

HOLCIM'S NET-ZERO JOURNEY



CEO, CSIO MESSAGE

net
zero

Net-zero targets validated by
Science-Based Targets initiative



SCIENCE
BASED
TARGETS

Holcim's net-zero 2050 targets, cutting across its operations and value chain, are validated by the SBTi.

“We are walking the talk on our commitment to take science-driven action to win the race to net zero.”

JAN JENISCH
Chief Executive Officer



DEAR FRIENDS

The building sector has an essential role to play to accelerate our world's transition to net-zero, from the materials used in construction, all the way to a building's efficiency throughout its lifecycle.

At Holcim we are committed to building a net-zero future that works for people and the planet. We are taking a rigorous science-driven approach on this journey, working with the Science Based Targets initiative (SBTi).

With our 2050 pathway, we are setting a new milestone for our industry, as the first in our sector with net-zero targets for 2030 and 2050 validated by SBTi, cutting across our entire value chain (Scope 1, 2 and 3).

This is important work because concrete plays a central role in our growing and urbanizing world and we are committed to making it net zero.

We are proud of the work of all our teams across Holcim who are making this possible. Our people worldwide are actively working on all levers to accelerate our sector's transition to net zero:

- **Making green building possible at scale** with the world's first global ranges of green concrete ECOPact and green cement ECOPlanet;
- **Driving the circular economy to build more new from the old, as a world leader in recycling** on our way to 100 million tons of recycled materials by 2030;
- **Enabling smart design to build more with less**, with technologies like 3D printing using 70% less materials with no compromise on performance;
- **Exploring next-generation technologies for breakthrough impact** such as carbon capture utilization and storage with thirty pilot projects across a range of applications from agriculture to aviation.

Now that we have a clear pathway to 2050, we are ready to accelerate our transition to win the race to net zero!

We share the highlights of our transition in the following pages, with the full details to follow in our upcoming Climate Transition Report.

The time for climate action is now. Join us!

JAN JENISCH
Chief Executive Officer

MAGALI ANDERSON
Chief Sustainability & Innovation Officer

28 October 2021

“This is a big leap forward on our journey to build a net-zero future.”

MAGALI ANDERSON
Chief Sustainability & Innovation Officer



NET-ZERO BUILDING ECOSYSTEM

Buildings account for 38% of the world's CO₂ emissions:

- 30% are in the construction phase
- 70% are in buildings in use

We're working across our entire value chain to accelerate the transition to net-zero building.

BUILDINGS ACCOUNT FOR

38%

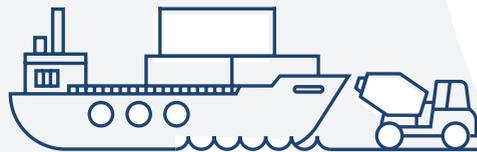
of the world's CO₂ emissions

30%

are linked to building materials

70%

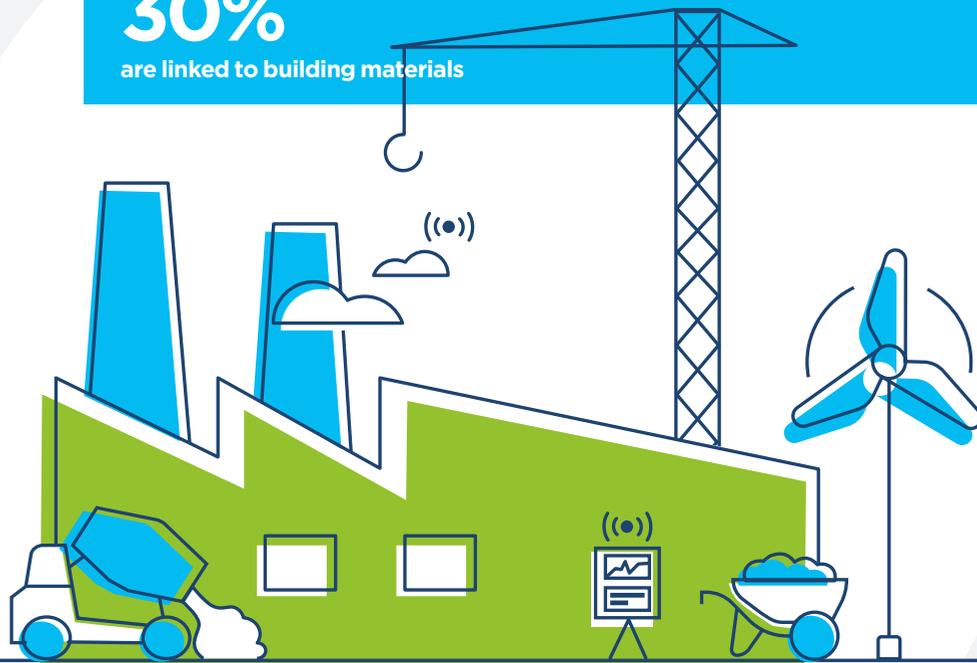
comes from buildings in use



UPSTREAM AND DOWNSTREAM

SUPPLIERS

FUEL



BUILDING MATERIALS

LOW-CARBON MATERIALS

ECOPact **ECOPlanet**

CIRCULAR ECONOMY

SMART DESIGN



BUILDINGS IN USE

ENERGY EFFICIENCY FROM FOUNDATION TO ROOFTOP

UNDERSTANDING OUR CO₂ FOOTPRINT

Holcim is becoming a leader in innovative and sustainable building solutions. Leading our sector in the transition to net zero, we are also transforming our business portfolio.

CEMENT

Our global ECOPlanet range of cement enables low-carbon construction at scale, including the world's first green cement with 20% recycled construction and demolition waste inside.



ECOPlanet
The Green Cement

READY-MIX CONCRETE

The ECOPact range of green concrete is now available in all regions and 24 markets, making low-carbon construction possible at scale



ECOPact
The Green Concrete

AGGREGATES

High-quality recycled aggregates such as Aggneo are made entirely from construction and demolition waste, preserving nature's precious resources.



Aggneo

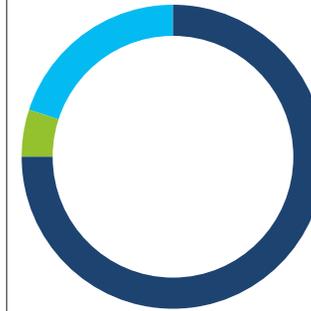
SOLUTIONS & PRODUCTS

Airium insulating technology improves the energy efficiency of buildings, from wall to wall and floor to ceiling.



AIRIUM
Insulation Redefined

OUR CO₂ FOOTPRINT (%)



- SCOPE 1: 109.5 MT CO₂ 75%
- SCOPE 2: 6.9 MT CO₂ 5%
- SCOPE 3: 29.1 MT CO₂ 20%

STRATEGIC PORTFOLIO TRANSFORMATION

We are increasing the share of solutions and products we offer that have a favorable CO₂ impact. Acquisitions such as Firestone Building Products are a clear example of our shift to less CO₂-intensive segments.

DECARBONIZING OUR BUSINESS

We are actively decarbonizing our existing portfolio and operations with our net-zero roadmap, from broadening our use of alternatives fuels all the way to increasing the share of green products we sell, including our green cement, ECOPlanet, and green concrete, ECOPact.

PARTNERING FOR BREAKTHROUGH IMPACT

For breakthrough impact on our net-zero journey, we are exploring a range of next-generation technologies. This requires unprecedented collaboration between industry and policy makers, across the construction sector and with our people and communities. At Holcim we are dedicated to bridging these gaps to build a net-zero future.

FIRESTONE

With up to 60% of a building's energy lost through its roof, products such as ISOGARD drive down the CO₂ emissions of buildings in use.



ISOGARD™

OUR NET-ZERO JOURNEY

Holcim is among the first companies worldwide to set 2050 net-zero targets validated by the SBTi. With these goals, Holcim is establishing a new milestone for its industry as the first with:

- 2030 and 2050 net-zero targets validated by SBTi, and
- Cutting across its operations and value chain, including Scope 1, Scope 2 and Scope 3

Our targets cover the three 'scopes' of carbon emissions as established by the GHG Protocol to address both our direct and indirect impact.

SCOPE 1

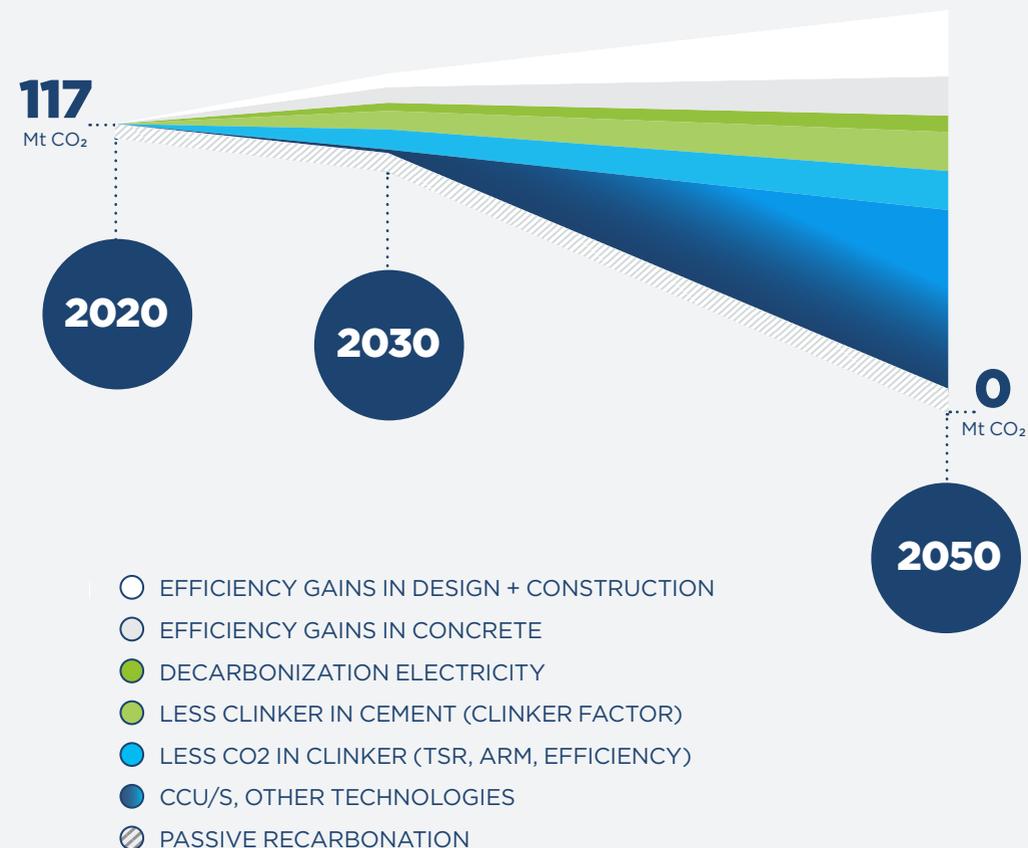
SCOPE 1 includes all emissions released directly from our operations. They account for 75% of our footprint and are at the core of our emissions reduction strategy. A number of factors are involved in bringing our Scope 1 emissions to net zero:

- **Alternative sources of materials**, such as waste and byproducts from other industries can be used to replace some raw materials and reduce our CO₂ emissions.
- **Clinker**, the main component of cement, produces the most CO₂ emissions. Replacing it in our final cement products reduces carbon intensity.

- We also replace fossil fuels with pretreated non-recyclable and biomass **waste fuels** to operate our cement kilns.
- Over time, the increasing importance of embodied carbon per m² of building/infrastructure will move the market to more **carbon-efficient construction**, leading to less materials used per m² of buildings and infrastructure.
- **Carbon capture** technologies play an essential role in our net-zero journey beyond 2030. Currently, we are working with leading multinationals and startups and exploring their potential across thirty pilot projects worldwide.



OUR ABSOLUTE SCOPE 1 + SCOPE 2 EMISSIONS PATHWAY



OUR NET-ZERO JOURNEY CONTINUED

SCOPE 2

SCOPE 2 emissions account for 5% of our carbon footprint. They include indirect emissions from the generation of purchased electricity consumed in owned or controlled equipment.



SCOPE 3

SCOPE 3 emissions account for 20% of our carbon footprint. They include all other indirect emissions generated in our supply chain, such as those from transportation. Our Scope 3 intermediate targets have also been verified by SBTi, marking a new milestone in our industry.



OUR NET-ZERO JOURNEY IN NUMBERS

In 2020, Holcim entered a new era in sustainability with our net-zero pledge. Leading the way in green construction, we became the first global building materials company to sign the UNGC's "Business Ambition for 1.5°C" initiative, with intermediate 2030 targets approved by the SBTi in alignment with a net-zero pathway.

In October 2021 we became one of the first companies worldwide with a 2050 roadmap validated by the SBTi in line with their new net-zero standard. This pathway to 2050 is based on scaling up and accelerating our 2030 levers, while deploying next-generation technologies. These technologies include novel binders, zero-emission vehicles, low-clinker cements and scaling up Carbon Capture Utilization and Storage (CCU/S).

YR	SCOPE 1	SCOPE 2	SCOPE 3
2018	576 BASELINE	38 BASELINE	
2020	555	36	29 MT BASELINE
2030	475 Kg CO ₂ Net/t cementitious	13 Kg CO ₂ Net/t cementitious	-20% Kg CO ₂ per ton of purchased clinker and cement
			-20% Kg CO ₂ per ton of purchased fuels
			-24% Kg CO ₂ per ton of material transported
2050	net zero	GHG emissions across the value chain validated by	SCIENCE BASED TARGETS

Holcim's 2050 Net-Zero Targets validated by SBTi:

- Holcim commits to reduce scope 1 and 2 GHG emissions 95% per ton of cementitious materials by 2050 from a 2018 base year.*
- Holcim commits to reduce absolute scope 3 GHG emissions 90% by 2050 from a 2020 base year.

*The target boundary includes land related emissions and removals from bioenergy feedstocks.

NET-ZERO CONCRETE

Concrete is the most-consumed man-made product in the world. We are making it net zero to build a world that works for people and the planet.



Concrete is the building material for a growing, urbanizing world. No other material matches its performance benefits. It is resilient, protecting our cities and infrastructure from natural disasters such as effects from flooding. It is durable, fire- and quake-resistant as well as versatile, affordable, insulating and available everywhere. It is infinitely recyclable and, with our green concrete, we are making it low-carbon. Acting as a carbon sink, it reabsorbs 25% of the CO₂ emitted in its production throughout its lifespan.

Today we offer the industry's broadest range of green concrete with ECOPact, delivering high-performing, sustainable and circular benefits, with no compromise on performance.

ECOPact green concrete is sold at a range of low-carbon levels, starting with a 30% lower carbon footprint compared to standard and local concrete. Its sustainability profile is driven by low-emission raw materials and decarbonized operations, including the use of alternative fuels.

THE BUILDING MATERIAL FOR A SUSTAINABLE FUTURE

Our ECOPact green concrete range offers a low-carbon footprint with no compromise on performance. It is used across a range of applications, from commercial buildings to large-scale infrastructure like dams, all the way to affordable housing. In Ecuador, ECOPact green concrete was used in

the country's largest affordable housing project. Thanks to ECOPact the project will realize a savings of 1,000 tons of CO₂.

Housing estate in Ecuador built with ECOPact with reduction of 1,000 tons of CO₂.



NET-ZERO CONCRETE

Holcim commits to global production of net-zero concrete by 2050.



GREEN BUILDING AROUND THE WORLD



1 Boston University's sciences center saved 30% of CO₂ with ECOPact

2 Seattle's iconic Spheres saved 80% of CO₂ with ECOPlanet

3 Living Tomorrow complex, Brussels, saved 69% CO₂ with ECOPact

4 Eight Gardens, London, saved 64% CO₂ with ECOPact