

Building ambition, adding value

Holcim Sustainable Development Ambition 2030



Building ambition, adding value

For many years, we have acted as an agent for change, while continuing to create and sustain shared value for all our stakeholders.



In the face of ever-increasing competition for skills, we have continued to attract and retain the most talented people, who have helped us flourish and grow. At the same time, we have taken a leadership role in:

- helping to meet the housing and mobility needs of millions of people
- providing the materials that make modern structures more resilient and sustainable
- leveraging new markets and including low-income customers and producers at the “base of the pyramid.”

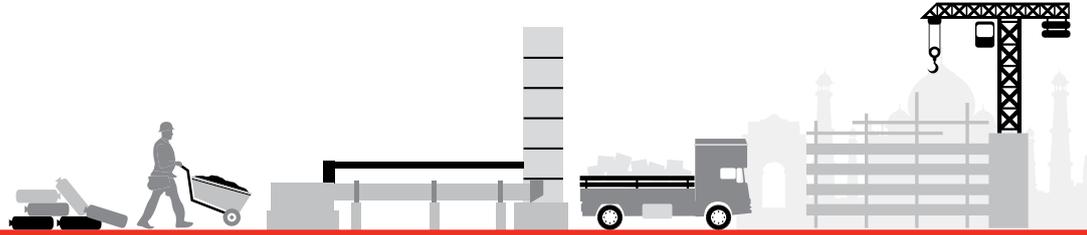
We are aware that currently the cost of resources does not fully reflect the reality of the true value of those resources. Change is inevitable and it could be disruptive.

Sensitive to this and aspiring to be part of the solution to the problems of our time, we have been working with a wide range of experts and interested stakeholders to develop a new long-term strategy, the Holcim Sustainable Development Ambition 2030, and define a number of stretching yet attainable goals to help us address the sustainability challenges that lie ahead.



Holcim

Supplier of sustainability enhanced solutions



Aligned with our vision “to provide foundations for society’s future,” the Sustainable Development Ambition 2030 aims to significantly increase the interest in, and uptake of, our innovative range of sustainability enhancing products and services.

By 2030, we aspire to generate one third of our revenue from our portfolio of sustainability enhanced products and services.

These products and services have proven sustainability benefits. They offer superior environmental and social performance in the manufacturing phase, and/or in the use and disposal phases, of buildings and other infrastructure, compared with current standards. In particular, they will help us to take advantage of the growing number of opportunities arising in the sustainable and resilient construction segment.

The Sustainable Development Ambition 2030 has a number of aspirations and intermediate targets to help us address three focus areas: **Climate, Resources and Communities.**

Sustainability Enhanced Solutions

Grow our portfolio of sustainability solutions to 1/3 of revenues by 2030

<p>Climate</p> <p>Acting to cap the carbon footprint across the lifecycle</p> <hr style="width: 50%; margin: 10px auto;"/> <ul style="list-style-type: none"> • Achieve no net increase in absolute carbon emissions vs 2013 	<p>Resources</p> <p>Minimize the use of primary resources; show a positive impact on water and a positive change for biodiversity</p> <hr style="width: 50%; margin: 10px auto;"/> <ul style="list-style-type: none"> • Valorize 1 Bio tonnes of waste and other secondary materials • Water index in water scarce areas > 0 in 2030 • Biodiversity condition index 2030 > 2020 	<p>Communities</p> <p>Invest strategically and develop “inclusive business models” to create positive social impact and business returns</p> <hr style="width: 50%; margin: 10px auto;"/> <ul style="list-style-type: none"> • Improve the quality of life – in particular with regard to livelihoods and shelter – of 100 million people at the base of the pyramid
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To provide foundations for society’s future

Climate

Acting to cap the carbon footprint across the lifecycle



We have a continuing commitment to a wide variety of measures to mitigate our CO₂ emissions, such as improving the energy efficiency of our own operations and substituting fossil fuels for lower-carbon alternatives.

But the global climate challenge requires an altogether more collaborative and far-reaching response.

As a forward-looking and responsible company, our approach to sustainability must reach beyond our own business and encompass our entire value chain. Throughout the building lifecycle, there is great potential for carbon reduction so instead of focusing on just our own operations, we recognize our responsibility to make all the elements in our value chain more sustainable.

Therefore, by 2030, we aspire to maintain net absolute CO₂ emissions at 2013 levels, across the whole lifecycle of our products.

Avoiding a net increase in absolute carbon emissions is an ambitious undertaking. It requires us to cap our carbon footprint, regardless of the expected growth in the volume of cement we produce. It acknowledges that any increases in emissions from our operations will be offset or compensated through products, services and solutions that reduce emissions from buildings, infrastructure and transportation.



By doing so, we adopt a pioneering approach in our industry, becoming the first to not only monitor and account for CO₂ savings beyond our own operations, but also set an ambition on absolute emissions.

Our pathway to achieving the Holcim Ambition for Climate

2015

- Reduce specific CO₂ emissions by 25% compared with 1990 levels

2020

- Reduce specific CO₂ emissions by 30% compared with 1990 levels

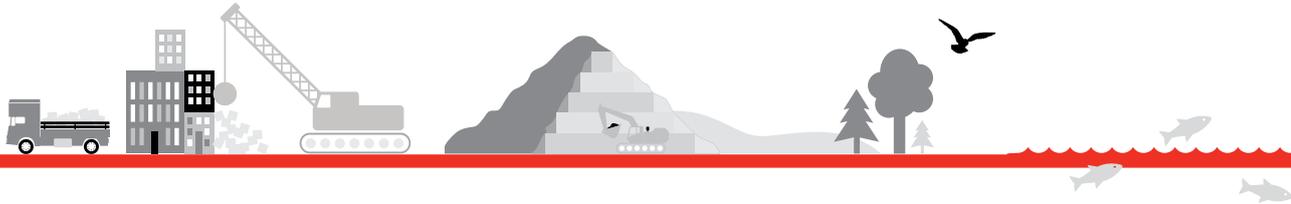
2030

- Achieve no net increase in CO₂ emissions compared with 2013 levels¹

¹ This means that any increase in absolute net CO₂ emissions from operations compared with 2013 needs to be smaller than the amount of emissions that Holcim contributes to reduce outside operations.

Resources

Maximize the use of secondary resources
Impact positively on water and show a positive change for biodiversity



We appreciate that our business success depends on nature and ecosystem services. That is why we have set ourselves very clear targets to be less dependent on primary materials and manage natural resources and ecosystems in a sustainable way.

By 2030, we aspire to use 1 billion tonnes of secondary resources, replacing approximately 25% of the primary materials we need.

We will replace more fossil fuels with alternative energy sources, and increase our use of industrial by-products such as fly ash and slag. We will also use more construction and demolition waste replacing natural resources. These waste solutions also provide a valuable service for our local communities, by offering a responsible solution to the ever-increasing problem of waste. The benefits include better health, environmental protection and even provision of livelihoods.

We aspire to have a positive impact on water resources in water-scarce areas by 2030.

We remain conscious of how precious water is. We will continue to manage water resources even more efficiently, equitably and sustainably. In water-scarce areas, Holcim sites will work to provide more water to communities than we use by, for example, building check dams and reservoir pits.

By 2030, we also aspire to achieve a positive change for biodiversity.

By 2020, we will use a biodiversity reporting system we have developed with the International Union for Conservation of Nature (IUCN) to assess our extraction sites against a number of habitat indicators and report year-on-year improvements in biodiversity management. Between 2020 and 2030, we aspire to demonstrate a positive change for biodiversity.

Our pathway to achieving the Holcim Ambition for Resources

2015

- Define our operational water footprint across all sites
- Implement Biodiversity Action Plans for all sensitive sites

2020

- Achieve a Thermal Substitution Rate of 20%
- Use 10 million tonnes of construction and demolition waste and other alternative aggregates
- Improve water efficiency by 20% compared with 2012 and meet water-quality criteria in all sites
- Assess the biodiversity quality at all our extraction sites

2030

- Use 1 billion tonnes of secondary materials between 2013 and 2030
- Positive impact on water resources in water-scarce areas
- Positive impact on biodiversity across the Group

Communities

Invest strategically and develop “inclusive business” models to create positive social impact and business returns



We recognize that market-based solutions that address social issues will drive both business and societal benefits, creating shared value for all.

Our 2030 aspiration is to improve the quality of life – in particular with regard to livelihoods and shelter – of 100 million people at the base of the pyramid through inclusive business solutions and strategic social investments.

Inclusive business solutions approach social problems as business opportunities. By using our core competencies and expertise, we can improve the living conditions of low-income communities while extending access to our products, services and solutions in ways that create mutual value.

To succeed, these initiatives must be profitable, strategic, address social needs, provide measurable benefits to the company, and drive product or service development. Examples include:

- housing and sanitation solutions for low-income customers
- micro-enterprises that market products and services relating to our core business
- supplying Holcim facilities with goods and services.

Inclusive business initiatives are intended to complement and not to replace traditional CSR programs, as not all social needs can be addressed through market-based solutions.

Strategic social investments remain therefore important. They seek to improve people’s quality of life in a sustainable way, by providing seed capital for activities, and building capacity among community stakeholders. Social investment is considered to be “strategic” if it focuses on the needs of local communities, is implemented in close collaboration with stakeholders, and builds on our core business knowledge and assets.

Our pathway to achieving the Holcim Ambition for Communities

2015

- Invest 75% of our CSR spending in strategic social and collaborative projects

2020

- 40 million people at the base of the pyramid to benefit from our strategic social investment and inclusive business initiatives between 2013 and 2020

2030

- Impact 100 million people at the base of the pyramid between 2013 and 2030, progressively focusing on inclusive business solutions

Sustainable Development Ambition 2030

An essential building block
of our strategic framework



The Sustainable Development Ambition 2030 aspires to address three essential aspects of our longstanding and successful strategic framework: Creation of Value, Sustainable Environmental Performance and Corporate Social Responsibility.

We implement separate strategies, policies and programs aimed at OH&S, compliance and employees under our People, Leadership and Global Standards pillars.



