

# Code of Business Conduct

LAFARGE AND ITS SUPPLIERS - 2014



Lafarge is committed to reflecting the principles and standards enshrined in the UN Global Compact and the OECD guidelines for Human Rights for Multinational Enterprises in its policies and day-to-day business practices, and, as part of its Sustainability Ambitions 2020, to ensuring that its supply chain operates in accordance with these principles.

It is Lafarge's policy to conduct business in compliance with the law and the essential values of Health & Safety, courage, integrity, responsibility and respect for others. These values are the cornerstones of the Group's management policy.

The Lafarge Code of Business Conduct ("CoBC") is a set of standards of good conduct applicable to all employees and officers of the Group worldwide, which is designed to guide employees and officers in the exercise of their day-to-day business duties.

The same high standard of professional conduct is expected of all of our suppliers worldwide when dealing with Lafarge and its employees.

In particular, suppliers must refrain from engaging in any activity or conduct that could in any way jeopardize our CoBC policy.

Lafarge employees and suppliers are expected to strictly abide by the following principles:

## Compliance with laws and regulation

Compliance with the law is the basic principle underlying the Group's policies. Lafarge employees, officers and suppliers are expected to strictly comply with all laws and regulations that apply to them. Any actual or suspected breach (as well as any attempted breach) of applicable laws and regulations must promptly be reported to Lafarge senior management and/or to the Lafarge Ethics & Compliance Team (see contact below).

## Honesty, equality and fairness in supplier relations

Fair competition is crucial to achieve economic efficiency, business success and value creation, including in our relationship with suppliers. Fair competition implies, in particular, the following:

- All suppliers are treated **equally**.
- All products and services are **regularly benchmarked** against competition, based on **clear and objective specifications**.
- The **confidentiality** of all discussions, information and data is strictly safeguarded.
- **Supplier selection** is based on **objective criteria**, such as quality, total cost of ownership, lead-time, supply conditions, Health & Safety and Sustainability commitment.
- All services are related to an **identifiable order**.

## Preventing conflicts of interest

Lafarge employees, officers and suppliers are expected to act in the best interest of the Group at all times. Accordingly, they must avoid any and all situations that could give rise to an (actual or perceived) **conflict of interest** with Lafarge. In particular:

- All information and data received from Lafarge must be treated as **strictly confidential** (unless publicly available) and must not be used for personal gain, nor shared with anyone who is not entitled to receive such information and data.
- Suppliers must make sure that any **personal relationship** with a Lafarge employee is **not used** to influence the employee's sound business judgment. If a supplier's employee is a family relation, or entertains any other relationship with an employee of Lafarge, the supplier must disclose this fact to Lafarge prior to entering into any business transaction with Lafarge.

## Gifts and hospitality

- **No cash gift** or gift of material value should ever be offered to a Lafarge employee (or his/her family/dependents/associates) by a supplier, whether directly or indirectly.
- **Modest entertainment or small, low-value gifts** are acceptable provided they are formally approved by the employee's supervisor, are consistent with ethical business practices in the relevant country, and do not impair the employee's sound business judgment.
- Employees are prohibited from **having an interest in, or accepting fees or commissions** from, any business supplying or seeking to supply Lafarge.
- Supplier meeting related to commercial negotiations should be conducted **with purchasing personnel**.

## Anti-Bribery

Lafarge maintains **zero tolerance for bribery** and expects its suppliers and contractors to comply with all applicable anti-corruption laws. These include, in particular, the French anti-corruption laws, as derived from the 1997 OECD Convention and the 2003 UN Merida Convention, and all national legislations regulating the fight against corruption in business transactions, including the U.S. Foreign Corrupt Practices Act (FCPA) and the UK Bribery Act. In doing so, suppliers are expected not to make or promise any payment, gift, travel expense, hospitality, or any other direct or indirect advantage, to government officials or any third party to improperly influence that party's decisions or actions with respect to the goods or services that suppliers are providing to Lafarge.

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## Health & Safety and Sustainability

All contractors/suppliers working on Lafarge sites are entitled to work in a safe and healthy environment, and are expected to participate in such efforts by acting in a responsible manner. The Group's Health & Safety Policy applies to all Lafarge employees, officers, subcontractors and any other third party service providers.

Lafarge is an active member of the World Business Council for Sustainable Development (WBCSD) and is as such committed to developing and supporting long-term sustainable development practices. Hence, Lafarge reserves itself the right to claim data and information from its business partners and suppliers in relation with their sustainable development policy.

## Protecting the Environment

Lafarge has for a number of years integrated environmental aspects in its strategy and culture. The **Group Environment Policy** sets out the Group's environmental commitments with regard to its operations, Greenfield site development and major modification projects. Suppliers must comply with all applicable regulations and the Group's environmental policy.

## Business and Financial Records

Lafarge employees, officers and suppliers must all keep complete and accurate records of all matters related to the suppliers' business dealings with Lafarge. This includes the proper recording of all expenses, legal documentation (certificates, insurances, etc.) and payments (e.g., where Lafarge is charged for a supplier employee's time, time records must be complete and accurate).

It is Lafarge's, its suppliers' and its contractors' shared responsibility to record, check and produce any and all legal and administrative documentation, as required by law

and the Lafarge Standards (e.g., Contractor Safety Management (CSM), Road Safety Standard).

## Protection of Lafarge Assets

Proprietary and/or confidential Lafarge information and data include non-public information and data of any kind (e.g., strategic, financial, technical, legal, business information and data), as well as personal data relating to Lafarge employees, customers and/or suppliers.

All Lafarge employees, officers and suppliers that have access to such confidential and/or proprietary information and data are expected to use them with due care and to take all appropriate measures so as to prevent their alteration or improper disclosure or use.

Lafarge also ensures the active protection and enforcement of its intellectual property rights (IPR), such as patents, trademarks, copyrights, and trade secrets. Hence, Lafarge expects that all its employees, officers and suppliers comply with, and contribute to, the respect and protection of its IPR.

## Supplier Commitment and Reporting Misconduct

As set out above, Lafarge observes the highest standards of business conduct and ethics, and expects its suppliers' cooperation in honoring its policy and principles at all times. As part of the qualification process new suppliers will be assessed to ensure adherence to the Lafarge principles set out in this document. Audits may be carried out to assess and monitor compliance with our principles. Should a supplier's business conduct fall short of our requirements, a corrective action plan will be established.

**We will take severe action against any employee found to have breached our values and rules, and reserve the right to terminate**

**our relationship with suppliers that breach their commitment towards our CoBC.**

**Any supplier that believes or suspects that an employee of Lafarge, or anyone acting on behalf of Lafarge, may have engaged in illegal or otherwise improper conduct, is strongly encouraged to report the matter to the Group. To this end, please contact the Lafarge Ethics and Compliance Team at: [cobcreport@lafarge.com](mailto:cobcreport@lafarge.com)**

**Reference materials available at:**  
**[www.lafarge.com](http://www.lafarge.com)**

- Group Code of Business Conduct
- The Lafarge Sustainability Ambitions 2020
- Group Health and Safety Policy
- Health & Safety and Sustainability brochure (dedicated to suppliers)
- Group Environment Policy
- Contractor Safety Management (CSM)