



HOLCIM

DOUBLE MATERIALITY ASSESSMENT

2025 REPORT



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INTRODUCTION

Sustainability is at the core of our strategy, as we lead the shift to circular, resilient, low-carbon, energy-efficient and smart building.

We are committed to regularly conducting materiality assessments, and to strengthening and adjusting our process with each exercise.

In 2022, we redesigned our materiality assessment to align closely with our Enterprise Risk Management process and engage a broader range of stakeholders to capture more diverse insights.

In 2024, we undertook a comprehensive Double Materiality Assessment (DMA) to align with the disclosure requirements of the Corporate Sustainability Reporting Directive (CSRD) and the related European Sustainability Reporting Standards (ESRS) issued by the European Commission.

The materiality priorities that have been identified through this assessment update will build the foundation of our sustainability strategy, ensuring it prioritizes our most relevant sustainability issues that will drive sustainable growth for the business and long-term value for all our stakeholders.

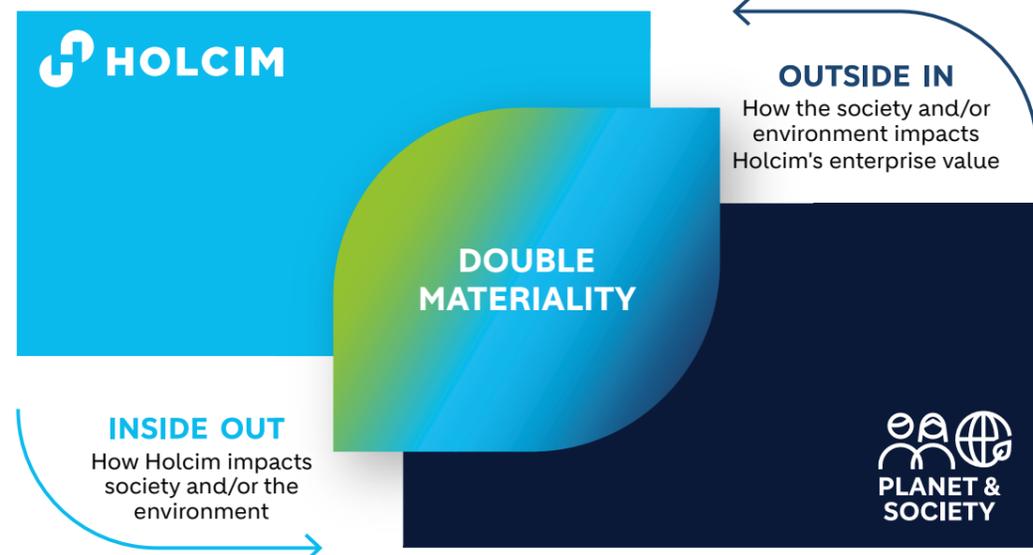


DOUBLE MATERIALITY PROCESS

CONTEXT

The materiality assessment process, aligned with CSRD's double materiality concept, examines both impact and financial value dimensions in detail.

This approach acknowledges that an organization can both influence and be influenced by sustainability matters.



▲ Double materiality and definitions of impact and financial materiality.

Financial materiality (OUTSIDE IN)
The significance of sustainability-related impacts, risks and opportunities that could influence Holcim's financial performance.

Impact materiality (INSIDE OUT)
The significance of Holcim's impacts on society and/or the environment.

OVERVIEW OF OUR METHODOLOGY

The assessment was guided by our Group Sustainability and Risk specialists, along with relevant subject matter experts. To ensure objectivity, we partnered with DNV Business Assurance to assist us with the process, providing independent expertise and guidance on aligning with CSRD and best practices.

Our assessment process was designed to align with CSRD requirements, while integrating the existing group risk universe and the previous materiality assessment.

This approach ensured consistency in the scoring of financial risks as well as expanding the assessment to comprehensively evaluate impacts and opportunities.

The assessment was specifically tailored to evaluate the materiality of sustainability topics and their associated impacts, risks, and opportunities across the short term (less than 3 years), medium term (less than 10 years), and long term (up to 2050), as per our enterprise risk management process.

Our process was designed with the following key definitions in mind:

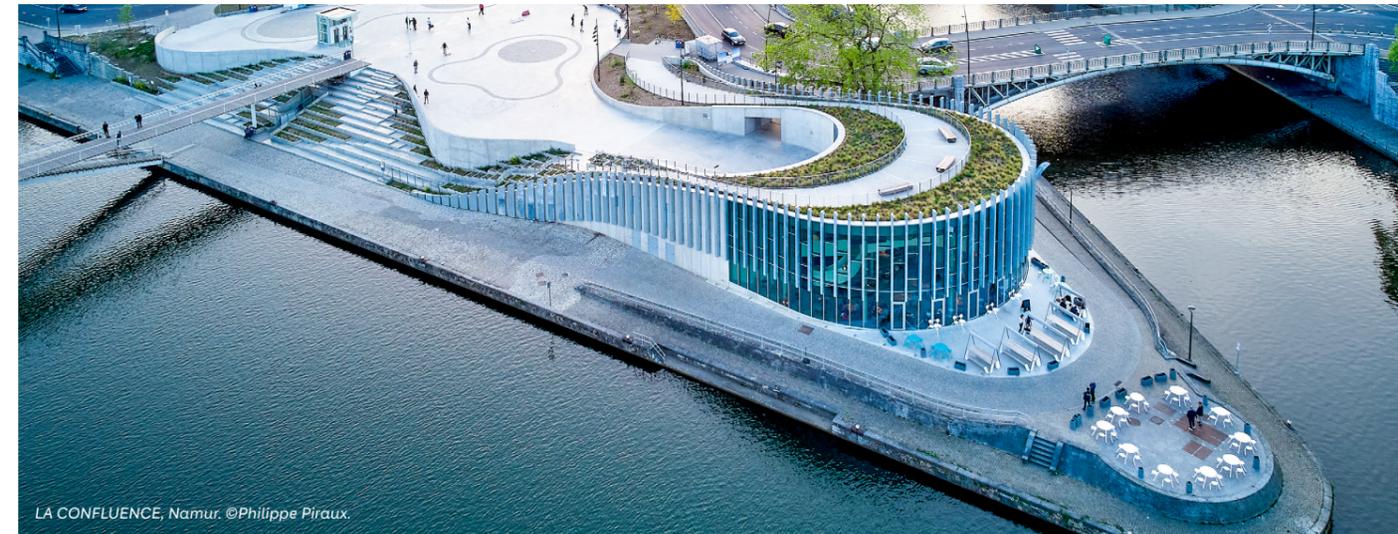
Financial materiality

The materiality of risks and opportunities based on the potential magnitude of their financial effects and likelihood* of occurrence (assessed before any mitigation actions). Collecting information on the type of impact to our business, the estimated financial outcomes and additional perceptions on topic management.

Impact materiality

Evaluation of actual and potential (unmitigated) impacts, both positive and negative within Holcim's value chain. Consideration of these impacts in terms of their scale, scope, irremediable character, and likelihood.

*Likelihood was not designed as an explicit standalone datapoint but was instead integrated into the understanding of assessing the impact on Holcim's success.



PROCESS STEPS

Our assessment was completed in three key stages.



1. HORIZON SCANNING, KEY ISSUES REVIEW AND PROCESS DESIGN

In the initial phase of our process, we conducted an in-depth review of sustainability matters that could significantly influence Holcim's financial success or have an impact on society and/or the environment. This review encompassed both current and future perspectives, examining our 2022 materiality topics and updating these using insights from our latest information including group risks, strategy, climate, and value chain activities.

An initial list of topics was identified covering environmental, social, governance, and market focus areas. Topics and their definitions were updated to reflect the current context, such as expanding digital transformation to encompass AI and cybersecurity and expanding energy consumption to include Holcim's vulnerability to fluctuation of fuel prices and ability to switch to alternative fuels.

These topics were mapped against the ESRS 1 application requirements list of sustainability matters, with relevant subtopics included where applicable to Holcim's operations.

Key to our assessment was identifying where in Holcim's value chain our material impacts, risks and opportunities were likely to take place. Holcim's value chain was integrated into the survey design to ensure the finalized topic list considered all potentially material sustainability matters relating to our direct and indirect activities.

VALUE CHAIN

UPSTREAM

RAW MATERIAL AND ENERGY SOURCING

Raw Materials: Holcim sources a diverse range of raw materials including limestone, which serves as the primary component of clinker, and aggregates such as sand, gravel, and crushed stone.

Holcim actively sources alternative raw materials in order to reduce its environmental impacts. These materials include basic elements (Ca, Si, Fe, Al, S), recycled construction demolition materials (CDM), waste from other industries such as slag and fly ash, and innovative mineral components such as calcined clay, pozzolana and reclaimed ashes. By partially replacing clinker with these mineral components, we can significantly reduce the carbon intensity of our cement.

Energy: Holcim is transitioning to alternative fuels such as biomass and waste derived resources, substituting traditional fossil fuels used in cement kilns, which include coal, petcoke and natural gas. We generate our own electricity and utilize electricity from the grid. We are committed to decarbonize the electricity we consume through long term PPAs and onsite generation from wind, solar and waste heat recovery.

INBOUND LOGISTICS

Holcim utilizes advanced digital and AI-driven solutions to optimize its logistics, reduce transport distances, and cut emissions. Our transport network utilizes various modes of transport, including trucks, rail, and ships.

SUPPLY CHAIN MANAGEMENT

Suppliers: Holcim's direct suppliers include quarry operators, mining companies, waste management firms, energy providers, and manufacturers and service providers of equipment and machinery. Holcim manages these relationships through procurement contracts, which emphasize sustainability criteria. Although our influence decreases further up the supply chain, Holcim promotes responsible practices through supplier codes of conduct and due diligence processes.

Supply Chain Due Diligence: Holcim enforces its Supplier Code of Conduct, Sustainable Procurement Directive, and Workers in the Value Chain Directive. These measures ensure suppliers adhere to human rights, labor rights, and environmental standards. We assess and manage ESG risks through a risk-based methodology which includes supplier audits. We also engage with suppliers to improve their sustainability performance.

OWN OPERATIONS

MANUFACTURING AND PRODUCTION

Clinker and Cement: Holcim produces clinker and cement at over 100 plants worldwide. Direct activities include the quarrying of limestone, the production of clinker, and the grinding of clinker with other materials to produce cement.

Aggregates: Holcim produces aggregates (sand, gravel, and crushed stone) at over 250 sites. Activities include extraction, crushing, screening, and washing of aggregates to meet various size and quality specifications. Biodiversity is actively managed around our sites. Quarry rehabilitation takes place simultaneously with extraction work.

Ready-mix Concrete: Holcim produces ready-mix concrete at over 950 sites. The production process involves mixing cement with aggregates, water, and admixtures.

Solutions and Products: Holcim manufactures advanced roofing systems, insulation, and specialty building solutions, such as advanced mortars, tile adhesives and façades, and coatings, at specialized facilities.

INNOVATION

Holcim invests in research and development to develop innovative products and processes. The focus of the Group is on low-carbon cement formulations, the use of alternative fuels and raw materials, and the development of digital solutions. Holcim is investing in carbon capture utilization and storage (CCUS). In addition, Holcim MAQER Ventures invests in exciting startups to help them scale their breakthrough technologies.

Holcim is decarbonizing its products by rethinking the composition of cement and concrete. Our low-carbon ECOPlanet cement and ECOPact concrete deliver at least 30% lower CO₂ emissions compared to conventional alternatives.

PEOPLE

Employees: Holcim aims to be a top employer by nurturing talent and engaging its employees. Our 45,000 people worldwide are reinforcing our culture of performance and value creation for our people, customers and shareholders, every single day.

Health & Safety: Holcim aims to protect the physical, mental and social wellbeing of its people. That means conducting our business with zero harm and providing a healthy and safe environment to employees, contractors, communities and customers. Our comprehensive policies and training support this aim.

DOWNSTREAM

SALES, DISTRIBUTION, AND CUSTOMER ENGAGEMENT

Customers: Holcim serves a diverse range of customers. We serve construction companies, developers, distributors and retailers, and individual homeowners for renovation and repair.

Distribution Channels: Holcim distributes products through various channels. These channels include direct sales to large construction projects, sales through distributors and retailers, and delivery to customer sites using Holcim's own or third-party logistics providers.

Customer Relationships: Holcim aims to build long-term relationships with its customers and partners. We provide technical support, sustainable solutions, and our HOLCIM+ digital ecosystem that enhances service and performance.

PRODUCTS AND SOLUTIONS

Holcim develops products to meet its customers' needs. We deliver a broad range of high-performance, circular, resilient, low-carbon, energy-efficient and smart building solutions, from end-to-end.

Our portfolio of advanced roofing, insulation and building systems, including premium brands like Elevate, PRB, PTB, and ZinCo, are designed to enhance energy efficiency, bring nature into cities and to decarbonize construction.

CIRCULARITY

Recycling: Holcim currently runs over 100 recycling centers worldwide, in or near to major metropolitan areas. Holcim is scaling its ECOCycle® circular technology to process construction demolition materials (CDM) into new building solutions. CDM is reintegrated as recycled aggregates, mineral components in cement and inputs for ECOPact concrete, enabling circular construction at scale.

Geocycle: Holcim's Geocycle business provides sustainable waste management solutions. It transforms non-recyclable waste into alternative fuels and raw materials in Holcim's operations, reducing landfill dependency and GHG emissions.

COMMUNITY ENGAGEMENT

Holcim engages with local communities to create long-term shared value, focusing on job creation, education, affordable housing and skills development to enhance livelihoods.



2. STAKEHOLDER ENGAGEMENT

We recognize that our stakeholder priorities are constantly evolving and that it is important for us to regularly capture their views. As such, this assessment leveraged our internal stakeholder expertise on impacts, risks, and opportunities to the business, as well as knowledge of our external impacts on society and/or the environment. We continue to proactively and transparently engage with our external stakeholders and we reached out directly for their views in this assessment.

We conducted a stakeholder mapping exercise designed to ensure representation from all of Holcim's key stakeholder groups, internally and externally. This process identified over 600 internal stakeholders and more than 300 external stakeholders for inclusion in the assessment. Stakeholders were selected to encompass a wide range of categories, including affected stakeholders and users of sustainability statements. Stakeholders with relevant sustainability expertise were identified as well as those who could reflect our global operations (diversified geographical representation).

We developed two distinct stakeholder surveys, tailored for our internal and external stakeholders. Stakeholders received an accompanying survey guide to provide them with details of topic definitions and scoring criteria.

The surveys were designed to score the topics against the criteria. Internal stakeholders assessed the financial materiality of topics and external stakeholders assessed the impact materiality of topics.

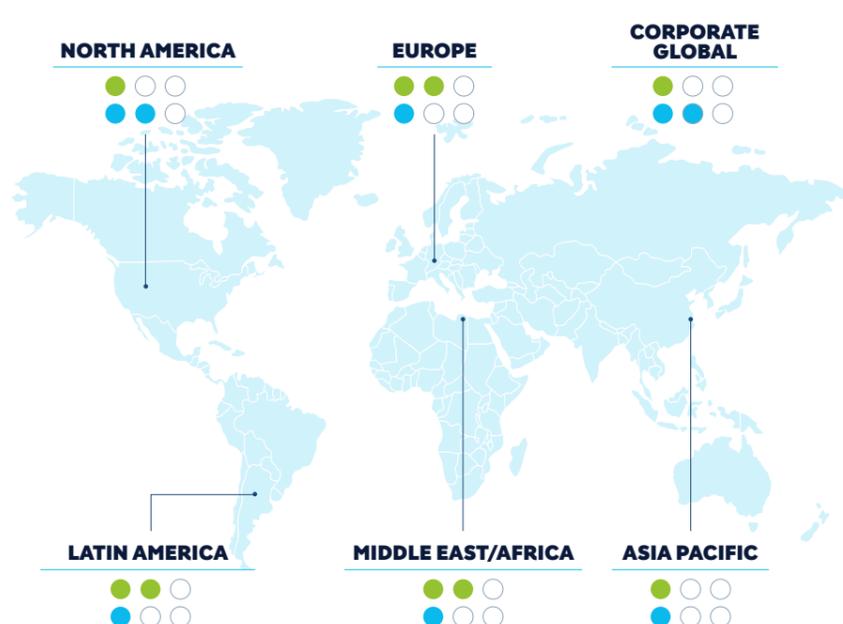
Stakeholders were asked to provide a score from 1 (Low) to 4 (Very High), a scale that aligns with our Group Enterprise Risk Management Program and Risk Universe Framework. The criteria were designed to use the risk descriptors from the Risk Universe Framework whilst also integrating impacts and opportunities and transitioning from an event-based to a topic-based assessment.

Furthermore, the scoring criteria were crafted to gather insights on topics of strategic importance to our external stakeholders, reflecting their relationship in doing business with us.

Stakeholders could answer additional detailed questions where they had relevant knowledge and expertise on a particular topic they believed to be of high/very high impact. Respondents were always provided with an option to select "unsure" to avoid skewing the results if they were not informed on the topic. Stakeholders were also provided with the opportunity to raise details of additional topics not included in the potentially material topic list.

We received over 400 responses: 357 internal responses and 87 external responses.

▼ Stakeholders who completed the survey



Internal stakeholders represented all key functions, including Environment, Health and Safety, Operations, Sales/Commercial, Finance, Human Resources, Supply Chain, Marketing/Communications, Audit and Risk Management, General Counsel/Board, Corporate Affairs/Investor Relations.

External stakeholders represented all key groups including customers, suppliers, investors/banking partners, non-governmental organizations, industry groups/bodies, architects/specifiers, workers' unions/trade associations, academia, local governmental/regulators and joint ventures.



3. ANALYSIS, INSIGHTS AND VALIDATION

Responses were assessed for any potential skewing of results by dominant stakeholder groups and any significant variances in responses. Weighting of responses was not deemed necessary, as we received sufficient responses from all stakeholder groups surveyed.

The materiality of topics was determined by the proportion of stakeholders who rated each topic as having a high or very high financial impact or a high or very high impact on society and/or the environment (actual/potential and positive/negative) over the next 1-3 years.

Responses were also analyzed by stakeholder category and geographic location to gain more specific insights. These are explored in the following Results chapter. Qualitative open-ended questions were also reviewed for additional insights.

At the time of the 2024 assessment, Holcim had announced its intention to list its North American business in the U.S. In order to assess the relevancy of the Double Materiality Assessment (DMA) to Holcim's business post spin-off, stakeholders were asked to evaluate the potential impact of the North American spin-off on their scoring results. Across all topics, the vast majority of both internal and external respondents believed that there would be no material changes to their overall scores post spin-off.

An initial validation workshop was held with the independent consultancy and a panel of internal subject matter experts, as well as, Sustainability and Risk teams to review and assess the stakeholder results. As part of this review process, adjustments were made to increase the materiality of topics to ensure they were consistent with our Enterprise Risk Management assessment. Throughout the review, adjustment and validation process, no adjustments were made to decrease the materiality of any topics.

Subsequently, these results were overlaid with information from internal subject matter experts' assessment of ESRS materiality, to reach a final list of material topics and subtopics mapped to ESRS.

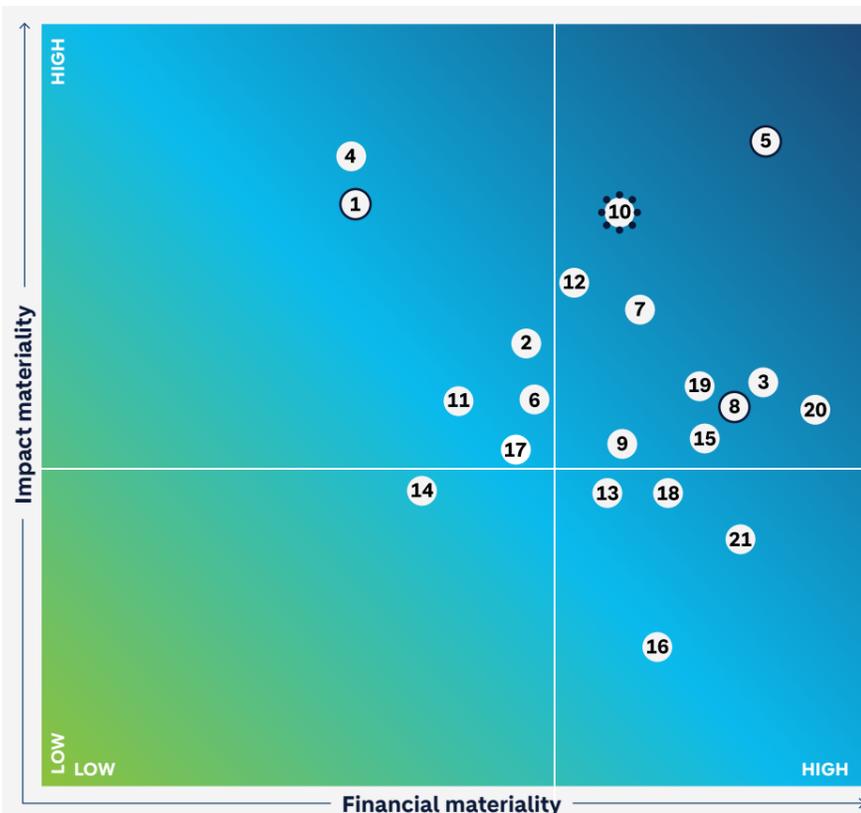
A further session with the Sustainability and Risk team established materiality thresholds and double materiality priorities. These were reviewed with the Independent Consultancy, DNV Business Assurance.

Senior governance stakeholders, including our VP of Sustainability, CPSO, CFO and CEO then provided feedback and validation. Their input led to the consolidation of topics with similar nature and scores. The materiality priority thresholds were ultimately validated and approved by the Health, Safety and Sustainability Committee in February 2025.

In October 2025, Holcim's sustainability and risk specialists, together with relevant subject matter experts, reviewed the material topics identified in the 2024 assessment. The review concluded that there were no material changes since the previous assessment except for "Responsible Advocacy and Public Policy", which was elevated in impact materiality.

RESULTS

MATERIALITY MATRIX



The financial materiality results are displayed on the x-axis and the impact materiality results on the y-axis. The top-right quadrant features the double materiality topics that are deemed most material to Holcim both from a financial and impact perspective.

The findings highlight that our stakeholders consider Operational GHG emissions as the most material sustainability topic for our business, as well as for society and/or the environment. This is consistent with our strategy to decarbonize Holcim for people and the planet, from our operations and solutions through to buildings in use.

◀ Materiality matrix diagram

ENVIRONMENTAL

- 1. Biodiversity, ecosystems and water management
- 2. Climate change adaptation and resilient infrastructure
- 3. Energy and alternative fuels
- 4. GHG emissions in the value chain (indirect)
- 5. Operational GHG emissions (direct)
- 6. Operational waste management
- 7. Pollution (air)
- 8. Resource use and circular economy

SOCIAL

- 9. Human rights and labor practices
- 10. Occupational health and safety
- 11. Responsible procurement
- 12. Social impact and community engagement
- 13. Talent attraction, diversity and inclusion

GOVERNANCE

- 14. Corporate communication
- 15. Corporate governance, ethics and compliance
- 16. Digitalization, AI and cybersecurity
- 17. Responsible advocacy and public policy
- 18. Responsible pricing

MARKET

- 19. Green CapEx and innovation
- 20. Product quality
- 21. Sustainable financial returns

- Material topics linked to long-term incentives scheme
- ⦿ Material topic linked to annual incentives scheme

Ten topics are considered by our stakeholders to have the greatest impact on our business and on society and/or the environment, therefore form our double materiality priority topics. These include:

- Corporate governance, ethics and compliance
- Energy and alternative fuels
- Green CapEx and innovation
- Human rights and labor practices
- Occupational health and safety
- Operational GHG emissions (direct)
- Pollution (air)
- Product quality
- Resource use and circular economy
- Social impact and community engagement

In our assessment of financial materiality, four topics emerged as particularly significant:

- Digitalization, AI and cyber security
- Sustainable financial returns
- Responsible pricing
- Talent attraction, diversity and inclusion

In our assessment of impact materiality, six topics emerged as particularly significant:

- Biodiversity, ecosystems and water management
- Climate change adaptation and resilient infrastructure
- GHG emissions in the value chain (indirect)
- Operational waste management
- Responsible procurement
- Responsible advocacy and public policy



DOUBLE MATERIALITY SUMMARY TABLE

For each of Holcim's key sustainability topics, the table below summarises the following aspects:

Double materiality priorities: this is determined by the thresholds set on the materiality matrix.

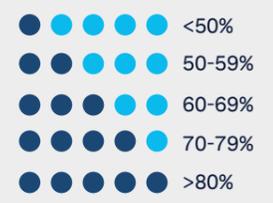
Financial materiality level: this is a category assigned to each topic based on the percentage of internal respondents classifying the topics as having a 'high' or 'very-high' impact on the business.

Risks and opportunities: this states whether the majority of internal stakeholders viewed these topics as primarily a risk, an opportunity, or both for Holcim's business activities.

Primary business impact: this indicates how the business is most likely to be affected positively/negatively by the topic, including reputational, business growth, operational, financial, and regulatory impacts.

Impact materiality level: this is a category assigned to each topic based on the percentage of external respondents classifying the topics as having a 'high' or 'very-high' impact on society and/or the environment

Value chain impacts: when an external stakeholder selected a topic as having a 'high' or 'very-high' impact, an additional question appeared asking them to indicate which stage of the value chain this would most relate to. The table highlights the value chain option that had the highest proportion of stakeholder responses. Where more than three options received a similar proportion of responses, these are summarized as 'across most stages of the value chain'.



Key to be used
 % of respondents who selected this topic as 'high' or 'very high' impact on Holcim's enterprise value (financial materiality) and on society and/or the environment (impact materiality).



THAMMASAT UNIVERSITY ROOFTOP FARM, Rangsit. ©Rachapant Sukrattanachaiikul

FINANCIAL MATERIALITY

Internal stakeholders identified the majority of sustainability topics as opportunities for our business. Stakeholders particularly emphasized the distinction between Digitalization and AI* predominately seen as opportunities and Cybersecurity and data protection* primarily viewed as risk. Additionally, Pollution* has been recognized as a risk for our business. Key opportunities identified for Holcim were Corporate governance*, Green CapEx and innovation, Resource use and circular economy, Corporate communication, Diversity, equity and inclusion*, Energy and alternative fuels, and Sustainable financial returns.

Reputation emerged as the most significant actual or potential primary business impact associated with the sustainability topics. These could be positive or negative impacts on our reputation. Social topics, in particular, were most frequently linked to reputational impacts. Beyond reputation, internal stakeholders identified business growth as a significant impact related to the sustainability topics. Specifically, Green CapEx and innovation, as well as Talent attraction, retention and development*, were highlighted as key areas influencing business growth.

Across most sustainability topics, internal stakeholders believed that the impact on EBIT would be either Low (<5%) or Medium (5-<10%).

Key internal functions were largely aligned on the financial materiality of topics over the next 1-3 years. Across different regions, there was strong internal alignment about the financial materiality of Operational GHG emissions, Energy and alternative fuels, Ethics and compliance*, and Product quality*.

IMPACT MATERIALITY

The most material topics relating to our impact on society and/or the environment were representative of environmental areas, specifically covering biodiversity, GHG emissions and water management.

Across all topics, external stakeholders saw our direct operations as the primary area of focus to manage impacts of a high/very high nature.

Our key external stakeholders including investors/banking partners, customers and suppliers were aligned in scoring topics of greatest impact on society and/or the environment. Investors in particular placed greater importance on topics of an environmental nature, whereas suppliers had a greater focus on social topics.

*These results are presented for topics at a more granular level of detail, before topics were consolidated and as such the topic titles may not exactly match the matrix topic titles.

Customers particularly placed a strong emphasis on GHG emissions (both direct and indirect) as areas of high/very high impact.

External stakeholders across Europe and North America exhibited slightly differing perspectives on the topics with the greatest impact on society and/or the environment. For instance, external stakeholders in Europe rated Holcim's impact of Diversity, equity and inclusion* higher than stakeholders in North America.

EXTERNAL STAKEHOLDER PRIORITIES

Human rights & labor practices, Product quality, safety and sustainability*, Corporate governance*, Ethics & compliance*, Occupational health & safety and Responsible procurement were rated as particularly important to our external stakeholders.

For investors/banking partners, customers and suppliers, social and governance topics were deemed to be of greater importance than environmental topics. Not surprisingly, Sustainable financial returns is a topic of high importance to both investors/banking partners and customers. Product quality, safety and sustainability* is of high importance to all three of these key stakeholder groups.

Across all geographies, Human rights and labor practices are of high importance to our external stakeholders.

External stakeholder feedback demonstrates substantial alignment with our approach to these sustainability topics, and ongoing monitoring is essential to maintain this alignment as stakeholder expectations evolve.

Material topic	Double material priorities	FINANCIAL MATERIALITY			IMPACT MATERIALITY	
		Financial materiality	Risk/Opportunity	Type of business impact	Impact materiality	Most material value chain impact
Biodiversity, ecosystems and water management		●●●●●	Both	Reputational	●●●●●	Across most stages of the value chain
Climate change adaptation and resilient infrastructure		●●●●●	Mostly opportunity	Business Growth	●●●●●	Direct operations
Energy and alternative fuels	★	●●●●●	Mostly opportunity	Financial	●●●●●	Direct operations/Upstream: Procurement raw materials and transportation (suppliers)
GHG emissions in the value chain (indirect)		●●●●●	Both	Reputational	●●●●●	Direct operations/Upstream: Procurement raw materials and transportation (suppliers)
Operational GHG emissions (direct)	★	●●●●●	Both	Reputational	●●●●●	Direct operations/Upstream: Quarry management
Operational waste management		●●●●●	Mostly opportunity	Regulatory	●●●●●	Downstream: End of life, recycling and rehabilitation of quarried sites/Direct operations
Pollution (air)	★	●●●●●	Mostly Risk	Reputational	●●●●●	Direct operations/Upstream: Quarry management
Resource use and circular economy	★	●●●●●	Mostly opportunity	Business Growth	●●●●●	Downstream: End of life, recycling and rehabilitation of quarried sites
Human rights and labor practices	★	●●●●●	Mostly opportunity	Reputational	●●●●●	Across most stages of the value chain
Occupational health and safety	★	●●●●●	Both	Reputational	●●●●●	Direct operations
Responsible procurement		●●●●●	Mostly opportunity	Reputational	●●●●●	Upstream: Procurement raw materials and transportation (suppliers)
Social impact and community engagement	★	●●●●●	Both	Reputational	●●●●●	Across most stages of the value chain
Talent attraction, diversity and inclusion		●●●●●	Both	Business Growth	●●●●●	Direct operations
Corporate communication		●●●●●	Mostly opportunity	Reputational	●●●●●	Direct operations/Downstream: Marketing & sales
Corporate governance, ethics and compliance	★	●●●●●	Both	Reputational	●●●●●	Direct operations
Digitalization, AI and cyber security		●●●●●	Both	Operational	●●●●●	Direct operations
Green CapEx and innovation	★	●●●●●	Mostly opportunity	Business Growth	●●●●●	Direct operations
Product quality	★	●●●●●	Mostly opportunity	Business Growth	●●●●●	Direct operations
Responsible advocacy and public policy		●●●●●	Mostly opportunity	Reputational	●●●●●	Direct operations
Responsible pricing		●●●●●	Both	Business Growth	●●●●●	Direct operations/Downstream: Marketing & sales
Sustainable financial returns		●●●●●	Mostly opportunity	Financial	●●●●●	Direct operations



IMPLICATIONS AND NEXT STEPS

IDENTIFIED MATERIAL PRIORITIES AND ALIGNMENT WITH STRATEGY

The outputs of the assessment not only inform our future strategic direction but also confirm the continued relevance of our current sustainability strategy.

Our sustainability strategy remains aligned with our identified key materiality topics and reinforces our focus on decoupling business growth from emissions and resource use while increasing our positive contribution to society and nature.

We will address and follow up on material topics and initiate processes aimed at developing policies, actions, metrics and targets, in line with CSRD reporting. Our most material topics align to our four key sustainability pillars: Climate, Nature, Circularity, and People.

CLIMATE

Material topics:

- Climate change adaptation and resilient infrastructure
- Energy and alternative fuels
- GHG emissions in the value chain (indirect)
- Operational greenhouse gas emissions (direct)
- Pollution (air)
- Product quality (including meeting customers decarbonization expectations)

Holcim is taking a science-driven approach to decarbonization. We are following science-based targets and a clearly defined net-zero roadmap. To reach our commitments, we will reduce our clinker factor, use alternative fuels and raw materials, and increase our use of renewable energy. We will deploy advanced technologies such as Carbon Capture Utilization & Storage (CCUS). We are committed to promoting public policy aligned with the Paris Agreement's 1.5°C target.

NATURE

Material topics:

- Biodiversity, ecosystems and water management

Our Nature Strategy focuses on restoring and preserving biodiversity and freshwater as well as bringing nature into cities. Our key initiatives include strategic partnerships, piloting the world's first science-based targets for nature, progressive quarry rehabilitation, and optimizing and replenishing freshwater use.

CIRCULARITY

Material topics:

- Operational waste management
- Resource use and the circular economy
- Responsible procurement

Holcim is driving circular construction at scale across key metropolitan areas where it operates worldwide. From circular construction to the development of circular cities and the broader goal of building resilient cities, we drive responsible resource use and a circular economy.

PEOPLE

Material topics:

- Human rights and labor practices
- Occupational health and safety
- Social impact and community engagement
- Talent attraction, diversity and inclusion

From early career leaders and employee engagement to mental health awareness, critical risk management, human rights impact assessment, and broader social impact initiatives, Holcim addresses a wide range of social factors.

We have several other material topics including:

- Corporate governance, ethics and compliance
- Digitalization, Artificial Intelligence (AI) and cybersecurity
- Green CapEx and innovation
- Responsible pricing
- Sustainable financial returns

We have a strong Compliance Program to ensure our business practices support our sustainability goals and ethical stewardship. We apply high standards to corporate governance and our Code of Business Conduct ensures that all directors, officers and employees share Holcim's commitment to conducting business with integrity, and provides guidance on how to put this commitment into practice. Of equal importance to Holcim is how suppliers we work with conduct their business in the marketplace. We strive to ensure all suppliers behave in accordance with principles set forth in the Holcim Supplier Code of Conduct, particularly when it comes to human rights, labor-related issues, the environment and anti-bribery and corruption.

We adhere to strict competition laws and have a Fair Competition Directive. Additionally, our pricing management is part of Minimum Control Standards which ensure pricing is managed responsibly and transparently.

A robust sustainability strategy requires accountability at the highest levels. Linking material sustainability topics to executive compensation helps to motivate leadership to drive improvements and progress in key sustainability areas.

Our compensation program is directly linked to our sustainability strategy. Our Management Long-Term Incentives (LTIs) include a sustainability component which is focused on three of our most material impacts: Climate, Nature and Circularity. The CO₂ target included in the the long-term incentive is based on CO₂ targets validated by the Science-based Targets Initiative (SBTi).

The sustainability objective accounts for one-third of the performance share award and encompasses:

- Climate with a 50% weight: Reduction of CO₂ emissions (Scope 1) per ton of cementitious material produced.
- Circular economy with a 25% weight: Quantity of recycled waste derived resources.
- Nature with a 25% weight: Reduction of freshwater withdrawal per ton of cementitious material produced.

Holcim puts sustainability at the core of its strategy to build a net-zero future. Our focus on green investments and innovation is a fundamental aspect of this strategy. We are committed to aligning capital expenditure plans with our long-term net-zero reduction target, which has been validated by SBTi and is aligned with the Paris Agreement's objective of limiting global warming to 1.5°.

Our assessment identified Digitalization, Artificial Intelligence (AI) and cybersecurity as a topic of high financial materiality. This topic represents an expansion of scope from Data Protection and Privacy in the previous assessment and reflects the growing importance and financial materiality of digital technologies in our operations and the associated risks and opportunities related to cybersecurity and data privacy. Holcim is leveraging AI to accelerate the transition to sustainable buildings as well as to improve its operational efficiency and customer experience. However, we recognize that there are risks associated with digitalization, AI and cybersecurity. Holcim has established policies and procedures for IT security and governance as well as internal control standards for all applicable systems.

EMERGING MATERIAL TOPICS

Stakeholders were provided with an opportunity to identify any topics that were not already included in the survey. No additional topics were raised as being material.

Four of our most material topics were identified by stakeholders as likely to become more important to our business over the long term (3-10 years). These included: Energy and alternative fuels, Operational GHG emissions, Resource use and circular economy and Green CapEx and innovation. These are key strategic areas already recognized by the business. We will continue to review these areas and actively engage with stakeholders to ensure that we stay up to date with understanding the most relevant impacts, risks and opportunities.



Next steps

The DMA is not a static exercise but a dynamic process that will be integral to our ongoing sustainability journey. We will review our DMA on an annual basis as per Corporate Sustainability Reporting Directive (CSRD) requirements and to ensure it remains relevant and reflects evolving internal and external contexts.

We are moving towards compliance with CSRD requirements and have a dedicated CSRD working group. We will build on disclosures in our Integrated Annual Report and Climate Report that have already undergone limited assurance. Our 2025 reporting will feature a dedicated sustainability statement. This statement will include disclosures aligned with the European Sustainability Reporting Standards (ESRS) and will be subject to limited assurance, ensuring the credibility and reliability of our disclosures.

This iterative approach will allow us to continuously improve our understanding of our impacts and dependencies, and to refine our sustainability strategy accordingly. We are committed to embedding the DMA into our core business processes, ensuring that sustainability considerations are integrated into decision-making at all levels.

APPENDIX 1

EUROPEAN SUSTAINABILITY REPORTING STANDARDS MATERIALITY MAPPING

The results of the stakeholder surveys were overlaid with views from internal subject matter expert assessments to determine the applicability of our sustainability reporting requirements in line with the ESRS. The conclusions are illustrated below:

ESRS Standard	ESRS subtopics	Material to Holcim
E1 Climate change	Climate change mitigation	Yes
	Climate change adaptation	Yes
	Energy	Yes
E2 Pollution	Pollution of air	Yes
	Pollution of water	Yes
	Pollution of soil	No
	Substances of concern or very high concern	No
	Pollution of living organisms and food resources	No
	Microplastics	No
E3 Water & marine resources	Water	Yes
	Marine resources	No
E4 Biodiversity & ecosystems	Direct impact drivers of biodiversity loss	Yes
	Impact on the state of species	Yes
	Impact on the extent and condition of ecosystems	Yes
	Impact and dependencies on ecosystem services	Yes
E5 Resource use & circular economy	Resource inflows including resource use	Yes
	Waste	Yes
	Resource outflows related to products and services	Yes
S1 Own workforce	Working conditions	Yes
S2 Workers in the value chain	Equal treatment and opportunities for all	Yes
	Other work-related rights	Yes
S3 Affected communities	Communities' economic, social and cultural rights	Yes
	Communities' civil and political rights	No
	Rights of Indigenous peoples	Yes
S4 Consumers and end-users*		No
G1 Business conduct	Corporate culture	Yes
	Protection of whistleblowers	Yes
	Political engagement & lobbying activities	Yes
	Management of relationships with suppliers including payment practices	Yes
	Corruption & bribery	Yes
	Animal welfare	No

*S4 Consumers and End-users was not aligned to the universe of topics defined by Holcim and stakeholders did not raise this as a missing area when asked if any potentially material topics were missing in the surveys. Therefore, S4 was not assessed as material as part of the DMA.

APPENDIX 2

DOUBLE MATERIALITY ASSESSMENT TOPICS

ESRS standard alignment	Double Materiality Assessment 2024 topic	Topic definition
E1 Climate change	Operational GHG emissions (direct)	Emissions which directly result from operations. This includes intensity and absolute emissions values. Holcim's role in mitigating the impact of the business on climate change.
	GHG emissions in the value chain (indirect)	Holcim's influence over its value chain in combating climate change collectively. For example, Holcim's shift to electric vehicles, or Holcim's offer to customers to deploy innovative design systems in order to build better with less CO ₂ .
	Climate change adaptation and resilient infrastructure	Holcim's adaptation measures to physical impacts of climate change, including more frequent and severe weather events, such as flooding, unpredictable weather patterns, and drought. Holcim's contribution to climate adaptation over the construction value chain, capacity to build infrastructure which is resilient to increasingly frequent and severe climate events, and natural hazards while prioritizing sustainability, durability and quality of life.
	Energy and alternative fuels	Holcim's vulnerability to the fluctuation of fuel prices, electricity prices or governmental regulations mandating fuel selection. This also includes Holcim's ability to switch to alternative fuels (e.g., sustainable biomass fuels, waste-derived fuels, hydrogen) in a safe and responsible manner in order to reduce the carbon footprint of Holcim's operations.
E2 Pollution	Pollution (air)	The effects of Holcim's operations on local air quality, through the emitting of byproducts, leakage of harmful chemicals and dust generation.
E3 Water & marine resources	Biodiversity, ecosystems and water management	Management of sites (including quarries) to ensure correct procedures concerning environmental and biodiversity management regulations. Operations in areas of high biodiversity value or lands of Indigenous people must undergo relevant due diligence and consent processes, with comprehensive ecosystem recovery and rehabilitation plans for end of asset life.
		Holcim's operational water use, release of pollutants, assessment of impacts, and initiatives to reduce water withdrawal and consumption.
E4 Biodiversity & ecosystems	Operational waste management	Holcim's operational waste production (amounts and type of waste) and Holcim's ability to correctly and safely dispose of waste (particularly hazardous waste, or waste which cannot be repurposed or recycled).
		Holcim's strategies to reduce and recirculate waste throughout the manufacturing and construction processes. Additionally, this includes Holcim's investments into innovations such as advanced crushing systems which promote reuse of construction demolition materials (e.g., concrete and aggregates recycling). This also includes Holcim's sustainable use of natural resources, as well as dependence on the supply, quality and cost of raw materials (sand and limestone, mineral additives such as slag and fly ash).
E5 Resource use & circular economy	Resource use and circular economy	



APPENDIX 2

DOUBLE MATERIALITY ASSESSMENT TOPICS

CONTINUED

ESRS standard alignment	Double Materiality Assessment topic	Topic definition
S1 Own workforce S2 Workers in the value chain	Human rights and labor practices	Holcim's policies and behavior concerning protection of employees, including workers in the value chain and adherence to employment laws within its own operations. This includes the right to secure work, freedom of association, equal opportunity and protection against discrimination.
	Occupational health and safety	Holcim's policies, training and processes relating to proactive management of health, safety and wellbeing of employees and contractors.
	Talent attraction, diversity and inclusion	<p>Working with current employees and developing a pool of talented candidates to ensure Holcim is well resourced and employees are gaining value. This involves training and career progression, secure employment, fair and competitive remuneration and benefits, as well as wider community training and education activities.</p> <p>Holcim's policies to promote an inclusive and fair workplace for employees and contractors, which does not discriminate on the basis of gender, religion, sexual orientation or race. The integration of these policies into Holcim's recruitment strategy, and into workplace management and anti-harassment policies.</p>
S3 Affected communities	Social impact and community engagement	Holcim's policies and procedures in place to ensure that adequate due diligence is performed prior to new operations and quarry setup, and that free informed and prior consent is given by communities directly and indirectly affected by quarry and other manufacturing activities. Adequate grievance mechanisms and withdrawal of consent procedures are made available to local communities. This also includes Holcim's community engagement strategy and Just Transition Framework. Affected stakeholders should be able to negotiate and access the opportunities and benefits, as well as trade-offs, that the pathway to the green economy entails, and form part of the consensus within Holcim's business aims and transition.
	Responsible procurement	Holcim's policies and practices which mitigate social and environmental risks associated with sourcing of resources and services. This includes controls for supporting human rights of workers within the value chain that are aligned with international best practices, and sourcing policies that ensure resources avoid conflict zones.

ESG Category
Social

APPENDIX 2

DOUBLE MATERIALITY ASSESSMENT TOPICS

CONTINUED

ESRS standard alignment	Double Materiality Assessment topic	Topic definition
G1 Business conduct	Corporate communication	Holcim's capacity to communicate in an effective, accurate or timely manner with external stakeholders such as customers, regulators, investors and employees, providing accurate and informative information, thereby building trust and credibility.
	Corporate governance, ethics and compliance	Strong corporate governance is essential to assure the long-term value and success of the company in the interests of various stakeholder groups: customers, shareholders, employees, creditors, suppliers and the communities where the Group operates. It also encompasses the ability of management to initiate acquisitions, mergers, divestitures, joint ventures in the market. It is also a key component of a company's structure to promote ethical business practices, encourage the implementation of ESG requirements and foster a business model oriented towards low-carbon, circular, energy-efficient and nature-friendly building solutions. Holcim's initiatives to establish, develop and promote a responsible corporate culture and its policies with respect to business conduct matters, including anti-bribery policies, whistleblower protection, compliance with legislation, transparency and business ethics.
	Digitalization, AI and cyber security	<p>Holcim's capacity to engage with and harness AI and other digital tools, thereby enhancing the efficiency and profitability of the business, whilst also generating positive progress towards sustainability and Just Transition goals.</p> <p>Holcim's strategy to safeguard customer and employee data, actions taken to protect against cyberattacks, and robustness of IT infrastructure (i.e. mitigation plans in case of major IT outage). Business resilience measures which are implemented to ensure the safety of personal information.</p>
	Responsible advocacy and public policy	Holcim's engagement with public authorities in order to inform policy debate and to assist public authorities in their decision-making processes on issues of relevance to Holcim. This includes Holcim's commitment to transparent and fair lobbying activities (including through trade associations in line with the Paris Agreement).
	Responsible pricing	Holcim's policies and practices concerning sourcing and pricing of goods and services, anti-competitive behavior (e.g., price fixing, bid rigging), payment practices and contracting of suppliers.

ESG Category
Governance

APPENDIX 2

DOUBLE MATERIALITY ASSESSMENT TOPICS

CONTINUED

ESG Category Other (Market)	ESRS standard alignment	Double Materiality Assessment topic	Topic definition
	ESRS 2 General disclosures	Sustainable financial returns	Holcim's ability to deliver superior financial performance including financial KPIs (recurring EBIT, Return on Invested Capital) and a disciplined investment strategy, centered around long-term sustainable profitability.
	ESRS 2 General disclosures	Green CapEx and innovation	Portfolio diversification, investments (including green capital expenditures such as carbon capture projects) and research & development (R&D) efforts which create a positive ESG impact whilst managing financial risk. This includes investments into construction and material innovations which help Holcim meet its ESG goals and work towards a decarbonized/lower-carbon economy.
	ESRS 2 General disclosures	Product quality	Satisfying customer expectations on product quality. This includes transparent, responsible marketing practices around green claims associated with Holcim's products.

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