Holcim Ltd. - Water Security 2022

W0. Introduction

W0.1

(W0.1) Give a general description of and introduction to your organization.

Holcim is the global leader in building materials and solutions and active in four business segments: Cement, Aggregates, Ready-Mix Concrete and Solutions & Products. Following our pledge to net zero, our ambition is to lead the industry in reducing carbon emissions and shifting towards low-carbon construction.

CEMENT

We offer an extensive line of sustainable and innovative cements and hydraulic binders. At a basic level, the market can be broadly segmented into bag and bulk cement, with emerging markets generally the largest consumers of bagged cement. Industrialized countries are mainly bulk markets, as cement is mainly consumed by larger business-to-business customers such as construction companies or building products manufacturers. We are constantly working on making ever-more sustainable cement, whether by reducing carbon emissions from its manufacture or by closing the building materials lifecycle. Our circular cement Susteno, for example, has 20% recycled concrete inside.

READY-MIX CEMENT

Customers value the quality and consistency of our ready-mix concrete products, the breadth of our portfolio, our expertise in large projects, and our flexibility and reliability. We also offer a range of innovative concretes including self-levelling concrete, architectural concrete, insulating concrete and pervious concrete. We also innovate for sustainable materials and are increasing our portfolio of low-carbon concrete solutions. In 2021 ECOPact, the industry’s broadest range of green concrete, delivered high-performing, sustainable and circular benefits in 24 markets worldwide. DYNAMax, the ultimate performance concrete, is also being launched in Europe, Latin America, North America and Asia Pacific.

AGGREGATES

Our aggregates are used as raw materials for concrete, masonry and asphalt and as base materials for roads, landfills and buildings. As such, they are a key component of construction. Crushed stone, gravel and sand are all typical aggregates. Most aggregates are produced by blasting hard rock from quarries and then extracting and crushing it. Aggregate production also involves the extraction of sand and gravel from both land and marine locations. Increasingly, we supply recycled aggregates, which can be made from construction waste. These recycled aggregates replace the need for quarry extraction and contribute to a truly circular economy in the construction industry.

SOLUTIONS & PRODUCTS

Solutions & Products is our growth segment, with a target to generate 30% of net sales by 2025. Growing closer to our customers, we will expand our range of integrated solutions and systems from construction and energy efficiency to repair and refurbishment. This builds on our 2021 acquisition of Firestone Building Products, a global leader in roofing systems, as a new growth and innovation engine for our company. Roofing sales already delivered double-digit growth in the USD 50 billion global flat roofing market in 2021, and we aim to double that to USD 4 billion by 2025. This will be supported by Malarkey Roofing Products, a leader in the US residential roofing market, which we agreed to acquire at the end of 2021.

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

<table>
<thead>
<tr>
<th></th>
<th>Start date</th>
<th>End date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reporting year</td>
<td>January 1 2021</td>
<td>December 31 2021</td>
</tr>
</tbody>
</table>

W0.3
(W0.3) Select the countries/areas in which you operate.
Algeria
Argentina
Austria
Azerbaijan
Bangladesh
Belgium
Brazil
Bulgaria
Canada
China
Colombia
Costa Rica
Croatia
Czechia
Ecuador
Egypt
El Salvador
France
Germany
Greece
Hungary
India
Iraq
Italy
Jordan
Kenya
Lebanon
Mexico
Nicaragua
Nigeria
Philippines
Poland
Republic of Moldova
Réunion
Romania
Russian Federation
Serbia
Slovenia
South Africa
Spain
Switzerland
Uganda
United Arab Emirates
United Kingdom of Great Britain and Northern Ireland
United Republic of Tanzania
United States of America
Zimbabwe

W0.4

(W0.4) Select the currency used for all financial information disclosed throughout your response.
CHF

W0.5

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.
Companies, entities or groups over which financial control is exercised

W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?
Yes

W0.6a
(W0.6a) Please report the exclusions.

<table>
<thead>
<tr>
<th>Exclusion</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water data from Firestone Building Products are excluded.</td>
<td>Firestone Building Products, acquired during 2021, is excluded from our disclosure for 2021. When a new site or sites are acquired by Holcim, its procedures and definitions for non-financial data might not be necessarily in line with Holcim standards. Accordingly, we give the new site time to meet our standards and report performance according to Holcim standards. This should not be later than the second year after acquisition. Accordingly Firestone Building Products’ water related figures have been excluded from Holcim’s Sustainability Performance Report and CDP disclosures. Firestone Building Products is not considered a significant exclusion with regard to water figures, as based on preliminary analysis its total water withdrawal is 194,000 m³, less than 0.1% of the Holcim Group. Three sites of the Firestone Building Products business are located in high water stress areas (according to WRI Aqueduct tool), total water withdrawal from these three sites amounts to 2,295 m³. This represents less than 0.001% of the Holcim Group withdrawal from high water stress areas and so is not considered significant.</td>
</tr>
</tbody>
</table>

(W0.7) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

<table>
<thead>
<tr>
<th>Indicate whether you are able to provide a unique identifier for your organization.</th>
<th>Provide your unique identifier</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, an ISIN code</td>
<td>CH001214059</td>
</tr>
</tbody>
</table>

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

<table>
<thead>
<tr>
<th>Use</th>
<th>Importance rating</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct use</td>
<td>Indirect use</td>
<td></td>
</tr>
<tr>
<td>Sufficient amounts of good quality freshwater available for use</td>
<td>Not very important</td>
<td>Neutral</td>
</tr>
<tr>
<td></td>
<td>Water is essential in our operations. The demand and price of water are expected to rise under the pressure of population growth, urbanisation and industrialisation. Cement production requires water for equipment and cooling, for emission control and for preparing slurry in wet processes. Wet process kiln technology is becoming obsolete and is being replaced by more efficient dry processes. Aggregate businesses need water for washing the raw material and for Ready Mix business. Water is part of the mixture to form the final product, concrete. FOR PRIMARY USE IN DIRECT OPERATIONS, good quality water is not very important because for most of the processes (raw materials preparation and cooling), good quality of freshwater is not required. Important is quantity, rather than quality. These water needs can be addressed with recycled water or rainwater harvested. IN FUTURE, good quality water will remain not important as we do not need large quantities of a good quality of freshwater in our operations. FOR PRIMARY USE IN INDIRECT OPERATIONS, we selected neutral as importance rating as a balanced outcome of considering the impacts for customers and suppliers. CUSTOMERS: A typical concrete mix is about 10% cement, 75% aggregate and 15% water by volume. For customers, the quality of water used in concrete might have impacts on the fresh concrete properties, such as setting time and workability, and strength and durability of hardened concrete. A good quality water is therefore required for some constructions (e.g., buildings, bridges and airports). SUPPLIERS: Some suppliers may require good quality of freshwater (e.g., machinery and equipment) but for our bulk requirements (fuels, raw materials and additives), sufficient amount of a good quality of water is not required. Considering the needs of both customers and suppliers, we selected neutral. IN FUTURE, for indirect use, this may change and become important depending on the water issues facing our customers and suppliers.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Important</td>
<td>Neutral</td>
</tr>
<tr>
<td></td>
<td>Today, 75% of our sites have a water recycling system in place. Our target is to have 100% of our sites located in water risk areas equipped with recycling systems by 2030. FOR PRIMARY USE IN DIRECT OPERATIONS, we selected important because of the following: In cement production, there are processes which can use recycled water or brackish water, and thus, although a good quality of freshwater is not material, large quantities are needed. In addition, non-fresh water can be used in many processes in cement, aggregates and concrete production, such as cooling water, dust suppression, mobile equipment cleaning (e.g. trucks, dozers, excavators), facility management (e.g. sites' cleaning, gardening). IN FUTURE we believe our dependence on sufficient amounts of recycled, brackish and/or produced water available for use will increase as we implement our strategy requiring more recycled and non-freshwater for our operations. FOR PRIMARY USE IN INDIRECT OPERATIONS, we selected neutral because of the following: The water needs of our suppliers, quantity and quality wise, vary. Some suppliers will need sufficient amounts of recycled water or brackish water (e.g. coal suppliers). For our customers, the bulk of the water required is of good quality for product applications. Considering both needs, we selected neutral. IN FUTURE As suppliers and customers face more water issues, this could change and become important depending on the local situation. For example, it is likely that the importance of local suppliers using recycled or brackish water will decrease, as these suppliers make up a large proportion of coal suppliers and part of our climate strategy is to shift away from the use of conventional fossil fuel.</td>
<td></td>
</tr>
</tbody>
</table>

W1.2

(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

<table>
<thead>
<tr>
<th>% of sites/facilities/operations</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>Please explain</td>
</tr>
<tr>
<td>% of sites/facilities/operations</td>
<td>Please explain</td>
</tr>
<tr>
<td>---------------------------------</td>
<td>----------------</td>
</tr>
<tr>
<td>Water withdrawals – total volumes</td>
<td>100%</td>
</tr>
<tr>
<td>Water withdrawals – volumes by source</td>
<td>100%</td>
</tr>
<tr>
<td>Entailed water associated with your oil &amp; gas sector activities – total volumes (only oil and gas sector)</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Produced water quality</td>
<td>100%</td>
</tr>
<tr>
<td>Water discharges – total volumes</td>
<td>100%</td>
</tr>
<tr>
<td>Water discharges – volumes by destination</td>
<td>100%</td>
</tr>
<tr>
<td>Water discharges – volumes by treatment method</td>
<td>100%</td>
</tr>
<tr>
<td>Water discharge quality – by standard affluent parameters</td>
<td>76-99</td>
</tr>
<tr>
<td>Water discharge quality – temperature</td>
<td>51-75</td>
</tr>
<tr>
<td>Water consumption – total volume</td>
<td>100%</td>
</tr>
<tr>
<td>Water recycled/reused</td>
<td>100%</td>
</tr>
<tr>
<td>The provision of fully functioning, safely managed WASH services to all workers</td>
<td>100%</td>
</tr>
</tbody>
</table>
(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, and how do these volumes compare to the previous reporting year?

<table>
<thead>
<tr>
<th>Volume (megaliters/year)</th>
<th>Comparison with previous reporting year</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total withdrawals</td>
<td>269256 Higher</td>
<td>Holcim is committed to protect freshwater sources as part of its sustainability strategy through increasing use of non-freshwater sources, improving water efficiency (e.g. by ramping up recycled water volumes), and using harvested rainwater. The increased attention on the importance of freshwater resources has created water awareness in our plants, helping us refine our measurement methodologies. The water withdrawal volume in 2021 is (3%) higher than in 2020 throughout our operations. This is due to increased production. Volumes throughout our operations (+5% aggregates produced, +15% concrete produced, +9% cementitious material produced). Despite the increase in the absolute water withdrawal, the specific figures (liters/ton of cementitious) for the cement segment have decreased by 5% thanks to improved water management in identified high water intensity sites, including improving our measurement methodology. Example: in Bangladesh we have upgraded a recycling system, this led to a reduction of 30% in water withdrawal in 2021 compared to 2020. In aggregate production the specific freshwater withdrawal (lit/ton) increased by 6% (lit/ton) due to improved reporting compared to 2020, while in concrete production the specific water withdrawal remained stable (-0.1%) compared to 2020. We have committed to a reduction of the specific freshwater withdrawal in all our material production segments by 2030: Cement, 32% reduction vs 2018 baseline; Aggregates, 20% reduction vs 2018 baseline; Ready-mix Concrete, 15% reduction vs 2018 baseline. We are increasingly focusing to consider our total impact on water resources in the communities where we operate, particularly in sites exposed to water risks. We expect withdrawal to decrease in the future with further implementation of water recycling and water efficiency practices in our facilities and operations. Criteria: Total Withdrawal: No change (&lt;2%). Higher/Lower if change is between (2%-5%). Much Higher/lower is (&gt;5%).</td>
</tr>
<tr>
<td>Total discharges</td>
<td>171092 About the same</td>
<td>Holcim is committed to protect freshwater sources as part of its sustainability strategy through the use of harvested rainwater, shifting the use to non-freshwater sources, and by improving water efficiency, for example by increasing recycled water volume. The increased attention on the importance of freshwater resources has created water awareness in our plants, helping us refine our measurement methodologies. We have committed to a reduction of the specific freshwater withdrawal in all our production segments by 2030: i) Cement: reduction of specific freshwater withdrawal to 211 liton of cementitious material (33% vs. 2018 baseline); ii) Aggregates: reduction of specific freshwater withdrawal to 170 liton of product (20% vs. 2018 baseline); iii) Ready-mix Concrete: reduction of specific freshwater withdrawal to 186 lit/ton of product (15% vs. 2018 baseline). Today, we are increasingly focusing to consider our total impact on water resources in the communities where we operate, particularly in sites exposed to water risks. We monitor the total water discharge at site level following the GCCA Water guidelines. Our volume of total discharges has stayed about the same from the previous reporting year, as although water consumption increased, we implemented a number of water efficiency measures in the reporting year which reduced our total discharge volume intensity, resulting in a reduction of less than 1%. We have also implemented several recycling measures such as recycled water that was used for irrigation and dust suppression instead of discharging directly. We expect discharge volumes to further decrease in the future with further implementation of water recycling in our facilities and operations. Criteria: Total Discharge: No change (&lt;2%) w/in confidence level of measurement. Higher/Lower if change is between (2%-5%). Much Higher/lower is (&gt;5%).</td>
</tr>
<tr>
<td>Total consumption</td>
<td>88164 Much higher</td>
<td>Absolute water consumption increased significantly between 2020 and 2021 (+11%) and is within the confidence interval of measurement. This was mainly driven by the increased production volumes throughout our operations (+5% aggregates produced, +15% concrete produced, +9% cementitious material produced), in particular by the increased production volume in RMX segment, which includes water in the final product. We have established Water Reference Values on Specific Water Consumption for our cement business, taking into consideration the different consumption points, kiln technology, type of cement products (grey of white), pollution control technology (SO2 scrubber, electrostatic precipitator, bag filters) or if the plant has other features (e.g. Waste Heat Recovery System in place). Benchmarking against the Reference Values, the site is able to identify opportunities for reducing its water consumption. We will follow the same approach for the aggregates and concrete segments. As more water-efficiency initiatives are realised and more water recycling systems are adopted, we expect consumption to decrease in the future. All sites are required to measure the water indicators in accordance with the GCCA Water guidelines. Criteria: On Total Consumption No change (&lt;2%) w/in confidence level of measurement. Higher/Lower if change is between (2%-5%). Much Higher/lower is (&gt;5%).</td>
</tr>
</tbody>
</table>

(W1.2d) Indicate whether water is withdrawn from areas with water stress and provide the proportion.

<table>
<thead>
<tr>
<th>Withdrawals are from areas with water stress</th>
<th>% withdrawn from areas with water stress</th>
<th>Comparison with previous reporting year</th>
<th>Identification tool</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row</td>
<td>Yes</td>
<td>11-25</td>
<td>About the same</td>
<td>WRI Aqueduct</td>
</tr>
</tbody>
</table>
(W1.2h) Provide total water withdrawal data by source.

<table>
<thead>
<tr>
<th>Source</th>
<th>Relevance</th>
<th>Volume (megaliters/year)</th>
<th>Comparison with previous reporting year</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fresh surface water, including rainfall, water from wetlands, rivers, and lakes</td>
<td>Relevant</td>
<td>204433</td>
<td>Higher</td>
<td>This is relevant since some processes require large quantities of water and rely on surface water and rainfall. This volume includes 176846 megaliters of surface water (including rivers and lakes), 12296 megaliters of water taken from quarry dewatering activities (quarry water used), and 15291 megaliters from harvested rainfall. The volume in 2021 is higher than in 2020 (+4.0%). This is due to increased production volumes throughout our operations (+5% aggregates produced, +15% concrete produced, +9% cementitious material produced). We expect this to decrease in the future as we improve our efficiency. As a percentage of total water withdrawal, it is about the same (2021: 75.9% 2020: 75.1%). Criteria: (&lt;2%) w/in confidence level of measurement. Higher/Lower if change is between (2%-5%). Much is (&gt;5%).</td>
</tr>
<tr>
<td>Brackish surface water/Sea water</td>
<td>Relevant</td>
<td>18601</td>
<td>Higher</td>
<td>This is relevant since several processes require large quantities of water. With our commitment to reduce freshwater withdrawal, we are exploring non-freshwater sources wherever possible, expecting this volume to increase in the future. We measure this indicator at site level according to the GCCA Water guidelines. The volume withdrawn from brackish surface water in 2021 is higher than in 2020 (+2.26%). This is due to the higher total water withdrawal due to increased production volume. As a percentage of total water withdrawn, it is about the same (2021: 6.90% 2020: 6.90%). Criteria applied is: No change (&lt;2%) w/in confidence level of measurement. Higher/Lower if change is between (2%-5%). Much is (&gt;5%).</td>
</tr>
<tr>
<td>Groundwater – renewable</td>
<td>Relevant</td>
<td>32897</td>
<td>Much lower</td>
<td>This is relevant since several processes in our operations require water. We measure this indicator at site level according to the GCCA Water guidelines. The volume withdrawn from groundwater sources in 2021 is much lower than in 2020 (7.28%). This is due to a shift in the proportion of water withdrawal sources. As we further improve our water efficiency and switch to non-freshwater sources, we expect this to reduce in the future. As a percentage of total water withdrawn, it is about the same (2021: 75.9% 2020: 75.1%).</td>
</tr>
<tr>
<td>Groundwater – non-renewable</td>
<td>Not relevant</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>We follow the GCCA Water guidelines and no distinction is made between Groundwater - non-renewable and Groundwater renewable. We only measure Groundwater freshwater and Groundwater of brackish or saline sources. Nonrenewable groundwater is not relevant to Holtrim's operations as we do not withdraw water from non-renewable sources.</td>
</tr>
<tr>
<td>Produced/Entrained water</td>
<td>Not relevant</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>We follow the GCCA Water guidelines in monitoring and reporting of water withdrawal/consumption/discharge. In line with these guidelines, we do not withdraw any produced water for our operations. Hence, this is not measured.</td>
</tr>
<tr>
<td>Third party sources</td>
<td>Relevant</td>
<td>13325</td>
<td>Much higher</td>
<td>The absolute discharge volume in 2021 is 1.31% lower than in 2020. (+2.26%). This is due to a shift in the proportion of water withdrawal sources. As we further improve our water efficiency and switch to non-freshwater sources, we expect to reduce this in the future. As a percentage of total water withdrawn, it is about the same (2021: 5.0% 2020: 5.0%).</td>
</tr>
</tbody>
</table>

(W1.2i) Provide total water discharge data by destination.

<table>
<thead>
<tr>
<th>Destination</th>
<th>Relevance</th>
<th>Volume (megaliters/year)</th>
<th>Comparison with previous reporting year</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fresh surface water</td>
<td>Relevant</td>
<td>162550</td>
<td>About the same</td>
<td>We consider the discharge to fresh surface water relevant because we want to ensure the discharge quality is compliant with standards and regulations by applying proper treatment prior to discharge. We measure this indicator at site level according to the GCCA Water guidelines. The absolute volume in 2021 is about the same as in 2021 (95.0%), due to stability in the total water discharge. As we improve our water efficiency and increase our recycling efforts, we expect this discharge to decrease in the future. The goal is to recycle all wastewater wherever possible. As a percentage of total water discharged, it is the same (2021: 95.0% 2020: 94.9%). Criteria: No change (&lt;2%). Higher/Lower if change is (2%-5%). Much is (&gt;5%).</td>
</tr>
<tr>
<td>Brackish surface water/Sea water</td>
<td>Relevant</td>
<td>0</td>
<td>Much lower</td>
<td>We consider the discharge to brackish surface relevant because we want to ensure the discharge quality is compliant with standards and regulations by applying proper treatment prior to discharge. We measure this indicator at site level according to the GCCA Water guidelines. The brackish discharge volume in 2021 is much lower than in 2020 (+100%). This is due to the improved recycling/reusing capabilities, for which the brackish water is reused instead of being discharged. This portion of discharge covers a small percentage of the total water discharge (0.2% in 2021, and 0% in 2020). With the goal to recycle all wastewater wherever possible, we expect this to remain constant. Criteria: No change (&lt;2%) w/in confidence level of measurement. Higher/Lower if change is between (2%-5%). Much is (&gt;5%).</td>
</tr>
<tr>
<td>Groundwater</td>
<td>Relevant</td>
<td>7548</td>
<td>About the same</td>
<td>Discharge to groundwater is relevant because we want to ensure the discharge quality is compliant with standards and regulations by applying proper treatment prior to discharge. We measure this indicator at site level according to the GCCA Water guidelines. The discharge volume in 2020 is about the same as in 2020 (+1.61%). This is due to the lack of changes in the total water discharge for the group (it is about the same as in 2020). With the goal to recycle all wastewater wherever possible, we expect this to reduce in the future. As a percentage of total water discharged, it is about the same (2021: 4.41% 2020: 4.30%). Criteria applied is No change (&lt;2%). Higher/Lower if change is between (2%-5%). Much is (&gt;5%).</td>
</tr>
<tr>
<td>Third party destinations</td>
<td>Relevant</td>
<td>994</td>
<td>About the same</td>
<td>Discharge to third party sources is relevant because we want to ensure the discharge quality is compliant with standards and regulations by applying proper treatment prior to discharge. It is important to note that lower volume to 3rd party means savings because of lower treatment costs. We measure this at site level according to the GCCA Water guidelines. The absolute discharge volume in 2021 is 3.13% lower than in 2020. This is due to the lack of changes in the total water discharge for the group (it is about the same as in 2020). With the goal to recycle all wastewater wherever possible, this will reduce in the future. As a percentage of total water discharged, it is the same (2021: 0.56% 2020: 0.58%). Criteria applied is No change (&lt;2%). Higher/Lower between (2%-5%) change Much is (&gt;5%).</td>
</tr>
</tbody>
</table>
(W1.2) Within your direct operations, indicate the highest level(s) to which you treat your discharge.

<table>
<thead>
<tr>
<th>Relevance of treatment level to discharge</th>
<th>Volume (megaliters/year)</th>
<th>Comparison of treated volume with previous reporting year</th>
<th>% of your sites/facilities/operations this volume applies to</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tertiary treatment</td>
<td>Relevant</td>
<td>1701</td>
<td>This is our first year of measurement</td>
<td>1-10</td>
</tr>
<tr>
<td>Secondary treatment</td>
<td>Relevant</td>
<td>3307</td>
<td>This is our first year of measurement</td>
<td>1-10</td>
</tr>
<tr>
<td>Primary treatment only</td>
<td>Relevant</td>
<td>151143</td>
<td>This is our first year of measurement</td>
<td>41-50</td>
</tr>
<tr>
<td>Discharge to the natural environment without treatment</td>
<td>Relevant</td>
<td>5287</td>
<td>This is our first year of measurement</td>
<td>11-20</td>
</tr>
<tr>
<td>Discharge to a third party without treatment</td>
<td>Relevant</td>
<td>8571</td>
<td>This is our first year of measurement</td>
<td>11-20</td>
</tr>
<tr>
<td>Other</td>
<td>Relevant</td>
<td>1083</td>
<td>This is our first year of measurement</td>
<td>1-10</td>
</tr>
</tbody>
</table>

(W1.3) Provide a figure for your organization’s total water withdrawal efficiency.

<table>
<thead>
<tr>
<th>Row</th>
<th>Revenue</th>
<th>Total water withdrawal volume (megaliters)</th>
<th>Total water withdrawal efficiency</th>
<th>Anticipated forward trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>26834000000</td>
<td>269256</td>
<td>96569.8033098612</td>
<td>We expect this figure to increase as we improve water management and water efficiency. We have committed to a reduction of the specific freshwater withdrawal in all our production segments by 2030:</td>
</tr>
</tbody>
</table>
What proportion of suppliers do you request to report on their water use, risks and/or management information and what proportion of your procurement spend does this represent?

<table>
<thead>
<tr>
<th>% of suppliers by number</th>
<th>% of total procurement spend</th>
</tr>
</thead>
<tbody>
<tr>
<td>26-50</td>
<td>51-75</td>
</tr>
</tbody>
</table>

Rationale for this coverage

We conduct a screening with 100% of our suppliers using a standard supplier prioritization methodology to identify suppliers with high ESG impact (including but not limited to: climate and energy, water, waste, chemicals, air pollution and biodiversity). The prioritization process is based on the risk exposure from product /service type, on the spend and on the country’s risk. The risks are defined by the Freedom House Index and UN Human Development Index. Through our Sustainable Procurement program, we incentivize suppliers to report on their ESG performance on an annual basis and to systematically manage their environmental impacts and to set objectives and targets to reduce such impacts. These suppliers are also requested to take action and demonstrate proof of continuous improvement towards having a recognized Environmental Management System in place. In 2021 39% of our active suppliers were identified as having high ESG impact. They represent 60% of our annual procurement spend. We request all of them to report on their environmental impact, risks and progress towards the targets. The requirements are communicated to suppliers through our Supplier Code of Conduct, binded through contractual terms and conditions and verified through our Supplier Qualification process as part of the Sustainable Procurement Program.

Impact of the engagement and measures of success

As of the end of 2021, 37,000 suppliers from 97,000 total active suppliers were identified as having high ESG impact (39% of total active suppliers), representing CHF 9.2 billion annual procurement spend from total spend CHF 15.3 billion (60% of total annual procurement spend).

Type of information requested from suppliers: we request all suppliers identified as high ESG impact to systematically manage their environmental impacts with respect to water (and other environmental impacts) and to set objectives and targets to reduce such impacts. They are also requested to take action and demonstrate proof of continuous improvement towards having a recognized Environmental Management System in place. They must report progress on an annual basis. We request actions to mitigate water related impacts. The annual progress is gathered through self-assessments conducted by independent qualification platforms such as Avetta or Damstra and supplemented with fact-finding and on-site audits where issues are flagged. Once this data is gathered, the supplier is assessed to see if they uphold the standards of achieving high ESG impacts.

We measure success by the annual increased percentage of suppliers who qualify under our supplier qualification process. Progress is measured through our supplier qualification process. By the end of 2021, we have qualified 20,676 suppliers, covering 73% of the spend in scope (spent with high ESG impact suppliers). Our target is to qualify 100% of the suppliers in scope by the end of 2022. Further, country procurement organizations follow a KPI disclosing the progress on supplier qualification and have in place a supplier scorecard (for supplier selection and performance) with 20% weighting on ESG compliance. Within the company, we use the water related information provided by suppliers to identify, prevent, and manage risks within the company.

Comment

Group companies report annually on their supplier assessments in the annual procurement scorecard integrated into our sustainability data collection platform. Supplier qualification is initially done through self-assessments predominantly conducted by independent qualification platforms such as Avetta or Damstra, and supplemented with fact finding and on-site audits where issues are flagged.
(W1.4b) Provide details of any other water-related supplier engagement activity.

<table>
<thead>
<tr>
<th>Type of engagement</th>
<th>Incentivizing for improved water management and stewardship</th>
</tr>
</thead>
<tbody>
<tr>
<td>Details of engagement</td>
<td>Other, please specify (Water management and stewardship is integrated into supplier evaluation processes)</td>
</tr>
<tr>
<td>% of suppliers by number</td>
<td>26-50</td>
</tr>
<tr>
<td>% of total procurement spend</td>
<td>51-75</td>
</tr>
</tbody>
</table>

**Rationale for the coverage of your engagement**
We engage with 39% of our suppliers as they represent the highest ESG impact suppliers amongst our supplier portfolio and these suppliers account for 60% of total procurement spend.

Management of Environmental impacts, for high ESG impact suppliers, is an integral part of our sourcing decisions (Group Procurement Policy; Supplier Code of Conduct, Supplier Scorecard). We require that 100% of our suppliers with high ESG impacts to take action and demonstrate proof of continuous improvement towards having a recognized Environmental Management system in place. We conduct regular risk evaluation (self-assessments, fact-findings, audits) to verify compliance and we also provide guidelines to suppliers on how to meet our expectations. We work with non-compliant suppliers setting corrective action plans and closing all gaps identified. We will strive to achieve full coverage as soon as possible, with 2022 as the latest. By 2022, we intend to qualify 100% of the suppliers with high water impact.

**Impact of the engagement and measures of success**
As a result of this engagement, we work closely with suppliers in cases of deficiencies or non-compliance, our engagement has the potential to drive a positive impact, improving water security for the company, suppliers and the community.

Metrics of success: Suppliers assessed as high ESG impact have to be prequalified to work with us. Those with deficiencies must implement actions to close gaps and show proof of continuous improvement. Our target is that by the end of 2022 to qualify 100% of the suppliers with high water impact.

**Comment**
Group companies report annually on their supplier assessments in the annual procurement scorecard integrated into our sustainability data collection platform. Supplier qualification is initially done through self-assessments predominantly conducted by independent qualification platforms such as Avetta or Damstra, and supplemented with fact finding and on-site audits where issues are flagged.

W1.4c

(W1.4c) What is your organization’s rationale and strategy for prioritizing engagements with customers or other partners in its value chain?

**Partner engaged:** Customers and key stakeholders within the built environment (architects, engineers and construction firms, neighbouring industries, NGOs, local governments and communities).

**Rationale:** We engage to foster water stewardship and collective action. To drive the uptake of sustainable products and solutions - value adding products which fulfill water related customer needs in urban areas, water stressed areas and coastlines. **Method:** Holcim engages proactively with stakeholders through collaboration across the built value chain. Participating in conferences, focused-group discussion, social media, our sales and engineering professionals, including water and design engineers, to establish their needs and ensure competitive pricing, consultancy and after sales service. The key in our method is to understand what water impacts are relevant to the project development and tailor solutions that will improve water performance against baseline - or meet requirements and specifications.

**Examples:**
Volos plant in Greece and the neighbouring refreshment company agreed to connect water pipes to use the treated wastewater in the cement plant.

Holcim Colombia has developed the MingAgua project using the Minga model, a community participation strategy for water conservation. We are part of SuizAgua Colombia project, a public-private alliance involving the Swiss Agency for Development and Cooperation, industries, NGOs and associations.

**Measurement of success** is the % of total net sales of our sustainable solutions portfolio (30% in 2021). Specific to water, our sustainable solutions are categorised as: Solutions for natural water infiltration and Solutions for flood protection or storm water management.

We also established KPIs per project. For example: in Volos example the measure of success is the reduction of freshwater withdrawal in the plant (-10%). For the MingAgua project success is measured as the number of projects initiated and municipalities benefitting (3).

W2. Business impacts

W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?

No

W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

Yes, fines, enforcement orders or other penalties but none that are considered as significant
W2.2a

(W2.2a) Provide the total number and financial value of all water-related fines.

Row 1

<table>
<thead>
<tr>
<th>Total number of fines</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total value of fines</td>
<td>187,293</td>
</tr>
<tr>
<td>% of total facilities/operations associated</td>
<td>0.01</td>
</tr>
</tbody>
</table>

Number of fines compared to previous reporting year

Higher

Comment

We paid seven fines for a total amount of 187,293 CHF, none that is considered as significant.

In addition, in 2021 we have paid 3 settlements for violations that occurred in the past: Ravena (cement plant), Duquesne (aggregates), Chelmsford (asphalt) in the USA.

W3. Procedures

W3.3

(W3.3) Does your organization undertake a water-related risk assessment?

Yes, water-related risks are assessed

W3.3a

(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

Value chain stage

Direct operations

Coverage

Full

Risk assessment procedure

Water risks are assessed as part of an established enterprise risk management framework

Frequency of assessment

Annually

How far into the future are risks considered?

More than 6 years

Type of tools and methods used

Tools on the market

Enterprise risk management

Other

Tools and methods used

WRI Aqueduct

Internal company methods

External consultants

Other, please specify (WASH Pledge Assessment Tool; Holcim Human Rights Due Diligence methodology; Integrated Profit and Loss Statement)

Contextual issues considered

Water availability at a basin/catchment level

Water quality at a basin/catchment level

Water regulatory frameworks

Status of ecosystems and habitats

Access to fully-functioning, safely managed WASH services for all employees

Stakeholders considered

Customers

Employees

Investors

Local communities

NGOs

Regulators

Suppliers
Water utilities at a local level
Other water users at the basin/catchment level

Comment
A comprehensive assessment of all risks related to water is carried out for all sites (new and existing).

a) For existing sites, water related risks are assessed using WRI Aqueduct. Availability of water in relation to the level of demand and competing water needs are evaluated
b) Together with external consultants, ESIA is undertaken which covers water management for new sites/brownfield projects, including hydro-geological studies
c) As part of their annual country Enterprise Risk Management, all sites need to assess also the risk of business interruption due to disaster
(floods, hurricane), water unavailability, the risk of water contamination through the emissions or wastes and other sustainability risks
d) Scenario analysis is done at Country level as part of their Environmental Management System and Mid-Term Planning. In both cases, this is mainly to analyze the financial (i.e. increase of the costs) and environmental implications
e) Climate risk scenario analysis includes water issues
f) Group wide Human Rights Assessment methodology includes a systematic and comprehensive investigation of our operations’ impact to the community such as water issues
g) Any indication of risk is also considered for the bottom-up risk assessments (country level) and top-down risk assessment (Group level).
The information is consolidated and then reflected in the country risk maps and Group risk report corresponding actions are developed to address any risks and opportunities identified.

Value chain stage
Supply chain

Coverage
Full

Risk assessment procedure
Water risks are assessed as part of an established enterprise risk management framework

Frequency of assessment
Annually

How far into the future are risks considered?
More than 6 years

Type of tools and methods used
Tools on the market
Other

Tools and methods used
Internal company methods
External consultants
Other, please specify (Identification is predominantly conducted by independent qualification platforms such as Avetta or Damstra, and supplemented with fact finding and on-site audits where issues are flagged.)

Contextual issues considered
Water availability at a basin/catchment level
Water quality at a basin/catchment level
Stakeholder conflicts concerning water resources at a basin/catchment level
Implications of water on your key commodities/raw materials
Water regulatory frameworks
Status of ecosystems and habitats
Access to fully-functioning, safely managed WASH services for all employees

Stakeholders considered
Customers
Employees
Investors
Local communities
NGOs
Regulators
Suppliers
Water utilities at a local level
Other water users at the basin/catchment level

Comment
Management of Environmental impacts, for high ESG impact suppliers, is an integral part of sourcing decisions, as stated in our Group Procurement Policy and our Supplier Code of Conduct. Our suppliers are thus required to adhere to our code of conduct regarding water stewardship and management. Holcim is one of the pioneers of the impact assessment methodology. We use it to measure and monetize the ESG impact from our business to society, including water consumption and water pollution alongside our supply chain, and we disclose it on an annual basis in our Integrated Profit and Loss statement.

Value chain stage
Other stages of the value chain

Coverage
Partial

Risk assessment procedure
Water risks are assessed as part of an established enterprise risk management framework

Frequency of assessment
Every two years

How far into the future are risks considered?
1 to 3 years
**Type of tools and methods used**
- Other

**Tools and methods used**
- Internal company methods
- External consultants
- Materiality assessment
- Nation specific databases, tools, or standards
- Scenario analysis
- Source Water Vulnerability Assessment

**Contextual issues considered**
- Water availability at a basin/catchment level
- Water quality at a basin/catchment level
- Stakeholder conflicts concerning water resources at a basin/catchment level
- Implications of water on your key commodities/raw materials
- Water regulatory frameworks
- Status of ecosystems and habitats
- Access to fully-functioning, safely managed WASH services for all employees

**Stakeholders considered**
- Customers
- Employees
- Investors
- Local communities
- NGOs
- Regulators
- Suppliers
- Water utilities at a local level
- Other water users at the basin/catchment level

**Comment**
As part of the product development activities of Holcim, water related risks to customers (cities, project developers, infrastructure owners and similar) are regularly identified and addressed via product development, supported by our Innovation Centre in Lyon, France. The results are a variety of solutions - from previous hard surfaces to green walls and facades.

The process of solution development is being managed in the Innovation Management function which is now part of the teams led by our Chief Sustainability and Innovation Officer along a structured stage-gate innovation process. As an example, please have a look at the coastal protection solutions by Holcim Netherlands: [https://docplayer.nl/16415532-Holcim-coastal-productoverzicht.html](https://docplayer.nl/16415532-Holcim-coastal-productoverzicht.html)
(W3.3b) Describe your organization’s process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

Holcim risk management process includes a bottom-up and top-down water risk assessments.

At country level it includes:
- Risk identification and assessment
- Description of current mitigation or action plans
- Monitoring and reporting

At Group level it is performed through interviews with Heads of functions, Board of Directors and Executive Committee members and External Auditors.

Contextual issues included in our process:
We include water availability and quality at a basin level to ensure that there is enough water, and the quality is to a standard required for our operations. We also consider stakeholder conflict concerning water resources at the same level. This is to ensure we take into account the required amount of water needed by other stakeholders in the area, not to over consume. We assess the status of ecosystems and habitats to guarantee that we will not have a negative impact on the biodiversity in the area of withdrawal and/or discharge, and that we are aligned with all key regulatory frameworks within each jurisdiction. It is also important to us that all employees and partners in the value chain who are working in our facilities have safe access to WASH facilities, as this is a fundamental human right.

Examples of risks are:
- Regulations: risk that approval of water permit is delayed due to a more stringent water regulation.
- Supply Chain: risk that suppliers do not uphold sustainability standards included in Supplier Code of Conduct.
- Environmental: risk that operations will result in measurable negative impacts to water quality.

Those issues are included in our process to protect our reputation, secure our licence to operate, limit financial losses and ensure the sustainability and continuity of our business and build the most efficient responses to those risk triggers.

Stakeholders considered in the process:
We include a number of stakeholders in our process for identifying, assessing and responding to water-related risks. We include our direct stakeholders, considered to be our employees and investors to identify any potential water-related impacts they may be subject to. Suppliers and customers are included as they are vital to our upstream and downstream operations and any impact to them is likely to have a direct impact on Holcim. Local communities and other water users at the basin level are included to ensure that we are cooperating with the residents of the areas we operate within to mitigate any potential negative impact. This is also extended to water utilities at a local level. We engage with NGO’s and regulators to ensure we are compliant with the local legislation and regulation in all our operations.

Tool used to assess water-related risks:
The water risk related to quantity, quality and reputational risks in direct operations are assessed using the WRI Aqueduct. Access to clean water throughout direct operations is assessed using the Wash Self Assessment tool and Human Rights Due Diligence method. Economic impact of water related risks is assessed using the Integrated Profit and Loss Statement. Where a local water tool is available the country also carries out an assessment. In addition to water scarcity, other site water indicators evaluated are withdrawal, discharge, consumption, stakeholder pressure, and regulations. If Holcim is lacking in-house resources to assess water-related risks, we use external consultants to provide assistance.

Supplier qualification is initially done through self-assessments predominantly conducted by independent platforms such as Avetta or Damstra, supplemented by fact finding and on-site audits where issues are flagged. Group companies report annually on their supplier assessments in the annual procurement scorecard. Process for informing the decision-making process and responding to the risk:

At country level management evaluates potential impacts and likelihood of water-related risks that could have a material adverse effect on current or future operations. The risk horizon includes long-term strategic risks and short- to medium-term business risks, the latter, typically within a 3 year period of time.

Supply Chain. The results of the water risk assessment inform the development of programs, ambitions and targets. The appropriate level of water management for sites, including mitigating actions, are prioritized. Once water related risks have been identified, it is important to understand the available options, required costs and challenges.

Supply Chain. As part of our Supplier Code of Conduct all our suppliers should systematically manage environmental impacts and set objectives and targets to reduce such impacts. Engagement action plans are created to address shortfalls. Suppliers assessed as high ESG impact shall demonstrate proof of improvement. Supplier’s progress on compliance with the Supplier Code of Conduct is monitored at Country level.

W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

No
How does your organization define substantive financial or strategic impact on your business?

Holcim risk management process is structured around several coordinated approaches and it is subject to continuous improvement.

It includes bottom-up and top-down risk assessments which cover strategic, environmental, sustainability, climate change, market, industrial, operational, financial, legal, compliance and reputational risks.

These assessments are used as a basis for the Group risk map, which is updated every year and submitted and reviewed by the Group’s Executive Committee and the Audit Committee.

The bottom-up assessment is performed at the country level and includes several stages: i) Risk identification and assessment, ii) Description of current mitigation and action plans, iii) Monitoring and reporting.

The top-down assessment at Group level is performed through interviews with Heads of functions, Board of Directors and Executive Committee members and External Auditors.

**Definition of substantive financial or strategic impact:**

We define substantive financial or strategic impact as all major adverse events or missed opportunities that may impact our ability to achieve our financial and strategic objectives. We consider strategic objectives, our financial objectives as well as our sustainability commitments and operational targets, among which water is a key element. The risk horizon where water risks are assessed includes both the short- to medium-term, typically a 3 year period of time as for any other business risks and the medium- to long term (10 years) in alignment with our commitments and target set for 2030.

- Risk assessment at the country level involving all business areas. Involvement of the country's ExCo and CEO is required before submission (to the Group) of the risk assessment. The objective is to make sure that all potential areas of concerns are included in the risk map, and to ensure that the risk assessment follows a forward-looking approach integrating the potential risks arising from the strategic initiatives/projects for the next 3 years. We collect insights from the countries who report the major risks at the local level, then all risks are consolidated in the Group's insight which also integrates the requirements arising from the achievement of our 2030 targets. Both local and global impacts are considered.

- In the assessments we consider both direct operations and supply chain (business interruption, supplier qualification, compliance, increase in logistic costs).

**We define the likelihood as the probability of occurrence in the next 3 years**

- Virtually certain > 90%
- Very likely between 75% and 90%
- Likely between 60% and 75%
- More likely than not between 45% and 60%
- About as likely as not between 30% and 45%
- Unlikely between 15% and 30%
- Very unlikely between 5% and 15%
- Exceptionally unlikely <5%

**Metrics and thresholds of significance (substantive change)**

We define significance (substantive financial or strategic impact) based on:

a) The overall financial impact of the respective risk against the yearly average of the next 3 years of entity operating EBIT

- Impacts below 5% of operating EBIT are considered as Low
- Impacts between 5-10% of operating EBIT are considered as Medium
- Impacts between 10-15% of operating EBIT are considered as High
- Impacts above 15% of operating EBIT are considered as Very High

An impact would be considered as substantive for the Group as long as it is high or very high.

Aligned with our Risk Management process we consider risks below 10% of EBIT to be not substantive

b) A substantial strategic impact is defined as the risk that Holcim is unable to achieve its medium to long term strategic vision and become the global leader in innovative and sustainable building solutions and reach net zero by 2050 with intermediate targets for 2030. We consider that any risk that impairs the achievement of our long term target is substantive. Also considered is the impact on the Group's or local operations reputation, including impairment of reputation with investors, rating agencies, regulators and external stakeholders such as NGO or media.

**Example of substantive impact:**

One example of a substantive impact that Holcim considered is if 30% of operations were to be disrupted all at once during a long period of time (i.e. 6 months or more) because of severe water scarcity, this would cause more than a 15% loss of EBIT in a given year (mainly revenue losses), which is considered a very high substantive financial impact. This presents a large risk to investors if we do not mitigate impacts of water scarcity on operations to affect operations by less than 5% EBIT. The impact and likelihood are assessed for the inherent level (prior to the consideration of mitigating activities and controls already in place) and for the residual level (i.e. after consideration of the current mitigations in place). Action plans are implemented to further reduce the risk to an acceptable level. All action plans are followed up and subject to formal reporting twice a year.
W4.2b

(W4.2b) Why does your organization not consider itself exposed to water risks in its direct operations with the potential to have a substantive financial or strategic impact?

<table>
<thead>
<tr>
<th>Primary reason</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risks exist, but no substantive impact anticipated</td>
<td>RISKS EXIST AT A LOCAL LEVEL: Risks have been identified at local level with a potential to have a substantial financial or strategic impact at Group level. Our local operations face water challenges such as exposure to water scarcity and adverse climatic conditions. Sites exposed to water risks are required to develop mitigating actions (e.g. in India we built check dams to promote retention of rainwater from monsoon events to be used in our production during water scarcity events). We use WRAs including water quantity and quality and regulatory and reputational risks. In 2021, 30% of our operations were exposed to medium to extremely high water risks. In India, water scarcity can lead to operational disruptions with business interruptions, revenue losses and higher logistics and transportation costs. We have estimated the unmitigated impact for one of our largest cement plants located in a water scarce region in India, with an annual sales volume of 4 million tons of cementitious that suffers a business interruption due to severe scarcity conditions. The business is interrupted and resumes operation within 3-6 months, the derived loss of volume sold will be 250'000 to 500'000 tons of cement. The calculation assumes a commercial margin of 40 CHF per ton of product, leading to a potential financial impact of [10 - 20] CHF million, which at Group level, is considered low (below 1% of operating EBIT). BUT NO SUBSTANTIVE IMPACT ANTICIPATED: While there is a risk that such a situation materializes for one plant, the probability that similar disruption occurs in multiple locations simultaneously is less likely. Moreover, we foresee production level adjustments in operations that are near the affected site and ad-hoc delivery routes to mitigate the impact. Considering our geographic diversity, balanced portfolio serving as a buffer against sales variations (no single entity has net sales of 10% or more of the Group net sales), we do not consider Holcim exposed to water risks in direct operations that would have substantive financial or strategic impact: any event would cause less than a 1% impact on EBIT and even if multiple events did occur simultaneously in high water risk areas, this is predicted to only impact EBIT of up to 5%, below our threshold of 10%. We shall continue to monitor this and make updates if risks cross our threshold for substantive risk in the future.</td>
</tr>
</tbody>
</table>

W4.2c

(W4.2c) Why does your organization not consider itself exposed to water risks in its value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact?

<table>
<thead>
<tr>
<th>Primary reason</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risks exist, but no substantive impact anticipated</td>
<td>RISKS EXIST AT LOCAL LEVEL: Our suppliers and customers may face water challenges such as water scarcity, adverse climatic conditions and reputational risks. As part of the Holcim's Supplier Code of Business Conduct, any supplier assessed as of high ESG impact is required to develop actions and address the gaps. The flooding risk is on an upwards trend in terms of frequency and magnitude making it a concern for the company. For instance, it directly impacted Holcim's suppliers who experienced significant and extraordinary water-related risks in Rhine and Mississippi in the years 2018 and 2019. Very low and high water levels had temporarily interrupted our supply chain, resulting in higher logistic costs and revenue losses. However, in the US, due to our logistics department a response plan, we were able to adapt to changing the modes of transportation and production sourcing which brought upon a financial impact of a maximum of 5% of our EBIT for our 2 entities in the US (worst-case scenario). Should this risk reoccur with the same magnitude, this represents less than 2% of our Group EBIT which is not considered to be a substantive impact. BUT NO SUBSTANTIVE IMPACT ANTICIPATED: While there is a risk that such a situation materializes in one plant, the probability that a similar disruption occurs in multiple locations at the same time is more unlikely: the risk is triggered by local weather events, marked by seasonality, and impact mostly depends on logistics and transportation conditions. In this case we foresee production level adjustments in business operations that are in the proximity of the affected site, combined with ad-hoc delivery routes to mitigate the impact. In some locations, maintenance of strategic storage (temporary seasonal floating storage) especially during exposed seasons (spring for Mississippi) also contributes to reducing our risk exposure (our plant Ste Genevieve in US). Thus, considering our geographic diversity, leading position in all markets, a balanced portfolio serving as a buffer against sales variations in the markets where we operate (there is no single entity where net sales amount to 10% or more of the Group net sales, which does not cross our threshold of substantive impact), we do not consider Holcim exposed to water risks in direct operations that would have substantive financial or strategic impact to the company. In addition, our transportation routes allow us to supplement business interruptions if needed.</td>
</tr>
</tbody>
</table>

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes, we have identified opportunities, and some/all are being realized.

W4.3a

(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.

**Type of opportunity**

**Efficiency**

**Primary water-related opportunity**

Improved water efficiency in operations

**Company-specific description & strategy to realize opportunity**

Description: Simply put, using less water saves money. As an example, in 2021 the Group withdrew 13325 megalitres of water from municipal or other third party sources to be used in our production sites - at a financial cost. Reducing this amount, for example, by harvesting rainwater or recycling water would lead to efficiency and cost savings and reducing leakages. There is also an operational cost to handling water withdrawn from other sources - such as pumping and equipment maintenance. More efficiency in water processes equals less cost.


Improvement in operational water efficiency was due to a number of factors such as implementation of a better technology, for example a significant portion of sites throughout the full group having recycling systems (75% in 2021 against 70% in 2020), reduced discharges and eliminating leakages and losses. This opportunity to improve water efficiency is considered strategic for Holcim as it has the potential to significantly reduce our operating costs in all our countries and at
the same time preserve freshwater. Holcim has committed to reduce its freshwater withdrawal in cement to 211 liters per ton of cementitious by 2030 (this is a 33% reduction from our 2018 baseline). We extended our commitment to Aggregates and Ready-Mix Concrete business segments. We will reduce to 179 litres/ton and 186 litres/m3, respectively. These are 20% and 15% reductions respectively from our 2018 baseline by 2030. We have then incorporated the use of water-reducing technologies in our operations and we saw a reduction in water consumption and operating costs. By seeing this reduction, we believe this can be an opportunity for us to continue incorporating water efficient technologies across all operations to save overall water-related costs. For example, in one of our cement plants in Bangladesh we have improved our recycling system which led to a reduction of 40% of the specific freshwater withdrawal for the plant (lit/ton), 30% of the total water withdrawal and 22% of the total water consumption in 2021 compared to 2020, where there could be a cost reduction as high as CHF 4.3 million.

Estimated timeframe for realization
1 to 3 years

Magnitude of potential financial impact
Low

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
1800000

Potential financial impact figure – maximum (currency)
4300000

Explanation of financial impact
In 2021 we achieved a water consumption reduction of 27 l/ton of cement compared to 2018. This translates to a total reduction of 3.5 million m3 of water consumed in our cement business. If we assume an average operational cost of water (including pumping, maintenance, etc.) at 1.5 CHF/m3, this would result in CHF 5.3 million savings over the course of three years. Integrating the externalities and using the societal cost of water at 3.7 CHF/m3, the cost reduction could be as high as CHF 13.0 million CHF over the course of three years.

Minimum: 3.5 million m3 x 1.5 CHF / m3 / 3 years = 1,800,000 CHF/year
Maximum: 3.5 million m3 x 3.7 CHF / m3 / 3 year = 4,300,000 CHF/year

The societal cost of water is calculated based on the scarcity level of the location where water is consumed or harvested. Scarcity level is determined using the Aqueduct Water Risk Atlas from WRI.org. The (site-specific) scarcity price is provided by a 2013 Trucost report and the water scarcity levels from that report are aligned with the categories from WRI.

See Holcim Integrated Profit & Loss Report results and assumptions:

Holcim website for further details on water figures: https://www.holcim.com/sustainability-reports

The time frame is 1 to 3 years as we already began work in previous years to realize this opportunity.

Type of opportunity
Products and services

Primary water-related opportunity
Sales of new products/services

Company-specific description & strategy to realize opportunity
Description: Holcim “Water Solutions” are an integral part of our Sustainable Solutions portfolio, with the Group target to grow those solutions into key markets like the US, Canada, Australia, France, Switzerland, UK, India, Germany and Netherlands. This includes solutions specifically designed:
1) Water treatment, water storage, and sanitation - e.g., concrete with exposure classes which withstand aggressive water milieus like sea water or sewage water.
2) Natural water infiltration – e.g., concrete grid stones and pervious hard surfaces made from ready-mix concrete. Sustainable drainage system - a combination of pervious surface and water storage/flood protection system.
3) Flood protection or storm water management - dams, dykes and similar solutions to protect from flood, stormwater management

The strategy is a proactive engagement and collaboration to fulfill specific water related customer needs in urban areas, water stressed areas and close to coastlines. Commercial excellence and customer satisfaction begins with a strong product differentiation and tailoring towards specific customer needs. With our expertise and research and development resources, it is important to continue to be an exemplary innovator in our industry. We already have an ambitious innovation pipeline and we are working on a number of significant product developments. With these innovations of new products, we expect to see an increase in our net sales and annual revenues.

An example is our product HYDROMEDIA permeable concrete that rapidly absorbs rainwater off streets, parking surfaces, driveways, and walkways - reducing the risk of flooding. This permeable solution combines the properties of concrete and advanced drainage technology. Hydromedia enables the ultra-rapid evacuation of water directly into the soil. This produces a natural aquifer recharge or allows the water to be recycled. Hydromedia is available in Algeria, Belgium, Brazil, Canada, China, Croatia, France, Germany (Campo Drain), Greece, India (PermeCrete), Mexico (EcoPerm), Poland, Qatar, Serbia, South Africa, Spain, Switzerland (Saibro), UK, USA. When introducing Hydromedia for example to Serbia and Belgium, we saw increased revenues by 12% and 25% respectively. On average, the net sales of sustainable solutions are therefore expected to grow around CHF 1.3 million per year.

Estimated timeframe for realization
More than 6 years

Magnitude of potential financial impact
Low-medium

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
1300000

Potential financial impact figure – minimum (currency)
<Not Applicable>
Potential financial impact figure – maximum (currency)  
<Not Applicable>

Explanation of financial impact
Our Sustainable Solutions portfolio focuses on our customers, who face today’s major challenges: achieving energy efficiency, lowering cost of construction, reducing our environmental footprint, and meeting high standards of aesthetics, health, comfort, and well-being. Together with our partners and customers, our best-in-class R&D teams develop the most innovative products, solutions, and services, as well as advanced manufacturing processes.


In 2021, 30% of our net sales of CHF 25.405 bn were from our portfolio of sustainable solutions. Of our total net sales, 0.13% were identified as Water and Biodiversity solutions. This is approximately CHF 33.0 million. We have exceeded our assumption of 5% annual growth, and expect our sales to reach 38 million by 2025, according to the company strategy. On average, the net sales of sustainable solutions are therefore expected to grow around CHF 1.3 million per year.

25'405 mCHF x 0.0013 = 33.0 mCHF  
(38.0 mCHF- 33.0mCHF) / 4 = ~1.3 mCHF

Type of opportunity
Other

Primary water-related opportunity
Other, please specify (Collective action programs that address to secure water for all)

Company-specific description & strategy to realize opportunity
Description: Water is fundamentally a local resource and its sustainable management requires understanding of the local context and the local drivers. At sites located in high water-risk areas, water challenges call for actions beyond our fence. At Holcim, we have engaged with stakeholders on how to share water resources more effectively and to implement sustainable solutions for the watershed. Globally, we are involved in three categories of initiatives:

a) Watershed protection and restoration: recharging groundwater aquifers and promotion of reforestation to improve water flow back to basins.
b) Water for productive use: promoting water-efficient irrigation and agriculture practices to help relieve water stress in watersheds.
c) Water access and sanitation: supporting communities with supply of potable water and installation of sanitation facilities to improve well-being of people in the communities we operate.

Strategy: Holcim is committed to water stewardship programs beyond our site boundaries, in particular in water risk areas. The approach follows the Stakeholder Engagement process which provides the framework for project selection, implementation and evaluation. It includes stakeholder analysis in a participatory approach and needs assessment that facilitates the prioritization and the matching of stakeholder & project objectives. Example “does the project mitigate stakeholder related risks that have been identified during the site’s water risk assessment? How can wetlands as part of the rehabilitation improve the water table?”

Example: In building and working with local communities and our stakeholders, we see collective action programs that address water security as an opportunity to increase water availability, which will reduce water security risks at Holcim and will increase our trust with communities. In deciding which areas to engage in, we look towards our high-risk water security areas as defined by the WRI Aqueduct. For example, our Ambuja sites are exposed to water risks. Ambuja Cement foundation works with local stakeholders to help local communities implement and manage their water challenges through water harvesting, recharge and efficient use of water. This has helped communities to have reliable drinking water and water for agricultural livelihood as also decreasing water risks to our operations in that area. In 2021, a total of 959 community as well as individual rain water structures were created or renovated.

Estimated timeframe for realization
More than 6 years

Magnitude of potential financial impact
Medium

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
19000000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact
The potential financial impact here is based on what Ambuja Cement Limited (ACL), our Indian subsidiary, achieved in 2020.

From their Water Resource Management initiatives (rainwater harvesting, groundwater recharge, micro-irrigation, etc), ACL has generated water credits of around 45.3 mio m³.

Total water consumed (water debit) in 2020 was 6.1 million m³. Multiplying by the (local) societal cost of water, the positive contribution is about INR 16611 million (CHF 204 million), while the negative impact due to water extraction is about INR 1169 million (CHF 14 million). This resulted in a Net Positive Contribution of 15442 million INR (CHF 190 million)

W6. Governance

W6.1

(W6.1) Does your organization have a water policy?
Yes, we have a documented water policy that is publicly available
(W6.1a) Select the options that best describe the scope and content of your water policy.

<table>
<thead>
<tr>
<th>Scope</th>
<th>Content</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company-wide</td>
<td>Description of business dependency on water</td>
<td>We have committed to minimise our impact on water resources by limiting freshwater withdrawal, promoting efficient practices and a responsible management of water discharges. To support this, a mandatory Water Directive was approved and published in 2016. Our water policy is company-wide in scope. Its purpose is to make clear our commitment internally, but also externally. It includes legal compliance, establishing operational water footprint, water risk assessment (WRI Aqueduct assessment), stakeholder engagement and our commitment to water stewardship and collective action. It also includes water-related innovation to continue to identify new ways we can improve our systems and processes to reduce our impact on the environment. The policy includes commitments beyond regulatory compliance and beyond the fence actions to ensure we are acting in a manner that benefits all stakeholders.</td>
</tr>
<tr>
<td></td>
<td>Description of water-related performance standards for direct operations</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Reference to international standards and widely-recognized water initiatives</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Company water targets and goals</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Commitment to align with public policy initiatives, such as the SDGs</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Commitments beyond regulatory compliance</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Commitment to water-related innovation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Commitment to stakeholder awareness and education</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Commitment to water stewardship and/or collective action</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Commitment to safely managed Water, Sanitation and Hygiene (WASH) in the workplace</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Commitment to safely managed Water, Sanitation and Hygiene (WASH) in local communities</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Acknowledgement of the human right to water and sanitation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Recognition of environmental linkages, for example, due to climate change</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Other, please specify (water positive impact - beyond the fence actions)</td>
<td></td>
</tr>
</tbody>
</table>

(W6.2) Is there board level oversight of water-related issues within your organization?
Yes

W6.2a
(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

<table>
<thead>
<tr>
<th>Position of individual</th>
<th>Please explain</th>
</tr>
</thead>
</table>
| Board-level committee  | The Board of Directors has a dedicated Committee with a specific remit on Sustainability and Health and Safety (HSSC). The committee consists of five Board members, is chaired by a senior Board member, and meets at least quarterly. This committee’s mission is to provide advice on strategic direction and the development and promotion of sustainability related topics - with water being one of our 4 sustainability pillars. The HSSC’s key water related responsibilities:
- informs, reviews and approves the Holcim’s sustainability strategy framework
- is briefed on a quarterly basis on key environmental (including water) related aspects as well as on performance against key indicators
In 2021, the water related topics discussed and agreed by the HSSC included:
Nature strategy to replenish the freshwater used and make a measurable impact on biodiversity, delivering a nature-positive future. The Nature Strategy included the following industry leading water related targets:
- Replenishing freshwater in water-risk areas by 2030, with:
  - 75% of sites to be water-positive
  - 100% of sites to be equipped with water recycling systems
- Lowering water intensity across business lines by 2030, with:
  - 33% reduction in Cement
  - 20% reduction in Aggregates
  - 15% reduction in Ready-Mix Concrete.

(W6.2b) Provide further details on the board’s oversight of water-related issues.

<table>
<thead>
<tr>
<th>Frequency that water-related issues are a scheduled agenda item</th>
<th>Governance mechanisms into which water-related issues are integrated</th>
<th>Please explain</th>
</tr>
</thead>
</table>
| Row 1
- Scheduled - all meetings                                  | Holcim Board of Directors has a dedicated Committee with a specific remit on Sustainability and Health and Safety (HSSC). Its mission is to provide advice on strategic direction and the development and promotion of safety and sustainability topics, including Water. The committee consists of five Board members. In 2021 it was chaired by Board member Adrian Loader and met four times. Ownership of the Group strategy lies with the Board covering the approval of the respective performance objectives and goals for the Group. The entire board is included in the Enterprise Risk Management (ERM) process and is thus regularly updated. This also includes water related risks and opportunities.
In addition, at Board committee level, the Audit Committee (AC) is in charge of reviewing the efficiency, effectiveness and reporting of the risk management process by:
- ensuring that appropriate means and measures are put in place to enable the identification, analysis and continuing improvement in the management of risks to which the Group may be exposed as a result of its operations,
- by reviewing reports prepared for an annual risk assessment, and
- by reviewing the risk management function (effectiveness, efficiency, adequate structure, staffing, resources, adequate responses)
This mandate is stated in the Audit Committee charter which is publicly available at: https://www.holcim.com/sites/holcim/files/documents/holcim_audit_committee_charter.pdf
The Holcim process for approval of major capital expenditures, acquisitions and /or divestitures, includes climate, water and other environmental and societal considerations in the assessment and ultimately requires the approval of the Board. |

(W6.2d) Does your organization have at least one board member with competence on water-related issues?

<table>
<thead>
<tr>
<th>Board member(s) have competence on water-related issues</th>
<th>Criteria used to assess competence of board member(s) on water-related issues</th>
<th>Primary reason for no board-level competence on water-related issues</th>
<th>Explain why your organization does not have at least one board member with competence on water-related issues and any plans to address board-level competence in the future</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>Board members are very experienced in water related issues and have a variety of engagements including Chair of the India Sanitation Coalition and Past President FICCI Sustainability, Energy and Water Council as well as The Shakti Sustainable Energy Foundation and Global Commission on Economy &amp; Climate.</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Row 1</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(W6.3)
(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)
Other C-Suite Officer, please specify (Chief Sustainability and Innovation Officer (CSIO))

Responsibility
Assessing future trends in water demand
Assessing water-related risks and opportunities
Managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues
Quarterly

Please explain
The CSIO reports directly to the board on a quarterly basis, providing updates on our water strategy and performance. This includes updates on progress against water-related targets and any water-related risks and/or opportunities that have the potential to have a substantive financial or strategic impact on the business.

Name of the position(s) and/or committee(s)
Other, please specify (Group Head of Audit & Risk Management)

Responsibility
Assessing water-related risks and opportunities
Managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues
Quarterly

Please explain
i) Holcim’s Group Head of Audit & Risk Management is a member of the finance leadership team and reports directly to the Group CFO. He has direct access to the Audit Committee.

ii) Risk Management oversees the Group Holcim Enterprise Risk Management (ERM) process, consolidates business risks and reports any relevant water risks to the Executive Committee and the Audit Committee of the Board.

iii) Risk Management’s water-related responsibilities:
- develops and manages the Holcim ERM process, ensuring inclusion of all sustainability topics including water-related aspects
- ensures proper implementation of ERM process throughout the Group
- briefs on a quarterly basis the Audit Committee on water-related risks and opportunities if necessary or if there were indications of high water-related risk. One meeting is specifically dedicated to the Group Risk Report where all risks are presented and discussed, including sustainability and water-related risks.

---

W6.4

(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

<table>
<thead>
<tr>
<th>Provide Incentives for management of water-related issues</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td></td>
</tr>
</tbody>
</table>

---

W6.4a
(W6.4a) What incentives are provided to C-suite employees or board members for the management of water-related issues (do not include the names of individuals)?

<table>
<thead>
<tr>
<th>Role(s) entitled to incentive</th>
<th>Performance indicator</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monetary reward</td>
<td>Reducetion of water withdrawals</td>
<td>In recognition of the importance of mitigating the impact on the environment, the NGCG decided to introduce a sustainability objective for the long term incentive (3 year vesting) performance shares. It includes the top 200 leaders of the Group including the full executive committee. The sustainability objective accounts for one-third of the performance share award and encompasses three pillars of the sustainability strategy:</td>
</tr>
<tr>
<td>Corporate executive team</td>
<td></td>
<td>• Climate and energy: reduction of CO2 emissions with a 50% weight</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Circular economy: increased re-use of waste derived resources with a 25% weight</td>
</tr>
<tr>
<td>Chief Executive Officer (CEO)</td>
<td></td>
<td>• Water: reduction of specific freshwater withdrawal with a 25% weight</td>
</tr>
<tr>
<td>Chief Financial Officer (CFO)</td>
<td></td>
<td>The specific targets are based on the mid-term (2022) objectives communicated in the context of the sustainability strategy and reporting. We selected the specific freshwater withdrawal reduction target, as a key indicator as it helps the country CEOs and CFOs to measure efficiency at the same time minimize our impact on freshwater sources.</td>
</tr>
<tr>
<td>Chief Purchasing Officer (CPO)</td>
<td></td>
<td>If the company meets the 2022 specific water withdrawal reduction target, Executives would be eligible to receive 8% of the total Long Term Incentive free share award. For the executive committee members, the full grant value is 70% of salary if all targets are met.</td>
</tr>
<tr>
<td>Chief Risk Officer (CRO)</td>
<td></td>
<td>The CSIO has personal annual performance objectives related to the implementation of the Sustainability strategy which includes improvements in efficiency, employee awareness and community related projects.</td>
</tr>
<tr>
<td>Chief Sustainability Officer (CSO)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other C-suite Officer (5 Executive Committee members)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other, please specify (Top 200 senior managers who are included in the Long Term Incentive scheme)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-monetary reward</td>
<td>Reduction of water withdrawals Reduction in consumption volumes Improvements in efficiency - direct operations Improvements in efficiency - product-use implementation of employee awareness campaign or training program Supply chain engagement Increased access to workplace WASH Implementation of water-related community project</td>
<td>The Group HSE Rewards and Recognition Program has four initiatives to encourage health, safety &amp; environmental performance in all aspects of our business and to reinforce positive behaviour and contributions of employees. As per the Health, Safety and Environment Management System (HSEMS), Units must have a written rewards and recognition program and are encouraged to enrich and adapt the Group program with more diverse local initiatives. One of these initiatives is the Group HSE Excellence awards. To receive the highest award, Platinum, operating countries must achieve a 5% year on year reduction in water consumption.</td>
</tr>
<tr>
<td>Other, please specify (Non monetary awards are predominantly done at a local level - Employees in production, environment, mining, and civil engineering (responsible for water infrastructure and supply))</td>
<td></td>
<td><a href="https://drive.google.com/file/d/177qk3bHw6cRfU_yf8-WnpPRbJ6-NIV/view">https://drive.google.com/file/d/177qk3bHw6cRfU_yf8-WnpPRbJ6-NIV/view</a></td>
</tr>
</tbody>
</table>

W6.5  

Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following? Yes, direct engagement with policy makers Yes, trade associations Yes, funding research organizations

W6.5a  

What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?

The Public Affairs Department at Group level and the Group Sustainable Development Function are responsible for the coordination of advocacy actions within Holcim at global level and hold direct and specific responsibility for water related issues. As such, it ensures that the Group’s long-term interests – in line with broader societal interests – are taken into account by public authorities.

We have a Responsible Lobbying and Advocacy Directive in place which lays out the standards and procedures all operations must adhere to.

Country CEOs and employees that are active in trade associations that we are members of or associated with are systematically engaging in a way that reflects Holcim’s positions and ambitions. Holcim works to ensure that the positions of these organisations are aligned to its own but it also works in full respect of the governance rules in place in all trade associations.

Should major divergences in position appear, Holcim will dissociate itself from the trade association’s position and related activities, or in extreme cases, renounce its mandates within the organisation and/or its membership.

W6.6  

Did your organization include information about its response to water-related risks in its most recent mainstream financial report? Yes (you may attach the report - this is optional) 25022022-finance-holcim_fy_2021_report-full-en.pdf

CDP
W7. Business strategy

W7.1

(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

<table>
<thead>
<tr>
<th>Long-term business objectives</th>
<th>Are water-related issues integrated?</th>
<th>Long-term time horizon (years)</th>
<th>Please explain</th>
</tr>
</thead>
</table>
| Yes                           | 11-15                               | Long-term business objectives: in our long-term sustainability strategy, we incorporate the issue of freshwater availability and quality into our business plan. As part of our sustainability strategy, we have set 2030 commitments to Water using our 2018 baseline. We will protect the availability of freshwater resources and restore the water we use to an equal or better quality, while promoting efficient water practices in our sites. We implement water stewardship programs in our own operations and beyond our site boundaries. Specific freshwater withdrawal reduction targets by 2030: Cement - 33%, Aggregates - 20% and Ready-Mix Concrete - 15%. In our sites located in medium, high and extremely high water risk areas, 100% will be equipped with recycling systems and 75% will be water positive. By 2026 we require all of our sites to implement strict standards to ensure the discharge of high quality water is compliant with in-country regulations and Holcim standards. Our water commitments focus on the three most material business segments: Cement, Aggregates and Ready Mix Concrete, representing 57%, 11% and 19% of our net sales, respectively. Additionally, these three segments make up for 91% of the total water consumption of the group.
| Strategy for achieving long-term objectives | Yes, water-related issues are integrated | 11-15 | Our strategy includes:
- A mandatory Water Directive for all sites, including legal compliance, establishing operational water footprint, risk assessment and stakeholder engagement
- Specific freshwater withdrawal reduction target by 2030 for Cement (33%), Aggregates (20%), Ready-Mix Concrete (15%) from our 2018 baseline
- We signed the WASH pledge, strengthening our commitment to provide access to drinking water and sanitation at our workplace for employees and contractors
- We endorsed the CEO Water Mandate and we signed the Water Resilience Coalition strengthening our actions on water stewardship
- Water issues included in ERM. This is carried out by all business units and consolidated by Group Enterprise Risk Management every year
- Annual water risk assessment using WRI
- Embedding sustainability in sourcing decisions and procurement operation through our Sustainable Procurement
- We prioritize sites located in water risk areas. We are equipping them with recycling systems and we are replenishing the freshwater we use by implementing projects outside our site boundaries.
Example: in India we implemented different projects with the communities we operate. E.g. installation of rainwater harvesting systems, check dams to increase ground water recharge and water use efficiency projects with farmers. Our engagement with India on water security has a long-term timeframe of 11-15 years from project design to be able to measure our impact on nature and communities.
| Financial planning | Yes, water-related issues are integrated | 11-15 | Resources required to achieve our water-related objectives are integrated in our business planning. For each target set (specific freshwater reduction, water quality and freshwater replenishment), a gap assessment is carried out and the corresponding action plans are established. For example, to reduce our specific freshwater withdrawal, we have identified priority sites with the most improvement potential. Resources required to close the gap for each site/country are included in the annual budget process, mid-term planning and Plant Development Plan (PDP). PDP is a strategic priority planning process for plants to identify the strategic focus areas and key challenges. We signed the WBCSD WASH pledge, the CEO Water Mandate and the Water Resilience Coalition, reinforcing our water stewardship commitments.
Example: Holcim Russia invested around CHF300m for the modernization of its Volsk plant which included a new semi wet-process production, replacing the wet process technique. The project started in 2012 and should be concluded in 2023. Further, financial provisions for our quarry rehabilitation are included in the long-term financial planning as part of the Quarry and Biodiversity Directive. Restoring wetlands and reforestation is part of our water replenishment target if benefits are seen outside the site boundary. It takes between 11 to 15 years from project implementation to impact evaluation.

W7.2

(W7.2) What is the trend in your organization’s water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

Row 1

| Water-related CAPEX (+/- % change) | 10 |
| Anticipated forward trend for CAPEX (+/- % change) | 10 |
| Water-related OPEX (+/- % change) | 10 |
| Anticipated forward trend for OPEX (+/- % change) | 10 |

Please explain

In 2021 our CAPEX related to water increased by more than 10% due to increased investment on water efficiency projects across all regions: 50 water-related CAPEX projects. Below are some examples:
- North America: Construction of a stormwater structure in Morrison Quarry / US ACM (Total CAPEX > CHF 0.3m)
- Latin America: Installation of water measurement devices across various plants in Mexico (Total CAPEX > CHF 0.4m)
- Europe: Construction of storm sewer network in Russia at Shurovo Plant (Total CAPEX > 0.2m)
- Asia Pacific: Separation of storm water and sewage line upgrade at Chanda Plant (Total CAPEX > CHF 0.5m)
As forward trend, we expect a considerable increase in the Water CAPEX driven by the “PipeLine to River Stör” project in Lägerdorf (total CAPEX > CHF 9m). Our OPEX increased by 10% as a result of increased production and overall water consumption and consequently the cost of water associated with this increase. We anticipated a similar forward trend.

W7.3
As part of Holcim's aim to align with the Task Force on Climate Related Financial Disclosures (TCFD) recommendations, the Group has continued to develop distinct and plausible climate change scenarios to test the resilience of the organisation in different climate change futures. Holcim has recently published a company-wide Climate Scenario Analysis in its Climate Report. Two scenarios were considered to present the assessment on climate related transitional and physical risks and opportunities: a 1.5°C, and a 2.7°C–4.4°C scenario. These were based on the relevant IEA scenarios and IPCCs Representative Concentration Pathways. In addition, Holcim collaborated with IEA to update the Low-carbon Technology Roadmap for the Cement industry. Scenario analyses were conducted against the reference technology scenario: nationally determined contributions and former IEA 2DS for the cement industry.

(W7.3a) Provide details of the scenario analysis, what water-related outcomes were identified, and how they have influenced your organization’s business strategy.

<table>
<thead>
<tr>
<th>Type of scenario analysis used</th>
<th>Parameters, assumptions, analytical choices</th>
<th>Description of possible water-related outcomes</th>
<th>Influence on business strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Row</td>
<td>Scenario analysis used</td>
<td>Parameters, assumptions, analytical choices</td>
<td>Description of possible water-related outcomes</td>
</tr>
<tr>
<td>-----</td>
<td>------------------------</td>
<td>---------------------------------------------</td>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td>1</td>
<td>Climate-related</td>
<td>Analytical choices: Holcim’s 1.5°C scenario was based on IEA NZE for transitional risks and on IPCC RCP 2.6 for physical risks. The time horizons considered were 2030 and 2050. The 2.7°C–4.4°C scenario was based on IEA STEPS and IEA RTS for transitional risks, and on IPCC RCP 8.5 for physical risks. Parameters and assumptions: For the 1.5°C, Cement demand: Growth until 2030 in emerging markets; from 2030–2050 demand decreases due to smart design CO₂ price (USD / tCO₂): Advanced economies: 2030: 130, 2050: 250 Selected emerging markets (incl. China, Russia, Brazil, South Africa): 2030: 90, 2050: 200 Other emerging markets: 2030: 15, 2050: 55 For the 2.7°C–4.4°C scenario: Cement demand (up to 2030): this assumption was based on the IEA Reference Technology Scenario - RTS (due to lack of information on this parameter in the STEPS scenario. After 2030 assumptions are based on our internal roadmaps): Growth until 2030 in emerging markets: marginal growth after 2030 CO₂ price (USD / tCO₂): EU: 2030: 65, 2050: 90 Climate-related Analytical choices: Holcim’s 1.5°C scenario was based on IEA NZE for transitional risks and on IPCC RCP 2.6 for physical risks. The time horizons considered were 2030 and 2050. The 2.7°C–4.4°C scenario was based on IEA STEPS and IEA RTS for transitional risks, and on IPCC RCP 8.5 for physical risks. Parameters and assumptions: For the 1.5°C: Cement demand: Growth until 2030 in emerging markets; from 2030–2050 demand decreases due to smart design CO₂ price (USD / tCO₂): Advanced economies: 2030: 130, 2050: 250 Selected emerging markets (incl. China, Russia, Brazil, South Africa): 2030: 90, 2050: 200 Other emerging markets: 2030: 15, 2050: 55 For the 2.7°C–4.4°C scenario: Cement demand (up to 2030): this assumption was based on the IEA Reference Technology Scenario - RTS (due to lack of information on this parameter in the STEPS scenario. After 2030 assumptions are based on our internal roadmaps): Growth until 2030 in emerging markets: marginal growth after 2030 CO₂ price (USD / tCO₂): EU: 2030: 65, 2050: 90 Canada: 2030: 55, 2050: 75 Colombia: 2030: 15, 2050: 30 China: 2030: 30, 2050: 55 For transitional risks, the analysis was either qualitative, quantitative or both, depending on the assessed risk. For physical risks, the analysis was quantitative for a number of representative locations. The results were extrapolated qualitatively to</td>
<td></td>
</tr>
</tbody>
</table>

As a result of our analysis, we identified that water-related risks are particularly prevalent in our higher-degree scenarios. One of our cement plants in the Philippines, La Union, faces the risk of being severely impacted by flooding due to sea-level rise and coastal erosion. In a 4°C world, the inundation height of a flood event that occurs on average every 100 years increases by up to 46% by 2050, this could lead to financial losses of up to 28% per year at site level by 2050. In Ashaka cement plant, Nigeria, drought is already a problem and this will worsen. By 2050, in a 1.5°C scenario, there will be on average one severe drought month per year; this increases to 1.5 in a 4°C scenario. This plant withdraws 200 million litres of water per year and has a significant cement production that could be impacted by the unavailability of water. Another example of the possible water-related impacts of climate change is the disruption of the Mississippi supply chain. The Mississippi acts as an important waterway for Holcim to efficiently and affordably transport products to distributors and construction sites. The river basin has a long history of droughts and floods that have affected economic activities. High and low water levels can impede planned transportation schedules causing delays. This results in business interruptions and additional costs. Our scenarios showed that low water level extremes will likely occur more frequently in a 1.5°C scenario, but decrease at 4°C. For the 2.7°C–4.4°C scenario: Cement demand: Growth until 2030 in emerging markets; from 2030–2050 demand decreases due to smart design CO₂ price (USD / tCO₂): Advanced economies: 2030: 130, 2050: 250 Selected emerging markets (incl. China, Russia, Brazil, South Africa): 2030: 90, 2050: 200 Other emerging markets: 2030: 15, 2050: 55 For transitional risks, the analysis was either qualitative, quantitative or both, depending on the assessed risk. For physical risks, the analysis was quantitative for a number of representative locations. The results were extrapolated qualitatively to |

Today, 30% of our sites are located in areas with medium to extremely high water risk, therefore appropriate water governance is crucial. Our Water Directive sets the rules for managing water in a responsible manners. It includes compliance, but also rules to establish operational water footprint, risk assessment and stakeholder engagement. Where risks are identified, the site should develop a water management plan, with clear actions, targets, resources and time frame defined. Holcim has already experienced business interruptions in recent years due to acute physical risks being materialised in its supply chain (As an example, the flooding risk is on an upwards trend in terms of frequency and magnitude which makes it a recurring concern for the company. For instance, it directly impacted Holcim’s suppliers who experienced significant and extraordinary water-related risks in Rhine and Mississippi in the years 2018 and 2019, respectively.), and faces the risk of experiencing more interruptions in the coming decades due to floods and droughts in particular in the sites located in water risk areas, as identified by our climate scenario analysis. To mitigate the water-related risks at our highest risk locations as described from the outcomes of the climate scenario, each site is developing a water management plan with clear actions, targets, resources, and 1-3 year implementation timeline. The plan is reviewed and approved by the CSIO. |
<table>
<thead>
<tr>
<th>Type of scenario analysis used</th>
<th>Parameters, assumptions, analytical choices</th>
<th>Description of possible water-related outcomes</th>
<th>Influence on business strategy</th>
</tr>
</thead>
</table>

W7.4

(W7.4) Does your company use an internal price on water?

Row 1

Does your company use an internal price on water?

Yes

Please explain

To achieve our long-term sustainability ambitions, we need to focus our efforts so that we can maximize our financial, socio-economic and environmental value creation. We measure the impact of our operations and the upstream supply chain across the triple bottom line using the Integrated Profit and Loss Statement (IP&L). In 2021, CO2 emissions had the largest negative impact, followed by water (including upstream consumption). In the current methodology, societal cost of water is calculated based on scarcity level. It excludes the benefits created from actions beyond the fence such as wetlands and providing water to communities. We are confident that the plans we have in place - including reduction in freshwater withdrawal, improvement in water efficiency, sustainable product solutions and providing water to communities and nature - will mitigate this impact and create a positive value. See IP&L reports online: https://www.holcim.com/sustainability/reports.

W7.5

(W7.5) Do you classify any of your current products and/or services as low water impact?

<table>
<thead>
<tr>
<th>Products and/or services classified as low water impact</th>
<th>Definition used to classify low water impact</th>
<th>Primary reason for not classifying any of your current products and/or services as low water impact</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1</td>
<td>Yes. Low water impact products/services are defined as products that, when implemented or used, contribute to reducing the pressure on water resources and improve water management practices. Depending on the type of product/service, different assessment approaches are applied to classify it as low water impact: ranging from qualitative approaches (improvement of water quality, water runoff reduction, improved water management) to quantitative approaches (% of water intensity reduction, % reduction of pollutants parameters). The low impact on water is taken into account in multiple parts of the value chain, both in the production phase and in the product use phase.</td>
<td>&lt;Not Applicable&gt;</td>
<td>List of products with Low water impact: Ready-Mix concrete that uses recycled water and/or reduced water volumes that meet performance requirements of customers; RainVault - A modular water storage system for stormwater and rainwater harvesting that can be stored below ground in volumes up to 1 million litres; ReserVault® - Water harvesting and storage solution where high water quality is not required including irrigation systems; StormTrap® - A water detention system for below ground storage and detention in a modular size configuration to suit specific requirements; Humegard - A gross pollutant trap (GPT) system that filters and treats stormwater; Humeceptor - A gross pollutant trap (GPT) system that filters fine particles and pollutants to a high quality water level; HumeFilter® - Universal Pollutant Trap (UPT) that uses hydrodynamic separation, physical media and membrane filtration to provide tertiary treatment to stormwater run-off in an underground precast concrete structure.</td>
</tr>
</tbody>
</table>

W8. Targets

W8.1
(W8.1) Describe your approach to setting and monitoring water-related targets and/or goals.

<table>
<thead>
<tr>
<th>Levels for targets and/or goals</th>
<th>Monitoring at corporate level</th>
<th>Approach to setting and monitoring targets and/or goals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company-wide targets and goals</td>
<td>Targets are monitored at the corporate level</td>
<td>At Holcim, sustainability contributes to our business strategy and is a key lever for growth. Our water strategy addresses impacts and opportunities in our own operations and beyond the fence. It is aligned with the 17 Sustainable Development Goals. Our commitments were developed involving top management employees from all relevant Group function, every region of Holcim and sustainability responsible from more than 30 countries. Key external stakeholders were involved (e.g. The Nature Conservancy, WWF, Fauna and Flora International, Business for Nature and IUCN).</td>
</tr>
<tr>
<td>Business level specific targets and/or goals</td>
<td>Goals are monitored at the corporate level</td>
<td>Our water commitments focus on the three most material business segments: Cement, Aggregates and Ready Mix Concrete, representing 57%, 11% and 19% of our net sales, respectively. These three segments make up for 91% of the total water consumption of the group. The segments “products and solutions” and “captive power plants (CPP)” are not currently in the water priorities of the strategy as they represent 13% and 0% of the total net sales and 1% and 8% of the total water consumption respectively.</td>
</tr>
<tr>
<td>Site/facility specific targets and/or goals</td>
<td></td>
<td>Our targets: 1) Reduce the amount of specific freshwater withdrawal: -33% in cement, -20% in aggregates and -15% in ready-mix concrete by 2030 vs 2018 baseline. 2) Equip 100% of our sites located in water-risk areas with recycling systems by 2030. 3) 100% of our water discharged will meet Holcim water quality standards and in-country regulations by 2026. 4) 75% sites located in water risk areas will be water positive by 2030.</td>
</tr>
<tr>
<td>Country level targets and/or goals</td>
<td></td>
<td>Our water commitments are anchored on 3 goals: - Promote innovations on water saving products. - Providing access to safely managed Water Sanitation and Hygiene (WASH) in all our sites. - Reconcile nature with cities by deploying nature-based solutions. The water goals and targets are supported by two key elements to guarantee the applicability and scalability: i) partnerships and engagement; ii) capability development and best practice sharing. In consultation with Sites, Countries and Regions, gap assessments and training were carried out. Specific targets agreed and roadmaps were defined on how to achieve them.</td>
</tr>
<tr>
<td>Site/facility specific targets and/or goals</td>
<td></td>
<td>Monitoring of goals and targets: Progress is monitored at Site, Country and Group level. Performance updates are reported to top management at scheduled meetings. Progress is reported in the Annual Integrated Report and Sustainability Performance Report.</td>
</tr>
<tr>
<td>Current status on targets:</td>
<td></td>
<td>1) In 2021 we reduced our specific freshwater withdrawal in all the three production segments: cement (-18%), aggregates (-2%) and ready-mix (-5%). 2) 79% of our sites located in water risk areas are equipped with recycling systems. 3) 96% of the water volume discharged is compliant with regulations and Holcim standards. 4) 7% of sites located in water risk areas are water positive. 5) In addition to the CEO Water Mandate and the WBCSD Wash Pledge, in 2021 we have signed the Water Resilience Coalition Pledge and partnered with the 50L Home Coalition.</td>
</tr>
</tbody>
</table>

(W8.1a) Provide details of your water targets that are monitored at the corporate level, and the progress made.

**Target reference number**

Target 1

**Category of target**

Water withdrawals

**Level**

Company-wide

**Primary motivation**

Shared value

**Description of target**

Reduction of specific freshwater withdrawal per ton of cementitious material at our company-wide and business level operations.

**Quantitative metric**

Other, please specify (Reduce specific freshwater withdrawal per ton cementitious material in cement operations to 211 Litres / ton by 2030)

**Baseline year**

2018

**Start year**

2021

**Target year**

2030

**% of target achieved**

54.7

**Please explain**

In order to reduce specific freshwater withdrawal, Holcim aims at improving water usage efficiency by reducing leakages, optimising the processes and shifting to the usage of non-freshwater sources and harvested rainwater. In 2021 Holcim committed to reaching a specific freshwater withdrawal of 211 litres / ton cementitious in its cement operations by 2030 - this is a reduction of 33% from our 2018 published figure as a baseline. In 2021 we had reduced to 259 litres/ton, which is 54.7% towards meeting the target.
Target reference number
Target 2

Category of target
Water withdrawals

Level
Company-wide

Primary motivation
Shared value

Description of target
Reduction of specific freshwater withdrawal per ton of aggregates produced at our company-wide and business level operations.

Quantitative metric
Other, please specify (Reduce specific freshwater withdrawal per ton of aggregate material in aggregates operations to 179 Litres / ton by 2030)

Baseline year
2018

Start year
2021

Target year
2030

% of target achieved
9

Please explain
In order to reduce specific freshwater withdrawal Holcim aims at improving water usage efficiency by reducing leakages, optimising the processes and shifting to the usage of non-freshwater sources and harvested rainwater.

Holcim committed to reach a specific freshwater withdrawal of 179 litres /tons of product in its aggregates operations by 2030 - this is a reduction of 20 % from our 2018 baseline.

In 2021 we achieved 219 l/ton, which is 9 % towards meeting the target.

Target reference number
Target 3

Category of target
Water withdrawals

Level
Company-wide

Primary motivation
Shared value

Description of target
Reduction of specific freshwater withdrawal per cubic meter of ready-mix concrete produced at our company-wide and business level operations.

Quantitative metric
Other, please specify (Reduce specific freshwater withdrawal per m3 of product material in ready-mix operations to 186 Litres / m3 by 2030)

Baseline year
2018

Start year
2021

Target year
2030

% of target achieved
36

Please explain
In order to reduce specific freshwater withdrawal Holcim aims at improving water usage efficiency by reducing leakages, optimizing the processes and shifting to the usage of non-freshwater sources and harvested rainwater.

Holcim committed to reach a specific freshwater withdrawal of 220 litres /cubic meter of product in its ready-mix operations by 2030, this is a reduction of 15 % from our 2018 baseline. In 2021 we had reduced to 207 l/m3, which is 36% towards meeting the target.

Target reference number
Target 4

Category of target
Water recycling/reuse

Level
Company-wide

Primary motivation
Shared value

Description of target
Implementation of water recycling/reuse systems in all company wide and business level sites located in water risk areas.

Quantitative metric
Other, please specify (100% of sites located in high water risk areas equipped with water recycling/reuse systems in our cement, aggregates and ready-mix concrete operations.)

Baseline year
2018

Start year
2020

Target year
2030

% of target achieved
46

Please explain
In 2021 Holcim committed to equip 100% of the sites located in high water risk areas with water recycling/reuse systems in cement, aggregates and ready-mix operations. The high water risk areas are defined using the WRI Aqueduct tool, and include all areas in Medium-High, High and Extremely High water risk categories. In 2021 we reached 79% of sites equipped with water recycling/reuse systems in high water risk areas, which is 46 % towards meeting our target.

Target reference number
Target 5

Category of target
Water withdrawals

Level
Company-wide

Primary motivation
Shared value

Description of target
Reduction of freshwater withdrawal per ton of cementitious material at our company-wide and business level operations

Quantitative metric
Other, please specify (Reduce freshwater withdrawal per ton cementitious material in cement operations to 291 Litres / ton by 2022)

Baseline year
2018

Start year
2018

Target year
2022

% of target achieved
100

Please explain
In 2018 Holcim committed to reach a specific freshwater withdrawal of 291 liters/ton cementitious in its cement operations by 2022 - this is a reduction of 5 % with 2018 as baseline.

We achieved 100% of this target in 2020 when we reached 273 l/ton.

Target reference number
Target 6

Category of target
Other, please specify (Water replenishment)

Level
Company-wide

Primary motivation
Shared value

Description of target
Holcim commits to achieve a water positive impact in sites located in water risk areas beyond 2030 (high water risk assessed with WRI Aqueduct tool: incl. categories Medium-High, High and Extremely High). This target is implemented at the basin level and is based on our Water Positive Impact methodology aiming to return more water to the community and nature than what we consume in our operations.

A site achieves a positive water index if its freshwater consumption (water debit) is fully compensated by water stewardship credits, which can be obtained through three main project categories beyond the fence:
- Protect water resources or restore degraded areas within the watershed
- Promote water efficient agricultural practices
- Provide potable water and sanitation to communities

Projects should reflect local needs aligning with communities and public institutions, to maximise the benefits among the watershed users.

Quantitative metric
Other, please specify (Other, please specify 75% of sites located in high water risk areas must be water positive.)
In 2021 Holcim committed to reach 75% of our sites located in water risk areas to be water positive by 2030. The high water risk areas are defined using the WRI Aqueduct tool, and include all areas in Medium-High, High and Extremely High water risk categories. In 2021 we reached 7% of sites water positive located in high water risk areas, which is 7% towards meeting our target. The water efficiency and the water positive targets complement each other but they are different in scope. Efficiency projects are implemented inside-the-fence, the water positive projects are implemented on-site or off-site for water benefits beyond-the-fence.

**Target reference number**  
Target 7  

**Category of target**  
Water pollution reduction  

**Level**  
Company-wide  

**Primary motivation**  
Shared value  

**Description of target**  
We commit to treat the water we use and return it back to nature. We require all of our sites to implement strict standards to ensure the discharge of high-quality water according to in-country regulations and Holcim standards.  

**Quantitative metric**  
Other, please specify (100% of our water discharged will meet Holcim water quality standards and in-country regulations enhancing water quality and protecting biodiversity.)

<table>
<thead>
<tr>
<th>Baseline year</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Start year</td>
<td>2021</td>
</tr>
<tr>
<td>Target year</td>
<td>2026</td>
</tr>
<tr>
<td>% of target achieved</td>
<td>96</td>
</tr>
</tbody>
</table>

**Please explain**  
Annually we assess if all sites meet in-country regulations through our annual report campaign. We have developed our water quality standards which was released to countries in Q3 2022. Success is determined when 100% of our water discharge volume meets the regulations and Holcim standards.
(W8.1b) Provide details of your water goal(s) that are monitored at the corporate level and the progress made.

**Goal**
Engaging with customers to help them minimize product impacts

**Level**
Company-wide

**Motivation**
Climate change adaptation and mitigation strategies

**Description of goal**
Our goal is to increase the revenue of our portfolio of Sustainable Solutions. It is important as it supports us to meet our 2030 water commitments. Also, it helps us to assist our customers to address climate change adaptation at scale across the built environment. To implement it in all our operations, we engage with our direct and indirect customers to understand their needs and address them. We also track our sales, reporting to the executive committee on a quarterly basis. Sustainable products and innovation will continue to play an important role in reducing our impact. We have significantly invested in the development of sustainable solutions company-wide, led by our R&D Center in Lyon, France. Thanks to this commitment, we have a broad portfolio of products designed to decrease freshwater demand and improve water quality. Examples:

- **Hydromedia**: a permeable concrete enabling natural water infiltration on hard surfaces, such as roadways or parking lots. It serves as a water buffer in case of heavy rains protecting from flooding. [https://www.Holcim.com/hydromedia](https://www.Holcim.com/hydromedia)


- **I-Dracreto**: a concrete with inbuilt provision of curing water. It saves 70 liters of water per square meter of concrete floor. [https://www.Holcim.com/i-dracreto](https://www.Holcim.com/i-dracreto)

**Baseline year**
2015

**Start year**
2016

**End year**
2030

**Progress**
Metric used to monitor progress is % of sales from Sustainable Solutions from the total Net Sales. As of 2021, we have achieved 32%, compared to 35% in 2019. The decrease due to a change of methodology in 2020 concerning the alignment of definition with SBTi targets. We expect to see a year on year increase in the % of net sales of sustainable solutions. The threshold of success is determined when at least 50% is achieved.

---

**Goal**
Providing access to safely managed Water, Sanitation and Hygiene (WASH) in workplace

**Level**
Company-wide

**Motivation**
Shared value

**Description of goal**
We commit to provide access to drinking water and sanitation at our workplace in all our sites. We are committed to providing access to drinking water and sanitation at our workplace and have signed the WBCSD WASH Pledge to uphold to this commitment at all sites. This is important to Holcim as we work to bridge the gap of water equity. We implement this by managing WASH in all workplaces which is monitored through our iCare reporting system to ensure our commitments to our employees to provide clean water are upheld.

**Baseline year**
2016

**Start year**
2016

**End year**
2030

**Progress**
We monitor the provision annually through our iCare reporting system, which covers 100% of our operations. Holcim has signed the WBCSD WASH Pledge which demonstrates our commitment to providing employees and contractors with safe WASH at all operations. Holcim has signed the WBCSD WASH Pledge which demonstrates our commitment to providing employees and contractors with safe WASH at all operations. In 2016 a preliminary study (self assessment provided a first overview of the status of WASH services to all workers in our plants. This included a gap assessment according to the WASH Pledge Criteria and the resources required to close the gaps. We will continue to provide access to drinking water and sanitation to new acquired sites. We annually assess if all sites meet in-country regulations through our annual reporting campaign. Success is determined when at least 90% of sites meet the regulations. In 2020, 100% of our sites met these regulations, and this was maintained throughout 2021.

---

W9. Verification

---

W9.1

(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?

Yes
W9.1a

(W9.1a) Which data points within your CDP disclosure have been verified, and which standards were used?

<table>
<thead>
<tr>
<th>Disclosure module</th>
<th>Data verified</th>
<th>Verification standard</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>W8 Targets</td>
<td>Specific freshwater withdrawal</td>
<td>ISAE 3000</td>
<td>Holcim uses the GCCA Sustainability Guidelines for the monitoring and reporting of water in cement manufacturing as a reference to measure the water performance of the Group. All water indicators are monitored at site level and consolidated at Group level through Holcim’s reporting system. EY provides a limited assurance report in accordance with the international standard ISAE 3000 (International Standard on Assurance Engagements).</td>
</tr>
<tr>
<td>W1 Current state</td>
<td>Other water indicators reported in the 2020 SD performance Report: Total withdrawal (freshwater and non-freshwater)</td>
<td>ISAE 3000</td>
<td>Holcim uses the GCCA Sustainability Guidelines for the monitoring and reporting of water in cement manufacturing as a reference to measure the water performance of the Group. All water indicators are monitored at site level and consolidated at Group level through Holcim’s reporting system. EY provides a limited assurance report in accordance with the international standard ISAE 3000 (International Standard on Assurance Engagements).</td>
</tr>
</tbody>
</table>

W10. Sign off

W-FI

(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization’s response. Please note that this field is optional and is not scored.

In March 2021, our Brockville Quarry located in Lafarge Canada agreed to pay a fine of CAD 140,000 for violating the Ontario Water Resources Act. The reason was the exceedance of the monthly concentration limit for suspended solids in the water discharge.

The incident occurred over 4 years ago and the root cause was an unexpected overflow of a settling pond. While the Total Suspended Solid was high, it was composed of rock particles present in the quarry and did not pose any long-term health or significant environmental effects.

As remediation measures, we have done significant training to the site staff and operational team focusing on environmental controls about the need to address water discharge quality and reporting of spillage. Since the 2017 incident, we have built a new wash plant settling pond which is reflected on the amended 2020 water discharge permit. This new pond has sufficient capacity to ensure another incident cannot occur in the future, and regular inspections of the settling pond are taking place during washing operations. Holcim Group also included a Critical Control Module for assessment of water discharge in the Group Reporting System (i-care). This will ensure each site is inspecting the control measures identified by the Group in addition to any regulatory requirements.

W10.1

(W10.1) Provide details for the person that has signed off (approved) your CDP water response.

<table>
<thead>
<tr>
<th>Row</th>
<th>Job title</th>
<th>Corresponding job category</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Group CFO</td>
<td>Chief Financial Officer (CFO)</td>
</tr>
</tbody>
</table>

W10.2

(W10.2) Please indicate whether your organization agrees for CDP to transfer your publicly disclosed data on your impact and risk response strategies to the CEO Water Mandate’s Water Action Hub [applies only to W2.1a (response to impacts), W4.2 and W4.2a (response to risks)].

Yes

Submit your response

In which language are you submitting your response?

- English

Please confirm how your response should be handled by CDP

<table>
<thead>
<tr>
<th>I understand that my response will be shared with all requesting stakeholders</th>
<th>Response permission</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>Public</td>
</tr>
</tbody>
</table>

Please confirm below

- I have read and accept the applicable Terms