

2023 COMPENSATION REPORT



COMPENSATION REPORT

Executive compensation is designed to reinforce the Holcim strategy by supporting the company to attract, motivate and retain talent while aligning their interests with those of shareholders.

The executive compensation structure balances rewards for short-term performance and long-term success by combining absolute and relative as well as financial and non-financial performance objectives, and by delivering compensation through a mix of cash and equity. To provide further alignment with shareholders, executives are expected to build a minimum level of Holcim share ownership over time.

The Compensation Report provides detailed information on the compensation programs at Holcim, on the compensation awarded to the members of the Board of Directors and the Executive Committee for 2023 and on the governance framework around compensation. It is written in accordance with the Swiss Code of Obligations, the Directive on information relating to Corporate Governance of the SIX Swiss Exchange and the principles of the Swiss Code of Best Practice for Corporate Governance of economiesuisse.



Cover Image:

The architect Frank Gehry, laureate of the Pritzker Architecture Prize in 1989, designed the Louis Vuitton Foundation building in Paris, consisting of concrete facades with geometric shapes called icebergs, dressed in Holcim's Ductal® Envelope

Dear shareholders,

I am pleased to share with you the Holcim Compensation Report for the financial year 2023, which was prepared in accordance with applicable laws, rules and regulations. As a leading global provider of innovative and sustainable building solutions, we aim to be an employer of choice. This is supported by a compensation framework that is designed to attract, motivate and retain the qualified talent needed to succeed globally and to provide excellent returns to you, our shareholders.

2023 was another record year for Holcim. We achieved our Strategy 2025 financial targets two years ahead of plan. Record Recurring EBIT was driven by positive price over cost trends in cement, aggregates and ready-mix. We continued to advance our leadership in sustainability, reducing CO₂ emissions per net sales by 20 percent compared to 2022, while ECOPlanet low-carbon cement reached 19 percent of total cement net sales and ECOPact low-carbon concrete reached 19 percent of total ready-mix net sales.

We will explain in this report how our performance in 2023 impacted the compensation awarded to the members of the Executive Committee under the incentive plans.

The Nomination, Compensation and Governance Committee (NCGC) performed its regular activities throughout the reporting year such as the succession planning for the Board of Directors and the Executive Committee, the performance objective setting at the beginning of the year and the performance assessment at year end, the determination of compensation for members of the Board of Directors and the Executive Committee, as well as the preparation of the Compensation Report and of the say-on-pay votes at the Annual General Meeting.

Miljan Gutovic will be appointed as Chief Executive Officer (CEO) of Holcim and member of the Group Executive Committee, effective 1 May 2024. Miljan Gutovic will take over from current CEO Jan Jenisch.

Steffen Kindler was appointed as Chief Financial Officer (CFO) of Holcim and member of the Group Executive Committee, effective 1 April 2023. Steffen Kindler took over from former CFO Géraldine Picaud, who decided to pursue opportunities outside the company. Further, Nollaig Forrest was appointed as Chief Sustainability Officer of Holcim and member of the Group Executive Committee, effective 1 September 2023. Nollaig Forrest is succeeding the former Chief Sustainability and Innovation Officer Magali Anderson, who decided to pursue new career opportunities as a Board member and supporter of NGOs.

With regards to the Board of Directors, Michael McGarry will be proposed for election as a member of the Board of Directors at the Annual General Meeting 2024.

**HANNE BIRGITTE
BREINBJERG SØRENSEN**
Chairwoman of the NCGC



On compensation matters, the NCGC reviewed the peer groups used for benchmarking, the performance indicators and target setting for the purpose of the incentive plans (with a focus on ESG), the share usage for equity plans, the compensation levels and the overall design of the compensation programs. The NCGC concluded that the compensation system continues to be aligned with the overall business strategy and shareholder interests and is well balanced. Therefore, no changes were implemented in 2023 and no substantial changes are foreseen for 2024.

You will find further details about the NCGC's activities and the compensation decisions during the reporting year in this report. You will have the opportunity to express your opinion about this Compensation Report in a consultative shareholder vote at the Annual General Meeting 2024.

We are convinced that the compensation framework supports our commitment to creating both financial and non-financial value over the long term and is well-aligned with our shareholders' interests. In the future, we will continue to review and assess our compensation programs and to maintain an open dialogue with our shareholders and their representatives.

Thank you for sharing your perspectives on executive compensation with us. We trust that you will find this report informative.

A handwritten signature in black ink, appearing to read 'Hanne B. Sørensen'.

HANNE BIRGITTE BREINBJERG SØRENSEN
Chairwoman of the NCGC

COMPENSATION REPORT

Compensation at a glance

Summary of compensation of the Board of Directors in 2023

To ensure their independence in their supervisory function, members of the Board of Directors receive a fixed compensation only, delivered in the form of cash and shares blocked for five years. The compensation system for the Board of Directors does not contain any performance related components.

Summary of compensation of the Executive Committee in 2023

The executive compensation framework is designed to reinforce the Holcim strategy by supporting the company to attract, motivate and retain talent while aligning their interests with those of the shareholders and stakeholders. The compensation structure is well-balanced: it rewards short-term and long-term performance, it combines absolute and relative as well as financial and non-financial performance objectives and it delivers compensation through a mix of cash and equity.

The compensation of the Executive Committee consists of fixed and variable elements. Fixed compensation includes base salary and benefits based on prevalent market practice.

Annual retainer (gross)	Cash (CHF)	Shares (CHF)	Expense allowance (CHF)	Committee fees (gross)	Chair-person (CHF)	Member (CHF)
Board Chair-person ^{1,2}	–	–	–	AC	160,000	40,000
Board Vice-Chair-person ²	200,000	200,000	10,000	NCGC	125,000	40,000
Board member	100,000	100,000	10,000	HSSC	125,000	40,000

¹ The Board Chairperson is not eligible for any compensation for this role for the time of his double mandate (since AGM 2023 until AGM 2024).

² The Board Chairperson and Vice-Chairperson are not eligible for committee fees.

Variable compensation comprises short-term and long-term elements as described below. It is based on ambitious and stretched performance objectives and it rewards Group and regional results. Clawback and malus provisions apply to the annual and the long-term incentive (LTI) plans.

Executive Committee members are subject to a share ownership guideline: the CEO must hold at least 500 percent of his annual base salary in shares, other Executive Committee members 200 percent.

SUMMARY OF COMPENSATION OF THE EXECUTIVE COMMITTEE IN 2023

Compensation element	Purpose	CEO	Other Executive Committee members
Base salary	Reward for the role		
Pension and benefits	Protect against risks, attract and retain		
Annual incentive	Reward short-term performance <ul style="list-style-type: none"> Group relative Sales growth (15%) Group relative Recurring EBIT growth (15%) Recurring EBIT (20%) Free Cash Flow after leases (35%) Health, Safety and Environment (15%) 	Target: 125% of salary Maximum payout: 200% of target (250% of salary)	Target: 75% of salary Maximum payout: 200% of target (150% of salary)
Long-term incentive	Reward long-term performance (3–5 years) and align with shareholders' interests: <ul style="list-style-type: none"> Performance shares: EPS before impairment and divestments, ROIC and sustainability Performance options: relative TSR 	Performance shares: Grant value: 125% of salary Maximum vesting: 200% of target Performance options: Grant value: 52.4% of salary Maximum vesting: 100% of target	Performance shares: Grant value: 70% of salary Maximum vesting: 200% of target Performance options: Grant value: 26.3% of salary Maximum vesting: 100% of target

Compensation of the Board of Directors for 2023

The compensation awarded to the Board of Directors in financial year 2023 is within the limits approved by the shareholders at the Annual General Meeting. Since the compensation period is not yet completed, a definitive assessment will be provided in the 2024 Annual Report.

Compensation of the Executive Committee for 2023

The compensation awarded to the Executive Committee for the financial year 2023 is within the limits approved by the shareholders at the Annual General Meeting 2022.

Summary of performance in 2023

In 2023, Holcim’s record full-year results were based on our superior earnings profile, comprising industry-leading margins and a strong balance sheet. Net sales reached CHF 27,009 million for 2023, with organic growth of 6.1 percent compared to the prior year. This was driven by fast growth in the mature markets of North America and Europe, with Solutions & Products expanding to account for 21 percent of Group net sales.

Compensation period	Approved amount (CHF)	Effective amount (CHF)
AGM 2022–AGM 2023	5,000,000	4,486,563
AGM 2023–AGM 2024	3,000,000	To be determined ¹

¹ The compensation period is not yet completed; a definitive assessment will be provided in the 2024 Compensation Report

Compensation period	Approved amount (CHF)	Effective amount (CHF)
Financial year 2023	42,500,000	33,579,181

Recurring EBIT reached a record CHF 4,760 million for 2023, up 14.7 percent organically, with a Recurring EBIT margin of 17.6 percent. This strong performance is the result of the Group’s successful shift from volume to value in 2023. Earnings per share before impairment and divestments reached the record level of CHF 5.42 for the full year 2023 compared to CHF 4.96 in 2022 before DOJ resolution. Holcim delivered another record Free Cash Flow after leases of CHF 3,705 million with a record cash conversion of 58 percent. Return on Invested Capital (ROIC) was 10.6 percent in 2023.

We continued to advance our leadership in sustainability, reducing CO₂ per net sales by 20 percent in 2023 compared to 2022, and driving circular construction, while expanding our low-carbon building solutions, with our billion Swiss-franc brands from ECOPlanet and ECOPact to OneCem and Elevate.

- Annual incentive 2023: payout of 174.8 percent of target on average for Executive Committee.
- Long-term incentive 2021: vesting level of 176.8 percent for the performance shares granted in 2021.

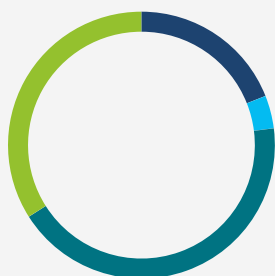
Compensation governance

- Authority for decisions related to compensation are governed by the Articles of Incorporation and the Organizational Regulations of Holcim Ltd as described in the Corporate Governance section.
- The prospective maximum aggregate amounts of compensation of the Board of Directors and of the Executive Committee are subject to binding shareholders’ votes at the Annual General Meeting.
- The Compensation Report is subject to a consultative vote by the shareholders at the Annual General Meeting.

The Board of Directors is supported by the NCGC for all matters related to compensation and governance. The NCGC members are elected annually by the shareholders at the Annual General Meeting.

COMPENSATION AWARDED FOR 2023

CEO



● Base salary	19%
● Pension & benefits	4%
● Annual incentive	43%
● Long-term incentive	34%

EXECUTIVE COMMITTEE MEMBERS



● Base salary	34%
● Pension & benefits	12%
● Annual incentive	32%
● Long-term incentive	22%

COMPENSATION REPORT CONTINUED

Compensation system:

Board of Directors

To guarantee their independence in exercising their supervisory duties, the members of the Board of Directors receive fixed compensation only and do not participate in Holcim's employee benefits plan. Part of the compensation is paid in blocked shares to strengthen the alignment with shareholders' interests.

Board compensation consists of an annual retainer for the Board Chairperson, Board Vice-Chairperson and Board members plus additional fees for assignments to the committees of the Board of Directors either as Chairperson or member. The Board Chairperson and Vice-Chairperson are not eligible for committee fees. The annual retainer is paid half in cash and half in shares subject to a five-year restriction period (prohibition of sale or pledging). Committee fees are paid in cash.

Additionally, a lump sum expense allowance is paid in cash. The members of the Board of Directors receive no additional reimbursements of business expenses beyond travel costs from abroad.

Cash compensation is paid quarterly for the Board members and monthly for the Board Chairperson. The shares are transferred in March for the past reporting year.

Since the Annual General Meeting 2023 and for the duration of his double mandate, the Board Chairperson does not receive any compensation for his function on the Board of Directors. For the period after the appointment of the new CEO on 1 May 2024, the Board Chairman will cease to receive compensation for the function as CEO and will be remunerated for the role of Board Chairman.

In exceptional circumstances, additional fees are payable to Board members when an exceptional workload beyond the regular function of the Board of Directors is required. No such fees were paid in the reporting year.

AGM 2024 onwards

The compensation of the Board of Directors is benchmarked regularly, last time in 2022, based on the Board compensation of other industrial SMI companies including ABB, Geberit, Givaudan, Lonza, Nestle, Novartis, Richemont, Roche, Sika, and Sonova (refer to section "Compensation Governance" for further details on the benchmarking peer group). The analysis showed that the compensation structure is aligned with prevalent market practice. In terms of compensation levels, the annual retainer and the committee fees for the Chairperson functions are above market median, while they are below market for the Board and committee members without Chairperson function.

Considering the complexity of the work of the Board of Directors and its committees, as well as the substantial additional requirements on the Board and committee Chairpersons, the NCGC concluded that this is appropriate and decided not to make any change to the compensation model except for the Board Chairman. The Chairman of the Board's role will be expanded to include involvement in major acquisitions, divestments, and strategy execution in key markets (e.g., the listing of the North American business in the U.S.). Consequently, the compensation will be set as an annual Board retainer of CHF 2.9 million, of which half will be paid in cash and half in restricted shares.

COMPENSATION MODEL OF THE BOARD OF DIRECTORS

Annual retainer (gross p.a.)	Cash compensation in CHF	Share-based compensation ³ in CHF	Expense allowance in CHF	Committee fees (gross p.a.) ¹	Cash compensation in CHF
Board Chairperson since AGM 2023 ^{1,2}	0	0	0	Audit Committee Chairperson	160,000
Board Vice-Chairperson ¹	200,000	200,000	10,000	Other Committee Chairpersons (NCGC, HSSC)	125,000
Board member	100,000	100,000	10,000	Committee member	40,000

¹ The Board Chairperson and Vice-Chairperson are not eligible for committee fees.

² The current Board Chairman is not eligible for any compensation to this role for the time of his double mandate (since AGM 2023 until AGM 2024). The former Board Chairperson was eligible for an annual retainer of CHF 1,650,000 paid half in cash and half in restricted shares, as well as a secretarial allowance of CHF 60,000 and an expense allowance of CHF 10,000.

³ Converted into shares based on the average share price between 1 January 2024 and 15 February 2024.

Compensation system:

Executive Committee

Compensation principles

Executive compensation is designed to reinforce the Holcim strategy by supporting the company to attract, motivate and retain talent, while aligning their interests with those of shareholders. The compensation programs are based on the principles described on the right.

Compensation model of the Executive Committee

The compensation for members of the Executive Committee includes the following elements:

- Annual base salary
- Pensions and benefits
- Variable compensation: annual and long-term incentive

Base salaries

Annual base salaries are established on the basis of the following factors:

- Scope, size, and responsibilities of the role; skills required to perform the role
- External market value of the role
- Skills, experience and performance of the individual in the role

To ensure market competitiveness, base salaries of the Executive Committee are reviewed annually taking into consideration the company's affordability, benchmark information, internal consistency and individual performance. The objective is to provide salaries broadly in line with the competitive market practice of selected comparable SMI companies (refer to section "Compensation Governance" for further details on the benchmarking peer group)

DRIVE SUSTAINABLE AND SOCIAL IMPACT

Our compensation programs are directly linked to our sustainability strategy, and especially to our climate goals. Extensive risk-taking and short-termism are strongly discouraged, especially when such behaviors could jeopardize our sustainable success. We believe in equal pay for equal work. Our compensation programs are straightforward and communicated transparently, both internally and externally.

PAY FOR PERFORMANCE

Our incentive plans reward short-term performance and long-term success through a balanced combination of absolute and relative performance objectives, as well as using financial and non-financial metrics. Non-financial goals focus on climate, environment and our broader role in society.



ACCELERATE INNOVATION

With a strong focus on growth and sustainability, our compensation programs incentivize re-invention of our products and services to reach net-zero. Our competitive compensation also helps us attract, retain and motivate highly talented individuals who contribute to this goal as well as maintaining an agile and diverse workplace.

CREATE SHAREHOLDER VALUE

Our share-based compensation plans foster long-term thinking and success as they strengthen the alignment of our management with the long-term interests of our shareholders. Our executives are expected to build a minimum level of share ownership over time so that they always have "skin in the game".

COMPENSATION MODEL OF THE EXECUTIVE COMMITTEE

Element	Purpose	Structure	Drivers	Performance objectives
Base salary	Attract and retain	Fixed amount paid monthly in cash	<ul style="list-style-type: none"> • Role & responsibilities • Market value • Experience 	
Pensions and insurances	Protect against risks	Pension contributions and benefits, insurances	<ul style="list-style-type: none"> • Market practice • Role 	
Benefits	Attract and retain	<ul style="list-style-type: none"> • Perquisites • Car or allowance • Relocation benefits 	<ul style="list-style-type: none"> • Market practice • Role 	
Annual incentive	Reward for short-term performance	Annual variable amount paid half in cash and half in shares blocked for three years	Annual financial and non-financial performance	<ul style="list-style-type: none"> • Group relative Sales growth • Group relative Recurring EBIT growth • Recurring EBIT • Free Cash Flow after leases • Health, Safety and Environment
Long-term incentive (LTI)	<ul style="list-style-type: none"> • Reward for long-term performance • Align with shareholders' interests • Retain 	<ul style="list-style-type: none"> • Performance shares subject to a three-year vesting • Performance options subject to a five-year vesting 	Long-term financial and non-financial performance	<ul style="list-style-type: none"> • EPS before impairment and divestments • ROIC • Sustainability • Relative TSR

COMPENSATION REPORT CONTINUED

Pension

Executive Committee members participate in the benefits plans available in the country of their employment. Benefits consist mainly of retirement, insurance and healthcare plans that are designed to provide a reasonable level of protection for the employees and their dependents with regards to health, retirement, death and disability. The members of the Executive Committee with a Swiss employment contract participate in Holcim's defined benefit pension scheme applicable to Swiss-based senior management, which is set up to achieve, for executives retiring from Holcim at age 62 and assuming ten years of service in senior management and 20 years of service with the Group, an amount of 40 percent of the average of the last three years' base salaries, inclusive of all other pension incomes participants may benefit from. Early or deferred retirement pensions are adjusted based on actuarial calculations. The members of the Executive Committee under foreign employment contracts are insured commensurately with market conditions and with their position. Each plan varies in line with the local competitive and legal environment and is, as a minimum, in accordance with the legal requirements of the respective country.

Benefits and perquisites

Members of the Executive Committee may receive certain executive perquisites such as a company car or allowances and other benefits in kind, in line with competitive market practice in their country of employment. Executives who are relocating may also be provided with expatriate benefits such as housing, schooling, travel benefits and tax advice, in line with the Holcim international mobility policy. These other compensation elements are included in the compensation table at fair value.

Annual incentive

The annual incentive rewards the financial results as well as the achievement of a Health, Safety and Environment (HSE) objective at Group and regional level (depending on the function) over a time horizon of one year.

The annual incentive target (i.e., incentive amount at 100 percent target achievement) is expressed as a percentage of base salary and amounts to 125 percent for the CEO and 75 percent for the other members of the Executive Committee. The payout is capped at 200 percent of target, i.e., 250 percent of base salary for the CEO and 150 percent of the base salary for the other Executive Committee members.

The financial performance is measured both in absolute terms (against own-set targets) and in relative terms compared to a peer group of companies that are exposed to similar market cycles.

- The absolute financial performance includes Recurring EBIT as a measure of Group and regional operational profitability, as well as Free Cash Flow after leases as a measure of the company's ability to generate cash. For those objectives, the NCGC determines a target level of expected performance (corresponding to a 100 percent payout), as well as a threshold level of performance below which there is no payout, and a maximum level of performance which corresponds to the maximum possible payout (cap).
- The relative financial performance includes Group sales growth and Group Recurring EBIT growth compared to peer companies. The intention of measuring Group sales growth and Recurring EBIT growth against peer companies is to neutralize market factors outside of management control. The objective is to perform better than the peer companies (regardless of market circumstances) and to reach at least median performance within the peer group, which corresponds to a 100 percent payout factor. The peer group includes companies that were chosen for their comparable products, technologies, customers, suppliers or investors, i.e., these companies are exposed to similar market conditions. The companies of the peer group are listed below. The measurement of the relative Group performance is provided by Obermatt, an independent Swiss financial research firm focused on indexing company performance.

PERFORMANCE PEER GROUP

Cement producers	Building materials	Construction
Boral	Carlisle	Acciona
Buzzi Unicem	James Hardie	ACS
Cemex	RPM	Bouygues
CRH	Saint-Gobain	Vinci
Heidelberg Materials	Sika	
Vicat		

PERFORMANCE OBJECTIVES AND WEIGHTINGS

Performance objective	Weighting
Relative Group sales growth	15%
Relative Group Recurring EBIT growth	15%
Recurring EBIT	20%
Free Cash Flow after leases	35%
Health, Safety and Environment	15%

The achievement of the Health, Safety and Environment (HSE) objective is measured as a scorecard including both leading and lagging performance objectives and based on four elements.

- **HSE Improvement Plan (HSE-IP):** The HSE-IP is determined at country level and includes strategic objectives such as key risk control and process safety management, health & well-being, industrial hygiene, road safety and incident elimination control. For the regions and the Group, an average of the HSE-IP scores of the countries, respectively the regions, is used to determine the achievement level.
- **Critical Risk Elimination (CRE):** CRE objectives include action closure based on the findings of HSE audit and of the safety management process for each country. For the regions and the Group, an average of the CRE scores of the countries, respectively the regions, is used to determine the achievement level.
- **Lost-Time Injury Frequency Rate (LTIFR):** LTIFR score reflecting improvements in the Lost-Time Injury Frequency Rate at country, regional and Group level.
- **Management evaluation criteria:** evaluation of the overall outcome during the year with regards to workplace safety.

The annual incentive is paid half in cash and half in shares subject to a three-year blocking period.

The annual incentive design applicable to the Executive Committee is summarized on page 8.

The annual incentive is subject to clawback and malus provisions. In case of financial restatement due to non-compliance to the accounting standards and/or fraud, or in case of violation of law and/or internal rules, the Board of Directors may deem all or part of the annual incentive to forfeit (malus) or may seek reimbursement of all or part of any paid annual incentive (clawback). Those provisions may be enforced within three years of any year subject to a financial restatement or during which the fraudulent behavior happened.

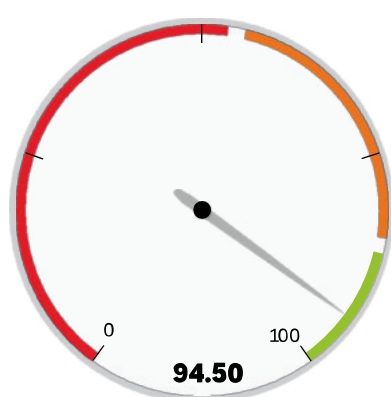
In case of termination of employment, any potential payment of the annual incentive is paid pro-rata and based on the effective performance (determined after year end) capped at the target amount (pro-rata).

2024 onwards

While the design of the annual incentive remains unchanged for 2024, the target amount for the members of the Executive Committee will be increased from currently 75 percent to 90 percent of the annual base salary. This is to account for the fact that the compensation levels of the Executive Committee members have not been adjusted in the last years (with the exception of recently promoted members), while market levels have evolved. Therefore, the decision was made to adjust the compensation levels with an increase of the annual incentive target amount, in line with our pay-for-performance philosophy.

HEALTH, SAFETY AND ENVIRONMENT SCORECARD

Overall HSE Continuous Improvement Score (CIS)



	Threshold	Target	Stretch
CIS	55	85	100
Payout	50%	100%	200%

Health, Safety and Environment Improvement Plan (HSE-IP)

At country level: strategic objectives in the areas of

- Leadership and competence
- Key risk control and process safety management
- Systems & processes
- Health, well-being and industrial hygiene
- Road safety: on-site and off-site traffic safety
- Incident elimination control

HSE-IP score based on percentage completion of strategic objectives (score of 85 if all objectives are achieved)

Critical Risk Elimination (CRE)

At country level: Group HSE audit and Process Safety Management (PSM) inspection

CRE score based on action closure (score of 100 percent if action closure of audit + PSM findings completed on time)

Lost-Time Injury Frequency Rate (LTIFR)

Number of on-the-job injuries that require a person to stay away from work for a day or more per one million hours worked, goal to improve versus previous year

LTIFR score based on specific target set at country, region or Group level

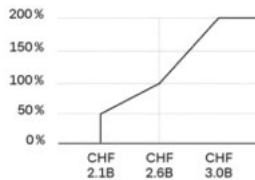
Management evaluation criteria

Evaluation of the overall outcome during the year with regards to workplace safety at country, region or Group level

COMPENSATION REPORT CONTINUED

DESIGN OF THE ANNUAL INCENTIVE 2023

Role	CEO	Other Executive Committee members
Target opportunity	125% of salary	75% of salary
Maximum opportunity	250% of salary	150% of salary

Performance objectives	Relative Group performance	Recurring EBIT growth (Group or region)*	Free Cash Flow after leases (Group or region)	Health, Safety and Environment (HSE) (Group or region)*
Purpose	Measures Group's performance compared to peer companies exposed to similar market cycles	Measures Group or regional operational profitability	Measures the company's ability to generate cash	Measures health, safety and environment indicators to ensure a safe workplace
Definition	Relative Group sales growth (50%) and relative Group Recurring EBIT growth (50%) expressed as percentile ranking in the peer group of companies and measured on a constant scope basis (factoring out divestments and acquisitions occurring in the current year and the prior year). Group Recurring EBIT growth is then divided by net sales of prior year (both adjusted for scope)	Organic growth versus prior year of the Recurring EBIT is defined as Operating profit/loss (EBIT) adjusted for restructuring, litigation, other non-recurring costs and for impairment of operating assets Organic growth information is information factoring out changes in the scope of consolidation (such as divestments and acquisitions occurring in current and prior year) and currency translation effects (current year figures are converted with prior year exchange rates in order to calculate the currency effects)	Cash flow from operating activities, adjusted for net maintenance and expansion capital expenditures and for repayment of long-term lease liabilities	Scorecard over 100 points based on four elements: Health, Safety and Environment Improvement Plan (HSE-IP), Critical Risk Elimination (CRE), Lost-Time Injury Frequency Rate (LTIFR) and management evaluation criteria
Weighting	30%	20%	35%	15%
Targets for 2023	Ranking at the median of the peer group. This is unchanged compared to the ranking target applicable in 2022 and is in line with our ambition to outperform our peers on top-line and bottom-line growth.	Recurring EBIT growth target of 3%. This is a decrease compared to the target of 6% growth in 2022, which was driven by the fact that the baseline in 2022 (for the 2023 target) was higher than the baseline in 2021 (for the 2022 target). In addition, higher energy prices and spike of inflation in other cost categories were expected, as well as negative volumes in 2023 compared to 2022	Free Cash Flow after leases of CHF 2.6 billion. This is an increase compared to the target of CHF 2.5 billion for 2022, which is driven by the "Strategy 2025 – Accelerating Green Growth"	85 points on the HSE scorecard. This is unchanged compared to the HSE targets applicable in 2022 and is in line with our ambition to improve health, safety and environment globally
Payout formula (threshold, target and cap for the Group)				

* Group level for corporate Executive Committee roles, regional level for regional Executive Committee roles

Long-term incentives

Our compensation philosophy is to align a significant portion of compensation of the Executive Committee with long-term company performance and to strengthen alignment with shareholders' interests. To support "Strategy 2025 – Accelerating Green Growth", the grant awarded under the long-term incentive consists of both performance shares and performance options.

Performance shares

Performance shares are subject to a three-year vesting period based on three equally weighted performance objectives: 1) Earnings per share (EPS) before impairment and divestments, 2) Return on Invested Capital (ROIC) adjusted for material changes in scope and 3) sustainability. These performance objectives have been chosen as they reflect the strategic priorities of the Group to increase profitability through strong operating leverage (EPS), to improve how the company generates profits relative to the capital it has invested in its business (ROIC) and to mitigate the company's impact on the environment (sustainability). The sustainability objective encompasses three pillars of the company's sustainability strategy in line with Holcim's commitment to build a net-zero future with science based targets (see also box on the right):

- Climate: reduction of CO₂ emissions (Scope 1) per ton of cementitious material produced (50 percent weight). Scope 1 includes all emissions released directly from the operations, which account for around 59 percent of the overall footprint and are at the core of the emission strategy of Holcim
- Circularity: quantity of recycled waste derived resources (25 percent weight)
- Nature: reduction of freshwater withdrawal per ton of cementitious material produced (25 percent weight)

For all three objectives, the NCGC determines a threshold performance level (below which there is no vesting), a target level (vesting of 100 percent) and a stretch performance level (vesting of 200 percent). Between these levels, vesting is calculated on a straight-line basis.

Performance options

Performance options are subject to a five-year vesting period based on Holcim's relative total shareholder return (TSR) compared to a group of peer companies, and have a maturity of ten years. Threshold vesting (25 percent of maximum) will be achieved if the median of the peer group is reached, target vesting (50 percent of maximum) will be achieved if the 60th percentile is reached, and full vesting (100 percent) will be achieved if the 75th percentile is reached on average during the five-year vesting period. There will be no vesting for performance below the median of the peer group. The vesting level between threshold, target and full vesting is calculated on a straight-line basis. The companies of the peer group are the same as for the annual incentive and are listed on page 6.

Once vested, the LTI awards (performance shares and performance options) are not subject to a further holding period. The performance option can be exercised during a period of five years after the vesting.

The unvested LTI awards forfeit upon termination of employment, except in case of retirement, ill-health, disability, by reason of the employment being with a company/business which ceases to be a Group member, termination by the employer within 18 months from a relevant merger & acquisition transaction or any other cases at the discretion of the NCGC. In such circumstances, unvested LTI awards are subject to a pro-rata vesting (for the number of full months between grant date and termination date), without acceleration, i.e., the vesting of the pro-rated number of awards will occur at the regular vesting date, subject to performance measurement over the entire performance period. In the event of death and change of control (unless the unvested LTI awards are replaced by an equivalent award following the change of control) unvested LTI awards vest immediately on a pro-rata basis assuming that performance conditions are met. For the avoidance of doubt, LTI awards always lapse when termination is due to voluntary resignation or gross misconduct.

The LTI awards are subject to clawback and malus provisions for a period of three years after vesting in case of financial restatement, error or inaccurate or misleading information to assess the fulfillment of performance conditions or a termination for cause.

The long-term incentive design applicable to the Executive Committee is summarized on the next page.

Science based targets

Holcim's commitment to build progress for people and the planet includes ambitious targets related to climate, waste and freshwater withdrawal. Holcim was the first global building materials company to sign the "Business Ambition for 1.5°C" pledge with the Science Based Target initiative (SBTi) and in November 2022 upgraded its 2030 climate targets, validated by SBTi, in line with its sector's new 1.5°C science-based framework.

The CO₂ target included in the performance objectives of the long-term incentive are based on CO₂ targets validated by the SBTi.

2024 onwards

The overall design of the LTI generally remains unchanged for 2024. However, to align the circularity performance objective with upcoming regulatory frameworks, the performance objective waste-derived resources will be replaced by construction demolition materials (CDM) which is defined as total volume of material recycled coming from construction, renovation, repair and demolition of houses, large building structures, roads, bridges, piers and dams. This performance objective is core to measure Holcim's circularity and in full alignment with strategic objectives.

The weighting as well as all other performance objectives will remain unchanged.

COMPENSATION REPORT CONTINUED

DESIGN OF THE LONG-TERM INCENTIVE

Role	CEO	Other Executive Committee members		
Grant size in 2023	177.4% of salary (125% in performance shares, 52.4% in performance options)	96.3% of salary (70% in performance shares, 26.3% in performance options)		
Performance objectives	EPS growth before impairment and divestments (performance shares)	ROIC (performance shares)	Sustainability (performance shares)	Relative TSR (performance options)
Purpose	Measures the company's profitability to investors	Measures the company's ability to generate returns from Invested Capital	Measures the company's improvement in mitigating the impact of its operations on the environment	Measures the company's ability to provide investors with strong returns
Definition	<p>EPS adjusted for after tax gains and losses on disposals of Group companies and impairments of goodwill and long-term assets</p> <p>It is defined as: +/- Net income/loss +/- Gains and losses on disposals of Group companies, net of taxation +/- Impairment of goodwill and long-term assets, net of taxation : Weighted average number of outstanding shares</p>	<p>ROIC at year end 2025, adjusted for changes in scope between 2023 and 2025</p> <p>It is defined as: +/- Net Operating Profit/loss After Tax (NOPAT) : Average Invested Capital (Average Invested Capital = Invested Capital at beginning of year + Invested Capital at year end, sum divided by 2)</p> <p>In case of material change in scope during the year, the average Invested Capital is adjusted pro-rata temporis</p>	<p>Climate and energy: Net CO₂ emissions (Scope 1) measured in kg CO₂/t cementitious (50% weight); circular economy: quantity of waste recycled in million tons (25 % weight); nature: freshwater withdrawn in liters freshwater/t cementitious (25% weight)</p>	<p>Holcim's TSR over the five-year performance period, starting on 1 January 2023, and ending on 31 December 2027 expressed as a percentile ranking in a peer group of companies</p> <p>It is defined as: Share price at end of period - Share price at beginning of period + Dividends paid during the period : Share price at beginning of period</p>
Weighting	33⅓% of performance share grant	33⅓% of performance share grant	33⅓% of performance share grant	100% of performance option grant
Performance period	2023–2025	2025	2025	2023–2027
Targets for the 2023 grant	EPS growth of 5% p.a. This is unchanged compared to the EPS target applicable to the performance shares granted in 2022	ROIC of 9% in 2025. This is an increase by 0.5 percentage points compared to the ROIC target for 2024 applicable to the performance shares granted in 2022 and is in alignment with the "Strategy 2025 – Accelerating Green Growth"	CO ₂ emissions of 520 kilograms per ton of cementitious material produced in 2025 compared to the target of 534 kilograms set in 2022. Waste of 45 million tons recycled in 2025 compared to the target of 41 million set in 2022. Freshwater withdrawal of 292 liters per ton of cementitious material produced in 2025 compared to the target of 302 liters set in 2022	Ranking at the 60th percentile of the peer group. This is unchanged compared to the ranking target applicable to the performance options granted in 2022 and is in line with our ambition to outperform our peers in terms of shareholder return
Performance vesting				
Maximum vesting level	200%	200%	200%	100%
Vesting and holding periods	Three-year cliff vesting No further holding period	Three-year cliff vesting No further holding period	Three-year cliff vesting No further holding period	Five-year cliff vesting No further holding period 10-year maturity (in total)

Adjustment of sustainability targets for the outstanding performance shares granted in 2021

Due to the divestment of the operating activities in India and Brazil, and the derecognition of Russia from our key performance indicators, the sustainability targets for the outstanding performance shares granted in 2021 had to be adjusted in order to comply with the “Sustainability Framework Guidelines” of the Global Cement and Concrete Association (GCCA) for CO₂ reporting. Those require the deconsolidation of divestments for the full year and the restatement of historic emissions, which are the baseline to measure the emission reductions.

Consequently, India, Brazil, and Russia were fully excluded from the 2022 reported figures and the baselines (historic data) and targets have been adjusted accordingly. The new baselines were externally validated by EY & Associés.

For consistency reasons, the same methodology was applied for waste recycling and water consumption figures. The table below shows the original and adjusted targets for the outstanding performance shares granted in 2021 (measured in 2023, payout in 2024).

Performance objectives	Original targets	Adjusted targets	Comments																								
Performance shares granted in 2021	<table border="1"> <tr> <td>CO₂ (kg/t cem)</td> <td>550</td> <td>542</td> <td>534</td> </tr> <tr> <td>Waste (mt)</td> <td>55</td> <td>60</td> <td>65</td> </tr> <tr> <td>Freshwater (l/t cem)</td> <td>253</td> <td>243</td> <td>233</td> </tr> </table>	CO ₂ (kg/t cem)	550	542	534	Waste (mt)	55	60	65	Freshwater (l/t cem)	253	243	233	<table border="1"> <tr> <td>CO₂ (kg/t cem)</td> <td>555</td> <td>547</td> <td>539</td> </tr> <tr> <td>Waste (mt)</td> <td>35</td> <td>38</td> <td>41</td> </tr> <tr> <td>Freshwater (l/t cem)</td> <td>323</td> <td>311</td> <td>299</td> </tr> </table>	CO ₂ (kg/t cem)	555	547	539	Waste (mt)	35	38	41	Freshwater (l/t cem)	323	311	299	The baseline 2020 results were adjusted by excluding the scope of India, Brazil and Russia and the targets were reset accordingly, with an increased ambition in terms of improvement compared to the baseline
CO ₂ (kg/t cem)	550	542	534																								
Waste (mt)	55	60	65																								
Freshwater (l/t cem)	253	243	233																								
CO ₂ (kg/t cem)	555	547	539																								
Waste (mt)	35	38	41																								
Freshwater (l/t cem)	323	311	299																								

Executive share ownership guidelines

To reflect the importance the NCGC places on aligning their interests with shareholders, Executive Committee members are required to own at least a minimum multiple of their annual base salary in Holcim shares as set out below:

- CEO: 500 percent of annual base salary
- Other Executive Committee members: 200 percent of annual base salary

Members of the Executive Committee are expected to meet the minimum shareholding requirements within four years of their appointment to the Executive Committee. To calculate whether the minimum shareholding requirement is met, all shares purchased on the market and vested shares from incentive plans are considered.

However, unvested performance shares and options are excluded. In case of non-compliance to the minimum requirements at the required date, Executive Committee members are prohibited to sell any shares held. Further, their annual incentive (net of statutory deductions) will be paid entirely in shares. The compliance to the share ownership guidelines is monitored on an annual basis. The current shareholdings of the members of the Executive Committee can be found on page 18.

Employment contracts for the Executive Committee

The contracts of employment of the Executive Committee members are concluded for an indefinite period and may be terminated with one year’s notice. Contracts of employment do not include severance compensation or change of control clauses except the vesting provisions of the LTI awards as described above. They may include non-competition provisions that are limited in time to maximum of one year and which may allow a compensation up to a maximum of 50 percent of the last paid total annual compensation.

COMPENSATION REPORT CONTINUED

Compensation for the financial year 2023

The tables on page 12 and 13 were audited according to Article 734a-f of the Swiss Code of Obligations.

C: Committee Chair
M: Member

AC: Audit Committee
NCGC: Nomination, Compensation and Governance Committee
HSSC: Health, Safety & Sustainability Committee

BOARD OF DIRECTORS (AUDITED)

Name	Positions as per 31 December			Cash compensation CHF gross	Share-Based compensation		Other ⁶ CHF gross	Subtotal CHF gross	Social Security ⁷ CHF	2023 Total CHF gross	2022 Total CHF gross
	AC	NCG C	HSS C		Number	Value CHF gross					
Jan Jenisch ¹				0	0	0	0	0	0	0	0
Beat Hess ²				343,750	5,279	343,750	37,355	724,855	0	724,855	1,720,000
Hanne B. Sørensen		C		200,000	3,071	200,000	10,000	410,000	0	410,000	395,416
Dieter Spälti ³				0	0	0	0	0	0	0	175,393
Philippe Block ⁴			C	225,000	1,536	100,000	10,000	335,000	4,675	339,675	304,143
Kim Fausing	M			140,000	1,536	100,000	10,000	250,000	0	250,000	250,000
Leanne Geale ⁵			M	140,000	1,536	100,000	10,000	250,000	4,675	254,675	150,161
Colin Hall ³				0	0	0	0	0	0	0	104,167
Patrick Kron ²				108,333	640	41,667	4,167	154,167	0	154,167	386,667
Naina Lal Kidwai	C		M	233,333	1,536	100,000	10,000	343,333	0	343,333	250,000
Adrian Loader ³				0	0	0	0	0	0	0	156,251
Ilias Läber ⁵	M	M		180,000	1,536	100,000	10,000	290,000	4,675	294,675	173,726
Jürg Oleas	M	M		180,000	1,536	100,000	10,000	290,000	0	290,000	277,893
Claudia Sender Ramirez		M	M	180,000	1,536	100,000	10,000	290,000	4,455	294,455	290,000
Total				1,930,416	19,742	1,285,417	121,522	3,337,355	18,480	3,355,835	4,633,817

¹ Does not receive compensation for his function on the Board of Directors

² Board member until 4 May 2023

³ Board member until 4 May 2022

⁴ Includes CHF 9,375 as a compensation for participation in the Holcim Foundation for Sustainable Construction

⁵ Board member since 4 May 2022

⁶ Expense allowances; and secretarial allowance and farewell gift for the Chairman of the Board

⁷ This amount includes social security contributions to the extent that they result in a future benefit entitlement. Additional contributions that do not result in an increase of the benefit entitlement are excluded (additional contributions in the amount of CHF 121,764 are excluded)

Explanations

In 2023, ten non-executive members of the Board of Directors received in total compensation of CHF 3.4 million (2022: CHF 4.6 million) of which CHF 1.9 million was paid in cash (2022: CHF 2.6 million), CHF 0.02 million in the form of social security contributions (2022: CHF 0.02 million), and CHF 1.3 million in shares (2022: CHF 1.9 million). Other compensation paid totaled CHF 0.1 million (2022: CHF 0.2 million).

The compensation in 2023 was lower than in 2022 because as of the Annual General Meeting 2023, the Board Chairman did not receive any compensation for the board function due to the dual mandate. The compensation structure and levels for all the other functions on the Board of Directors remained unchanged from the previous year.

At the Annual General Meeting 2022, shareholders approved a maximum aggregate amount of compensation of CHF 5,000,000 for the Board of Directors for the term until the Annual General Meeting 2023. The compensation paid to the Board of Directors for this term was CHF 4,486,563 and is therefore within the approved limits.

At the Annual General Meeting 2023, shareholders approved a maximum aggregate amount of compensation of CHF 3,000,000 for the Board of Directors for the term until the Annual General Meeting 2024. The compensation paid to the Board of Directors for this term is anticipated to be approximately CHF 2.8 million. The final amount will be disclosed in the 2024 Annual Report.

EXECUTIVE COMMITTEE (AUDITED)

Executive	Base salary CHF gross	Other fixed pay ¹ CHF gross	Annual incentive CHF gross	Performance shares ²	Performance options ³	Replacement award ⁴	Social/ pension contri- butions ⁵ CHF	Total 2023 CHF gross	Total 2022 CHF gross
				Fair value at grant CHF gross	Fair value at grant CHF gross	Fair value at grant CHF gross			
Jan Jenisch, CEO									
1 January until 31 December 2023	1,800,000	26,000	4,051,800	2,262,934	943,200	–	381,562	9,465,496	9,157,109
Other members									
1 January until 31 December 2023	6,857,608	1,403,629	7,725,517	3,432,455	1,410,416	409,119	2,874,941	24,113,685	25,656,185
Total	8,657,608	1,429,629	11,777,317	5,695,389	2,353,616	409,119	3,256,503	33,579,181	34,813,294

¹ Includes the value of benefits in kind: car allowance and benefits for internationally mobile members (expatriates) such as housing, schooling and tax consulting.

² Performance shares granted under the long-term incentive plan, subject to a three-year performance-based vesting period. The disclosed amount corresponds to the fair value at grant.

³ Performance options granted under the long-term incentive plan, subject to a five-year performance-based vesting period. The disclosed amount corresponds to the fair value at grant.

⁴ The replacement award granted to a new Executive Committee member is a combination of performance shares and restricted shares, matching the equity plans forfeited from his previous employer on a strict like-for-like basis.

⁵ Includes contribution to social security and occupational pension plans. Contributions to social security plans for members employed in Switzerland include social security contributions to the Swiss old age, survivors and disability insurance (OASI/AHV/IV/EO) to the extent that they result in a future benefit entitlement. Additional contributions that do not result in an increase of the benefit entitlement are excluded (additional contributions in the amount of CHF 1,619,114 are excluded). Contributions to social security plans for members employed outside of Switzerland include the contributions effectively paid in the reporting year.

COMPENSATION REPORT CONTINUED

Explanations

The total annual compensation for the twelve members of the Executive Committee for 2023 amounted to CHF 33.6 million (2022: CHF 34.8 million). This amount comprises base salaries, other fixed pay and annual incentive of CHF 21.9 million (2022: CHF 23.3 million), equity-based long-term incentive of CHF 8.4 million (2022: CHF 9.0 million), employer contributions to social security and pension plans of CHF 3.3 million (2022: CHF 2.6 million).

The compensation changes for 2023 compared to 2022 are mainly caused by the following factors:

- The composition of the Executive Committee has changed compared to the previous year. Two new members were appointed to the Executive Committee in replacement of two members who left the company, however, their compensation is still included for the duration of their notice period. Therefore, the compensation table includes twelve Executive Committee members in 2023, of which nine on a full-year basis, compared to eleven members on a full-year basis in 2022.
- The base salary of three Executive Committee members was increased between 2022 and 2023. The base salaries of all other Executive Committee members, including the CEO, have not been adjusted. Considering that the target STI and LTI are defined as a fixed percentage of the base salary, the target STI and LTI as monetary amounts increased for the said members who received a salary increase and remained unchanged for all other members.
- 2023 was another record year for Holcim. The overall annual incentive payout of 174.8 percent compares to an overall payout of 169.5 percent in previous year. Further details are provided on the next page.

The compensation awarded to the Executive Committee members for 2023 in the amount of CHF 33,579,181 is within the total maximum amount of compensation for the Executive Committee for the financial year 2023 of CHF 42,500,000 approved at the Annual General Meeting 2022.

Performance in 2023

In 2023, Holcim's record full-year results were based on our superior earnings profile, comprising industry-leading margins and a strong balance sheet. Net sales reached CHF 27,009 million for 2023 with organic growth of 6.1 percent compared to the prior year. This was driven by fast growth in the mature markets of North America and Europe, with Solutions & Products expanding to account for 21 percent of Group net sales.









Recurring EBIT reached a record CHF 4,760 million for 2023, up 14.7 percent organically, with a Recurring EBIT margin of 17.6 percent. This strong performance is the result of the Group's successful shift from volume to value in 2023. Earnings per share before impairment and divestments reached the record level of CHF 5.42 for the full year 2023 compared to CHF 4.96 in 2022 before DOJ resolution. Holcim delivered another record Free Cash Flow after leases of CHF 3,705 million with a record cash conversion of 58 percent. Return on Invested Capital (ROIC) was 10.6 percent in 2023.

We continued to advance our leadership in sustainability, reducing CO₂ per net sales by 20 percent in 2023 compared to 2022, and driving circular construction, while expanding our low-carbon building solutions, with our multi-billion Swiss-franc brands from ECOPlanet and ECOPact to OneCem and Elevate.

With those results, the Group outperformed the peer companies in terms of relative performance and exceeded its Recurring EBIT growth and Free Cash Flow after leases targets. Three regions reached the stretch level of performance on both Recurring EBIT growth and Free Cash Flow after leases. With regards to HSE, the safety of the workplace was again substantially improved year-on-year and the performance targets were exceeded as well.

Overall, the annual incentive amounted to 180.1 percent of target for the CEO (225.1 percent of salary) and 174.2 percent on average for the other members of the Executive Committee (130.6 percent of salary). The ratio of variable versus total compensation amounted to 76.7 percent for the CEO and to 52.1 percent on average for the other members of the Executive Committee.

PAYOUT OF THE ANNUAL INCENTIVE IN 2023

Performance objectives	Results		Payout Percentage		
			Threshold	Target	Stretch
Relative Group performance (30%)¹	With a Group net sales growth of -0.5% (adjusted basis for the purpose of external benchmarking based on a common methodology applied to the reported figures of Holcim and of the peer companies: constant scope; conversion of all peers in Swiss francs as common currency), Holcim achieved the 53rd percentile in the peer group. With a Recurring EBIT growth of 1.3% (scaled by sales and adjusted basis), Holcim achieved the 73rd percentile in the peer group. On a combined basis Holcim achieved the 63rd percentile (152% payout factor).	Net Sales growth			
		Recurring EBIT growth			
Recurring EBIT (20%) (Group or regional)	The 2023 Group Recurring EBIT organic growth was 14.7% compared to a target of 3%, which corresponds to a payout factor of 200%. The regional EBIT performance was mixed, with one region below the threshold (0% payout factor) and all other regions exceeding the stretch (200% payout factor).	Group Recurring EBIT			
		Regional Recurring EBIT			
Free Cash Flow after leases (35%) (Group or regional)	The Group Free Cash Flow (FCF) after leases was CHF 3,705 million compared to a target of CHF 2,600 million, which corresponds to a payout factor of 200%. The regional FCF after leases targets were outperformed overall with one region just below stretch (195% payout factor) and all other regions exceeding the stretch (200% payout factor).	Group FCF after leases			
		Regional FCF after leases			
Health, Safety and Environment (HSE) (15%) (Group or regional)	The HSE scorecard includes three elements (HSE-IP, CRE, and LTIFR) as well as a management evaluation criteria. The management evaluation criteria allows an assessment of the HSE performance beyond the three elements HSE-IP, CRE, and LTIFR. For 2023, it has been decided that in any region where severe incidents happened, the scorecard score shall be capped at target level. This approach has been applied in two regions and for the Group (weighted average of regional adjustments). At Group level, the payout factor was 163% (194% without scorecard cap). At regional level, it ranged from 100% to 200% (190% to 200% without scorecard cap). Further information on Health & Safety is provided on pages 138–139 in the 2023 Integrated Annual Report .	Group HSE score			
		Regional HSE score			
Total	Overall payout of 180.1% for the CEO and of 174.2% on average for the other Executive Committee members				

¹ The relative Group performance assessment is based on a best estimate at time of publication (i.e., includes an estimate for companies that did not yet publish their annual results). The final achievement level will be calculated by Obermatt before the payout date in March 2024 based on the annual report publications of the peer companies.

COMPENSATION REPORT CONTINUED

Performance shares granted in 2020 vested in March 2023 conditional upon EPS before impairment and divestments, ROIC, and sustainability objectives all measured in 2022. The vesting of this grant is disclosed in the first table below.

Performance shares granted in 2021 will vest in March 2024 conditional upon EPS before impairment and divestments, ROIC, and sustainability objectives all measured in 2023.

The performance period applying to this grant is therefore already completed and the payout of the plan can already be assessed. The vesting of this grant applies to all current ten Executive Committee members and is disclosed in the second table below.

Performance options granted in 2018 were subject to a five-year vesting period based on total shareholder return (TSR). The vesting level in March 2023 was below threshold, resulting in zero vesting.

Performance options granted in 2019 are subject to a five-year vesting period based on total shareholder return (TSR) and will vest in March 2024.

VESTING OF THE LONG-TERM INCENTIVE IN 2023: PERFORMANCE SHARES GRANTED UNDER THE LONG-TERM INCENTIVE IN 2020

Grant	Performance objectives	Definition	Target	Result and payout	Payout calculation
2020 Performance shares	EPS growth (33 1/3 %)	Earnings per share before impairment and divestments in 2022: adjusted for after tax gains and losses on disposals of Group companies, and impairments of goodwill and long-term assets, and the DOJ resolution in 2022	EPS growth of 7%	EPS of CHF 4.96 leads to a 200% payout	33 1/3% * 200%
	ROIC (33 1/3 %)	Return on Invested Capital at year end 2022, adjusted for changes in scope between 2020 and 2022	ROIC of 8%	ROIC of 9.5% leads to a 200% payout	33 1/3% * 200%
	Sustainability (33 1/3 %)	Climate and energy in 2022: Scope 1 net CO ₂ emission measured in kg CO ₂ /t cementitious material (50 % weight); circular economy in 2022: quantity of waste re-used in million tons (25% weight); environment in 2022 freshwater withdrawn in liters freshwater/t cementitious material (25% weight)	CO ₂ (kg/t cem): 569 Waste (mt): 34 Freshwater (l/t cem): 360	CO ₂ of 561.5 (kg/t cem), Waste of 34 (mt) and Freshwater of 303.7 (l/t cem) leads to a 171.9% payout	33 1/3% * 171.9%
	Total				overall vesting of 190.6%

VESTING OF THE LONG-TERM INCENTIVE IN 2024: PERFORMANCE SHARES GRANTED UNDER THE LONG-TERM INCENTIVE IN 2021

Grant	Performance objectives	Definition	Target	Result and payout	Payout calculation
2021 Performance shares	EPS growth (33 1/3%)	Earnings per share before impairment and divestments in 2023: adjusted for after tax gains and losses on disposals of Group companies, and impairments of goodwill and long-term assets	EPS growth of 7%	EPS of CHF 5.42 leads to a 200% payout	33 1/3% * 200%
	ROIC (33 1/3%)	Return on Invested Capital at year end 2023, adjusted for changes in scope between 2021 and 2023	ROIC of 8%	ROIC of 10.6% leads to a 200% payout	33 1/3% * 200%
	Sustainability (33 1/3%)	Climate and energy in 2023: Scope 1 net CO ₂ emissions measured in kg CO ₂ /t cementitious material (50% weight); circular economy in 2023: quantity of waste re-used in million tons (25% weight); environment in 2023 freshwater withdrawn in liters freshwater/t cementitious material (25% weight)	CO ₂ (kg/t cem): 547 Waste (mt): 38 Freshwater (l/t cem): 311	CO ₂ of 545.0 (kg/t cem), Waste of 36.3 (mt) and Freshwater of 297.7 (l/t cem) leads to a 130.4% payout	33 1/3% * 130.4%
	Total				overall vesting of 176.8%

VESTING OF THE LONG-TERM INCENTIVE IN 2024: PERFORMANCE OPTIONS GRANTED UNDER THE LONG-TERM INCENTIVE IN 2019

Grant	Performance objectives	Definition	Target	Result and payout	Payout calculation
2019 Performance options	Relative TSR (100%)	Holcim's TSR over the five-year performance period, starting on 1 January 2019 and ending on 31 December 2023, expressed as a percentile ranking in a peer group of companies	Relative TSR ranking at the 60th percentile of the peer group	Holcim's ranking at the 72nd percentile leads to a 90% payout	100% * 90%
Total				overall vesting of 90%	

Loans or credit facilities granted to members of governing bodies

There were no loans or credit facilities granted to members or former members of the Executive Committee, members or former members of the Board of Directors or to parties closely related to members or former members of governing bodies in 2023. There were no loans or credit facilities to any of those parties outstanding on 31 December 2023.

Compensation for former members of governing bodies

Due to the salary continuance period during the contractual notice period, a total remuneration amounting to CHF 0.2 million was provided to a former member of the Executive Committee in 2023. During 2023 and 2022, no payments were made to other former members of the Executive Committee, members of the Board of Directors, and to parties closely related to members or former members of the governing bodies.

Share ownership information

Board of Directors

On 31 December 2023, the members of the Board of Directors held a total of 669,873 registered shares in Holcim Ltd. This number comprises privately acquired shares and those allotted under participation and compensation schemes. Until the announcement of market-relevant information or projects to the public, the Board of Directors, the Executive Committee and any employees possessing such market-relevant information are prohibited from effecting transactions with equity securities or other financial instruments of Holcim Ltd, exchange-listed Group companies or potential target companies (trade restriction period).

Ownership of shares and options: Executive Committee

As of 31 December 2023, the members of the Executive Committee held a total of 951,339 registered shares in Holcim Ltd. This figure includes both privately acquired shares and those allocated under participation and the Group's compensation schemes.

SHARES HELD BY THE BOARD OF DIRECTORS (AUDITED)

Name	Position	Shares held as of 31 December 2023	Shares held as of 31 December 2022
Beat Hess	Chairman (until 4 May 2023)	n/a	116,928
Jan Jenisch	Chairman (since 4 May 2023)	600,000	531,000
Hanne B. Sørensen	Vice-Chairwoman	20,105	17,114
Philippe Block	Member	5,039	3,150
Kim Fausing	Member	5,039	3,150
Leanne Geale	Member	1,102	0
Patrick Kron	Member (until 4 May 2023)	n/a	9,276
Naina Lal Kidwai	Member	7,006	5,117
Ilias Läber	Member	9,102	8,000
Jürg Oleas	Member	15,474	13,585
Claudia Sender Ramirez	Member	7,006	5,117
Total		669,873	712,437

COMPENSATION REPORT CONTINUED

NUMBER OF SHARES AND OPTIONS HELD BY EXECUTIVE COMMITTEE MEMBERS AS OF 31 December 2023 (AUDITED)

Name	Position	Total number of shares owned	Total number of performance options held (at target)	Total number of performance options held (at maximum)	Total number of performance shares held (at target)	Total number of performance shares held (at maximum)
Jan Jenisch	CEO	600,000	1,023,681	2,047,362	129,445	258,890
Nollaig Forrest	Member	0	5,581	11,162	6,745	13,490
Mathias Gaertner	Member	21,463	n/a	n/a	n/a	n/a
Jamie Gentoso	Member	22,139	79,703	159,405	24,646	49,292
Feliciano González Muñoz	Member	69,506	193,205	386,409	26,673	53,346
Miljan Gutovic	Member	84,909	201,503	403,005	28,724	57,448
Steffen Kindler	Member	1,000	17,005	34,009	9,241	18,482
Martin Kriegner	Member	91,124	210,462	420,923	28,428	56,856
Oliver Osswald	Member	50,000	208,066	416,132	28,724	57,448
Toufic Tabbara	Member	11,198	55,154	110,308	18,974	37,948
Total		951,339	1,994,360	3,988,715	301,600	603,200

NUMBER OF SHARES AND OPTIONS HELD BY EXECUTIVE COMMITTEE MEMBERS AS OF 31 December 2022 (AUDITED)

Name	Position	Total number of shares owned	Total number of performance options held (at target)	Total number of performance options held (at maximum)	Total number of performance shares held (at target)	Total number of performance shares held (at maximum)
Jan Jenisch	CEO	531,000	948,902	1,897,804	136,956	273,912
Magali Anderson	Member	32,502	128,632	257,264	28,746	57,492
Mathias Gaertner	Member	9,266	31,944	63,887	12,230	24,460
Jamie Gentoso	Member	11,834	56,763	113,526	18,452	36,904
Feliciano González Muñoz	Member	48,111	170,532	341,064	28,746	57,492
Miljan Gutovic	Member	58,793	177,086	354,172	30,343	60,686
Martin Kriegner	Member	73,296	197,822	395,643	30,537	61,074
Oliver Osswald	Member	43,011	194,656	389,311	30,956	61,912
Géraldine Picaud	Member	114,281	270,061	540,121	44,224	88,448
Toufic Tabbara	Member	2,721	32,215	64,429	12,780	25,560
Total		924,815	2,208,613	4,417,221	373,970	747,940

Furthermore, at the end of 2023, the Executive Committee held a total of 1,994,360 registered options and 301,600 performance shares (at target); these arose as a result of the participation and compensation schemes of various years. Options are issued solely on registered shares in Holcim Ltd. One option entitles the holder to buy one registered share in Holcim Ltd.

The share options outstanding held by the Executive Committee (including former members) at year end 2023 have the following expiry dates and exercise prices:

Option grant date	Expiry date		Exercise price	Number	
				2023	2022
2015 ¹	2023	CHF	66.85	0	144,970
2015 ¹	2023	CHF	63.55	0	47,333
2015	2025	CHF	50.19	12,600	41,020
2018	2028	CHF	55.65	0	232,150
2019	2029	CHF	49.92	1,071,329	1,095,619
2020	2030	CHF	45.62	1,684,944	1,785,497
2021	2031	CHF	51.07	748,368	822,574
2022	2032	CHF	46.14	906,671	1,039,768
2023	2033	CHF	57.59	624,304	0
Total				5,048,216	5,208,931

¹ Options granted before the merger of Lafarge and Holcim in July 2015.

Equity overhang and dilution as of 31 December 2023

As of 31 December 2023, the equity overhang, defined as the total number of unvested share units and options divided by the total number of shares issued amounts to 1.01 percent.

The company's gross burn rate defined as the total number of equities (shares, share units and options) granted in 2023 divided by the total number of shares issued amounts to 0.20 percent.

COMPENSATION REPORT CONTINUED

Compensation governance

Rules relating to compensation in the Holcim Articles of Incorporation

The Articles of Incorporation contain provisions regarding the approval of compensation of the Board of Directors and the Executive Management (Art. 23), the supplementary amount for new members of the Executive Committee (Art. 24), the general compensation principles (Art. 25) as well as provisions regarding the agreements with members of the Board of Directors and the Executive Committee (Art. 26). Moreover, the Articles of Incorporation contain provisions regarding the roles of the Board of Directors and the NCGC (Art. 16 to 21). The Articles of Incorporation are approved by the shareholders and are available at [holcim.com/article-incorporation](https://www.holcim.com/article-incorporation)

Annual General Meeting – shareholder involvement

According to Art. 23 of the Articles of Incorporation, the Annual General Meeting approves annually the maximum aggregate compensation of the Board of Directors for the period from the Annual General Meeting to the next Annual General Meeting as well as the maximum aggregate compensation of the Executive Committee for the following financial year. In addition, the Compensation Report is submitted to the Annual General Meeting for an advisory vote on a yearly basis.

Art. 24 of the Articles of Incorporation provides for a supplementary amount for Executive Committee members who become members of, or who are promoted to, the Executive Committee during a compensation period for which the Annual General Meeting has already approved the aggregate compensation of the Executive Committee and if the compensation amount approved is not sufficient to cover the compensation of the new members.

The supplementary amount per compensation period shall not exceed 40 percent of the aggregate amount of compensation last approved by the Annual General Meeting and does not require further shareholders' approval.

Nomination, Compensation & Governance Committee

In accordance with Article 21 of the Articles of Incorporation, the NCGC supports the Board of Directors in establishing and reviewing Holcim's nomination, compensation and governance strategy and guidelines as well as in preparing the motions to the Annual General Meeting regarding the nomination and compensation of the members of the Board of Directors and of the Executive Committee. In particular, the NCGC performs the following duties:

- **Nomination:** Review of the composition and size of the Board of Directors to ensure appropriate expertise, diversity and independence; succession planning for the Board of Directors and its committees; preparation of the motions to the Annual General Meeting for (re-) election of candidates for positions on the Board of Directors and in the NCGC; succession planning and nominations for positions on the Executive Committee.
- **Compensation:** Planning and preparation of the compensation of the Board of Directors and the Executive Committee; preparation of the motions to the Annual General Meeting regarding compensation of the Board of Directors and of the Executive Committee; determination of compensation strategy and design of compensation programs including incentive plans; planning and preparation of the targets and performance assessment of the CEO and other members of the Executive Committee; preparation of the Compensation Report.
- **Governance:** Dealing with all corporate governance related matters; review of the proposals to be made to the Board of Directors for the amendment of the Articles of Incorporation, the Organizational Rules, the committee charters, the Code of Conduct, the overall policy landscape and the policies and directives approved by the Board of Directors; review of the criteria for the determination of the independence of members of the Board of Directors; approval of external mandates for the CEO and other Executive Committee members; review of the annual assessment of the functioning and effectiveness of the Board of Directors; review of the Corporate Governance section of the Annual Report.

The following table summarizes the decision authorities between the NCGC, the Board of Directors and the Annual General Meeting on compensation matters.

DECISION AUTHORITIES

	NCGC	Board of Directors	Annual General Meeting
Compensation strategy and design	Proposes	Approves	
Compensation Report	Proposes	Approves	Advisory vote
Maximum aggregate compensation amount of the Board of Directors	Proposes	Reviews	Approves (binding vote)
Individual compensation of members of the Board of Directors	Proposes	Approves (within the budget approved by the AGM)	
Maximum aggregate compensation amount of the Executive Committee	Proposes	Reviews	Approves (binding vote)
Individual compensation of members of the Executive Committee	Proposes	Approves (within the budget approved by the AGM)	
Performance objectives setting for the purpose of the incentive plans	Proposes	Approves	

The NCGC is composed of four members of the Board of Directors that are elected individually by the Annual General Meeting for a period of one year. At the Annual General Meeting 2023, Hanne Birgitte Breinbjerg Sørensen (Chairwoman), Ilias Läber, Jürg Oleas and Claudia Sender Ramirez were re-elected to the NCGC.

The NCGC holds ordinary meetings at least four times a year. In 2023, the NCGC held four ordinary meetings according to the annual schedule below.

COMPENSATION REPORT CONTINUED

ANNUAL NCGC MEETING SCHEDULE

	February	July	October	December
Nomination	<ul style="list-style-type: none"> • Proposal of elections to the Board of Directors • Proposal of the Board of Directors composition for coming term (committees) 	<ul style="list-style-type: none"> • Selection criteria and succession planning of the Board of Directors • Selection criteria and succession planning of the Executive Committee and senior management • Performance evaluation of the Executive Committee 	<ul style="list-style-type: none"> • Diversity & inclusion • Talent development and engagement • Learning strategy review • Social dialogue update 	<ul style="list-style-type: none"> • Update on succession planning of the Board of Directors and the Executive Committee
Compensation	<ul style="list-style-type: none"> • Proposal of AGM motions (amounts to be submitted to shareholder vote) • Performance assessment and incentive payouts for the Executive Committee (previous period) • LTI grant of the Executive Committee and senior management (current year) • Approval of Executive Committee incentive targets for current year • Review of compliance of the Executive Committee with shareholding requirements • Review of the compensation benchmarking peer groups • Approval Board compensation directive 	<ul style="list-style-type: none"> • Review of the compensation strategy and system (design) • Review of the disclosure approach (feedback from shareholders) 	<ul style="list-style-type: none"> • Benchmarking of the Board compensation (every 2-3 years) • Review of the incentive plan design for the coming year • Forecast on expected incentive payouts (current year) 	<ul style="list-style-type: none"> • Proposal on Board compensation system (every 2-3 years) • Benchmarking on the Executive Committee compensation (annually) • Determination of target compensation of the Executive Committee for the coming year • Determination of plan design and performance targets of the Executive Committee for the coming year (annual incentive, LTI) • Validation of performance peer group for STI and LTI • Forecast on expected incentive payouts (current year)
Governance	<ul style="list-style-type: none"> • Board and committee assessments • Governance Report • Compensation Report (final) • Proposal of AGM motions (other than compensation) • Governance update 	<ul style="list-style-type: none"> • AGM retrospective: review of shareholders' feedback • Review of independence of Board and committee members • Governance update 	<ul style="list-style-type: none"> • Governance update • NCGC risk mapping 	<ul style="list-style-type: none"> • Review of governance documents: Articles of Incorporation, Organizational Rules, committee charters, Code of Conduct • Compensation Report (draft) • Validation of NCGC schedule for coming year • Governance update

In 2023, three NCGC members attended all meetings while one member apologized for one meeting. Further information on meeting attendance is provided in the Corporate Governance Report on page 168 in the [2023 Integrated Annual Report](#).

The NCGC Chairperson may invite members of the Executive Committee, other officers of the Group or third parties to attend the meetings. They will however not be present when their own performance or compensation is discussed or determined. After each NCGC meeting, the Board of Directors is informed of the topics discussed, decisions taken and recommendations made. The NCGC minutes are available to all members of the Board of Directors.

External advisors

The NCGC may decide to consult an external advisor from time to time for specific compensation matters. In 2022, Agnès Blust Consulting, acquired on 1 April 2022 by PricewaterhouseCoopers (PwC), continued to act as independent compensation advisor to the NCGC. PwC provides other services to Holcim and there are clear rules in place to ensure the independence of PwC consultants. Obermatt continued to provide the measurement of the relative performance of Holcim for the purpose of the incentive plans. This company does not have other mandates with Holcim. In addition, support and expertise are provided by internal experts such as the Head of Human Resources and the Head of Compensation & Benefits.

Method for determining compensation: Benchmarking

In order to benchmark the compensation structure and levels of the Board of Directors and the Executive Committee, the NCGC determines relevant peer companies. In 2023, the NCGC conducted a thorough review of the existing peer groups to assess whether they are still relevant and appropriate.

The Swiss peer group includes Swiss listed multinational companies of the SMI: ABB, Geberit, Givaudan, Lonza, Nestle, Novartis, Richemont, Roche, Sika, and Sonova. As a result of the peer group review conducted in February 2023, SGS was replaced by Sonova in the peer group considering that SGS was replaced by Sonova in the SMI index. Holcim is positioned slightly above the peer group median on revenue and headcount and below median on market capitalization.

The international peer group consists of cement producers, building materials and construction companies: Acciona, ACS, Boral, Bouygues, Buzzi Unicem, Carlisle, Cemex, CRH, Heidelberg Materials, James Hardie, RPM, Saint Gobain, Sika, Vicat, and Vinci. These companies operate in similar and related sectors and are exposed to similar market cycles as Holcim. This peer group is annually reviewed and validated by the NCGC, with the support of Obermatt as independent third-party advisor.

The compensation of the Board of Directors is regularly reviewed against prevalent market practice. The last benchmarking analysis was conducted in 2022 by PwC on the basis of the Swiss peer group as described above.

The compensation of the Executive Committee is annually benchmarked against market practice. In 2023, a benchmarking analysis of the compensation levels was conducted again with the support of PwC and Willis Towers Watson. For this purpose, Executive Committee members who are on a Swiss employment contract were benchmarked against the Swiss peer group described above (analysis performed by PwC). For Executive Committee members who are on a foreign employment contract, an industrial cut was made to the general industry data included in the database of Willis Towers Watson of the respective country of employment. The benchmarking analyses serve as basis for the NCGC to monitor the compensation of the CEO and the Executive Committee and to set their target compensation levels. The policy of Holcim is to target market median compensation for on-target performance, with significant upside for above target performance.

OVERVIEW AND PURPOSE OF THE PEER GROUPS

	Swiss listed peers	International peers
Board of Directors compensation	Compensation structure and levels	
Executive compensation	Compensation structure and levels	Compensation structure Relative performance (STI and LTI)

COMPENSATION REPORT CONTINUED

MEMBERS OF THE BOARD OF DIRECTORS AND THE EXECUTIVE COMMITTEE HAVE THE FOLLOWING EXTERNAL MANDATES ACCORDING TO ARTICLE 734E OF THE SWISS CODE OF OBLIGATIONS (AUDITED)

Board of Directors for 2023	Company	Function
Jan Jenisch	The World Business Council for Sustainable Development (WBCSD)	Member of the Executive Committee
	The European Round Table for Industry (ERT)	Active Member
	The Swiss-Japanese Chamber of Commerce (SJCC)	Member of the Board of Directors
	Glas Troesch Holding AG (privately held)	Non-executive Director
Hanne B. Sørensen	Ferrovial S.A., Amsterdam, The Netherlands	Member of the Board of Directors and Member of the Nomination and Remuneration Committee
	Tata Motors Ltd, Mumbai, India	Member of the Board of Directors, Member of the Audit, of the Nomination and Remuneration and of the Technology Committees, and Chairwoman of the Risk Committee
	Tata Consultancy Services Ltd, Mumbai, India	Member of the Board of Directors and Member of the Audit and of the Nomination and Remuneration Committees
	Jaguar Land Rover Automotive PLC, Coventry, UK (including its subsidiaries Jaguar Land Rover Ltd and Jaguar Land Rover Holdings Ltd)	Member of the Board of Directors, Member of the Audit and of the Technology Committees, and Chairwoman of the Nomination and Remuneration Committee
Philippe Block	Foreign Engineering GmbH, Zurich, Switzerland	Founding Partner
	VALUTED AG (ETH spin-off)	Co-Founder and scientific advisor
Kim Fausing	SMA Solar Technology AG, Niestetal, Germany	Vice-Chairman of the Board of Directors
	Danfoss Group (Denmark)	President and Chief Executive Officer
Leanne Geale	CEELI Institute o.p.s., Prague, Czech Republic	Member of the Board of Directors
	Nestlé SA	Executive Vice President and Group General Counsel
	Swiss-American Chamber of Commerce	Treasurer
Naina Lal Kidwai	Gland Pharma Ltd, Hyderabad, India	Non-executive Member of the Board of Directors
	UPL Ltd, Mumbai, India	Non-executive Member of the Board of Directors and Chairwoman of the Sustainability and Stakeholder Committee
	Biocon Ltd, Bangalore, India	Non-executive Member of the Board of Directors and Chairwoman of the Sustainability and of the Nomination and Remuneration Committees
	Nayara Energy Ltd, Mumbai, India	Non-executive Member of the Board of Directors and Chairwoman of the CSR and Sustainability and of the Nomination and Remuneration Committees
	Rothschild & Co India Private Limited, Mumbai, India (non-listed)	Chairwoman of the Board of Directors
Ilias Läber	Swiss Automotive Group AG., Cham, Switzerland	Member of the Board of Directors and Chairman of the Audit Committee
	Spectrum Value Management Ltd (in this capacity Member of Board of Directors of Grand Resort Bad Ragaz and Chairman and managing partner of SEO Management AG)	CEO, Partner and Member of the Board of Directors
	CANCOM SE, Munich, Germany	Member of the Board of Directors and Chairman of the Audit Committee
Jürg Oleas	RUAG International Holding AG, Bern, Switzerland	Member of the Board of Directors and Member of Audit Committee
	Hochdorf Holding AG, Hochdorf, Switzerland (non-listed)	Chairman of the Board of Directors and Member of the Audit and of the Nomination and Compensation Committees
Claudia Sender Ramirez	Telefonica S.A., Delegate Commission, Telefonica Hispam and Telefonica Tech Advisory Committees, Madrid, Spain	Member of the Board of Directors
	Gerdau S.A., São Paulo, Brazil	Member of the Board of Directors and Chairwoman of the Compensation and Succession Committee
	Embraer S.A., São Paulo, Brazil	Member of the Board of Directors, Chairwoman of the People and Sustainability Committee and Member of the Audit and Risk Committee

Executive Committee for 2023	Company	Function
Jan Jenisch	The World Business Council for Sustainable Development (WBCSD)	Member of the Executive Committee
	The European Round Table for Industry (ERT)	Active Member
	The Swiss-Japanese Chamber of Commerce (SJCC)	Member of the Board of Directors
	Glas Troesch Holding AG (privately held)	Non-executive Director
Steffen Kindler	No external mandates	
Nollaig Forrest	MIT Climate and Sustainability Consortium Advisory Council	Member
	Bloomberg's Cities Council for sustainable cities	Member
Mathias Gaertner	No external mandates	
Jamie M. Gentoso	PSEG, a public utility in the U.S.	Member of the Board of Directors
	University of Michigan, College of Engineering	Member of the Leadership Advisory Board (LAB)
Feliciano González Muñoz	No external mandates	
Toufic Tabbara	No external mandates	
Martin Kriegner	No external mandates	
Oliver Osswald	No external mandates	
Miljan Gutovic	No external mandates	

Pay equality

Pay equality is strongly embedded in Holcim's compensation principles. Holcim promotes pay equity and monitors progress on a yearly basis with the aim to ensure equal pay for equal work and performance – not only between women and men, but also irrespective of ethnic origin, religion, ideology, sexual orientation or factors such as physical disability and age.

In 2021, we completed the equal pay analysis in Switzerland as required by the Swiss Federal Act on Gender Equality introduced in 2020. The results of the analysis confirmed that Holcim is fully compliant with Swiss equal pay standards, with a statistical wage difference significantly below the 5 percent regulatory requirement. Deloitte audited the results of the analysis and confirmed Holcim's compliance with the legal requirements.

In addition to local efforts made towards gender pay equity and compliance with applicable regulations, we conducted our second global assessment (i.e., first global assessment in 2022 and second one in 2023) using a recognized statistical regression analysis methodology. We focus on assessing the "adjusted gender pay gap" where we compare pay for people in similar roles, in the same country, at the same level and with similar years of experience. These achievements and efforts reflect our ongoing commitment to pay equality and fairness.



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To the General Meeting of
Holcim Ltd, Zug

Zurich, 27 February 2024

Report of the statutory auditor on the audit of the compensation report



Opinion

We have audited the compensation report of Holcim Ltd (the Company) for the year ended 31 December 2023. The audit was limited to the information pursuant to Art. 734a-734f of the Swiss Code of Obligations (CO) in the tables marked "audited" on pages 204 to 205, pages 209 to 210 and page 216 of the compensation report.

In our opinion, the information pursuant to Art. 734a-734f CO in the compensation report complies with Swiss law and the Company's articles of incorporation.



Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the compensation report" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the tables marked "audited" in the compensation report, the consolidated financial statements, the stand-alone financial statements and our auditor's reports thereon.

Our opinion on the compensation report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the compensation report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the compensation report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Board of Directors' responsibilities for the compensation report

The Board of Directors is responsible for the preparation of a compensation report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the

preparation of a compensation report that is free from material misstatement, whether due to fraud or error. It is also responsible for designing the remuneration system and defining individual remuneration packages.



Auditor's responsibilities for the audit of the compensation report

Our objectives are to obtain reasonable assurance about whether the information pursuant to Art. 734a-734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this compensation report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement in the compensation report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Ernst & Young Ltd



Jacques Pierres

Licensed audit expert
(Auditor in charge)



Daniel Zaugg

Licensed audit expert



About this document

Holcim's 2023 Compensation Report is fully integrated in the [holcim.com/annual-report-2023](https://www.holcim.com/annual-report-2023), based on Holcim's commitment to transparency and detailed information on the compensation programs at Holcim.

ABOUT HOLCIM

Holcim is a global leader in innovative and sustainable building solutions with net sales of CHF 27.0 billion in 2023. Driven by our purpose to build progress for people and the planet, our 63,448 employees are on a mission to decarbonize building, while improving living standards for all. We empower our customers across all regions to build better with less, with a broad range of low-carbon and circular solutions, from ECOPact and ECOPlanet to our circular technology platform ECOCycle®. Through innovative systems, from Elevate roofing to PRB insulation, Holcim makes buildings more sustainable in use, driving energy efficiency and green retrofitting. With sustainability at the core of our strategy, we are on the way to becoming a net-zero company with 1.5°C targets validated by SBTi.

More information is available on [holcim.com](https://www.holcim.com)

INTEGRATED REPORTING

This report applies the principles of Integrated Reporting to show how we manage the company sustainably, as well as the financial and non-financial value we created in 2023.



For TCFD-guided disclosures see page 238 of the complete [2023 Integrated Annual Report](#).



In 2022, the SBTi validated Holcim's 2030 targets as aligned with a 1.5°C scenario.

PHOTO CREDITS

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