

CHAPTER 02

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LAFARGEHOLCIM COMMUNITY WELFARE SCHOOL, CHHATAK

Providing free Primary Education to the Community Children

BOARD OF DIRECTORS' REPORT



Dear Shareholders,

This is the 28th Annual Report of LafargeHolcim Bangladesh PLC. (the “Company”). The Board of Directors of the Company hereby present the Directors’ Report, the Independent Auditor’s Report and the Audited Financial Statements for the year ended December 31, 2025. The Directors’ Report complies with the Companies Act, 1994 (Section 184), the Corporate Governance Code of the Bangladesh Securities and Exchange Commission (BSEC), and the Listing Regulations of both the Dhaka Stock Exchange and Chittagong Stock Exchange.

Over the last two decades, your Company has successfully transitioned from a traditional clinker and cement manufacturer to a comprehensive building materials and solutions provider. This strategic evolution proved its resilience in 2025, outperforming its competitors in a cement sector marked by overcapacity amid subdued demand. Overcoming unforeseen challenges, the Company’s unwavering resilience and strategic acumen enabled it to achieve solid profit growth, driven by higher volumes in both the cement and aggregates segments. This performance underscores the value of our diversification strategy in mitigating market volatility.

The cement industry in Bangladesh encountered significant challenges throughout 2025, reflecting the broader economic environment. Political uncertainty in 2024 onwards, coupled with high inflation averaging around 10%, currency depreciation, supply chain disruptions, dampened construction activity and reduced private sector investment acted as headwinds to economic activity. GDP growth slowed to approximately 3.50%, with industrial output hampered by elevated energy costs and reduced public spending on infrastructure. Furthermore, global geopolitical tensions and port congestion at Chattogram exacerbated raw material import delays and costs. Amid these pressures, your Company achieved good results through operational resilience, cost-efficiency measures, and a focus on premium products like Holcim Water Protect and Supercrete Plus, which saw 48% growth. Our sustainability efforts, including co-processing over 45,000 tonnes of waste via Geocycle to replace fossil fuels, further enhanced efficiency and our environmental footprint. Your Company remains committed to innovation, market diversification, and sustainable practices to ensure long-term value creation for all stakeholders.

Overview of the Financial Performance

In 2025, your Company recorded net sales of 29,314 million Bangladesh Taka (mBDT) and profit after tax (PAT) of 5,108 mBDT, despite escalating costs. The Company's consolidated operating and financial results, when compared with the preceding year, unfold as follows:

Figures in Million BDT

<p>Revenue</p> <p>6% Growth </p> <p>2025 29,314</p> <p>27,543 in 2024</p>	<p>Gross margin</p> <p>30 BPS Growth </p> <p>2025 30.2%</p> <p>29.9% in 2024</p>	<p>Total assets</p> <p>13% Growth </p> <p>2025 41,377</p> <p>36,577 in 2024</p>
<p>Cost of goods Sold</p> <p>6% Growth </p> <p>2025 20,467</p> <p>19,298 in 2024</p>	<p>Net profit before tax (PBT) margin</p> <p>290 BPS Growth </p> <p>2025 23.1%</p> <p>20.2% in 2024</p>	<p>Net asset value</p> <p>3% Growth </p> <p>2025 19,064</p> <p>18,592 in 2024</p>
<p>Gross profit</p> <p>7% Growth </p> <p>2025 8,846</p> <p>8,245 in 2024</p>	<p>Net profit After tax (PAT) margin</p> <p>350 BPS Growth </p> <p>2025 17.4%</p> <p>13.9% in 2024</p>	<p>Net asset value (NAV) per share (in BDT)</p> <p>3% Growth </p> <p>2025 16.41</p> <p>16.01 in 2024</p>
<p>Net profit before tax (PBT)</p> <p>22% Growth </p> <p>2025 6,779</p> <p>5,558 in 2024</p>	<p>Earnings per share (in BDT)</p> <p>34% Growth </p> <p>2025 4.40</p> <p>3.29 in 2024</p>	<p>Net operating cash flow</p> <p>7% Growth </p> <p>2025 8,492</p> <p>7,923 in 2024</p>
<p>Net profit after tax (PAT)</p> <p>34% Growth </p> <p>2025 5,108</p> <p>3,819 in 2024</p>	<p>Return on equity</p> <p>600 BPS Growth </p> <p>2025 27%</p> <p>21% in 2024</p>	<p>Net operating cash flow per share (in BDT)</p> <p>7% Growth </p> <p>2025 7.31</p> <p>6.82 in 2024</p>

Market Performance

Overcoming the challenges and adversities, your Company achieved exceptional results. Despite cement prices declining by 3%, your Company increased cement volume by 5%, surpassing industry growth. In addition, your Company's record production in Quarry and Aggregate sales operations further strengthened our market position.

Commitment to Sustainability and our Initiatives

Our operations are governed by a steadfast commitment to sustainable practices, seamlessly integrating environmental stewardship, operational efficiency, social responsibility, and economic viability. By adopting this holistic framework, we ensure that our strategic activities consistently enhance value for our stakeholders while fostering positive environmental impact and long-term resilience.

In 2025, your Company achieved a full-year 3.6% reduction of specific net CO₂ emission per ton of cementitious materials. Thermal Substitution Rate

(TSR) reached at 10.7%. Specific freshwater withdrawal also reduced by 2 liter per ton cementitious materials by water recycling initiatives. Your Company also increased the usage of FGD gypsum replacing natural gypsum by 28% aiming reduction of consumption of natural resources. Our commitment to sustainability yielded positive results in climate, nature and circularity.

Strategic Initiatives

Your Company introduced several strategic initiatives in 2025, which helped to navigate challenges effectively. Introducing fit-for-purpose specialized cement brands like Supercrete Plus and Holcim Water Protect resulted in favorable market responses. Digital applications and the Direct to Retail (D2R) channel boosted our success.

Your Company's resilient financial performance, combined with sustainable practices and strategic initiatives, positioned us for continued growth. The Company is optimistic about the future prospects and remain committed to delivering value to the stakeholders.

Dividend Recommendation and Retained Earnings

Dividend Recommendation

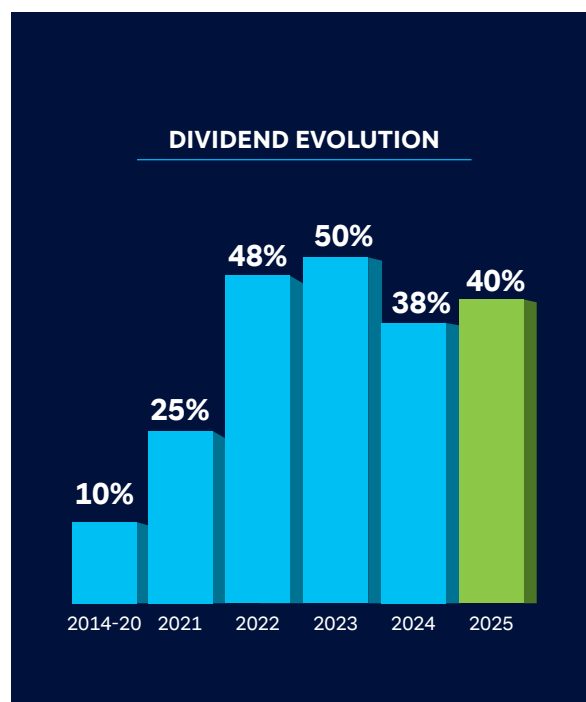
In October 2025, the Board of Directors recommended an interim dividend of eighteen percent (18%), in cash, on the paid-up capital of the Company out of the first nine (9) months' profit of 2025 (from January 1, 2025 to September 30, 2025). At BDT 1.80 per share of BDT 10.00 each the said interim dividend amounted to BDT 2,090,472,300.

On March 11, 2026, the Board of Directors of your Company recommended a final dividend of twenty two percent (22%), in cash, on the paid-up capital of the Company out of the profits of 2025 (January 1, 2025 to December 31, 2025).

Accordingly, the total dividend recommended by the Board of Directors for the year ended on December 31, 2025 is 40% of the paid-up capital amounting to BDT 4,645,494,000 which is BDT 4.00 per share of BDT 10.00 each.

As per the dividend distribution policy of the Company and applicable laws, a dividend (including interim dividend) can be declared out of current profits and/or profits accumulated of earlier years. The Board declared a dividend @100% of the profit to ensure the optimum use of retained earnings and sufficient cash balances.

The above dividend recommendation of the Board of Directors shall be forwarded to the Shareholders for their consideration and approval at the 28th Annual General Meeting of the Company scheduled on May 13, 2026.



The status of unpaid/unclaimed cash dividend is annexed as Annexure VIII to this Report for the year 2025 and is also uploaded on the Company's website.

Retained Earnings

As of December 31, 2025, the total Retained Earnings are 6,689 mBDT. Details are provided in the Statement of Changes in Equity of the Consolidated Financial Statements.



2021

**Launched
Aggregates –
Expanding Beyond
Cement**

LHB entered the aggregates business, supplying locally produced international standard aggregates, saving significant amount of foreign currency by offering import substitute product.



**GRAND SULTAN SRIMONGAL,
MOULVIBAZAR, BANGLADESH**

Proud Partner
LHB product



Health, Safety and Environment (HSE)

In 2025, your Company continued to prioritize Health, Safety and Environmental (HSE) excellence within its sustainable business strategy. Our unwavering commitment to achieve zero harm by fostering a safe, healthy and environmentally responsible workplace for all stakeholders remained steadfast.

Strong leadership engagement and strong adherence to HSE principles have fostered a proactive safety culture throughout the organization. HSE objectives are seamlessly integrated into individual performance goals ensuring accountability and consistent application of HSE standards across all operations in Bangladesh and Meghalaya, India.

Your Company successfully concluded another year without any Lost Time Injuries (LTIs) across both operations and project sites, recording 15.35 million safe man-hours and 722 LTI free days. This

achievement reflects the strong field presence of execution and leadership teams, supported by disciplined implementation of critical controls and consistent adherence to safe work practices.

In transport safety, advanced monitoring systems and structured driver competency development programs further enhanced safe and sustainable logistics operations. These efforts are supported by a robust Reward, Recognition and Consequence Management framework, coupled with strict adherence to regulatory requirements.

Your Company remains resolute in safeguarding its people, assets and the environment. Through mandatory compliance and continuous improvement, we uphold the highest standards of responsible business conduct, reinforcing our commitment to safe, secure and sustainable operations.

Operational Landscape

Your Company's unique cross-border project spans two neighboring countries and three distinct geographical locations within Bangladesh, demonstrating our commitment to national service. Our operational sites are strategically positioned to optimize resource utilization and ensure efficient production.

Mining Operations in India

Meghalaya Limestone Mine: A 100-hectare mine in Meghalaya, India, serves as the primary source of raw materials. It is operated by Lafarge Umiam Mining Pvt. Ltd. (LUMPL)- the Indian subsidiary of your Company, which mines and crushes the limestone and transports 100% of its production to Surma Plant at Chhatak, Sunamganj, which is the key raw material to produce clinker, cement and aggregates.

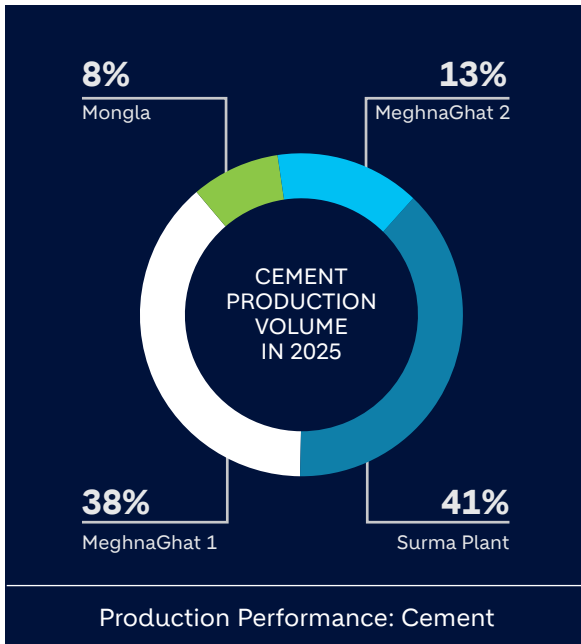


Operations in Bangladesh

- ◆ **Cross-Border Belt Conveyor:** A 17-kilometer elevated conveyor belt system facilitates the efficient transportation of limestone from the Meghalaya mine to our Surma Plant in Bangladesh.
- ◆ **Surma Plant:** This state-of-the-art facility boasts unique capabilities for producing clinker, cement, and aggregates.
- ◆ **Geocycle:** An integral part of the Surma Plant, Geocycle represents our commitment to environmental sustainability by co-processing waste materials in an environment friendly manner.
- ◆ **Meghnaghat Plant 1 & 2:** Located in Sonargaon Narayanganj, these cement-grinding units play a crucial role in our cement production process.
- ◆ **Mongla Plant:** Situated in Bagerhat, this cement-grinding unit further expands our reach and contributes to the national infrastructure development.

This interconnected network of operational sites exemplifies our dedication to efficient resource management, environmental responsibility, and national development.

Production Performance



Performance of Surma Plant:

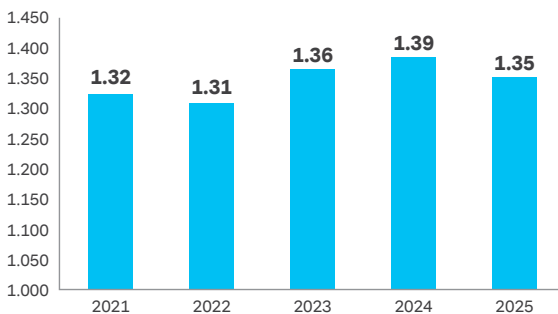
In 2025, the Surma Plant produced 1.35 million tonnes of clinker against standard capacity of 1.30 Million tonnes. This performance proves our commitment to continued improvement and keeping our equipment in top shape.

Cement production reached 1.14 million tonnes, against last year of 1.11 million tonnes which helped us to increase market share.

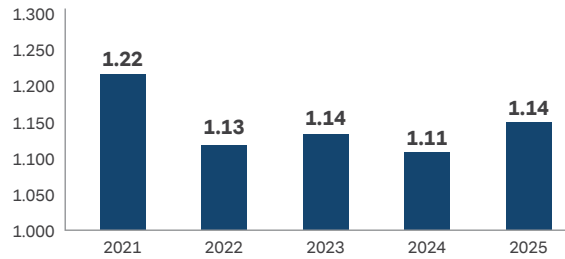
Our efforts were more sustainable in 2025, leading to these key results:

- ◆ **Energy Efficiency:** Reduced specific power consumption by 2% against last year.
- ◆ **Circular Economy:** Successfully substituted 41% of natural gypsum with FGD gypsum.
- ◆ **De-carbonization:** Achieved a record Thermal Substitution Rate (TSR) of 10.7% utilizing 21% processed Municipal Solid Waste (MSW).

CLINKER PRODUCTION (MILLION TONNES) 2021-2025



CEMENT PRODUCTION (MILLION TONNES) 2021-2025



- ◆ **Strategic Power Boost:** The commissioning of 5 MW grid power in December 2025 enabled readiness for the Coal Mill.
- ◆ **Surma Plant's Lab Tops Global Quality Control Rankings:** Surma Plant laboratory scored 100% in the "Global Round Robin Test" campaign of 2025 and secured 9th position in Asia Pacific Region in Holcim Group.
- ◆ **Quality Assurance:** The Company is dedicated to maintaining its own quality policy, ensuring the production of superior products and their reliable delivery to customers. Your Company manufactures Portland cement in full compliance with national standards, which are harmonized with the European standard BDS EN 197-1.

Your Company is dedicated to:

- Delivering consistently high-quality products through rigorous monitoring of the manufacturing process and adherence to Holcim's quality mastery standards.
- Establishing measurable quality objectives that are periodically reviewed to drive continual improvement.
- Enhancing employee competencies by providing ongoing training and coaching.
- Developing, implementing, and continuously improving both health & safety practices and the overall quality management system.

To ensure product quality, establishment of quality control process is the key factor. Effective quality control process is already established in your Company. The major part of this effective quality control process are:

- Entrance Control of all incoming goods (Raw Material)
- Process Production Control (In process material)
- Performance Control of the final products (Delivered to customer)
- ◆ **Global Industrial Performance Benchmarking (IPB) Rankings:** In 2025, Surma Plant achieved global recognition, securing top 5 position among 71 plants in the Holcim Global Industrial Performance Benchmark. This prestigious ranking reflects the plant's relentless focus on performance, innovation,

and sustainability. The accomplishments of 2025 have set a strong foundation for continued growth and innovation. Your Company remains committed to driving operational excellence, prioritizing sustainability, and delivering value to stakeholders.

Meghnaghat 1, Meghnaghat 2 and Mongla Plants Production:

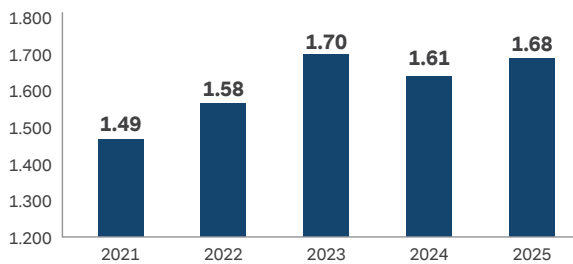
Meghnaghat 1, Meghnaghat 2 and Mongla Plants collectively achieved a remarkable milestone in 2025, producing a combined 1.677 million tonnes of cement. This represents the second-highest production output in the plant history. The success indicates enhanced productivity and operational efficiency.



In 2025, Meghnaghat 1, Meghnaghat 2 and Mongla Plants made significant progresses in sustainability, focusing on resource optimization and reducing environmental impact.

In 2025, the FGD gypsum was successfully replaced 19% of natural gypsum which underscore our commitment to balance operational excellence with environmental responsibility, solidifying the position of our grinding plants as a leader in sustainable cement production.

MEGHNAGHAT & MONGLA CEMENT PRODUCTION (MILLION TONNES) 2021-2025



Lafarge Umiam Mining Private Limited's Limestone Quarry Operations

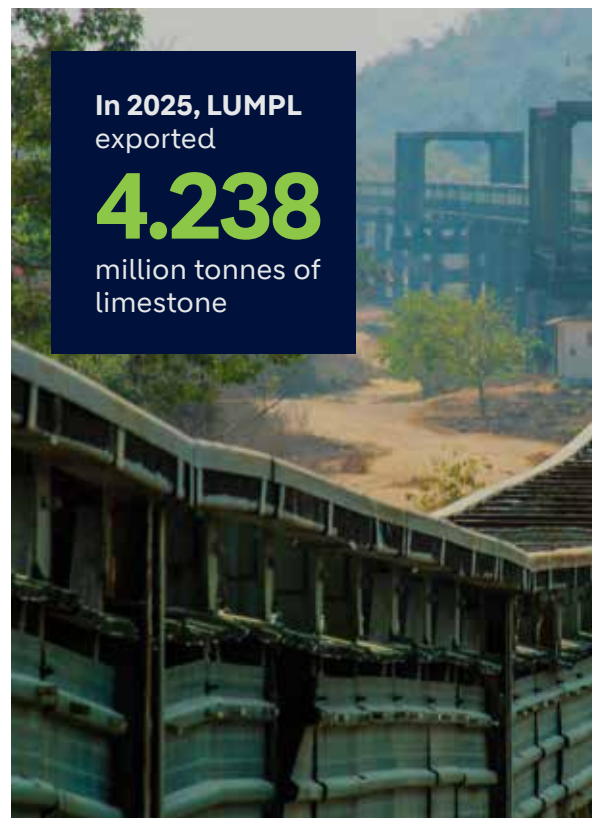
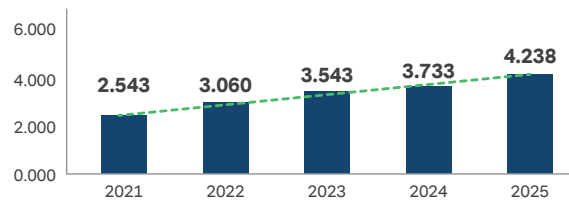
The quarry operations in Meghalaya, India plays a crucial role in the Company's operations. Lafarge Umiam Mining Pvt. Ltd. (LUMPL) the Indian subsidiary of your Company, mines and crushes the limestone, the key raw material to produce clinker, aggregates and transports 100% of its production to Surma Plant at Chhatak, Sunamganj.

In 2025, LUMPL achieved a significant milestone by exporting 4.238 million tonnes of limestone, a notable 13.5% increase from the 3.733 million tonnes exported in 2024. LUMPL plans for limestone production and dispatch target of 4.90 million tonnes in 2026.

In 2025, LUMPL procured two electric dumpers from M/s Propel Industries Pvt. Ltd. This set a new standard for innovation, sustainability and operational excellence, significantly reducing our carbon footprint. The existing fleet is planned to be replaced with the electric vehicles in a phased manner.

Nongtrai Limestone Mine achieved national recognition for its commitment to excellence in sustainable mining practices. For the performance year 2023-24, the mine was awarded a prestigious 5-Star Rating by the Indian Bureau of Mines (IBM), placing it in an elite category. Only 95 mines out of 1,250 assessed mines across the country received this honor. This achievement is a testament to the mine's commitment to operational integrity and sustainable mining practices, as it has consistently maintained its 5-Star rating from IBM for seven consecutive years since 2017-18.

LIMESTONE IMPORT VOLUME (MILLION TONNES)



To support the growth objectives of the Surma Plant, including its business expansion and product portfolio diversification, the demand for limestone exports from LUMPL is increasing constantly. To meet this growing demand, your Company is strategically preparing to enhance production and export capacities in 2026, LUMPL is undertaking several important initiatives to ensure operational efficiency and sustainability in the years ahead.

Aggregates

Demonstrating our characteristic resilience during the turbulent landscape of 2025, our aggregate business achieved a volume growth of ~25% through business optimization and the implementation of strategic initiatives.

Looking ahead to 2026, we remain focused on the long-term sustainability of our production. In January 2026, we successfully scheduled the replacement of crushers in Bangladesh with more resilient, upgraded machinery. These upgrades, coupled with further strategic initiatives and capital expenditure, are set to drive our growth rate throughout the coming year.

In line with our commitment to sustainable growth, we are continuously improving the efficiency of our plant and machinery. We have now implemented dedicated systems for the manufacture and loading of our aggregates. Combined with best-in-class environmental protection systems, these efforts reinforce our core value of maintaining a cleaner, greener business.

Our success and continued growth curve are driven by our dedicated team, the true backbone of our business. Their commitment will ensure another successful year in 2026 as we continue to drive excellence, safety, and sustainability.

A volume growth of
~25%
through business
optimization





2022
Launched
Supercrete Plus

Launch the new cement brand Supercrete Plus, Fair Face Cement in the country.



ROOPPUR NUCLEAR POWER PLANT (RNPP)

Proud Partner
LHB product

Geocycle

Geocycle continues to play a strategic role in advancing sustainable waste management and decarbonization in the country by transforming waste into valuable resources. Through globally proven co-processing technology, Geocycle provides environmentally sound, scientifically validated solutions that reduce landfill dependency and eliminate unsafe disposal practices. Our long-term vision remains focused on transforming waste into progress by enabling circular economy principles, fostering industrial symbiosis, and delivering measurable environmental and social impacts.

During 2025, Geocycle further strengthened its strategic positioning by evolving from a waste management service provider to a dedicated sustainability and decarbonization partner for industries and municipalities. This shift enabled deeper engagement with customers, regulators, and stakeholders, effectively aligning Geocycle's services with national environmental priorities and corporate sustainability objectives.

Building on the successful 2024 inauguration of Bangladesh's first Material Recovery Facility (MRF) in partnership with Sylhet City Corporation (SCC), Geocycle continued to support municipal waste management initiatives aimed at reducing plastic pollution and the segregation of non-recyclable plastic. Approximately 10,000 tonnes of segregated non-recyclable plastic from municipal solid waste were co-processed in 2025, and the MRF remains a key enabler in advancing circular economy practices at Sylhet city.

Geocycle continued to contribute meaningfully to national decarbonization efforts by increasing the utilization of waste-derived alternative fuels, thereby reducing reliance on fossil fuels. For its exceptional contributions to waste management, Geocycle was honored with two prestigious awards in 2025: the SDG Brand Champion Award 2025 for Clean and Alternative Fuel and Sustainability, and the Game Changer Award 2025 by the Foreign Investors' Chamber of Commerce & Industry (FICCI). Throughout the year, Geocycle remained actively involved in stakeholder collaboration on Extended Producer Responsibility (EPR). By working closely with the Department of Environment, relevant ministries, industries, non-governmental organizations, and trade associations, Geocycle contributed to advancing dialogue and practical frameworks aimed at addressing plastic pollution, reducing marine litter, and progressing toward plastic neutrality in Bangladesh.

Looking ahead, Geocycle remains committed to supporting Bangladesh's environmental sustainability agenda, with a long-term ambition to safely manage and dispose of up to 400,000 tonnes of segregated solid waste by 2030. Through continuous innovation, strategic partnerships, and operational excellence, Geocycle will continue to drive positive environmental outcomes and contribute to a cleaner, greener, and more resilient future for Bangladesh.



Approximately

10k

tonnes of segregated non-recyclable plastic from municipal solid waste has been co-processed in 2025

Sales and Marketing

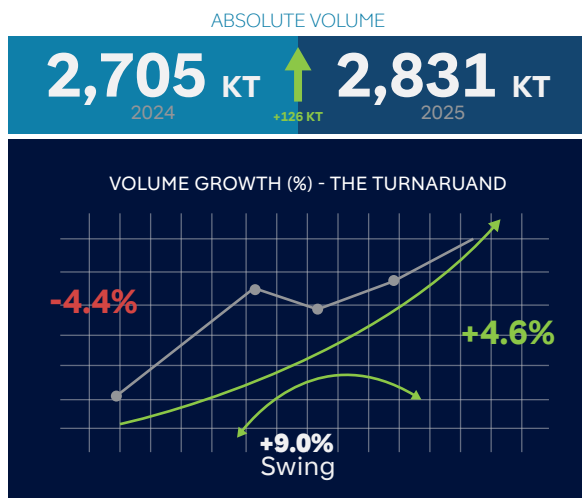
The Bangladesh cement industry entered a structurally challenging phase in 2025 defined by chronic overcapacity, suppressed demand, and intensified competitive behavior. This structural imbalance led to persistent price pressure, margin compression, and heightened financial stress across the sector.

Despite one of the most adverse industry environments in recent history, your Company delivered its highest-ever annual sales volume of ~2,831 KT, underscoring the strength of its strategy, brands, and execution capability. This performance was achieved while maintaining brand-led price premiums in a highly discounted market, reinforcing your Company’s positioning as a value-driven rather than price-driven player.

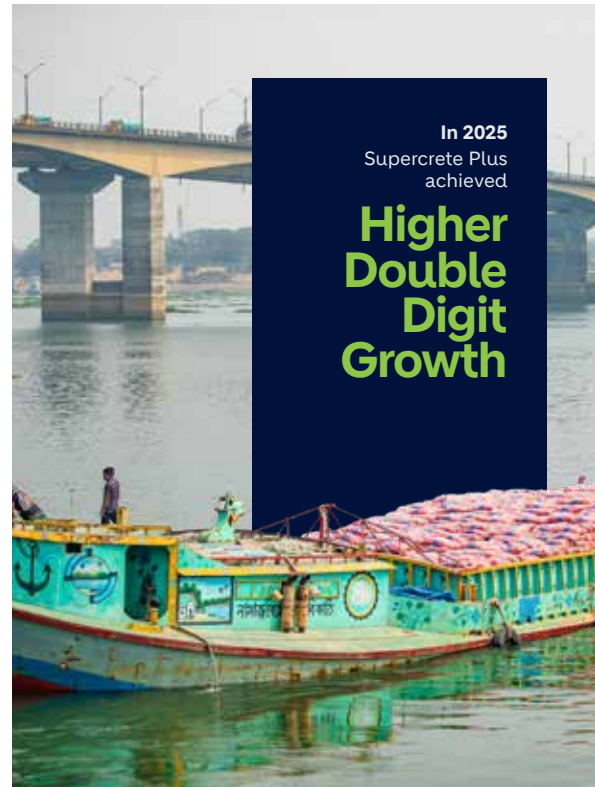
The result reflects the Company’s ability to outperform the market through differentiated offerings, channel innovation, and focused market execution.

Product innovation remained at a central growth lever. Your Company continued to strengthen its premium and solution-oriented portfolio, reducing exposure to commoditization and enhancing mix quality.

MARKET MOMENTUM: 2024-2025 PERFORMANCE OVERVIEW



- ◆ Holcim Water Protect is the most premium cement in Bangladesh, establishing itself as a category-defining solution for dampness protection in Bangladesh. Growth was driven by deeper retail penetration, strong technical advocacy from engineers, structured demonstration programs, and Consumer Driven Digital Campaign in various Social Media Platforms, National TV Campaign & Caravan Activation to Engage the target group directly.
- ◆ Supercrete Plus is the leading fair-facing cement in the market. It accelerated growth in urban and metro markets. It reflects strong consumer pull, superior aesthetic positioning, and consistent endorsement by architect & engineers. National Digital Campaign to educate the consumer about Fair Face Cement by highlighting USPs & usage of Supercrete Plus.



Channel transformation continued to be a cornerstone of your Company’s growth agenda. Operating on a fully cash-based and digitally enabled model, D2R consistently generated higher margins than the traditional dealer.

Your Company continued to deepen and broaden its national footprint, reaching more than 8000 customers. Despite widespread market contraction, your Company achieved share gains in key territories, led by Sylhet, where focused initiatives reinforced leadership in the Company’s core market. To unlock future growth, your Company prioritized structurally underpenetrated and high-potential markets. The “Emerging Town” 360-degree strategy, integrated marketing, trade marketing, and channel excellence across Dhaka peripheries, delivered decent growth. Customer experience investments—such as the rollout of Experience Zones and expansion of the Stock-on-Wheel delivery model—further strengthened service differentiation and execution agility.

Marketing has launched its first Experience Zone in Purbachal, Dhaka, showcasing the complete portfolio of cement, aggregates, blocks, and Geocycle. This service is designed to offer a direct and hands-on experience of construction material quality, scientific principles and technical performance. The Experience Zone will also act as a resource center, providing in-depth information on sustainable construction practices and green innovation, expert consultation and guidance for home builders, professional engineers and masons on future project planning.

Your Company sustained strong brand visibility and engagement through an integrated communication strategy across digital, television, print, and regional



In 2025
D2R
has increased its
contribution

channels. A data-driven digital approach enabled precise targeting of key decision-makers, including individual house builders, engineers, masons, retailers, and distributors—enhancing return on marketing investment. Localized language campaigns, thematic national initiatives, and on-ground activation programs ensured strong brand relevance across diverse customer segments and geographies.

People’s capability remains a fundamental enabler of your Company’s strategy. In 2025, the Company invested significant man-hours in structured training to enhance commercial acumen, strengthen process discipline, and embed a techno-commercial mindset across sales and marketing teams. In parallel, the Company advanced its digital transformation agenda by consolidating multiple operational applications into

a unified platform, improving decision-making speed, operational efficiency, and customer experience. The Technical Services App enhanced influencer engagement, technical advocacy, and customer interaction.

While near-term industry conditions remain challenging, your Company exits 2025 with strengthened fundamentals; a differentiated portfolio, premium brand positioning, margin-accretive channels, expanded market reach, and enhanced organizational capabilities.

2026 will be challenging, particularly in the first Quarter due to political uncertainty; however, stabilization from the second Quarter is expected to support a stronger business outlook thereafter.

Research, Development and Innovation 2025

In 2025, Research, Development and Innovation (RDI) focused on advancing sustainable, high-performance cement and concrete solutions through clinker reduction, optimized mix designs, improved energy efficiency, and enhanced durability. Collaborative trials,

process optimization, and technical support for major projects enabled effective on-site implementation, strengthening sustainable construction practices and receiving positive recognition from customers and key stakeholders.

Key innovations launched during the year include:

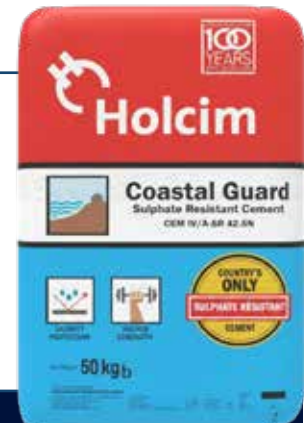


Powercrete - Innovative solution for Ready Mix Concrete & Precast Segment

Powercrete enables ~35% lower CO₂ emissions compared to OPC and is engineered for ready-mix concrete, high-rise residential, and large infrastructure projects requiring extended workability retention and early strength development. It has been successfully implemented in projects including the Ananta Terraces condominium project.

Holcim Coastal Guard Bangladesh's First Sulphate & Salinity Resisting Cement

Holcim Coastal Guard is a low-carbon sulphate-resisting pozzolanic cement developed for salinity- and sulphate-rich soil and water environments, particularly in Bangladesh's coastal regions (approximately 32% of the land area). Its high resistance to chemical attack makes it suitable for STP, ETP, and WTP infrastructure. In 2025, it received approval for the Dhaka Sanitation Improvement Project (DSIP), Pagla, Narayanganj.



Ongoing Research and Development

The innovation team continued their research and development activities to advance Hydromedia, High Early Strength Concrete, Fair-Face Blocks, and other application-specific solutions.

Logistics

Building upon the foundational advancements in safety and decarbonization established in 2023, the year 2025 marked a definitive shift toward operational control and sales excellence. By focusing on Barge Chartering, “Stock on Wheels” (SOW), and the optimization of our aggregates modality, your Company successfully neutralized external market volatility. This evolution has transformed the logistics framework from a traditional support function into a competitive advantage, allowing us to unlock record-breaking sales volumes and secure a resilient market position.

A cornerstone of this operational success is our unwavering commitment to “Zero Harm.” In 2025, your Company achieved the landmark milestone of zero fatalities across our entire network, reinforcing our culture of safety. This achievement was underpinned by the increased utilization of In-Vehicle Monitoring

Systems (IVMS) and the launch of a dedicated 24/7 control room. These investments provided the real-time oversight necessary to protect our personnel, our cargo, and the public, ensuring that our rapid commercial growth never comes at the expense of human safety.

To insulate the business from fuel cost volatility and vessel scarcity, your Company increased its chartered barges facilities. Simultaneously, your Company refined the aggregates business through aggressive modality changes designed to facilitate maximum customer pickup. These optimizations reflect a rigorous commitment to financial discipline, ensuring a sustainable and efficient supply chain that supports the rapid expansion of the aggregates portfolio.

This agility allowed us to capture 91,000 MT in previously inaccessible sales, attract new partners and volume growth in key market zones.



Procurement Excellence

In 2025, the Procurement function delivered a transformative year focused on financial recovery, cost optimization, and increased market competitiveness. Through strategic negotiations, scope optimization, and enhanced local sourcing, the team generated multi-million BDT savings and strengthened supply chain resilience, securing approximately 3.08 mCHF in savings for the year.

Key initiatives included the resolution of long-pending 2022 import claims, improving financial reporting and unlocking early unloading incentives. Long-standing vendor monopolies were dismantled by onboarding new global suppliers for raw materials and introducing competitive tendering for Heavy Mobile Equipment (HME) rentals for the first time in nine years, resulting in a 4% net cost reduction.

High-impact negotiations addressed cost escalations in Bag Fly Ash through strategic sourcing leverage, achieving a 5% rate reduction, while a legacy Captive Power Plant service contract was renegotiated to a fixed-cost model, securing improved spare parts discounts and lower overhaul costs.

Operational agility was further enhanced through scope optimization at Nagarbari Ghat, global vendor collaboration, and reverse engineering of critical spares. These initiatives reduced operational costs, shortened lead times by up to 24 weeks, and delivered sustainable value across operations.



Looking toward 2026 we are prepared to pioneer the next frontier of industrial innovation by embedding

AI-driven process automation

in Finance, logistics and HR function



Operational Excellence in the Digital Era

In line with our commitment to sustainable growth, we have fundamentally reimagined our commercial ecosystem through a comprehensive digital transformation designed to deliver long-term Shareholder value. Central to this strategy is the launch of our “One App,” a sophisticated omnichannel super-app that serves as a single, unified interface for our sales force to manage the diverse needs of all customer segments with unparalleled agility. This digital empowerment is bolstered by a central data warehouse and robust MIS dashboards, which translate complex operational data into actionable intelligence, ensuring management decisions are consistently informed and strategically precise.

To further optimize our supply chain, the Company has integrated a high-performance workflow and document management system for real-time dispatch tracking, complemented by an advanced vehicle equipment monitoring system to maximize fleet utilization. Our operational efficiency is further enhanced by the strategic deployment of AI and RPA-based automation within our credit and collection management processes, significantly reducing manual intervention and financial risk. Looking toward 2026, we are prepared to pioneer the next frontier of industrial innovation by embedding AI-driven process automation across Finance, Logistics, and HR functions, ensuring the Company remains at the forefront of the evolving digital landscape in the cement industry.

Human Resources

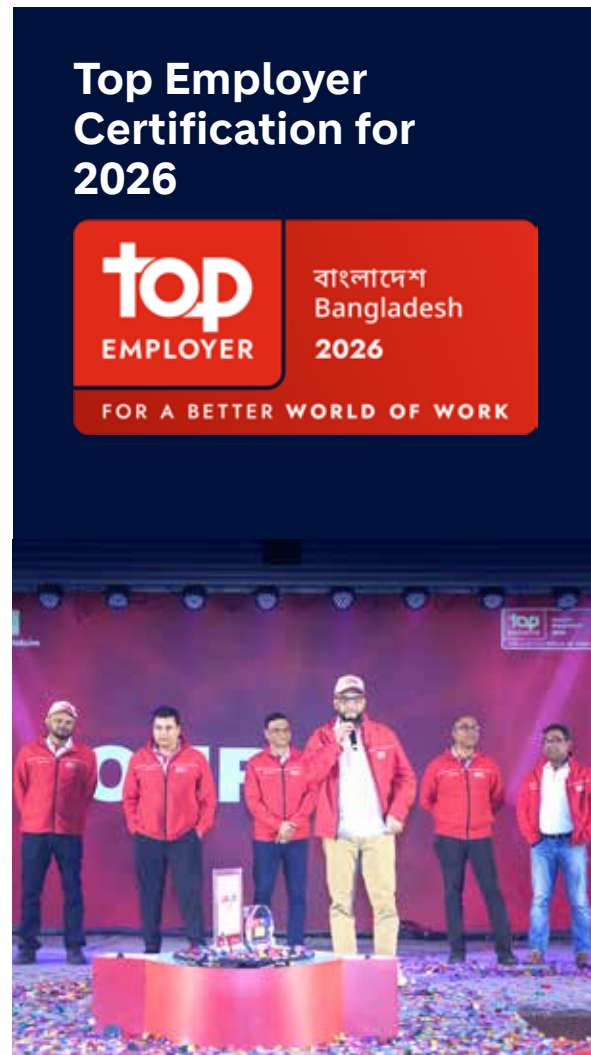
In 2025, your Company was proud to be awarded the Top Employer Certification for 2026 by the Top Employers Institute, alongside the Holcim Group. This recognition underscores our commitment to creating a workplace where people thrive and reinforces our ambition to be recognized among the best employers globally.

Aligned with Holcim Group's strategic ambition of NextGen Growth 2030, we continue to embody the Holcim Spirit of "Purpose, People, and Performance", driving milestones through a high-performance culture and deeply engaged people agenda.

Talent development remains central to our people strategy. Your Company has consistently cultivated a performance-driven and meritocratic culture that embraces innovation, agility, and excellence. Our employee career progression, reward systems, and development initiatives are all closely integrated to develop and nurture future talent. We are continuously striving to advance our talent and succession agendas to achieve our targeted Net Bench-Strength for LHB. Young talent development is at the core of our People function; to empower our younger workforce and foster innovation, we launched the "Young Board and Innovator's Club," aiming for holistic value creation. Your Company also actively engages young talent through the "Holcim Future Forum"—a group-driven talent development initiative. Furthermore, the Company is enhancing the Graduate Trainee Program for broader reach and impact. Alongside these initiatives, we remain committed to automation and digitalization, leveraging cutting-edge technology for continuous improvement.

Employee engagement continues to be a strategic imperative in supporting productivity and organizational success. In 2025, our Gallup engagement survey score rose to 68%, a significant improvement from 54% in 2023. This progress reflects our ongoing efforts to strengthen workplace culture and foster higher levels of motivation and productivity. To support this, your Company conducted focus group discussions across the organization, gathering insights into the drivers of a positive, inclusive, and collaborative environment. Based on these insights, your Company implemented initiatives to enhance family and employee engagement, reinforce recognition, and build a stronger sense of belonging. We also conducted NextGen Growth strategy workshops and subsequent town halls, ensuring that employees across all functions were aligned with both short-term and long-term business goals.

Diversity, Equity, and Inclusion remain a cornerstone of our organizational culture. In 2025, your Company placed particular emphasis on enhancing female recruitment to strengthen workforce diversity and undertook initiatives to create a more supportive



and female-friendly workplace. For the first time, your Company celebrated International Men's Day, reinforcing an inclusive approach to recognizing and valuing all employees. Female leadership development continues to be a key priority within our leadership agenda, reflecting our commitment to building a more balanced and inclusive organization.

In 2025, your Company placed strong emphasis on learning, development, and leadership initiatives to equip our frontline and mid-level managers to meet future challenges. Key efforts focused on strengthening techno-commercial capabilities and delivering targeted learning interventions on artificial intelligence (AI), in recognition of its growing importance in the future of work. Over the course of the year, a total of 36,181 man-hours were invested in training programs covering functional competencies, soft skills, technical certifications, and leadership development programs.

Corporate Social Responsibility (CSR) & Sustainable Development

Your Company remains steadfast in its commitment to fostering inclusive growth within the communities surrounding its operations in Bangladesh and Meghalaya. Recognizing that our long-term success is intrinsically linked to the well-being of our neighbors, we have integrated sustainable development into our core business strategy. Our Corporate Social Responsibility (CSR) framework is strategically aligned to address critical socio-economic gaps through targeted interventions in education, healthcare, skill development, housing & infrastructure and environmental stewardship.

In 2025, we made significant strides in our community impact efforts:

- ◆ Over 1,000 students benefited from the quality education provided by our community welfare school in Chhatak and sponsored school in Meghalaya.
- ◆ Over 60 women were empowered through specialized training programs designed to foster self-sufficiency in Chhatak and Meghalaya.
- ◆ More than 25,000 patients from surrounding communities received free medical care at our Medical Centre in Chhatak and Meghalaya.

We are pleased to announce two significant milestones achieved this year. Your Company was featured in Bloomberg's prestigious sustainability rankings, distinguished as one of only 11 Bangladeshi firms to receive this global recognition. Furthermore, we were honored as the 'Sustainable Building Material Company of the Year' at the 2025 SDG Brand Champion Awards, hosted by the Bangladesh Brand Forum.

Looking toward 2026 and beyond, your Company remains steadfast in its commitment to sustainable community development. We intend to scale our existing programs while introducing strategic new initiatives designed to foster long-term prosperity. Our goal is to drive meaningful social upliftment and ensure our presence leaves a lasting, positive legacy in the communities we serve.



Compliance

In 2025, your Company continued to act as a navigator for integrity, embedding ethical decision-making into the core of the business strategy. Your Company moved beyond traditional oversight to become a driver of cultural and operational transformation. By strengthening internal controls, digitizing processes to empower employees and reinforce a foundation where business growth and ethical conduct go hand in hand.

In 2025, your Company undertook several reformative tasks that went beyond “business as usual,” to build a more resilient and transparent work culture. Key highlights include:

- ◆ **Launch of the New Code of Ethics (CoE):** Your Company successfully initiated the rollout of the new global “Code of Ethics,” marking a paradigm shift from a prescriptive, rules-based approach to a values-driven culture. Anchored in five core principles—Compliance, Fairness, Care, Trust, and Respect—this new framework is designed to empower employees to navigate complex business situations with sound judgment. To ensure deep-rooted understanding, in 2026, your Company will execute a comprehensive engagement campaign, including mandatory e-learning modules and interactive face-to-face sessions, reinforcing the message that “Performance with Integrity” integrated into our daily lives.



- ◆ **Digitalization of Integrity:** Your Company significantly enhanced its digital compliance footprint by establishing the Integrity Gateway Tool as the central nervous system for all compliance-related activities. This integration has streamlined critical processes, including Third-Party Due Diligence (TPDD), Gifts, Hospitality, Entertainment & Travel (GHET), and Corporate Social Responsibility (CSR) approvals. By replacing manual interventions with automated workflows, we have ensured robust data accuracy, created unalterable audit trails, and enabled real-time monitoring of risks, effectively closing the gap between policy and practice.
- ◆ **Strategic Policy Updates:** To maintain a robust governance framework responsive to the evolving regulatory landscape, your Company executed strategic updates to key local policies. A primary achievement was the drafting of a comprehensive Prevention of Sexual Harassment (POSH) Policy for Bangladesh. Going beyond statutory compliance with the High Court Division judgment and Labour Rules 2015, this policy integrates with our global “Speak Up” and investigation protocols to guarantee rigorous protection for whistleblowers and transparent redressal mechanisms.

Through these reformative measures, the Compliance function has successfully transformed potential risks into opportunities for strengthening governance, ensuring that LafargeHolcim Bangladesh continues to progress sustainably with unwavering integrity.

Current Code of Business Conduct	New Code of Ethics
Outdated with respect to topics of relevance	Relevant additions include sanctions, sustainable supply chain, artificial intelligence and workplace behavior
Predates current business strategy and sustainability focus	Reflects current business strategy and sustainability focus
Rule based	Principle based
Classic traditional, standard	Modern layout in line with the holcim corporate identity post spin-off
44 Pages	25 Pages



**SHANTA GLASS HOUSE
GULSHAN, DHAKA**

Proud Partner
LHB product



2005
Started
Limestone Import
from Meghalaya

Through a 17 KM long
belt conveyor connecting
Bangladesh and India.

Awards, Recognition & Certification

Your Company has received eight (8) prestigious awards for excellence in Corporate Governance and Sustainable Development.



CORPORATE GOVERNANCE EXCELLENCE GOLD AWARD 2024
by the Institute of Chartered Secretaries of Bangladesh (ICSB)



BEST CORPORATE BRONZE AWARD 2024
by the Institute of Cost and Management Accountants of Bangladesh (ICMAB).



TOP EMPLOYER 2026
certified by the Top Employer Institute, leading global authority on HR Strategies.



BRONZE WINNER 2025 DEI



FICCI Sustainability Game Changer Award 2025



SDG BRAND CHAMPION AWARDS 2025 IN "BEST BUILDING MATERIALS COMPANY OF THE YEAR CATEGORY"
by Bangladesh Brand Forum



SDG BRAND CHAMPION AWARD 2025 IN "CLEAN AND ALTERNATE FUEL CATEGORY"
by Bangladesh Brand Forum



FIVE STAR RATING FOR SAFE MINING TO LUMPL
by the Indian Bureau of Mines (IBM), Govt of India



TOP EMPLOYER FOR 2026

Certified by the **Top Employer Institute**

LafargeHolcim Bangladesh is officially a Top Employer for 2026!, certified by the Top Employer Institute, leading global authority on HR Strategies.

This award celebrates the achievement of the Top Employer Certification - a globally recognized, independent, data-driven validation of Excellence in people practices by the Top Employer Institute. The certification evaluates how organizations lead, why people choose them, how employees feel, engage and develop and how workplaces become better place to thrive.

Earning this certification required a rigorous assessment across 200+ questions, demanding precise documentation, new practices and a thorough audit process. It was challenging and high-pressure, but the results exceeded expectations.

While this certification recognizes our “excellence in people practices,” we know that our real strength comes from the incredible individuals who make up our team and the families who stand behind them.

We spent a special day celebrating this milestone with our family members, reinforcing our “Holcim Spirit” culture. From nurturing talent through Holcim University to prioritizing mental and physical wellbeing, we are proud to create a workplace where everyone can reach their full potential.



BUREAU
VERITAS

Bureau Veritas Certification



LAFARGEHOLCIM BANGLADESH LIMITED

CHAR RAMJAN, SONAULLAH, MEGHNA FERRY GHAT, NEW TOWN, SONARGAON,
NARAYANGANJ

This is a multi-site certificate, additional site(s) are listed on the next page(s)

Bureau Veritas Certification Holding SAS – UK Branch certifies that the Management System of the above organisation has been audited and found to be in accordance with the requirements of the Management System Standards detailed below.

Standards

**ISO 9001:2015, ISO 14001:2015 &
ISO 45001:2018**

Scope of certification

MANUFACTURING OF CEMENT

Original cycle start date: **06 February 2020**
Expiry date of previous cycle: **05 February 2023**
Recertification Audit date: **14 June 2023**
Recertification cycle start date: **18 July 2023**

Subject to the continued satisfactory operation of the organisation's Management System, this certificate is valid until: **05 February 2026**

Certificate No. **IND.23.7207/IM/U** Version: 1 Issue date: **18 July 2023**

Signed on behalf of BVCH SAS UK Branch
Jagdheesh N. MANIAN
Director – CERTIFICATION, South Asia
Commodities, Industry & Facilities Division



Certification body address: 5th Floor, 66 Prescott Street, London, E1 8HG, United Kingdom.

Local office: Bureau Veritas (Bangladesh) Pvt. Ltd.
Symphony (5th Floor), Plot- SE(F)9, Road-142
South Avenue, Gulshan-1, Dhaka-1212, Bangladesh.

Pg 1 of 2

Further clarifications regarding the scope of this certificate and the applicability of the management system requirements may be obtained by consulting the organisation.
To check this certificate validity please call + 88 (02) 8836765. OR E-mail: cert.india@bureauveritas.com



BUREAU
VERITAS

Bureau Veritas Certification

LAFARGEHOLCIM BANGLADESH LIMITED

FACTORY: NOARAI, CHHATAK, SUNAMGONJ, BANGLADESH.

Bureau Veritas Certification Holding SAS – UK Branch certifies that the Management System of the above organisation has been audited and found to be in accordance with the requirements of the Management System Standards detailed below.

Standards

ISO 9001:2015, ISO 14001:2015 & ISO 45001:2018

Scope of certification

**Manufacturing of Aggregates, Clinker, Cement
Providing Geocycle services**

Original cycle start date for ISO 9001 & 14001: **31 January 2018**

Original cycle start date for ISO 45001: **31 January 2021**

Expiry date of previous cycle: **30 January 2024**

Recertification Audit date: **04 December 2023**

Recertification cycle start date: **24 February 2024**

Subject to the continued satisfactory operation of the organisation's Management System, this certificate is valid until: **30 January 2027**

Certificate No. **IND.24.1550/IM/U** Version: 1 Issue date: **24 February 2024**

**Signed on behalf of BVCH SAS UK Branch
Jagdheesh N. MANIAN
Director – CERTIFICATION, South Asia
Commodities, Industry & Facilities Division**



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Certification body address: 5th Floor, 66 Prescott Street, London, E1 8HG, United Kingdom.

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Further clarifications regarding the scope of this certificate and the applicability of the management system requirements may be obtained by consulting the organisation.
To check this certificate validity please call +88 (02) 8836765. OR E-mail: cert.india@bureauveritas.com



Risks and Concerns in Company Operations

i. Gas Sales Agreement (GSA) with JGTDS

The Gas Sales Agreement between LafargeHolcim Bangladesh PLC. (the “Company”) and Jalalabad Gas Transmission and Distribution Systems Limited (JGTDS) ended on January 17, 2026 (the “Old GSA”). Thereafter, since January 18, 2026, JGTDS is supplying gas to the Company under two new Gas Sales Agreements (the “New GSAs”) both dated June 24, 2025. The New GSAs are valid until January 18, 2036.

There was a dispute between the Company and JGTDS relating to the provisions of Ceiling Price of the Old GSA. The dispute was forwarded to an International Arbitration Tribunal. On September 15, 2023 the Tribunal passed the Award (the “Award”) in favor of the Company declaring the Ceiling Price under the Old GSA as “valid and enforceable”. JGTDS is yet to comply with the Award. In November 2025, the Company filed the Money Decree Execution Case no. 35 of 2025 before the Court of District Judge, Dhaka in relation to the enforcement of the award.

During the pendency of the Arbitration, in compliance with an Interim Order dated March 18, 2021 passed by the Appellate Division of the Supreme Court of Bangladesh, the Company paid JGTDS Taka 2,969.76 million as advance which is included in the Other Current Assets.

On November 19, 2025 JGTDS served a Notice of Discontinuation of gas line which the Company challenged before the appropriate courts and on December 17, 2025 the Appellate Division passed an order (received by the Company on February 24, 2026) as follows.

- i) The Learned District Judge, Dhaka is directed to conclude the proceedings of the aforesaid Money Decree Execution Case no. 35 of 2025 by February 28, 2026.
- ii) LHB to furnish a Bank Guarantee for an amount of Taka 4,000 million in favor of JGTDS.

The Money Decree Execution case is still pending and the Company has submitted the Bank Guarantee in compliance with the order.

ii. Cross-Border Operations

Cross-border activities, notably limestone sourcing from our Indian subsidiary pose risks. Any disruption in supply may interrupt the plant operation in Bangladesh, necessitating strict legal compliance and community development initiatives.

iii. Market Dynamics in Bangladesh Cement Industry

Bangladesh faces a surplus cement capacity market, yet new additions heighten market competition. Asian clinker availability directly impacts import prices, influencing Bangladesh's cement market and your Company's profitability.

iv. Risk Management Overview

The Company's management is tasked with establishing a robust risk management framework. This entails developing standard procedures for risk identification, analysis and ongoing management to mitigate their impact. The organization confronts credit, liquidity and market risks.

v. Credit Risk

Credit risk represents potential financial losses arising if customers or counterparties fail to fulfill contractual obligations. Primarily originating from receivables and current assets, the management individually assesses the creditworthiness of new customers, sets credit limits and periodically reviews them. Sales surpassing these limits necessitate approval from the appropriate authority level. Additionally, the Company secures bank guarantees from a substantial portion of both trade and nontrade customers.

vi. Liquidity Risk

The Company faces the challenge of liquidity risk, impacting its ability to meet financial liabilities settled in cash or other financial assets. To counter this risk, the Company ensures sufficient liquidity to fulfill obligations under normal and stressed conditions without incurring unacceptable losses or damaging its reputation.

vii. Market Risk

Market risk stems from fluctuations in market prices, encompassing foreign exchange rates and interest rates, affecting the Company's income or financial instrument values. Utilizing derivatives, the Company manages market risk, which includes:

- ◆ **Foreign Currency Risk:** Mitigated through hedging, particularly for transactions denominated in Euro, US Dollars, Swiss Franc and Indian Rupee.
- ◆ **Liquidity of Foreign Currency Risk:** LC opening with foreign currency is managed through opening various banks to ease the ongoing liquidity crisis.
- ◆ **Interest Rate Risk:** Ensuring exposures are maintained within acceptable parameters to optimize returns, affecting debts and short-term deposits.
- ◆ **Commodity Risk:** Managed via negotiation to minimize exposure to commodity price, quantity, and market cost fluctuations during procurement or sales.

By proactively addressing these risks, the Company strengthens its resilience and enhances its ability to navigate uncertainties in the business environment effectively.

Related Party Transactions

Transactions with related parties, as per International Accounting Standard (IAS) 24, were conducted in the ordinary course of business. Details, including nature of related party, transaction nature and total value, are in Note No. 29 of the Consolidated Financial Statements.

Directors' Declaration to the Financial Statements

The Directors affirm the Company's status as a going concern, reflected in the Financial Statements.

They assert	Other disclosures include
Fair Presentation: Financial Statements fairly represent the Company's state, operations, cash flows, and equity.	Dividend and Share Issuance: Declared interim dividend during the year 2025 and no Rights Share issuance since since 2011.
Proper Bookkeeping: Accurate maintenance of Company books.	Director Remuneration: In 2025, the Independent Directors have been remunerated as per Memorandum & Article of Association of the Company.
Consistent Accounting Policies: Adherence to appropriate accounting policies and prudent judgment in estimates.	Financial Data: Detailed key financial data for the past five years and explained significant deviations in Annexure I.
Compliance: Adherence to International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS) with adequate disclosure of any deviations.	Board Meetings: Disclosed Board meeting details and attendance in Annexure II.
Effective Internal Control: Implementation and monitoring of a sound internal control system.	Shareholding Pattern: Presented the shareholding pattern in Annexure V.
Minority Shareholder Protection: Assurance against abusive actions by controlling shareholders.	CEO and CFO Declaration: CEO and CFO's declaration as per Corporate Governance Code requirements have been comprised in Annexure VI.
Financial Analysis: Examination of financial indicators to ensure continued operation viability.	Management's Discussion and Analysis: Annexure VII featured CEO-signed analysis of the Company's position, operations, and financial statement changes.
Going Concern Basis: Adoption of going concern basis, with adequate resources for future operations.	

Remuneration of Board of Directors

In 2025, the Independent Directors received remuneration from the Company for attending Board of Directors Meetings and its Sub-Committee Meetings. The total amount of remuneration paid to Independent Directors has been presented at note 30 in the notes to the Consolidated Financial Statements.

Contribution to National Exchequer

In the building material industry, your Company represents as a leading contributor to the National Exchequer for last consecutive years. The Company remains committed to driving the nation's socio-economic growth through its contributions. In 2025, we deposited BDT 7.7 billion to the Govt. Exchequer as a contribution in the national economic growth. We uphold the highest standards of integrity, honesty, and transparency in the formulation and execution of our tax strategies and corporate policies.

VAT Paid (mBDT)	Supplementary Duty (SD) (mBDT)	Tax (mBDT)	Customs duty paid (mBDT)
4,978.88 in 2025 4,590.99 in 2024	398.67 in 2025 333.77 in 2024	1,199.56 in 2025 1,011.75 in 2024	1,138.38 in 2025 847.16 in 2024



Internal Control System

A robust internal control system is in place which is aligned with the Company objectives and risk profile. This system is supported by well-documented policies, directives, and operating standards, which undergo regular review. These controls are designed to ensure orderly and efficient operations, including but not limited to:

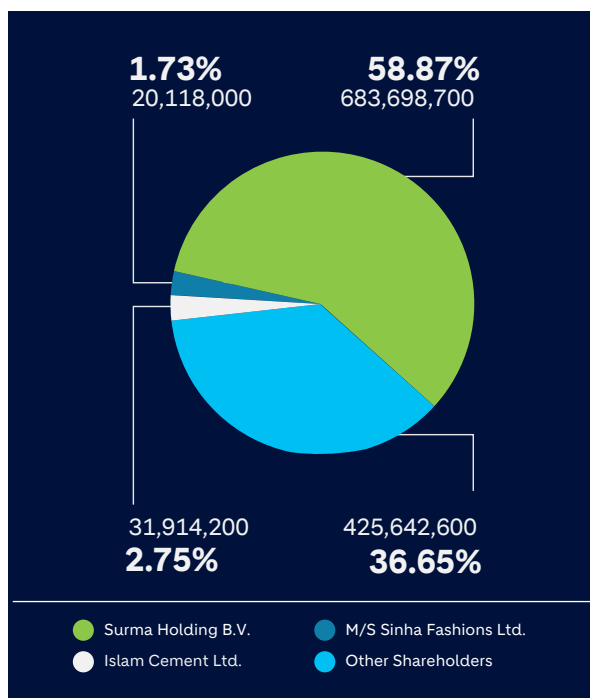
- ◆ Adherence to local regulations and Company policies.
- ◆ Safeguarding of assets.
- ◆ Prevention and detection of fraud and errors.
- ◆ Accuracy, completeness, and timely preparation of financial information.

The Board has delegated the responsibility of overall supervision of internal control system to independent Audit Committee. Implementation and compliance are monitored and reported to the Audit Committee by the independent Internal Audit department.

To evaluate the effectiveness of the system and provide necessary guidance, the Board of Directors meet regularly with senior management, internal auditors, external auditors, and the Audit Committee. To maintain independence, the Internal Audit department has direct access to the Audit Committee as and when required to ensure submission of internal audit findings to the Audit Committee without any management intervention.

Shareholding Structure and Major Ownership

The Company is primarily controlled by Surma Holding B.V. (58.87%), a Netherlands-based joint venture equally owned by global leaders Holcim (via Lafarge S.A.) and Cemolins Internacional SLU. This core ownership is bolstered by institutional investors Islam Cement Ltd. (2.75%) and Sinha Fashions Ltd. (1.73%), while the remaining 36.65% is distributed among a diverse group of public shareholders. This structure combines international expertise with local institutional support, ensuring financial stability and market growth as detailed in Annexure V.



Holcim is the leading partner for sustainable construction with net sales of CHF 16.2 billion in 2024, creating value across the built environment from infrastructure and industry to buildings. Headquartered in Zug, Switzerland, Holcim has more than 45,000 employees in 43 attractive markets – across Europe, Latin America and Asia, Middle East & Africa. Holcim offers high-value end-to-end Building Materials and Building Solutions, from foundations and flooring to roofing and walling – powered by premium brands including ECOPlanet, ECOPact, and ECOCycle®.



With nearly one century of experience, Molins is a global leader in sustainable and innovative building solutions as well as carbon neutrality and circular economy promoters. The clients value the quality of the products and building solutions, which are designed to shape a sustainable future. Sustainability is the hallmark of integrated business model that includes cement, concrete, aggregates, construction solutions, precast solutions, urban landscape, and circular economy.

Molins employs over 7,000 professionals located in Spain, Portugal, Bosnia, Mexico, Argentina, Uruguay, Bolivia, Colombia, Croatia, Turkey, Tunisia, Bangladesh, and India.

Board of Directors

a) Board composition

The Board of Directors of the Company comprising of ten (10) members, including two (2) Independent Directors being one (1) female Independent Director.

b) Resignation of Directors

Mr. Christof Hässig resigned from his position as Chairman of the Board of Directors and member of the Nomination and Remuneration Committee on May 9, 2025, after serving the Company for over seven years. Ms. Claudia Iris Albertini resigned from her position as Director and member of the Audit Committee on May 9, 2025, after serving the Company for two years.

The Board acknowledged for the valuable contributions and guidance of Mr. Christof Hässig and Ms. Claudia Iris Albertini throughout their tenure with the Company.

c) Directors' Appointment

In accordance with article 15.1.2 of Article of Association of the Company, Surma Holding B.V., the holding company of the Company, nominated Mr. Rajesh Kumar Surana and Mr. Kaspar Moritz Theiler on the Board of Directors' of the Company on April 28, 2025. Following the nominations, the Board of Directors appointed Mr. Rajesh Kumar Surana as Chairman & Director and Mr. Kaspar Moritz Theiler as Director of the Company.

Pursuant to Article 15.3 of the Article of Association of the Company, Mr. Rajesh Surana has been appointed as Chairman & Director of the Company on May 9, 2025. Pursuant to Article 15.1.3 of the Article of Association of the Company, Mr. Kaspar Moritz Theiler has been appointed as Director of the Company on May 9, 2025.

Credentials of Mr. Rajesh Surana and Mr. Kaspar Moritz Theiler are provided on page numbers 10 & 13 respectively in this Annual Report.

d) Independent Directors

Ms. Rubana Huq, Independent Director, resigned in November 2024. The Board acknowledges the valuable contributions made by Ms. Rubana Huq during her tenure in office and expresses their gratitude for her support given to the Company with great passion and insight.

Pursuant to the provisions of the Corporate Governance Code, the Board of Directors' appointed Ms. Rupali Haque Chowdhury, as Independent Director for one term of three (3) years, effective from May 7, 2025. It is proposed that the Shareholders approve the appointment of Ms. Rupali Haque Chowdhury as an Independent Director of the Company, not liable to retire by rotation at the 28th Annual General Meeting of the Company. Credential of Ms. Rupali Haque Chowdhury is provided on page numbers 18 in this Annual Report.

e) Recommendation for Directors' Retirement and Re-election

Pursuant to Regulation 79 of Schedule I of the Companies Act, 1994, Mr. Rajesh Surana, Mr. Kaspar

Moritz Theiler and Mr. Martin Kriegner, Directors of the Board of Directors shall retire at the 28th Annual General Meeting. Being eligible they offer themselves for re-election. Credentials of the above mentioned three Directors are provided on page numbers 10, 13 & 16 in this Annual Report.

f) Sub Committee of the Board

For ensuring good governance, the Board of Directors' have formed two sub-committees are as follows:

i. Audit Committee

The Audit Committee consists of three (3) Directors including one (1) Independent Director as the Chairman of the Audit Committee. The Audit Committee ensures that adequate internal checks & balances supported by adequate Minimum Control Standards as defined by the Sponsor Groups are in place for detection of errors, frauds and other deficiencies. The Audit Committee also ensures compliance of requirements of Bangladesh Securities and Exchange Commission (BSEC). The Audit Committee reviews the Quarterly and Annual Financial Statements. The Audit Committee also reviews adequacy and effectiveness of financial reporting process, accounting policies, internal control and risk management process. In addition, the Audit Committee oversee the compliance and provides necessary advices to the Management and Board of Directors' to ensure running the business in 100% compliance of the applicable laws, policies and directives.

ii. Nomination and Remuneration Committee

The Nomination and Remuneration Committee (NRC) consists of three (3) Directors including one (1) Independent Director as Chairman of the NRC to set the principles, parameters and governance framework for the nomination and remuneration of the Directors, Key Managerial Personnel, Top-Level Executives and other employees comprising the senior management.

g) Board and Sub Committee Meetings and Attendance

In 2025, the Board of Directors' Meeting of the Company met on four (4) and Audit Committee of the Company met on four (4) occasions respectively. The NRC of the Company met on one (1) occasion.

The meetings of the Board of Directors', Audit Committee and NRC meetings were held virtually in terms of the Bangladesh Securities and Exchange Commission's (BSEC) Order No. SEC/ SRMIC/94-231/25 dated July 08, 2020.

The details including dates of the meetings and attendance records of the Directors are annexed to this Annual Report as Annex II. The Directors who could not attend the meetings were granted leave of absence.

Corporate Governance Compliance Statement

The Company complied with all the necessary guidelines under BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 3, 2018. A separate section on Corporate Governance and the Compliance Report along with the necessary remarks and disclosures is appended in this Annual Report for the year 2025. A Certificate of Compliance

required under the said Guidelines, as provided by Mohammad Sanaullah & Associates, Chartered Secretaries & Management Consultants, is annexed to this Annual Report as Annex IX and the compliance status with the Corporate Governance Code is detailed in the checklist provided in Annexure X (Pages 90–102) of the Annual Report 2025.

Auditors' Report

The Company's Statutory Auditors have submitted their report on the Consolidated Financial Statements to the Shareholders, included in the Annual Report.

Statutory Auditors

Pursuant to Section 210 of the Companies Act, 1994, the Company's Statutory Auditors; Nurul Faruk Hasan & Co., Chartered Accountants, retire at the 28th Annual General Meeting of the Company on completion of consecutive term of three (3) years. They are not eligible for reappointment as per BSEC Notification on financial reporting and disclosure dated June 20, 2018 and Dhaka & Chittagong Stock Exchange (Listing) Regulations, 2015 dated June 30, 2015.

M/s Hoda Vasi Chowdhury & Co., Chartered Accountants expressed their interest to be appointed as statutory auditors of the Company for the year 2026. The Board of Directors has accepted the willingness of M/s Hoda Vasi Chowdhury & Co., Chartered Accountants, as per recommendation of Audit Committee, for appointment as statutory auditors for the year ending December 31, 2026 which is being placed in the 28th Annual General Meeting.

Corporate Governance Compliance Auditors

Every year, the Company obtains a certificate of compliance from a Practicing Professional Accountant/Secretary (Chartered Accountant/Cost and Management Accountant/Chartered Secretary) regarding compliance of conditions of the Corporate Governance Code.

M/s Mohammad Sanaullah & Associates, Chartered Secretaries & Management Consultants completed three (3) consecutive years and shall retire at the 28th Annual General Meeting of the Company. The Company need to change the Compliance Auditors every three (3) consecutive years for the good Corporate Governance.

A Qasem and Co., Chartered Accountants expressed their interest to be appointed as compliance auditors of the Company for the year 2026. The Board of Directors has accepted the willingness of A Qasem and Co., Chartered Accountants, as per recommendation of Audit Committee, for appointment as compliance auditors for the year ending December 31, 2026 which is being placed in the 28th Annual General Meeting.

Acknowledgements

LafargeHolcim Bangladesh extends its profound gratitude to our diverse group of stakeholders for their pivotal role in our shared success throughout 2025. We specifically recognize the invaluable guidance and cooperative spirit of the Governments of Bangladesh, India, and Meghalaya, whose support has been vital to our operational continuity. Our achievements this year are equally a result of the enduring trust and collaboration shared with our customers, dealers, vendors, and banking partners. We remain committed to these relationships as the backbone of our business excellence.

Our progress is deeply rooted in the solidarity of the local communities in Chhatak, Mongla, Meghnaghat, and Meghalaya, whose partnership inspires our commitment to sustainable growth. We owe our outstanding 2025 results to the relentless dedication and expertise of our management team and employees, who continue to set new benchmarks for performance. Finally, we offer our deepest thanks to our Shareholders led by the strategic stability of Surma Holding B.V. whose ongoing confidence and support remain the essential fuel for our journey toward a resilient and sustainable future.

For and on behalf of the Board of Directors



Rajesh Kumar Surana
Chairman

Date: April 7, 2026