



SUSTAINABLE SUPPLY CHAIN PRINCIPLES  
FOR THE CEMENT SECTOR





# PRINCIPLES FOR THE CEMENT SECTOR

The Sustainable Supply Chain Principles (“Principles”) set out below have been developed for the Sustainable Supply Chain Guides – one for procurement leaders, one for suppliers (“Guides”). The Guides are projects undertaken by the Cement Sustainability Initiative (CSI), a program of the World Business Council for Sustainable Development (WBCSD).

The Principles summarize, and apply to the cement sector, existing standards developed by other international organizations. Indeed, the Principles are mainly based on relevant International Labour Organization (ILO) conventions and the Ten Principles of the United Nations (UN) Global Compact.

CSI member companies expect their suppliers and contractors (and their sub-supply chain) to follow and respect these Principles when dealing with and performing services for CSI member companies.



## 1. Occupational health and safety, and security

### a. Occupational health and safety

Suppliers shall provide a safe and healthy workplace for their employees and contractors. Suppliers must be compliant with local and national laws and regulations on occupational health and safety and have the required permits, licenses and permissions granted by local and national authorities. Suppliers must have documented health and safety policies and/or procedures in place together with appropriate safety infrastructure and equipment. Suppliers identified as being moderate to high risk for occupational health and safety violations shall take action and bring proof of continuous improvement towards implementing and applying a recognized occupational health and safety management system. When on company sites, suppliers must comply fully with applicable company policies and directives.

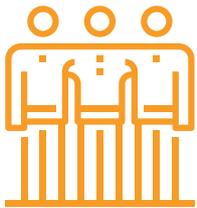
### b. Security

Suppliers shall ensure that all necessary security arrangements are in place to protect their employees, contractors performing work at their sites, as well as the suppliers’ own assets, especially in areas of conflict. In particular, suppliers are expected to have an actionable crisis management policy in place aimed at responding to emergencies in a timely and efficient manner.



## 2. Working conditions

Suppliers shall uphold fair and decent working conditions. Workers shall be paid at least the minimum wage stipulated by national law and benefit from social security schemes according to national legal standards. Should there be no legal minimum wage in the country of operation, fair and decent conditions imply suppliers shall pay their workers taking into consideration the general level of wages in the country, the cost of living, social security benefits, and the relative living standards.



## 3. Freedom of association and non-retaliation

Suppliers shall not interfere with workers' freedom of association. Employee representatives shall not be subject to discrimination or termination of contract in retaliation for exercising employee rights, submitting grievances, participating in union activities, or reporting suspected legal violations.



## 4. Forced labor

Suppliers shall not use any work that is performed under threat of penalty, including forced overtime, human trafficking, debt bondage, forced prison labor, slavery or servitude. Suppliers shall not withhold migrant workers' identification documents.



## 5. Child labor

Suppliers shall not employ children at an age where education is still compulsory. Children under the age of 18 or below the legal minimum age, if higher, shall not be employed.



## 6. Non-discrimination

Employment-related decisions shall be based on relevant and objective criteria. Suppliers shall make no distinction on grounds including, but not limited to, age, disability, gender, sexual orientation, political or other opinion, ethnic or social origin, or religion. Employment-related decisions include, but are not limited to, hiring, promotion, lay-off and relocation of workers, training and skills development, health and safety, or any policy related to working conditions such as working hours and remuneration.



## 7. Environmental regulatory compliance

Suppliers shall respect and comply with environmental regulatory requirements at all levels (local, national and international). In all their activities, they shall be covered by required environmental permits and licenses, and support a precautionary approach to environmental challenges.



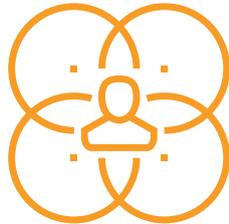
## 8. Management of environmental impacts

Suppliers shall systematically manage their environmental impacts with respect to, but not limited to, energy, materials and climate change-related issues, water, waste, chemicals, air pollution and biodiversity, and set objectives and targets to reduce such impacts. Suppliers identified as having a high environmental impact shall take action and demonstrate proof of continuous improvement towards implementing and applying a recognized environmental management system.



## 9. Bribery and corruption – anti-money laundering

Suppliers shall comply with all applicable anti-corruption laws and regulations and, to this effect, have a zero tolerance policy towards any form of bribery, corruption, extortion and embezzlement. In particular, suppliers shall not pay bribes or make any other inducement (including kickbacks, facilitation payments, excessive gifts and hospitality, grants or donations) in relation to their business dealings with customers and public officials. Suppliers are expected to perform all business dealings transparently and these dealings shall be accurately reflected on their business books and records. Where required based on a reasonable risk assessment, suppliers are expected to perform the know-your-customer checks required under applicable anti-money laundering legislation. Suppliers shall not hire third parties to do something they are not allowed to do themselves.



## 10. Transparency and Integrity

Suppliers are expected to provide relevant information and documentation on the above issues upon request, safeguarding integrity as well as a relationship of mutual trust. While this does not include any commercially sensitive information, all information that suppliers may provide to demonstrate commitment to the sustainable supply chain principles will be treated discretely and with confidentiality, so as to enhance opportunities for further improvements on all fronts.

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