing & Innovations team ensures adherence as well to the LH Brand Guidelines on product and usage information on the packaging and communication materials.

DTI has released Memorandum Circular (MC) No. 20-56 on 28 October 2020 on "The New Rules and Regulations Concerning the Mandatory Certification of Portland Cement and Blended Hydraulic Cement with Pozzolan." This requires all locally manufactured and imported cement products shipped in bulk and bagged in a PS-licensed bagging facility to be permanently marked with the name and address of the manufacturer, the country of manufacture, and the words "Bagged by:", followed by the name and address of the bagging facility. This aims to address concerns on the product label of imported cement products shipped in bulk and bagged in the Philippines but labeled as "Product of the Philippines," which causes confusion among consumers as it is not reflective of the imported products' country of origin or manufacture.



### Customer privacy 103-1, 103-2, 103-3, 418-1

Holcim Philippines values its customers' data privacy. Hence, customers are required to accomplish External Consent Forms, and sales officers are obligated to ensure the privacy of customer data. The Company engages third parties who commit to uphold customer data privacy and enforces contractual commitments to comply with laws and regulations.

Assistance for the customer's exercise of privacy rights is available in various fora. Holcim Philippines' Customer Care hotlines and portals allow customers to update, review or revise any data provided according to their dealings with the company.

A centralized structure for privacy management has been established, where the Data Protection Officer is responsible for privacy-related matters, including customer privacy. Employees are continuously trained on the fundamental aspects of data privacy, data subject rights, cybersecurity, and other policies and directives related to data protection.

As part of the LH Group, the Company engages the services of independent third parties to review and audit its actions within a specified period of time to determine compliance with current trends on data protection and cybersecurity, and standard policies and guidelines. Likewise, the Company's Internal Controls and Quality Assurance department and the external auditor annually check compliance to LH Group's policies and guidelines on the required employee training and other requirements of data protection.

### Data security

Holcim Philippines highly values its IT security for the protection of information. The current demands of the business climate encourage the Company to establish and strengthen a culture of awareness in data protection and cybersecurity.

Holcim Services (South Asia) Ltd, which provides IT services to Holcim Philippines, is currently undergoing assessment for ISO 27001 certification. Aside from utilizing measures consistent with industry standards and the LH Group Directives on IT security, the Company also ensures that employees who are exposed to risks periodically undergo cybersecurity training.

Plans for the continuous improvement of measures on cybersecurity are discussed and completed alongside major projects and activities. A Business Continuity Plan (BCP) was developed to outline general procedures in the event of a serious business disruption (or the threat thereof).



### COVID-19 response donations

**15,101 pieces**

food packages

**10,710 pieces**

protective masks

**350 pieces**

face shields

**384 liters**

sanitizer/alcohol

**20 pieces**

reflectORIZED vests

**151 liters**

soap

**315 pairs**

gloves

**8 pieces**

thermometer guns

**8 pairs**

goggles

## Communities

103-1, 103-2, 103-3, 203-1, 203-2, 413-1



### CSR Initiatives

Corporate Social Responsibility (CSR) personnel of Holcim Philippines regularly engage with communities, local government units, government agencies, and other identified stakeholders around the plant and terminal sites. These activities gather feedback on operations, and concerns requiring immediate action are reported to the Plant Management Team. Reports to the Board are done during the regular quarterly meetings.

Information campaigns and consultation meetings are held with key stakeholders to cascade continuous technical improvements to the plants to mitigate environmental concerns. Open communication is promoted to immediately address issues and prevent any misunderstanding.

### COVID-19 Response Donations

Holcim Philippines spent a substantial budget share of its corporate citizenship campaign *Holcim Helps* to procure much-needed medical personal protective equipment such as surgical masks, respirators, and face shields for donation to the Lung Center of the Philippines (Quezon City) and Dr. Jose N. Rodriguez Memorial Hospital (Caloocan City). These hospitals have been assigned by the Department of Health to treat COVID-19 patients.

The Company also distributed food and hygiene products to communities hosting its facilities in Bacnotan (La Union), Norzagaray and Calumpit (Bulacan), Tondo (Manila), Calaca and Mabini (Batangas), Lugait (Misamis Oriental), Iloilo City, and Davao City. More than 18,000 families and government front line workers have benefitted from the distribution that ended in the second quarter of 2020.

### Water, Sanitation, and Hygiene (WASH) Project

Under its *Holcim HELPS* corporate citizenship campaign, Holcim Philippines partnered with the League of Corporate Foundations (LCF) for a WASH project in schools and communities. The LCF selected Manila Water Foundation as the lead implementor. The partnership distributed 5,300 information, education, communication (IEC) materials on proper handwashing and COVID-19 prevention, as well as 800 hygiene kits and children's storybooks on WASH. This initiative benefitted 78,698 individuals in La Union, Bulacan, Batangas, Lugait, and Davao City.

### Scholarship Program

The Lugait Plant has been implementing a Scholarship Program for more than 10 years and has assisted 275 students in completing their college education. In 2020, out of 19 students that were supported, four are already in their senior year. The community advisory panel first endorses a list of candidates to take a scholarship exam. Shortlisted candidates undergo an interview for final evaluation. Successful applicants to the scholarship program may take any four-year course of their choice.

Individuals reached with COVID-19 response initiatives

**78,698**



### Artificial Coral Reef Construction



This project was initiated by the Calaca Terminal when they met with the local government unit and a group of fisherfolk requesting to be allowed to fish near private ports, such as that of Holcim Philippines. To address this concern, the local government unit formulated guidelines on how the fisherfolk community could safely continue their livelihood. A site is being identified to set up an artificial reef to improve marine life and attract fish away from industrial ports.

Over the past two years, 145 artificial corals have been fabricated using readily-available recycled off-spec cement. Cement is a material that is close in composition to natural coral limestone and due to its strength, can last a long time underwater. A total of 200 fisherfolk households or about 1,000 individuals will benefit once these artificial corals are deployed in the identified site.

### 'galing Mason Program



Holcim Philippines entered into a Memorandum of Understanding (MOU) in 2019 with the United Nations Human Settlement Programme (UN-Habitat) and TESDA. The UN-Habitat aims to build 1,500 homes for the internally displaced people in Marawi through funding from the Government of Japan.



The MOU provides for formal skills training to interested community members via the 'galing Mason Program (one of Holcim Philippines' flagship CSR programs for two decades). Graduates of this program were employed by the UN-Habitat for the construction project. Holcim Philippines provided funding for the construction competency courses on masonry and carpentry. TESDA, on the other hand, administered the training and certified those who pass the course as nationally certified skilled workers. By the end of 2019, the partnership has trained and certified 116 graduates. Some have been employed to assist the UN-Habitat in its commitment to build permanent shelters for internally displaced people from Marawi.

UN-Habitat has also agreed to get their cement requirements from Holcim Philippines. By the end of 2020, more than 250 houses have been built utilizing close to 45,000 bags of *Holcim Excel*. Through its partner people's cooperatives, UN-Habitat will be procuring the succeeding batches of cement requirements via *EasyBuild* – Holcim Philippines' online customer service portal that provides a hassle-free experience for customers.



### Integrated WASH Program

Holcim Philippines' partnership with the Manila Water Foundation for an Integrated WASH Program has also benefitted an Aeta community at Sitio Monicayo, Mabalacat, Pampanga. This program aims to provide water and sanitation facilities to waterless communities to promote proper hygiene and eliminate open defecation. The Company extended a CSR discount to Manila Water Foundation for their procurement of more than 1,000 bags of cement used to build 45 toilets.



**200**  
fisherfolk household beneficiaries  
(Calaca, Batangas)

**45**  
toilets built for indigenous households  
(Mabalacat, Pampanga)

### Road and Pathwalk Rehabilitation

The Bulacan Plant supported their primary impact community, Barangay Matictic in Norzagaray, Bulacan, to gain better access to social services through the continuous improvement of roads and pathwalks throughout the barangay. Since 2017, a total of three kilometers of roads and pathwalks have been improved, benefitting more than 6,000 residents.



**3 kms**  
of roads and pathwalks built  
(Norzagaray, Bulacan)

### Pag-asa Water System Project

The Pag-asa Water System Project of the Davao Plant provided direct access to a safe water source for 212 households of Pag-asa Village in Barangay Ilang, Bunawan District, Davao City. These households, composed of 1,060 residents, have been relocated by the local government unit to Pag-asa from a nearby riverside community.



**1,060**  
residents given access to safe water  
(Ilang, Davao City)

The project entailed drilling for water, installing two 4,000-liter water tanks, ground concreting and fencing of the water system area, as well as installation of lighting fixtures. The project later on progressed as a possible source of livelihood for the residents.





# Good Governance

## A Solid Foundation for a Strong Organization



### Corporate Leadership and Business Integrity

Good corporate governance is a driver for long-term value creation. By building processes and management systems that advance the Company's legal, organizational and ethical imperatives, it is better suited for decision-making that generates value for all its stakeholders, while upholding the principles of transparency, integrity and accountability.

To enable the whole organization to comply and contribute to the corporate governance aims of Holcim Philippines, it implements a Compliance Program under the LH Directives which includes annual training cycles for its employees, officers and business partners. The training on Business Integrity and Ethics includes the following aspects: anti-bribery and corruption, conflict of interest, and competition law. In addition, a Corporate Governance Workshop is conducted annually for directors and senior leaders of the company. Meanwhile, to disseminate the adherence to the Company's ethics and business integrity standards, it also implements a Supplier's Code of Conduct for business partners, as promoted by the Procurement department.

#### Corporate Governance Structure 102-18

Holcim Philippines has put in place a robust internal control system, as administered by its Board of Directors (the Board), which provides an overall process and reasonable assurance concerning the reliability of the financial reporting and statements, the compliance with laws and regulations, the protection of assets and fraud prevention, and the effectiveness and efficiency of internal and external processes.

The Board is assisted by a Corporate Governance Committee which ensures that the Board and the Company, as a whole, is sufficiently conversant and compliant with the adopted leading practices in corporate governance. Additionally, the Board is assisted by a Compliance Officer who is in charge of evaluating and ensuring compliance by the Company, the Board of Directors and officers to its Manual of Corporate Governance, Code of Corporate Governance for Publicly-Listed Companies and all relevant laws, rules and regulations.

#### The Board of Directors 102-22

The Board of Directors is the highest governance body of Holcim Philippines. It is tasked to uphold Holcim Philippines' vision, mission, values and strategies as aligned with the LafargeHolcim Group. It reviews and monitors operational and financial performance as well as compliance to regulations to ensure transparency, accountability, integrity, and fairness and protect the long-term interests of the Company's stakeholders.

The Board is composed of seven members who are elected by the shareholders. Majority of the member of the Board are non-executive directors (including three independent directors) in order that no director or small group of directors can dominate the decision-making process and to assure protection of the Company's interest over the interest of individual stakeholders.

#### Board Nomination and Membership 102-24

In the nomination and selection process, nominees to the Board shall possess all the qualifications for membership as provided for in the By-Laws and the Corporate Governance Manual, the Corporation Code, the Securities Regulation Code, and the Revised Corporation Code of the Philippines. Members of the Board are elected by all the shareholders during the Annual Stockholders' meeting or at a special stockholders' meeting called for the purpose.

Nominees 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 2020, the Board is composed of one female and five male members. The positions of Chairman and CEO are held by different individuals to foster an appropriate balance of power, accountability, and capacity for independent Board decision making.

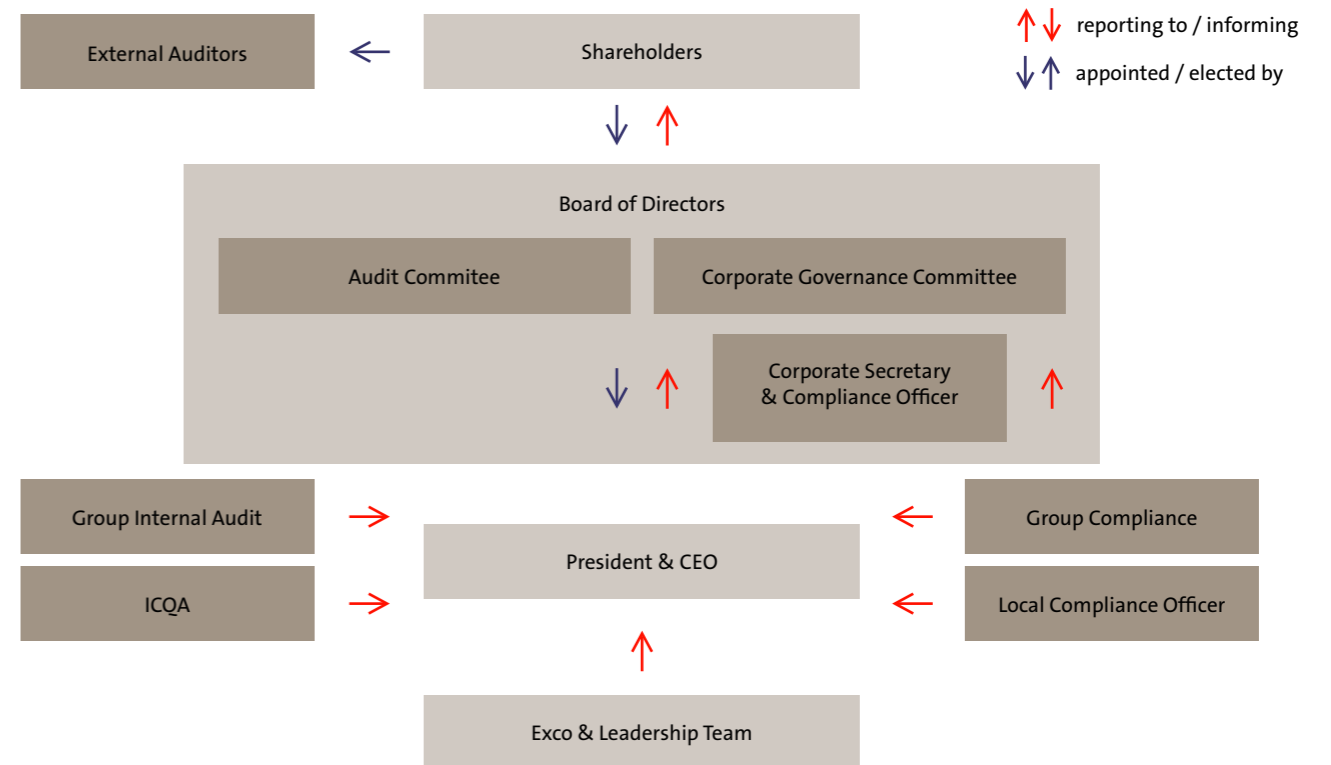
#### Executive-level Responsibility for Economic, Environmental, and Social Metrics 102-20

Aside from the Board, the management also plays a vital role in ensuring that Holcim Philippines' sustainability objectives are met. For example, the head of Procurement leads the implementation of the Sustainable Procurement guidelines for the Company. The head of Communications handles the pillars of People and Communities. The head of Logistics and Cement Industrial Performance (CIP) takes care of Water and Nature as well as Climate. The head of Organizational and Human Resources ensures that principles on human rights, diversity and inclusion are strictly enforced. Lastly, the head of Geocycle focuses on Circular Economy. All business units, therefore, contribute to accelerating Holcim Philippines' ESG goals.

#### Delegating Authority 102-19

The Company follows a Delegation of Authority Matrix approved by the Board of Directors.

#### Governance Structure



## Board Profile 102-22



**Tomas Alcantara**, 74, Filipino, holds a Bachelor of Science degree in Economics from Ateneo de Manila University, a Master's in Business Administration degree from Columbia University, USA and attended the Advance Management Program of the Harvard Business School. He is presently the Chairman and President of Alsons Consolidated Resources, Inc., and of several power and property development companies in the Alcantara Group. He is Chairman of the Eagle Ridge Golf & Country Club, Inc. and Philweb Corporation. Mr. Alcantara was Undersecretary for the Industry & Investment Group of the Department of Trade and Industry and the Vice Chairman and Managing Head of the Board of Investments from July 1986 to March 1995. He was also Special Envoy of the Philippine President to APEC in 1996. He was elected Director of the Company on 4 July 2003.

**Martin Kriegner**, 59, Austrian, holds an MBA from the University of Economics in Vienna and a Doctorate degree from Vienna University Law Centre. He joined the Lafarge Group in 1990. In 1995, Mr. Kriegner was appointed as Chief Financial Officer of Lafarge Permooser AG, Austria. He served as Country CEO of Lafarge Austria from 1998 to 2001 and Lafarge India from 2002 to 2005 and 2012 to 2015. Mr. Kriegner was Lafarge Regional President, Asia and SouthWest Asia, and was a member of the Lafarge Executive Committee from 2005 to 2012. Mr. Kriegner served as LafargeHolcim Area Manager for Central Europe from 2015 to 2016. He is presently LafargeHolcim Group's Head of India and South East Asia and a member of the LafargeHolcim Group Executive Committee. He was elected as director of the Company on 18 August 2016.

**John William Stull**, 60, American, is an accomplished leader with deep knowledge of the building materials industry. Prior to being assigned to Holcim Philippines, Inc. in April 2018, he was the CEO for LafargeHolcim's Cement Operations in the United States from 2015. Before that, he served in various positions across the Group including responsibility for the US as well as markets in sub-Saharan Africa and Latin America. Mr. Stull received his Bachelor of Science in Chemical Engineering from the University of Akron in Ohio and earned an Advance Management Degree from Harvard University in Massachusetts.

**Tan Then Hwee**, 48, Singaporean, holds an MBA and BBA in marketing from Wichita State University, Kansas, USA. She has over 20 years of human resources management experience in an international business environment across Asia Pacific. She is currently the Vice President for Human Resources, Global Head for Learning & Development of LafargeHolcim Ltd. and concurrently a director of Ambuja Cements Ltd, India. Prior to joining LafargeHolcim in 2019, Ms. Tan was the Vice President of Human Resources of Sika Asia Pacific from April 2007 to March 2019.

**Leandro Javier**, 68, Filipino, has 20 years of experience in the cement industry. From 1983 to 1986, Mr. Javier worked for Iligan Cement Corporation (ICC) as Assistant Vice-President for Finance. He was assigned to "Holderbank" Switzerland to represent ICC in the Technical Center for the development of technical and financial feasibility studies involving plant rehabilitation and capacity expansion plans, and assist HOFI's Regional Manager in the management of its investments in Asia. He assumed the position of Executive Vice-President & General Manager in 1986, and served in the same position in Alsons Cement Corporation, after the acquisition of Floro Cement Corporation. He also served in similar senior executive positions in the various companies engaged in the related companies involved in domestic shipping and product distribution, bulk terminals, and aggregates. Mr. Javier left Alsons Cement Corporation and its related companies in 1998. Since 2013, Mr. Javier is a Management Consultant of Rapid Forming Corporation.

**Thomas Aquino**, 72, Filipino, holds a Doctorate degree in Management from IESE Business School, University of Navarre (Spain), Master of Science in Industrial Economics from the University of Asia and the Pacific, and Bachelor of Arts in Economics from the University of the Philippines. In 2000, he served at the Department of Trade and Industry as acting Secretary and as Senior undersecretary overseeing the country's international trade promotions with trading partners and policy negotiations at the World Trade Organization and in the ASEAN Economic Community. Dr. Aquino is the recipient of the Presidential Service Award for extraordinary contribution of national impact on public interest, security and patrimony, Gawad Mabini Award and the Philippines-Japan Society Medal of Honor. Dr. Aquino is currently the Chairman of NOW CORPORATION, Member of the Board of Directors and President of NOW Telecom Company, Inc (formerly Next Mobile, Inc.) and an Independent Director of ACR Corporation and A Brown Company, Inc.

## Executive Committee 102-22



**John William Stull**, 60, is the President and Chief Executive Officer of the Company since 2018. Prior to his assignment in Holcim Philippines, he has held leadership positions in the LafargeHolcim Group and other international building materials companies. Mr. Stull is a bachelor's degree holder in chemical engineering from the University of Akron and has earned an Advanced Management Degree from Harvard University in Massachusetts.



**Ramakrishna Maganti**, 52, is the Senior Vice President, Head for Marketing & Innovation. He holds a degree in Mechanical Engineering, MBA in Marketing from the Indian Institute of Management and a degree in Strategic Marketing Management from Harvard Business School. Mr. Maganti brings more than 20 years of combined experience in global marketing, brand development, digital transformation, and project management. Prior to joining Holcim Philippines, Inc. he held various leadership and management positions in LafargeHolcim India, Malaysia, France and the most recently in Singapore as Head of Sales and Marketing for Asia Pacific Region. Mr. Maganti worked for Philips NV a global consumer lifestyle and healthcare firm before joining the LafargeHolcim Group in 2006.



**Jesusa Natividad L. Rojas**, 54, is the Company's Chief Financial Officer. She holds a degree in Accounting from Xavier University and obtained her Master's degree in Development Finance and Banking from American University in Washington, DC as a Fullbright-Humphrey Fellow. Ms. Rojas is a Certified Public Accountant and a Certified Management Accountant. She held various positions in Finance in Del Monte Pacific Ltd from 2003 to 2007. Ms. Rojas then served as Chief Financial Officer of S&W Fine Foods International Ltd. from 2008 to 2010. Prior to joining the Company in September 2016, she also served as Chief Financial Officer of Del Monte Philippines, Inc.



**Bernadette L. Tansingco**, 47, is the Senior Vice President, Head of Organization and Human Resources. She has 25 years of experience in the Company's human resources division with key roles heading talent management and organization development. In 2014, she helped in transforming Holcim Philippines' business support functions into the Holcim East Asia Business Service Centre, LafargeHolcim Asia Pacific's shared services where she was appointed human resource head. Ms. Tansingco holds a Psychology degree from the De La Salle University and has completed leadership and management programs from the IMD Business School of Switzerland, Penn State University in the USA and the Asian Institute of Management.



**William C. Sumalinog**, 52, is the Senior Vice President, Head of Sales. Mr. Sumalinog holds a Bachelor of Science degree in Computer Engineering from the University of Cebu where he graduated with leadership honors in 1992. Prior to his current role, Mr. Sumalinog was the Company's Regional Operating Head for various areas in Mindanao and Visayas. He joined Alsons Cement Corporation in 1998 where he occupied various key positions in sales.



**Edwin Villas**, 48, is the Senior Vice President, Head of Logistics. He joined the Company in September 1997 as Strategic Sourcing Specialist. He served as the Company's Procurement Manager from October 2007 to August 2010 and was laterally transferred as Area Sales Manager for South Luzon in August 2011. Prior to his appointment as Head of Institutional Sales in May 2016, he served as the Manager for National Bulk Institutional Sales. He is a certified Information Systems Auditor and a certified Professional for Supply Management. He has a degree in Computer Science from the Philippine Christian University.



**Eung Rae Kim**, 60, is the Senior Vice President, Head of Cement Industrial Performance. Mr. Kim holds a degree in Electrical Engineering and Masteral in Electrical Engineering from Hoseo University in Korea. He has 33 years of experience in cement plant operation having joined the cement industry since 1987. He has held various leadership roles within the LafargeHolcim Group in South Korea, Malaysia, Regional (IPC Asia) and Bangladesh. Prior to joining Holcim Philippines, Inc. Mr. Kim was the Industrial Director of LafargeHolcim Bangladesh Ltd. since October 2015.

## Leadership Team 102-22



**Ike C. Tan**, 60, is the Vice President, Head of Procurement joined Holcim Philippines (HPI) in 2011 as Solid and Liquid Fuels Manager. He held various positions in the Procurement / Supply Chain of HPI prior to his appointment as Head of Procurement in January 2017. His close to 25 years of procurement experience started during his employment with Philippine Airlines which included a stint as the airlines' Procurement Manager, Americas based in San Francisco, CA, U.S.A. Ike holds a degree of B. S. in Aeronautical Engineering, placed 6th in the Board and is an MBA candidate at the Ateneo Graduate School.



**Zoe Verna M. Sibala**, 47, is the Vice President, Head of Strategy. Ms. Sibala holds a master's degree in Business Administration from the Graduate School of Business, De la Salle University and a degree in Economics from the University of the Philippines. In January 2010, she joined Lafarge as a Finance Manager of Batong Angono Aggregates Corporation and later on became the commercial controller of the Lafarge's cement product line – Lafarge Cement Service Philippines, Inc. Prior to being appointed as Head of Strategy of Holcim Philippines, Inc. she served Lafarge Republic Aggregates, Inc. as Project Manager from July 2014 to December 2014 and as Strategy and Business Development Manager from January to December 2015.



**Ann Claire "Cara" M. Ramirez**, 42, is the Vice President, Head of Corporate Communications. She was the Head for Marketing when she joined Holcim Philippines, Inc. in January 2015. She first joined a local food company, SAFI-UFC (now known as NutriAsia) in 1999, focusing on brand management of catsup brands. Prior to joining Holcim, she worked for Energizer Philippines, Inc. where she managed the Company's Marketing Department. Ms. Ramirez has a degree of Bachelor of Science in Economics from the University of the Philippines, Diliman.



**Belinda E. Dugan**, 53, is the General Counsel, Corporate Secretary and Compliance Officer of the Company. She obtained her Juris Doctor degree from Ateneo Law School and has over 23 years of experience with various multinational firms and a consulting company. Prior to joining Holcim Philippines, Inc. she was Vice President for Legal Management Services of Aboitiz Equity Ventures, Inc. (AEV) from October 2015 to October 2017. She served as Assistant Vice-president for Legal and Compliance of SN Aboitiz Power from May 2009 to October 2015.



**Richard C. Cruz**, 39, is the Vice President, Head of Health, Safety, and Security (HS&S). Mr. Richard Cruz joined Holcim Philippines, Inc. in May 2008 as Laboratory Engineer for AFR. In March 2010 he was appointed as Safety Officer responsible for delivering and maintaining safety systems and initiatives across all plants. From 2010 until his nomination for appointment as Head of Corporate Occupational Health and Safety, he served as Safety Manager for HPI's Commercial and Other Sites. Mr. Cruz completed the Management Development Program (MDP) with the Asian Institute of Management (AIM). He is also a registered chemist (RCh), graduated from the Central Luzon State University with the degree of Bachelor of Science in Chemistry. He also has the following qualifications: NEBOSH International General Certificate (with Distinction) and an International Safety Rating System (ISRS) Certified Health and Safety Auditor.



**Frederic Vallat**, 62, has vast experience in business development and waste management. He joined Lafarge Chongqing – People's Republic of China in June 2006 and served as the China-Japan-Korea Industrial Ecology Vice President until April 2011. From April 2011 to December 2012, he served as Industry Ecology Technical Director of Lafarge Shui On, People's Republic of China and as West Asia and South East Asia Industrial Ecology Technical Director of Lafarge Asia, Malaysia from January 2013 to October 2015 where he supported the business development of seven countries. Prior to joining Holcim Philippines, Inc., he served as Geocycle APAC Head of Investment and Operation of LafargeHolcim – Singapore.

## Plant Managers and Sales Leaders 102-22



**Bobby Garza**, 64, is the Vice-President, Plant Manager of Bulacan. Prior to being appointed as Plant Manager in 2012, he previously served as production manager of the Holcim La Union plant from 2010 and Area Coach for Manufacturing Excellence of the Bulacan plant. He joined the Company in 1995 as Quarry Manager of La Union plant. Mr. Garza is a registered Mining Engineer and a graduate of the Mapua Institute of Technology, Manila.



**Eraño Santos**, 57, is the Vice President, Plant Manager of La Union Plant. Mr. Santos served in various leadership capacities across several Holcim Philippines facilities. He joined the Company in November 1987 as Superintendent-Electrical. In September 2008, he was promoted as a manager and served as such until his promotion as Plant Manager of the La Union Plant. He holds an Electrical Engineering degree from the Adamson University.



**Samuel O. Manlosa, Jr.**, 37, is the Vice President, Plant Manager of Davao. Mr. Manlosa is a licensed Chemical Engineer and placed 7th in the November 2004 Chemical Engineering Board Examinations. He joined the Company in June 2010 as Senior Process Engineer. In January 2016, he was engaged as Process and Automation Expert in Holcim Singapore where he supported 7 LafargeHolcim plants in the Southeast Asian region to resolve operational and efficiency issues in raw meal and cement grinding and to implement critical equipment modifications to drive process improvements. Prior to being appointed as Vice President, Mr. Manlosa held the position of Industrial Transformation and Operational Excellence Manager since November 2018.



**Arnold Pepino**, 49, is the Vice President, Plant Manager of Lugait Plant. Prior to being appointed as such, Mr. Pepino was the Production Manager of Lugait Plant. He is well-versed in the Company's plant operations having served the Company as early as 1996. He held the positions of Cadet Engineer, Production Engineer II, Shift Operations Manager, manufacturing Excellence Coach and Process Manager. As Production Manager of the Lugait Plant, he has achieved 18 months kiln run campaign without schedule plant shutdown that saved the Company refractory cost amounting to PHP 61 Million and produced an additional clinker of 71,747 tons in 2016 and 16,740 in 2018.



**Ernesto Paulo Tan**, 45, is the Vice President, Regional Head of Mindanao and Offshore Region. He joined the Company in December 2015 as Head-Regional Commercial Sales of North Luzon. He served as the Zone Manager of JT International Philippines, Inc. from February 2012 to November 2015 where he was responsible for overall Luzon general trade performance, and as Sales and Marketing Head and Acting Market Manager from January 2011 to December 2011. He holds a Bachelor of Science in Business Administration from the University of the Philippines.



**Albert Leoveras**, 48, is the Vice President, Regional Head for Northern and Central Luzon. He has 15 years of experience in managing Sales Team, Distributors and key accounts sales. Prior to joining the Company, he was the Field Operations Manager and Regional Manager of Japan Tobacco International from 2012 to August 2015 and Sales Division Head of the Non-food Division of Wills International Sales Corporation.

## Board Committees 102-22

### Audit Committee

The Audit Committee is composed of at least three non-executive directors preferably with accounting, auditing, and finance backgrounds the majority of whom, including the Chairman, shall be an independent director. Members shall have great understanding of the Company's financial management systems and environment, and at least one member must have relevant and thorough knowledge and experience on risk and risk management.

The Audit Committee shall assist the Board in its audit processes, enterprise risk management systems, and evaluation of proposed Related Party Transactions.

The Audit Committee meets with the Board at least every quarter without the presence of the CEO or other management team members, and periodically meets with the head of the Internal Audit. In 2020, the Audit Committee was chaired by Thomas Aquino, and included the members Leandro Javier and Tan Then Hwee.

### Corporate Governance Committee

The Corporate Governance Committee is composed of at least five directors, three of whom should be independent. The Committee Chairman shall be a non-executive non-independent director. The Corporate Governance Committee shall assist the Board in the performance of responsibilities in corporate governance, the nomination of directors and officers, and in determining executive compensation or remuneration. In 2020, the committee was composed of the members Tomas I. Alcantara, Leandro Javier, Thomas Aquino, Medel Nera (filled in 15 January 2021), and was chaired by Martin Kriegner.

## Risk Management 102-11

The Company believes that excellence in the management of risk is an essential part of its competitive strategy as it ensures the sustainability of its business.

The Board is tasked with approving the risk management and control policy, and the periodic monitoring of the internal control and reporting systems. The Executive Committee (ExCo) establishes the necessary corporate policies that specify the guidelines approved by the Board. In this context, the ExCo relies on the essential duties carried out by the Steering Committee (SC) – Business Risk Management (BRM) whose main responsibility includes annual risk assessment, definition of long-term objectives, and development of strategic business plans.

The Company's system of internal control is designed to manage the risk of failure to achieve business objectives and can only provide reasonable but not absolute assurance against material misstatement or loss. The risks associated with the Company's activities are reviewed regularly by the Board, which assesses its risk appetite/tolerance, and considers major risks and evaluates their impact on the Company. Policies and procedures, which are reviewed and monitored by the Chief Audit Executive, are in place to deal with any matters which may be considered by the Board to present significant exposure.

## Company Policies

### Whistle-Blowing Policy

When confronted with an ethical dilemma, employees and workers are encouraged to speak up, ask questions about responsibilities, and report concerns or non-compliant conduct when needed. Questions or concerns must be discussed with the immediate supervisor or others, such as Human Resources, Legal, Internal Audit, Internal Control, Security and the local compliance officer. The company protects its whistle-blowers by implementing a non-retaliation policy to all those that come forward.

The Company has a whistleblower platform called the Integrity Line under the LH Compliance Reporting Directive. The Integrity Line enables anyone to report in good faith concerns or to ask for further advice on any integrity or compliance issue.

### Conflict of Interest Policy 102-25

Any relationship or activity that might impair, or even appear to impair, the ability to make objective and fair decisions must be avoided when performing business on behalf of LafargeHolcim.

Should a conflict of interest be identified, such relationships or activities have to be disclosed promptly to the supervisor and local compliance officer. Similarly, any personal interest that could be perceived as having a connection with the execution of professional duties must also be disclosed.

Moreover, outside engagements that unduly interfere with work for LafargeHolcim must be avoided. Further, working for any organization that is a competitor, conducts business with LafargeHolcim, or is a public or state-owned company, must be approved by the local compliance officer and supervisor.

### Related Party Transactions Policy

The company has a Related Party Transactions (RPT) Policy which requires the disclosure and approval of certain transactions defined in the Policy. Directors, officers and employees are required to disclose any existing or probable conflict of interest. The company and its subsidiaries may enter into RPTs only when these are in the best interests of the company or its subsidiaries. Any RPTs entered into by the Company or its Subsidiaries must at all times comply with the requirements of the RPT Policy, the Corporation Code, its articles of incorporation and by-laws, Manual of Corporate Governance, Committee Charter or other related laws, rules, and national regulations.

### Insider Trading Policy

Insider trading occurs when a company's securities are traded on the basis of material, non-public information that could reasonably affect a person's decision about whether to trade in those securities. Examples of material, non-public information include advance notice of changes in senior management, unannounced mergers or acquisitions, pending or threatened litigation, non-public financial results, development of a significant new product, and an unannounced stock split.

Those who are employed by the Company do not trade in securities of LafargeHolcim, any LafargeHolcim company, or any other publicly-listed company on the basis of insider information obtained while working for LafargeHolcim.

## Anti-Corruption 103-1, 103-2, 103-3, 205-2, 205-3

Holcim Philippines endeavors to conduct business with integrity, and practices zero tolerance to corruption in private and public relations. It has, therefore, aligned its policies with global standards on ethical business conduct.

Training and communications have been effective in building the vision of doing business with integrity. Communications of the policies under the LafargeHolcim Code of Business Conduct (CoBC) are made annually and on a quarterly basis. Online trainings on anti-bribery and corruption are also regularly held for employees and senior management, including discussions on actual and practical experiences and best practices in daily operations.

### Incidents of Corruption

Holcim Philippines has recorded zero incidents of corruption for 2020. All incidents of corruption are treated seriously, and investigations are instituted and completed leading to resolution or administrative action. The Company's Code of Discipline called the HPHI Way is the basic guide to conducting administrative investigations whenever corruption involves officers or employees of the Company.

Internal Audits are periodically performed to check controls and directives implemented to address the risks and cases of possible corruption practices. In addition, the LH Group and the company also employ external auditors to annually review and ensure sufficient oversight and control mechanisms in all functional areas of the company.

The Company annually reviews the external and internal audit findings and shares best practices to create a culture based on business integrity and doing the right thing.

In the case of suppliers, zero-tolerance on Anti-Bribery and Corruption (ABC) is clearly stated in the Company's Supplier Code of Business Conduct which are also included in Supplier and Service Contracts.

The Code also includes directives on Anti-Retaliation, Gifts, Hospitalities, Entertainment and Travel Policy, Fair Competition, and Conflict of Interest.

In 2020, the Holcim EXPerts Talks (HEX Talks) was launched and became a vehicle to invite external and internal speakers to increase awareness on sustainability, environment, gender issues, corruption, and business integrity.

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption	0	#
Number of incidents in which employees were removed or disciplined for corruption	0	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	#

The Company's Legal and Compliance team's efforts to develop and strengthen the culture of doing the right thing has gained support and collaboration from all functions and its partners. This has led to recognition of Holcim Philippines as a brand which upholds business integrity.

## Anti-Competitive Practices 103-1, 103-2, 103-3, 206-1, EM-CM-520a.1

There are currently ten cement manufacturers in the Philippines. Among the local players, Holcim Philippines has the widest market reach serving customers across the country.

In 2020, there were no legal actions regarding anti-competitive behavior, antitrust and monopoly made against Holcim Philippines.

To ensure that business is conducted fairly and competitively, the Company adopts and enforces the LH Group's Fair Competition Directive to ensure compliance comply with antitrust and competition laws and regulations through risk assessment, controls, training and communication, monitoring, and governance. The Company provides training to all employees on pricing integrity and compliance risks. LH also includes antitrust clauses in its supplier's accreditation as part of its Supplier Code of Business Conduct.

Furthermore, the Group engages the services of independent third parties to check for compliance with local competition laws and the Group's antitrust policies and guidelines. Also, the Company's internal and external auditors annually check the Company's compliance to the Group's antitrust policies and guidelines, particularly, the administration of the required employee training, the disclosures in the reporting tool for competitor contacts, and documents on the Company's prices and rebates and collected market intelligence.

### Legal actions regarding anti-competitive behavior, anti-trust and monopoly

Disclosure	Number of cases / legal actions
Cartel activities	0
Price fixing	0
Unfair business practices	0
Abuse of market position	0
Anti-competitive mergers	0

# GRI Content Index 102-55

This report has been prepared in accordance to GRI Standards: Core Option.

GRI	GRI Standard Number and Title		Page number or direct answers
<b>General Disclosures 2016</b>			
<b>GRI 102: General Disclosures 2016</b>			
<b>Organizational profile</b>			
GRI 102: General Disclosures 2016	102-1	Name of the organization	2
	102-2	Activities, brands, products, and services	10
	102-3	Location of headquarters	4
	102-4	Location of operations	4
	102-5	Ownership and legal form <a href="https://www.holcim.ph/about-us/company-disclosures">https://www.holcim.ph/about-us/company-disclosures</a>	2020 SEC 17A
	102-6	Markets served	10
	102-7	Scale of the organization	10, 16, 44
	102-8	Information on employees and other workers	44
	102-9	Supply chain	Cement Manufacturing Operations <a href="https://www.holcim.ph/sites/philippines/files/documents/Cement_Mfg_brochure_02.pdf">https://www.holcim.ph/sites/philippines/files/documents/Cement_Mfg_brochure_02.pdf</a>
	102-10	Significant changes to the organization and its supply chain	No changes
	102-11	Precautionary Principle or approach	70
	102-12	External initiatives	25
	102-13	Membership of associations	3
<b>Strategy</b>			
GRI 102: General Disclosures 2016	102-14	Statement from senior decision-maker	6, 8
	102-15	Key impacts, risks, and opportunities	/company-disclosures
<b>Ethics and integrity</b>			
GRI 102: General Disclosures 2016	102-16	Values, principles, standards, and norms of behavior	2
<b>Governance</b>			
GRI 102: General Disclosures 2016	102-18	Governance structure	60
	102-19	Delegating authority	61
	102-20	Executive-level responsibility for economic, environmental, and social topics	61
	102-21	Consulting stakeholders on economic, environmental, and social topics	*
	102-22	Composition of the highest governance body and its committees	60, 62, 64, 68, 70
	102-23	Chair of the highest governance body	Tomas I. Alcantara is the chairman of Holcim Philippines, Inc.
	102-24	Nominating and selecting the highest governance body	61
	102-25	Conflicts of interest	71
	102-30	Effectiveness of risk management processes	**
	102-33	Communicating critical concerns - All concerns are communicated to the Board through the regular meetings or a special meeting called for the purpose.	
102-35	Remuneration policies	The policy is included in the Charter of Corporate Governance Committee. <a href="https://www.holcim.ph/sites/philippines/files/documents/HPI_CorpGov_Committee_Charter_1_June_2017_signed_.pdf">https://www.holcim.ph/sites/philippines/files/documents/HPI_CorpGov_Committee_Charter_1_June_2017_signed_.pdf</a>	

\* Each Holcim site has its own designated Corporate Social Responsibility (CSR) personnel - Manager for Plants and Officers for Terminals. They are tasked to supervise the implementation of CSR projects and leads stakeholder engagement for the site. Feedback from engagements are reported to the Board quarterly.

\*\* The Board, through the Audit Committee, has oversight functions over the Company's risk management (ERM) framework to B4:E57 identify, monitor, assess and manage key business risks including EESG.

\*\*\* Retirement benefits are provided to employees in recognition of the employee's service through non-participatory retirement funds. Employees eligible for early or optional retirement, normal retirement and late retirement are provided with company retirement benefits including separations caused by death in employment and medical incapacities /disabilities. Involuntary separations or those leaving the company before the required retirement age and service years are paid with corresponding separation benefits.

GRI	GRI Standard Number and Title		Page number or direct answers
<b>General Disclosures 2016</b>			
<b>Stakeholder engagement</b>			
GRI 102: General Disclosures 2016	102-40	List of stakeholder groups	27
	102-41	Collective bargaining agreements	49
	102-42	Identifying and selecting stakeholders	27
	102-43	Approach to stakeholder engagement	27
	102-44	Key topics and concerns raised	27
<b>Reporting practice</b>			
GRI 102: General Disclosures 2016	102-45	Entities included in the consolidated financial statements	Inside Cover Page
	102-46	Defining report content and topic Boundaries	26
	102-47	List of material topics	26
	102-48	Restatements of information	This is Holcim Philippines' first sustainability report.
	102-49	Changes in reporting	This is Holcim Philippines' first sustainability report.
	102-50	Reporting period	Inside Cover Page
	102-51	Date of most recent report	2020
	102-52	Reporting cycle	Inside Cover Page
	102-53	Contact point for questions regarding the report	Inside Cover Page
	102-54	Claims of reporting in accordance with the GRI standards	Inside Cover Page
	102-55	GRI content index	74
	102-56	External assurance	The report has not undergone external assurance.
	<b>Topic-Specific Disclosures</b>		
<b>Financial Performance</b>			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	14
	103-2	The management approach and its components	14
	103-3	Evaluation of the management approach	14
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	16
	201-2	Financial implications and other risks and opportunities due to climate change	34
	201-3	Defined benefit plan obligations and other retirement plans	***
	201-4	Financial assistance received from government	16
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Holcim Philippines via tax payments supports the strategies of the government.
	103-2	The management approach and its components Holcim Philippines is adamant on compliance. The Local Tax team monitors the effective tax rates and discounts availed in terms of compliance and compares them to the initially approved tax forecast for the year. Any deviation is explained and requested for approval from Regional Head of Tax and Group Head of Tax.	
	103-3	Evaluation of the management approach The strategy is approved every year at the same time as forecasts are reviewed. Approval is requested from local CFO and Regional Head of Tax.	
GRI 207: Tax 2019	207-1	Approach to tax The Company maximizes available options to reduce our effective tax rates and avail of discounts provided by local government in paying taxes. An example is analyzing if entities will avail of the Optional Standard Deduction over Itemized Deduction for income tax purposes	
	207-2	Tax governance, control, and risk management The Local Tax team is in charge of execution and monitoring of applicability of tax strategy. Tax risks are identified via imbedded controls in monthly reportings. Holcim Philippines is heavily audited by the tax authorities and external auditors, which provides a good check and balance on the practices and processes that may need improvement. In case the Company has received any Formal Letter of Demand (FLD) or Final Decision on Disputed Assessment (FDDA) on cases from the BIR, it reviews and provides accruals on these risks.	
	207-3	Stakeholder engagement and management of concerns related to tax Holcim Philippines engaged with tax authorities via the tax team. For some entities, it engages tax consultants to help with legacy issues.	
	207-4	Country-by-country reporting	16
<b>Procurement</b>			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	17
	103-2	The management approach and its components	17
	103-3	Evaluation of the management approach	17



GRI	GRI Standard Number and Title		Page number or direct answers
<b>Topic-Specific Disclosures 2016</b>			
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	17
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	17
	103-2	The management approach and its components	17
	103-3	Evaluation of the management approach	17
GRI 308: Supplier Environmental Assessment 2016	308-2	Negative environmental impacts in the supply chain and actions taken	No suppliers were blacklisted in 2020
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	17
	103-2	The management approach and its components	17
	103-3	Evaluation of the management approach	17
GRI 414: Supplier Social Assessment 2016	414-2	Negative social impacts in the supply chain and actions taken	No suppliers were blacklisted in 2020
<b>Climate and Energy</b>			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	32
	103-2	The management approach and its components	32
	103-3	Evaluation of the management approach	32
GRI 302: Energy 2016	302-1	Energy consumption within the organization	33
	302-4	Reduction of energy consumption	33
	302-5	Reductions in energy requirements of products and services	34
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	32
	103-2	The management approach and its components	33, 37
	103-3	Evaluation of the management approach	33, 37
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	33
	305-2	Energy indirect (Scope 2) GHG emissions	33
	305-4	GHG Emissions Intensity	33
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	37
<b>Circular Economy</b>			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	38
	103-2	The management approach and its components	39, 40
	103-3	Evaluation of the management approach	39, 40
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	39, 40
	306-2	Management of significant waste-related impacts	39, 40
	306-3	Waste generated	39
	306-4	Waste diverted from disposal	39
	306-5	Waste directed to disposal	39
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	38
	103-2	The management approach and its components	38
	103-3	Evaluation of the management approach	38
GRI 301: Materials 2016	301-1	Materials used by weight or volume	38
	301-2	Recycled input materials used	38

GRI	GRI Standard Number and Title		Page number or direct answers
<b>Topic-Specific Disclosures 2016</b>			
<b>Environmental Management</b>			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	42, 43
	103-2	The management approach and its components	42, 43
	103-3	Evaluation of the management approach	42, 43
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	42
	303-2	Management of water discharge-related impacts	43
	303-3	Water withdrawal	42
	303-4	Water discharge	43
	303-5	Water consumption	43
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	42
	103-2	The management approach and its components	42
	103-3	Evaluation of the management approach	42
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	Zero non-compliance with environmental laws and/or regulations
<b>Labor Practices and Employee Wellness</b>			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	44
	103-2	The management approach and its components	44
	103-3	Evaluation of the management approach	44
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	45
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	46
	401-3	Parental leave	46
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	49
	103-2	The management approach and its components	49
	103-3	Evaluation of the management approach	49
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	Immediately after approval
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	47
	103-2	The management approach and its components	47
	103-3	Evaluation of the management approach	47
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	48
	404-2	Programs for upgrading employee skills and transition assistance program	48
	404-3	Percentage of employees receiving regular performance and career development reviews	49
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	50
	103-2	The management approach and its components	50
	103-3	Evaluation of the management approach	50
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	44
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	50
	103-2	The management approach and its components	50
	103-3	Evaluation of the management approach	50

GRI	GRI Standard Number and Title		Page number or direct answers
<b>Labor Practices and Employee Wellness</b>			
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	44
	405-2	Ratio of basic salary and remuneration of women to men	
<b>Health and Safety</b>			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	51
	103-2	The management approach and its components	51
	103-3	Evaluation of the management approach	51
GRI 403: Occupational Health & Safety 2018	403-1	Occupational health and safety management system	51
	403-2	Hazard identification, risk assessment, and incident investigation	51
	403-3	Occupational health services	51
	403-4	Worker participation, consultation, and communication on occupational health and safety	52
	403-5	Worker training on occupational health and safety	52
	403-6	Promotion of worker health	52
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	51
	403-8	Workers covered by an occupational health and safety management system	53
	403-9	Work-related injuries	51
	403-10	Worker-related ill health	51
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary Providing security personnel with human rights training guides them in their daily interactions with all stakeholders and serves as a deterrent to abuses associated with security functions	
	103-2	The management approach and its components The company ensures the security of its facilities through deployment of security personnel, installation of access control and hardening measures, and monitoring/surveillance. Policies and procedures are also tested and reviewed regularly.	
	103-3	Evaluation of the management approach	same as 103-2
GRI 401: Employment 2016	410-1	Security personnel trained in human rights policies or procedures	53
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	52
	103-2	The management approach and its components	52
	103-3	Evaluation of the management approach	52
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	52
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Zero non-compliance in 2020.
<b>Community Development</b>			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	56
	103-2	The management approach and its components	56
	103-3	Evaluation of the management approach	56
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	56
	203-2	Significant indirect economic impacts	56
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	56
	103-2	The management approach and its components	56
	103-3	Evaluation of the management approach	56
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	56

GRI	GRI Standard Number and Title		Page number or direct answers
<b>Customer Management</b>			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	20
	103-2	The management approach and its components	54
	103-3	Evaluation of the management approach	54
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	54
	417-2	Incidents of non-compliance concerning product and service information and labeling	54
	417-3	Incident of non-compliance concerning marketing communications	54
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	55
	103-2	The management approach and its components	55
	103-3	Evaluation of the management approach	55
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	55
<b>Business Ethics and Compliance</b>			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	72
	103-2	The management approach and its components	72
	103-3	Evaluation of the management approach	72
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Holcim Philippines identifies its overall operations to be at risk due to engagements with third parties and customers.
	205-2	Communication and training about anti-corruption policies and procedures <a href="https://www.holcim.ph/about-us/company-disclosures">https://www.holcim.ph/about-us/company-disclosures</a>	72, 2020 SEC 17A
	205-3	Confirmed incidents of corruption and actions taken	72
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	73
	103-2	The management approach and its components	73
	103-3	Evaluation of the management approach	73
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	73
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	50
	103-2	The management approach and its components	50, 51
	103-3	Evaluation of the management approach	50
GRI 419: Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	Zero non-compliance in 2020.

# Sustainability Accounting Standards Board (SASB)

Construction Materials Sector

Disclosure	Standard	Topic	Page numbers and/or direct answers
<b>Products and Innovation</b>			
Products	EM-CM-000.A	Production by major product line	10
Product Innovation	EM-CM-410a.1	Percentage of products that qualify for credits in sustainable building design and construction certifications	23
	EM-CM-410a.2	Total addressable market and share of market for products that reduce energy, water, and/or material impacts during usage and/or production	This is not measured in 2020.
<b>Climate and Energy</b>			
Greenhouse Gas Emissions	EM-CM-110a.1	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	33
	EM-CM-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	34
Air Quality	EM-CM-120a.1	Air emissions of the following pollutants: (1) NOx (excluding N2O), (2) SOx, (3) particulate matter (PM10), (4) dioxins/furans, (5) volatile organic compounds (VOCs), (6) polycyclic aromatic hydrocarbons (PAHs), and (7) heavy metals	37
Energy Management	EM-CM-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage alternative, (4) percentage renewable	33
<b>Circular Economy</b>			
Waste Management	EM-CM-150a.1	Amount of waste generated, percentage hazardous, percentage recycled	39
<b>Environmental Management</b>			
Water Management	EM-CM-140a.1	(1) Total fresh water withdrawn, (2) percentage recycled, (3) percentage in regions with High or Extremely High Baseline Water Stress	42
Biodiversity Impacts	EM-CM-160a.1	Description of environmental management policies and practices for active sites	42
	EM-CM-160a.2	Terrestrial acreage disturbed, percentage of impacted area restored	This topic is identified as not material to the company.
<b>Health &amp; Safety</b>			
Workforce Health & Safety	EM-CM-320a.1	(1) Total recordable incident rate (TRIR) and (2) near miss frequency rate (NMFR) for (a) fulltime employees and (b) contract employees	51
	EM-CM-320a.2	Number of reported cases of silicosis	51
<b>Business Ethics and Compliance</b>			
Pricing Integrity & Transparency	EM-CM-520a.1	Total amount of monetary losses as a result of legal proceedings associated with cartel activities, price fixing, and anti-trust activities	73

# Alignment to United Nations Sustainable Development Goals (UN SDGs)

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	Safe Workplace	51
	COVID-19 Response Donations	56
	Skills Development and Performance Evaluation	47
	Scholarship Program	57
	Diversity and Equal Opportunity	50
	Water, Sanitation, and Hygiene (WASH) Project	57
	Integrated WASH Program	59
	Pag-asa Water System Project	59
	Economic Performance	14
	Employees	44
	2020 Major Projects	5
	A Portfolio of Innovative Solutions	10
	Commercial Innovations	20
	Geocycle	40
	Customers	54
	Road and Pathwalk Rehabilitation	59

UN SDGs	Relevant Section	Page No.
	Diversity and Equal Opportunity	50
	A Portfolio of Innovative Solutions	10
	Climate and Energy	32
	Circular Economy	38
	Environmental Management	42
	Emissions Reporting	33
	Environmental Management	42
	Artificial Coral Reef Construction	58
	A Strong Foundation for a Strong Organization	60
	2020 Major Projects	5
	Communities	56



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