

# ESG INVESTOR PRESENTATION

HOLCIM – ESG ENGAGEMENT

OCTOBER 2024



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# 01. **HOLCIM AT A GLANCE**



# WHO WE ARE

**~60K**   
Employees

**2030 & 2050**  
1.5 degree aligned net-zero  
targets, validated by SBTi

**300**   
Patents in green  
construction

**100<sup>+</sup>**   
Start ups  
in our open innovation  
ecosystem

**27<sup>B</sup>** **CHF**  
 Net Sales  
in 2023

**20%**   
reduction in our CO<sub>2</sub> per net  
sales by 20% in 2023

**40<sup>+</sup>**   
University  
collaborations

**#1**   
R&D  
organization in  
our industry

**5**   
worldwide R&D  
hubs





DRIVEN BY OUR PURPOSE

**BUILDING PROGRESS FOR  
PEOPLE AND THE PLANET**



WE'RE ADVANCING OUR VISION

**BE THE GLOBAL LEADER  
IN INNOVATIVE AND  
SUSTAINABLE  
BUILDING SOLUTIONS**



DELIVERING OUR STRATEGY

**ACCELERATING  
GREEN GROWTH**

BUSINESS SEGMENTS:





# SIX MEGATRENDS DRIVING CONSTRUCTION

## OUR MARKETS HAVE NEVER BEEN AS ATTRACTIVE

### POPULATION GROWTH

From ~8 billion today to ~10 billion by 2050



### URBANIZATION AND MEGACITIES

Approx. 2.5 billion more people are expected to live in cities by 2050



### SUSTAINABLE CONSTRUCTION SOLUTIONS

Higher demand due to resource scarcity & climate change



### BETTER LIVING STANDARDS

and more efficient infrastructure demand growing



### INNOVATION DRIVING BUILDING TECHNOLOGIES AND BUILDING EFFICIENCY

accelerated by light and modular construction solutions



### REPAIR & REFURBISHMENT

driving urban demand



**EMBRACING THE MEGATRENDS TO UNLOCK NEW GROWTH AND PROFIT DRIVERS**

# STRATEGY 2025 “ACCELERATING GREEN GROWTH”

## FINANCIAL TARGETS ACHIEVED 2 YEARS AHEAD OF PLAN

### DELIVERING SUPERIOR RESULTS & RETURNS

STRATEGY 2025			2023	
	Net Sales Growth	3 - 5% organic p.a.	+6.1% organic	✓
	Recurring EBIT Growth	OVER PROPORTIONAL TO NET SALES GROWTH ANNUALLY	+14.7% organic	✓
	Accelerate Growth in Solutions & Products	30% IN % OF GROUP NET SALES	21%	On track
	Cash Conversion	45%	58%	✓
	ROIC	10%	10.6%	✓
	Net Financial Debt to recurring EBITDA	BELOW 1.5x	1.2x	✓



# SUSTAINABILITY PERFORMANCE HIGHLIGHTS 2023

## GREAT PROGRESS ACROSS ALL OUR SUSTAINABILITY PILLARS

### DECARBONIZATION

#### CO2 PER NET SALES

**-20%**

REDUCTION IN 2023

#### CO2 PER TON OF CEMENTITIOUS

**-3%**

REDUCTION IN 2023

### CCUS

#### PROJECTS

**6**

CCUS PROJECTS IN EXECUTION

#### CO2 CAPTURED

**5M**

TONS PER ANNUM BY 2030

### CIRCULARITY

#### CIRCULAR CONSTRUCTION

**8.4, +24%**

M TONS OF CDM RECYCLED

#### RECYCLING CENTERS

**135**

SITES IN OPERATION

### NATURE

#### FRESHWATER WITHDRAWAL

**298**

L / FRESHWATER WITHDRAWN PER TON CEMENTITIOUS

#### BIODIVERSITY

**64% QUARRIES**

ASSESSED USING BIRS METHODOLOGY (+33% vs 2022)

### PEOPLE

#### EMPLOYEES

**78%**

LEVEL OF ENGAGEMENT ENGAGEMENT SURVEY

#### DIVERSITY

**21%**

WOMEN IN SENIOR MANAGEMENT (+1% vs 2022)



First company in its sector with 1.5°C aligned targets validated by SBTi across all scopes (1,2 and 3) up to 2050



Energy Transition Changemaker and Mission Innovation Net Zero Awards



European Union Innovation Fund



Circularity Lighthouse Award for ECOCycle technology



Advancing smart design with MIT and the PixelFrame project



Taskforce on Nature-related Financial Disclosures

Official Taskforce member and early adopter in 2023



Partnership with International Union for Conservation of Nature



First place in Fast Company's best Workplaces for innovators 2023: Sustainability

# A LEADING SUSTAINABILITY PROFILE

## RECOGNIZED LEADERSHIP IN ESG RATINGS



AA Rating, “Leader” among 86 Construction Materials<sup>1</sup>



ESG Risk Rating in the top 7% among 136 Construction Materials<sup>1</sup>



“Prime Status”, top 15% among 111 Construction Materials<sup>1</sup>



Leadership band in CDP Climate and Water



Number one in our sector and top 1% of companies ranked worldwide

Holcim leads the construction industry with top-tier ESG ratings, driven by steadfast advocacy for sustainable practices, climate action and transparency



1) As per rating agencies own classification of Construction Materials companies



# 02. **HOLCIM ENVIRONMENTAL STRATEGY**





# DECARBONIZING BUILDING

## DELIVERED THROUGH STRATEGY 2025



**GREEN OPERATIONS**  
Decarbonizing Holcim



**BUILDING BETTER WITH LESS**  
Decarbonizing construction



**CIRCULAR CONSTRUCTION**  
Building new from old



**MAKING BUILDINGS SUSTAINABLE**  
Decarbonizing cities

## ACCELERATING GREEN GROWTH

We are accelerating green growth across all our markets with industry-leading profitability and cash flow

## EXPANDING SOLUTIONS & PRODUCTS

We are accelerating green growth across all our markets with industry-leading profitability and cash flow

## LEADING IN SUSTAINABILITY

Sustainability at the core of our strategy, with 2030 and 2050 net-zero targets validated by SBTi for all scopes



CLIMATE



CIRCULARITY



NATURE



PEOPLE

# SCIENCE-BASED TARGETS ACROSS THE THREE SCOPES

## UPGRADED TARGETS IN LINE WITH 1.5°C FRAMEWORK VALIDATED BY SBTi



	Target Base Year			
	2018	2023	2030	2050
<b>SCOPE 1</b> KG CO <sub>2</sub> / T cementitious	623	587	-23.3% <sup>1, 2</sup>	
	590 <sub>net</sub>	545 <sub>net</sub>	420 <sub>net</sub>	
<b>SCOPE 2</b> KG CO <sub>2</sub> / T cementitious	46	36	-65% <sup>1, 2</sup>	
<b>SCOPE 3</b> 2020				
PURCHASED CLINKER AND CEMENT KG CO <sub>2</sub> / T cementitious	710	702	-25.1%	
PURCHASED FUELS KG CO <sub>2</sub> / T cementitious	286	283	-20% <sup>3</sup>	
DOWNSTREAM TRANSPORTATION KG CO <sub>2</sub> / T cementitious	11	9	-24.3% <sup>3</sup>	



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

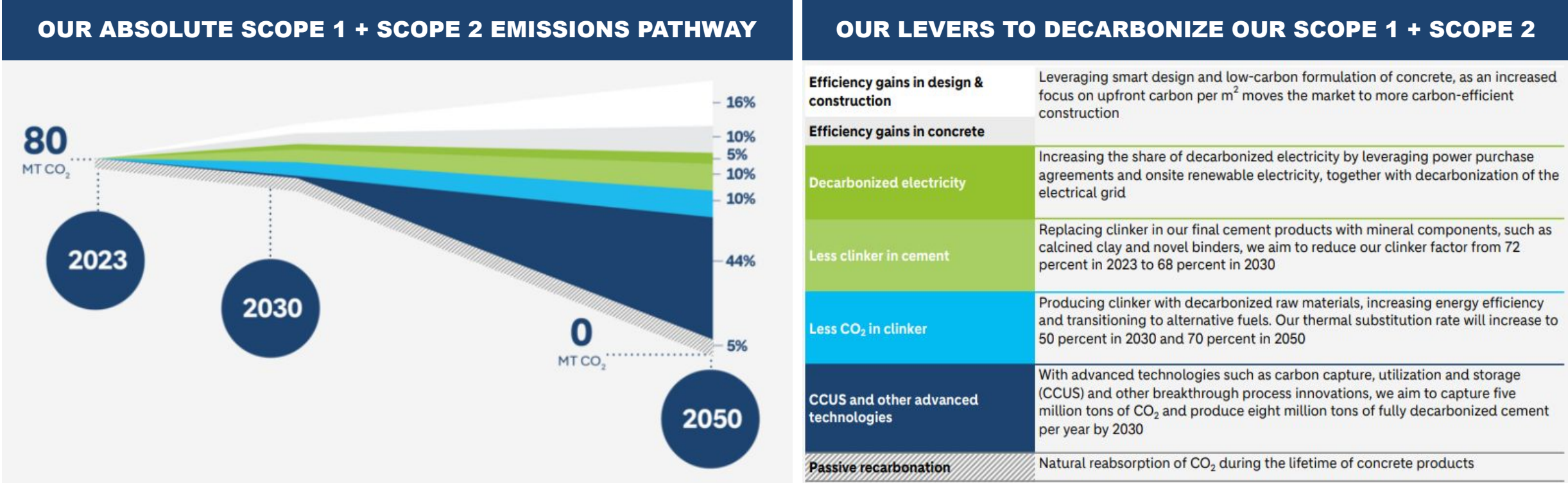
2 Equivalent to the SBTi validated combined Scope 1 and 2 ambition of -26.2 percent

3 These targets were validated by SBTi in alignment with a 2°C scenario

4 Target boundary includes 95 percent of Scope 1 and 2 emissions and 90 percent of Scope 3 emissions, per SBTi standard

# HOLCIM'S PATHWAY TO NET-ZERO

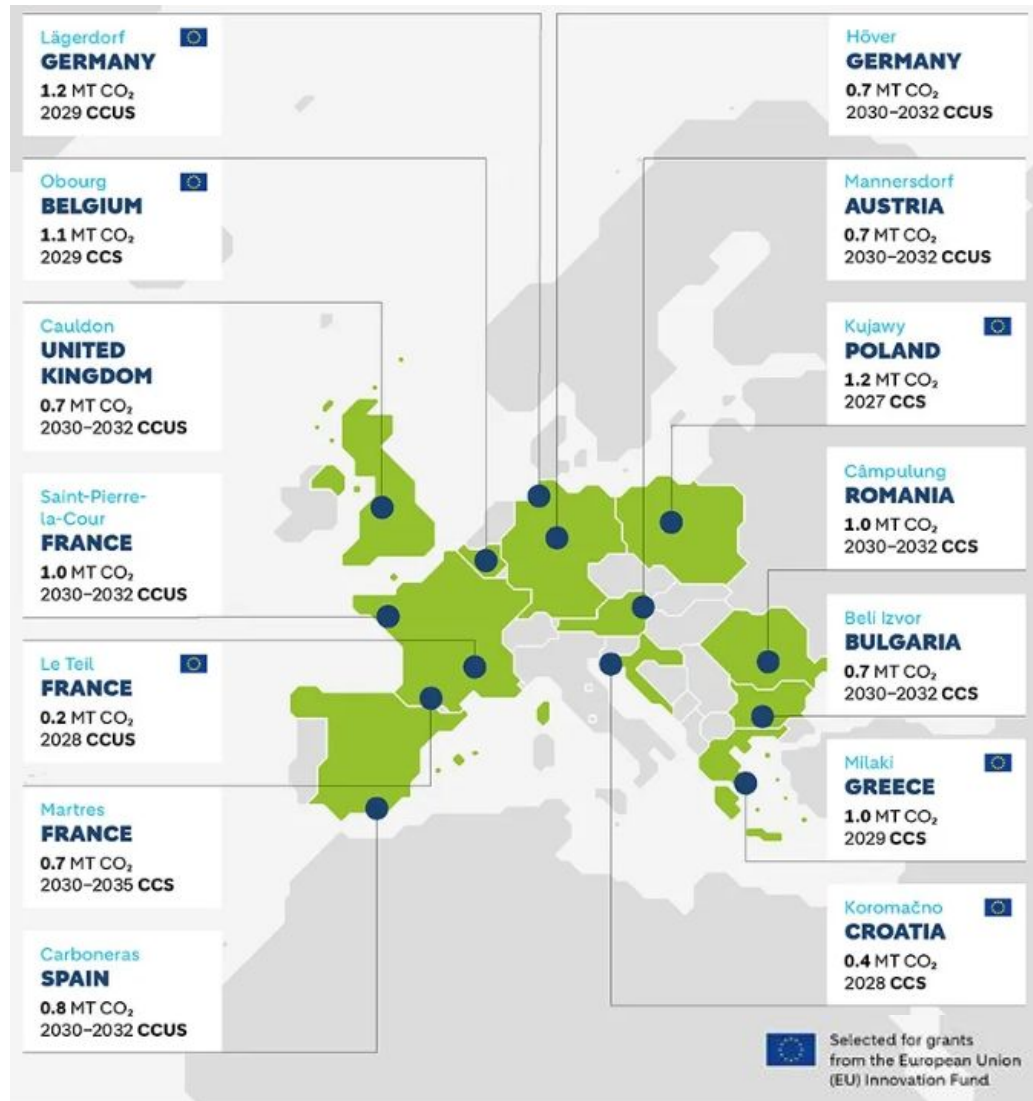
## OUR PATHWAY TO 2030 AND 2050 IS CLEAR





# STRONG PIPELINE OF CCUS PROJECTS

## EUROPE ACCELERATING CCUS WITH 14 FLAGSHIP PROJECTS



### Growth Enablers



**6 full-scale Carbon Capture Utilization & Storage (CCUS) projects** across Europe will go live at Holcim before 2030



Holcim will capture **5 million tons CO<sub>2</sub> p.a.** in Europe from 2030 and sell **8 million tons p.a. of ECOPlanet Zero decarbonized cement**



**Government funding** has been secured from the EU Innovation Fund for those 6 projects



**8 additional CCUS projects** in development

# INDUSTRY-LEADING CCUS ROADMAP

## 6 GRANTS AWARDED BY THE EU INNOVATION FUND



### EU INNOVATION FUND

#### 6 GRANTS AWARDED FOR CARBON CAPTURE USAGE AND STORAGE (CCUS)

#### Carbon2Business



**Lägerdorf,  
Germany**

**1.2 Mt CO<sub>2</sub>**  
captured p.a. as of 2029  
and utilized as industrial  
raw materials

#### Go4ECOPlanet



**Kujawy, Poland**

**1.2 Mt CO<sub>2</sub>**  
captured p.a. as of 2027

#### GO4ZERO



**Obourg, Belgium**

**1.1 Mt CO<sub>2</sub>**  
captured p.a. as of 2029

#### KOdeCO



**Koromačno,  
Croatia**

**0.4 Mt CO<sub>2</sub>**  
captured p.a. as of 2028

#### eM-Rhône



**Le Teil, France**

**0.2 Mt CO<sub>2</sub>**  
captured p.a. as of 2028  
and utilized as E-methanol

#### Olympus



**Milaki, Greece**

**1.0 Mt CO<sub>2</sub>**  
captured p.a. as of 2029

# DECARBONIZING OUR ENERGY MIX

## SHIFTING TO RENEWABLE ELECTRICITY

Electricity makes up a significant portion of our energy use. To decarbonize electricity, we are leveraging renewable power purchase agreements and renewable energy sources like solar, hydro and wind power wherever possible. Our plants in Colombia are setting an example by operating with 100% renewable energy.

### On-Site solar power



We continue to make progress in rolling out **solar power** across our operations.

In Belgium, we plan to operate our first **floating photovoltaic plant**. It will supply renewable power equivalent to 15% of the Obourg plant's total electricity needs.

### Wind power at our facilities



Through collaboration with our partners in the wind energy sector, we are **installing wind farms** on our sites.

In Germany, we are at the forefront of harnessing wind energy to power our operations. Our **Lägerdorf** plant meets **80%** of its electricity needs.

### Renewable Power Purchase Agreements



We are growing our renewable energy portfolio through **partnerships** with power producers. Power purchase agreements (PPAs) are **long-term contracts** for electricity supply.

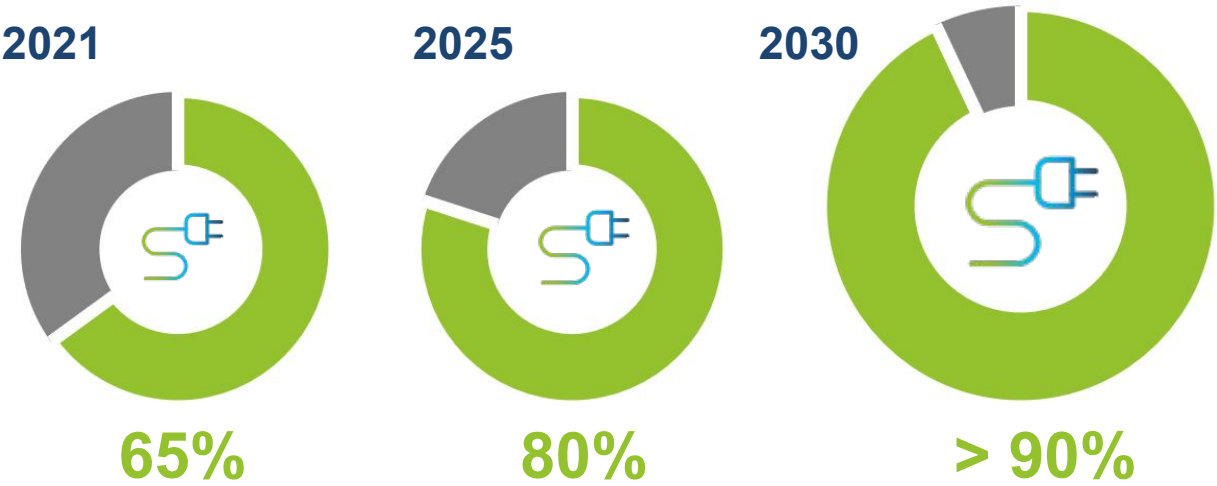
We signed our largest **green energy contract** to date in 2023 to power our operations in Germany with wind energy.



# GREEN POWER AND MOBILITY IN EUROPE

## DECARBONIZING HOLCIM'S OPERATIONS FROM QUARRY TO LORRY

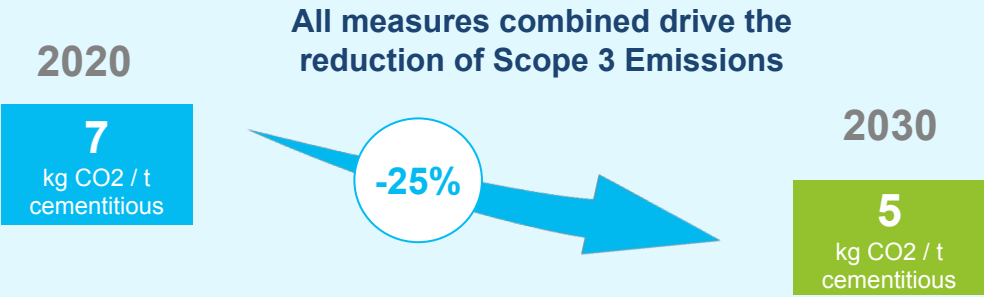
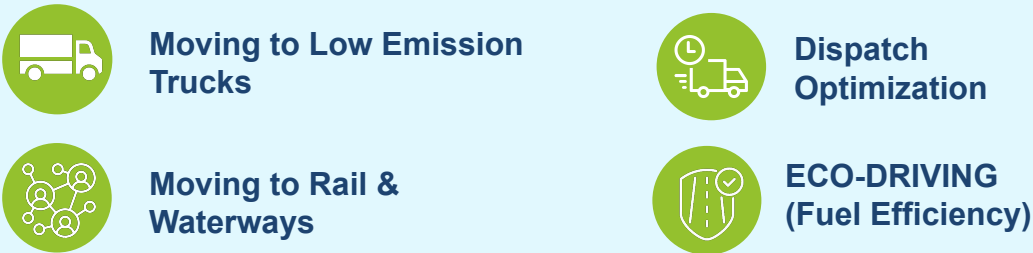
### Decarbonized Power in Europe (% of Consumption)



### Growth Enablers

- ★ **Power Purchase Agreements**
- ★ Bi-lateral **green power contracts** directly with the producer of decarbonized power
- ★ Equity in **renewable power projects** using available space in our quarries and plant areas
- ★ **Cost competitiveness** of decarbonized power vs. fossil fuels generated power

### Green Mobility in Europe

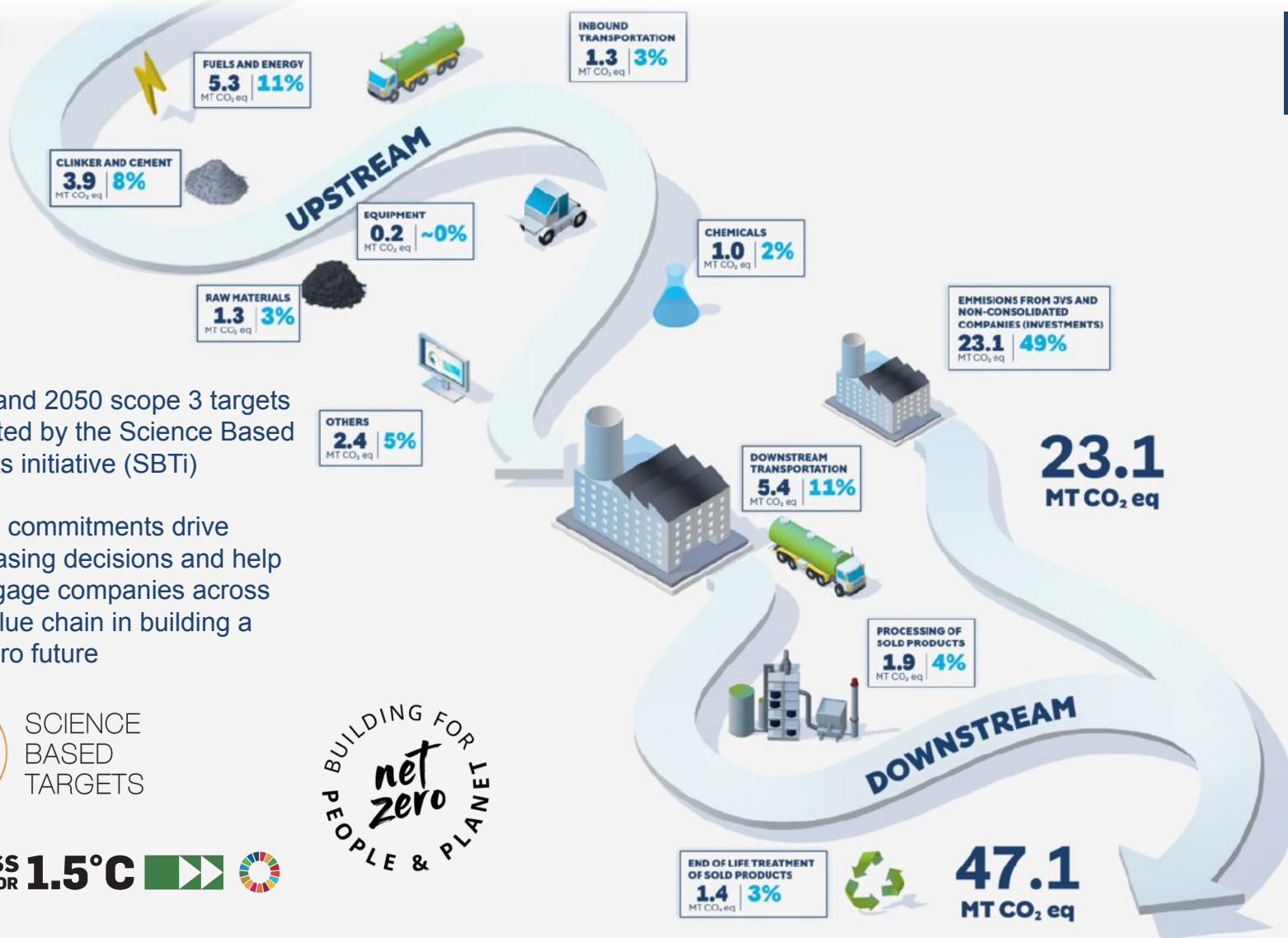


# HOLCIM' SCOPE 3

## 2030 AND 2050 TARGETS VALIDATED BY SBTi



**24.0**  
MT CO<sub>2</sub> eq



→ 2030 and 2050 scope 3 targets validated by the Science Based Targets initiative (SBTi)

→ These commitments drive purchasing decisions and help us engage companies across the value chain in building a net-zero future



**BUSINESS AMBITION FOR 1.5°C**

### OUR LEVERS FOR SCOPE 3

- Replacing Fossil Fuels
- Purchasing Low Carbon Clinker and Cement
- Decarbonizing our Mobility

In May 2023, Holcim announced an agreement with Volvo to deploy up to 1,000 electric trucks by 2030



# DRIVING CIRCULAR CONSTRUCTION

## 8.4 MILLION TONS OF CONSTRUCTION DEMOLITION WASTE IN 2023



**8.4 million tons construction and demolition waste recycled**  
on track to achieve our 2024 guidance of 10 million tons



**Acquisition of Sivyer Logistics in 2023**, a UK leading producer of recycled construction and demolition waste, handling 1 million tons of materials per year

**Launch of ECOCycle®** our proprietary circular technology platform, to recycle CDM into new building solutions.

**ECOCycle®**  
The Circular Technology



With ECOCycle®, we can **recycle from 10 percent to 100 percent of CDM** across a broad range of applications, from decarbonized raw materials in low-carbon cement formulation, all the way to aggregates in concrete and fillers in road construction.

**Europe's Largest Urban Regeneration Project** built on the site of the former Athens airport



**The Ellinikon, near Athens, Greece:** Holcim is providing ECOPact low-carbon concrete and Hydromedia permeable concrete for the largest urban regeneration project in Europe. Nearly 28,000 m2 of concrete and tarmac from old airport will be reused for benches and paving.

# MEETING THE CUSTOMERS GROWING DEMAND FOR LOW CARBON AND CIRCULARITY

ECOPlanet

LOW-CARBON CEMENT

CHF  
2+B

19% of cement net sales in 2023



ECOPact

LOW-CARBON CONCRETE

CHF  
1+B

19% of ready-mix net sales in 2023



ECOCycle

RECYCLED MATERIALS

24%

Increase in 2023 vs 2022 in recycling volumes of CDM





# HOLCIM'S NATURE STRATEGY

## MAKING CITIES RESILIENT WITH NATURE FRIENDLY SOLUTIONS



### BIODIVERSITY

**100%**  **QUARRIES WITH REHABILITATION PLANS IN PLACE SINCE 2022**

**100%** **BIODIVERSITY INDEX (BIRS) BASELINE ESTABLISHED BY 2024**

**+** **BIODIVERSITY INDEX POSITIVE CHANGE VS BASELINE BY 2030**



### WATER

**-33%** **REDUCTION IN SPECIFIC FRESHWATER WITHDRAWAL BY 2030**

**100%** **OF TOTAL WATER DISCHARGED ALIGNED WITH ZERO POLLUTION BY 2026**

**75%** **OF SITES TO BECOME WATER POSITIVE IN WATER RISK AREAS BY 2030**



### NATURE SOLUTIONS

*Hydromedia®*



**ZinCo**  
**Life on Roofs**

## NATURE & ESG LEADERSHIP



1 of 17 companies selected to pilot world's first **SBTN**



**3 years** strategic partnership signed with **IUCN**



Task Force for Nature Related Financial Disclosures: Official Taskforce member and early adopter in 2023



# INNOVATION

## SUSTAINABILITY & INNOVATION AT THE HEART OF OUR STRATEGY



### Global R&D

#1 largest R&D organization in the industry



### 300+ Scientists

in green construction



### 1,500 Patents

in green construction



### 100+ startups

open innovation ecosystem

#### A network of regional hubs in all continents



We have the largest R&D organization in the building industry, with over 300 researchers at our research facilities.

#### Leading R&D Center in Lyon, France



Driving cutting-edge research with 50% of Group R&D resources are dedicated to low-carbon products

#### A network of regional hubs in all continents



We drive research in over 15 areas, from ultra high-strength concrete to 3D printing. we launched 600 new products in 2023.

#### Working with +40 leading universities worldwide



MIT, ETH, Ecole des Ponts ParisTech, ITT Hyderabad, Wuhan University...

#### HOLCIM MAQER VENTURES



In 2023, we launched Holcim MAQER Ventures, our corporate venture capital and open innovation unit.

#### 100s of strategic partnerships with startups



With our open innovation ecosystem, we empower disruptive startups to scale their impact with us.

# 03. **HOLCIM SOCIAL STRATEGY**

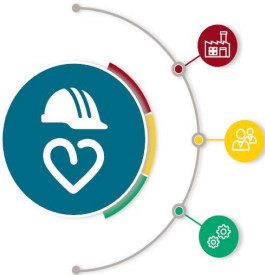
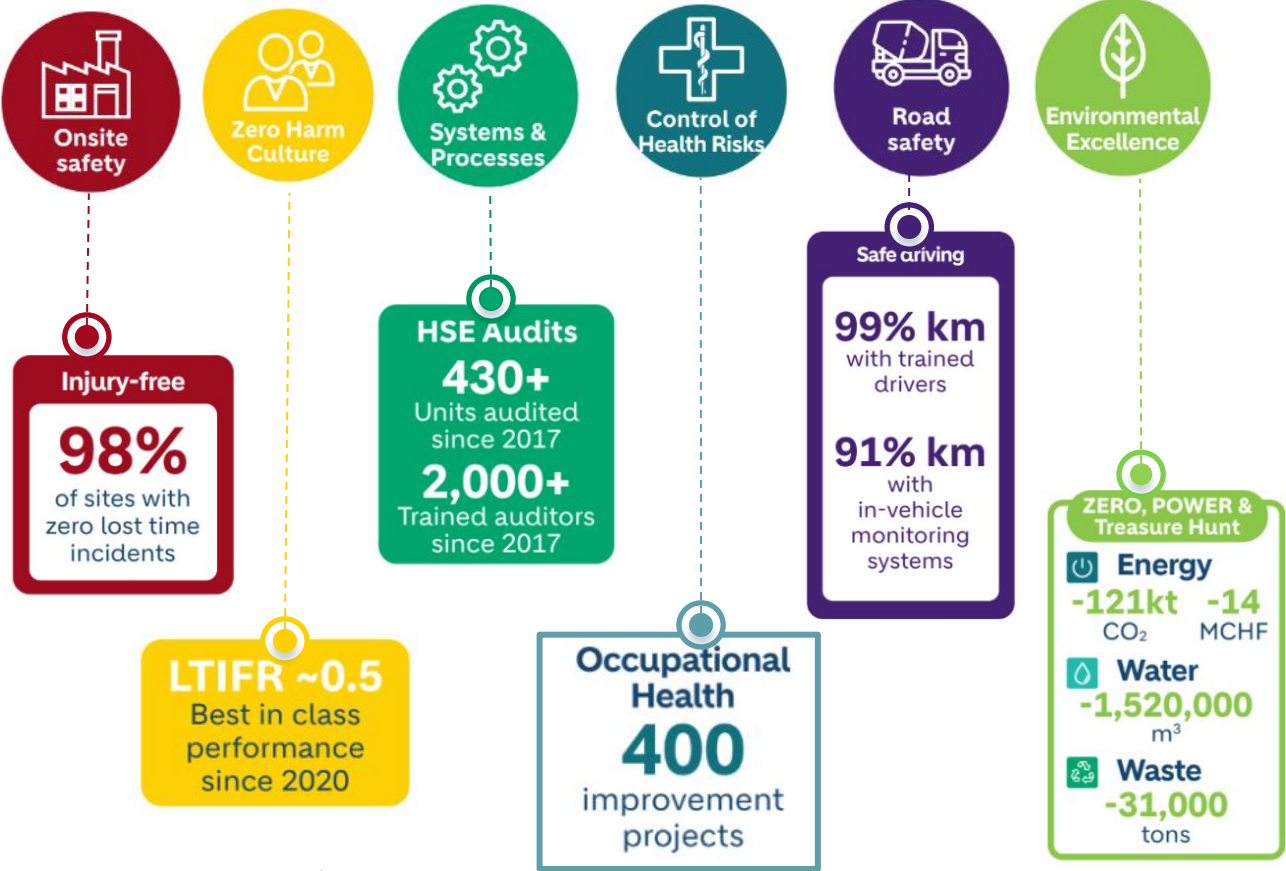




# HEALTH, SAFETY & ENVIRONMENT

## OUR STRATEGY AMBITION OF “ZERO HARM”

Our goal is to conduct our business with zero harm to people while minimizing our environmental footprint.



### HSE OPERATING MODEL

Three main levers of success

#### Critical Risk Management

To eliminate serious injuries, Holcim launched the Critical Control Management program in 2021. The program covers 49 critical controls across HSE topics and requires verification on a quarterly basis in all our sites.

#### Workforce Engagement

Holcim is committed to engaging all employees and contractors on HSE matters daily. Our Boots on the Ground workforce engagement program includes a mobile application to improve accountability, collaboration and tracking of workplace improvements.

#### Continuous Improvement

Our Group management system is compliant with ISO 14001 and 45001 and validated by Lloyd's Register. We have expanded our global reporting platform, iCare, to enable future use of artificial intelligence and deployed new sets of user-centric real-time dashboards.



# EMPOWERING OUR PEOPLE

## A BASIS FOR A HIGH PERFORMANCE ORGANIZATION GEARED FOR GROWTH

AMBITION

### TALENT & SUCCESSION

**Talent oriented** organization based on the **empowerment** and **accountability** of people



### DIVERSITY & INCLUSION

Improved **Diversity** and established **inclusive** organization



### LEARNING FOR GROWTH

**Continuous Learning** model



### PERFORMANCE CULTURE

**High performance** organization inspired by **continuous improvement**



MEASUREMENT

- Organization based on more than 500 empowered leaders
- Solid **Succession** pools and people planning
- >70% internal promotion

- 46% women on the Board of Directors and 30% on Executive Committee
- +40% more women in senior management by 2025
- Highly engaged people: **voluntary turnover <5%**

- **Business School** for senior and emerging leaders
- **Early Career Leaders Program** nurturing development of future leaders

- **Lean performance** management model
- “**Leading for Growth**”
- **Competitive reward** for performance approach

# HUMAN RIGHTS AND COMMUNITIES

## 2023 KEY ACHIEVEMENTS

### HUMAN RIGHTS APPROACH

#1

in the  
building  
materials  
industry

Holcim's **Human Rights Approach** recognized by the Corporate Human Rights Benchmark once again (2020 & 2023)



### HUMAN RIGHTS ASSESSMENTS

100% CEMENT SITES

covered by Human Rights Assessments and Action Plans



### STRENGTHENED PUBLIC DISCLOSURE

125 MENTIONS

to “Human Rights” in the 2023 Annual Report (vs. 37 mentions in 2022)



### POSITIVE SOCIAL IMPACT

CHF 24.8 million

invested from housing and infrastructure to health, education, skills and development.

ROOH PARTNERSHIP  
2 model homes

under development

Workshop with ROOH and HIC in the Philippines for resilient housing for underserved communities



### EMERGENCY SHELTER IN MOROCCO

PROTOTYP E in record time inspired by Essential Homes from Norman Foster Foundation



# SUSTAINABLE PROCUREMENT

## MAIN CATEGORIES TO FOCUS OUR ACTIONS IN THE SUPPLY CHAIN



### SUPPLIERS DUE DILIGENCE

A risk-based process to identify, prevent and manage potential adverse ESG impact in the supply chain



SUPPLIER PRIORITIZATION



CONTRACTORS  
H&S / WORKING CONDITIONS



EXTRACTIVE MATERIALS  
ENVIRONMENT / HUMAN RIGHTS

### CLIMATE IN THE SUPPLY CHAIN

#### SCOPE 3 EMISSIONS

Driving purchasing decisions to reduce CO2 emissions and improve energy efficiency.



FUELS



CLINKER & CEMENT



DOWNSTREAM  
TRANSPORTATION

### NATURE IN THE SUPPLY CHAIN

Driving purchasing decisions to reduce the dependency of natural resources and the negative impact on biodiversity and water.



EXTRACTIVE MATERIALS



PACKAGING



CHEMICALS



# 04. **GOVERNANCE & TRANSPARENCY AT HOLCIM**



# SUSTAINABILITY GOVERNANCE

## GOVERNANCE APPROACH FOR SUCCESSFUL DECARBONIZATION STRATEGY

### HOLCIM GOVERNANCE APPROACH TO CLIMATE- AND NATURE-RELATED RISKS AND OPPORTUNITIES

#### BOARD OF DIRECTORS

HSSC

AC

NCGC

CEO

#### EXECUTIVE COMMITTEE

R&D

SUSTAINABILITY

HSE

DECARBONIZATION

HOLCIM FOUNDATION FOR SUSTAINABLE  
CONSTRUCTION

- **Board of Directors (BoD)**  
Ultimate responsibility for strategy and overall governance of the company
- **Health, Safety & Sustainability Committee (HSSC)** advises the BoD on all matters related to sustainable development, including those related to climate and energy
- **Executive Committee**  
Responsible for execution of the climate and energy strategy
- **Chief Sustainability Officer (CSO)**  
Climate-related issues are managed on an operational level by the **CSO, an Executive Committee-level position**. The CSO is supported by a sustainability core team
- **Sustainability Core Team**  
A cross-disciplined department, responsible to develop and oversee the deployment of Holcim's sustainability strategy
- **R&D team**
  - > **50% of Group R&D resources dedicated to low-carbon products**, across the Group's Innovation Centers in Holderbank, Switzerland, and Lyon, France
  - > **45% of patents** in low carbon innovation with a **further 20% related to other sustainability topics**

# BOARD COMPOSITION

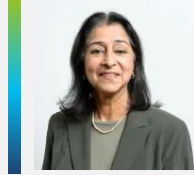
## COMMITTED TO RESPONSIBLE GOVERNANCE



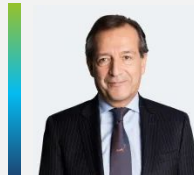
**Jan Jenisch**  
• Chairman



**Kim Fausing**  
• Member



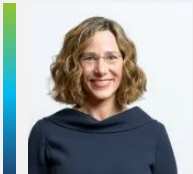
**Naina Lal Kidwai**  
• Member



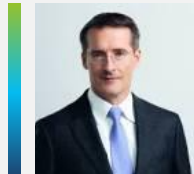
**Jürg Oleas**  
• Member



**Hanne Birgitte Breinbjerg Sørensen**  
• Vice-Chairwoman and Lead Independent Director



**Leanne Geale**  
• Member



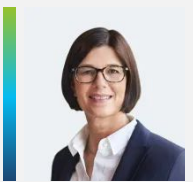
**Ilias Läber**  
• Member



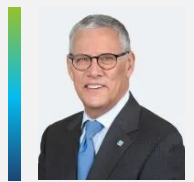
**Claudia Sender Ramirez**  
• Member



**Philippe Block**  
• Member

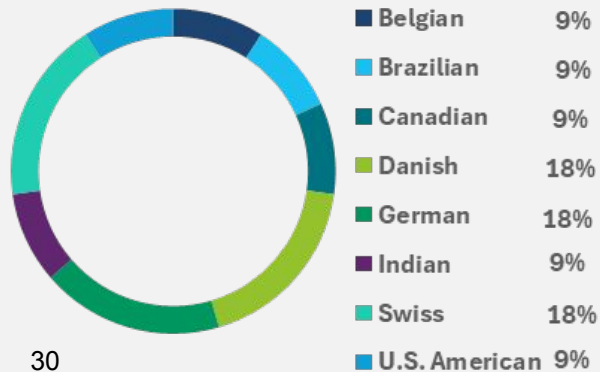


**Catrin Hinkel**  
• Member

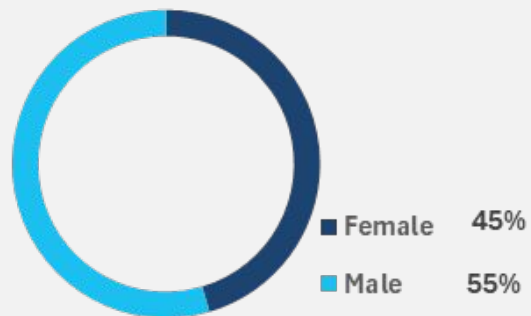


**Michael H. McGarry**  
• Member

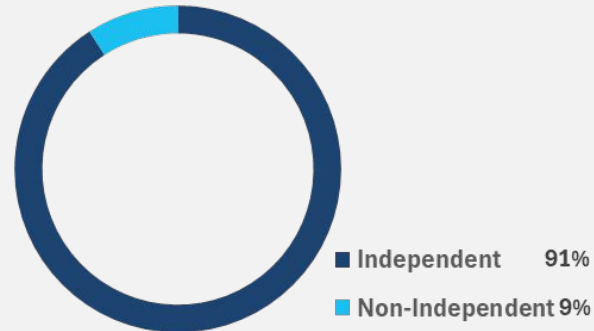
Nationality



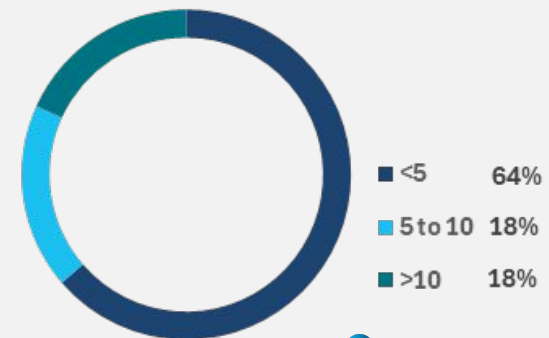
Gender



Independence



Tenure Years





# EXECUTIVE MANAGEMENT

## COMMITTED TO “ACCELERATING GREEN GROWTH”



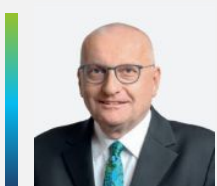
**Miljan Gutovic**  
• Chief Executive Officer



**Steffen Kindler**  
• Chief Financial Officer



**Jamie Gentoso**  
• Global Head Solutions & Products Business Unit



**Martin Kriegner**  
• Region Head Asia, Middle East & Africa



**Oliver Osswald**  
• Region Head Latin America

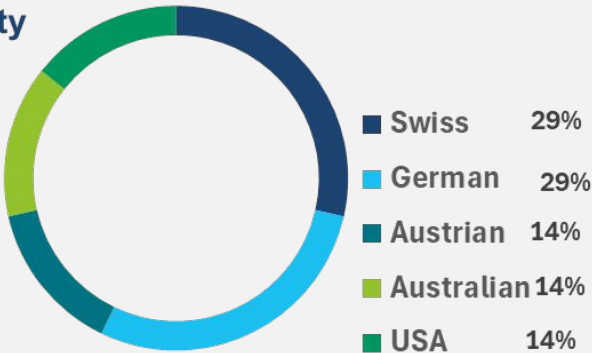


**Nollaig Forrest**  
• Chief Sustainability Officer

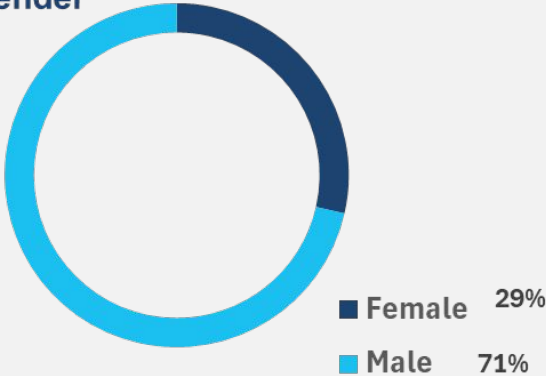


**Mathias Gaertner**  
• Head Legal & Compliance

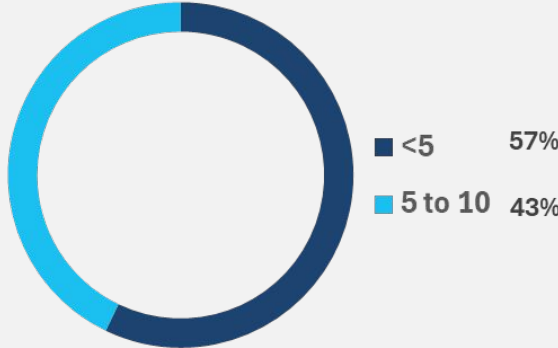
Nationality



Gender



Tenure Years



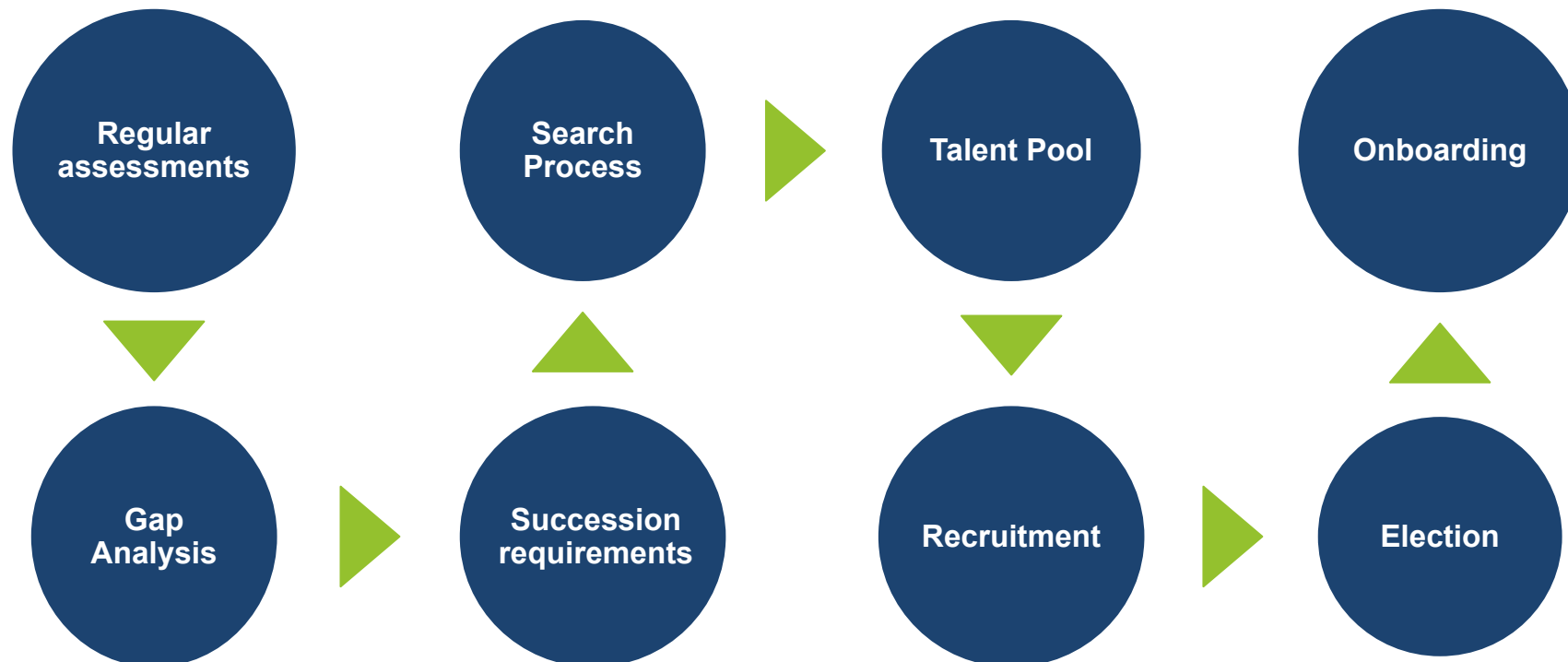
# BOARD REFRESHMENT

## A THOROUGH SUCCESSION PLANNING IN THE INTEREST OF THE COMPANY



The Nomination, Compensation & Governance Committee (NCGC) is responsible for talent management on Board and Executive levels as well as the oversight of overall corporate culture ambitions

Together with the Board, the NCGC ensures a thorough refreshment process over time



# EXECUTIVE COMMITTEE COMPENSATION

## SUSTAINABILITY OBJECTIVES LINKED TO EXECUTIVE COMPENSATION

Our Long Term Incentive (LTI) scheme includes a sustainability objective applicable to the performance shares

The sustainability objective covers three pillars of the sustainability strategy



Climate and energy



Reduction of CO2 emissions per ton of cement produced  
(50% weight)



Circular economy



Quantity of re-used waste derived resources  
(25% weight)



Nature



Reduction of freshwater withdrawal per ton of cement produced  
(25% weight)




# GOVERNANCE AND COMPLIANCE FRAMEWORK

## OUR POLICIES AND GUIDELINES

Holcim’s governance complies with **high standards**, recognized as **advanced** across a range of third-party endorsements

**Very high** importance for internal and external stakeholders in the **materiality matrix**


**Adherence** to best standards:



- SIX listing rules and SIX Swiss Exchange’s Directive on Information Relating to Corporate Governance
- Swiss Code of Best Practice for Corporate Governance

**Highest ESG ratings for Governance** matters in the industry


**Continued engagement** from the **Board** over the main areas of vigilance:



- Audit Committee (appointed the Ethics, Integrity & Risk Committee)
- Health & Safety and Sustainability Committee
- Nomination, compensation and governance committee

**Tax Transparency Annual Report** published, disclosing our contributions across the world

**Strong compliance programmes** promoting and fostering a foundation of integrity in business practices for all operations where everyone in the organization is accountable:



- Compliance and Anti-Bribery & Corruption Policies, Controls and Trainings
- Code of Business Conduct
- CEO checklist

**Risk and Control governance**, fully embedded in our robust Internal Control System, with a set of 62 mandatory **Minimum Control Standards**:



- Validated by the **Group ExCo** and **Audit Committee**
- Covers the **main risks** of 11 mega processes with responsibilities spread out over different functions
- Integrates all requirements from the **Group policies**

# JUST TRANSITION

COMMITTED TO DECARBONIZATION IN LINE WITH THE JUST TRANSITION PRINCIPLES

**“We take a whole-society approach towards reaching net zero, respecting human rights while creating decent work and good jobs.”** – *Just Transition at Holcim Report*

## HOLCIM FRAMEWORK FOR A JUST TRANSITION

- The International Labor Organization’s (OLA’s) Just Transition guidance
- Paris Agreement’s
- The **Just Transition Dialogue Report** by the Institute for Human Rights and Business (IHRB)
- Key stakeholder groups identified as per the **London School of Economics’ Grantham Research Institute** on Climate Change
- Just Transition indicators presented by the **World Benchmarking Alliance’s Just Transition Methodology**

**In 2023, we embedded the principals of our Just Transition framework into our Climate Policy**



# ADVOCACY AND ENGAGEMENT

## COMMITTED TO ADVOCATING FOR POSITIONS ALIGNED WITH PARIS AGREEMENT

**Holcim advocates for Climate policy positions that enable**

- 1. Carbon capture, utilization and storage (CCUS)**
- 2. Demand for low-carbon products and solutions**
- 3. Lifecycle performance: a basis for the future of construction**
- 4. Competitive and decarbonized energy**
- 5. Funding for decarbonized industrial growth**



### **DECARBONIZING CITIES AT COP28**

Holcim engaged with key partners across the building value chain in order to decarbonize cities faster together.

We urged more companies to join us in taking a transparent and measurable approach for a nature-positive future.

Holcim announced an expanded commitment to circularity by joining the Sustainable Markets Initiative's (SMI) Task Force.

We also won two awards for our global carbon capture leadership.



# NEXT LEVEL OF ESG TRANSPARENCY

## ENHANCED TRANSPARENCY AND REPORTING IN THE 2023 ANNUAL REPORT



### EU TAXONOMY

- Holcim has successfully finalized its **assessment of EU Taxonomy** and disclosure of **aligned figures**
- **Capex transition plan of 4.4bn CHF** by 2032 published



### SWISS CODE OF OBLIGATION

- Reporting on **non-financial matters** under the Art. 964 b of **Swiss Code of Obligation**
- Dedicated disclosure available in Annual Report **for vote in the AGM**



### SAY ON CLIMATE

- Holcim **3rd climate report** presented to its shareholders
- **First time it is fully integrated** in Annual Report
- **Aligned with TCFD** and first to adopt **TNFD** (Taskforce on Nature-related Financial Disclosures)

# CLIMATE REPORT FULLY EMBEDDED IN ANNUAL REPORT

## ENHANCING HOLCIM'S CLIMATE RELATED DISCLOSURES

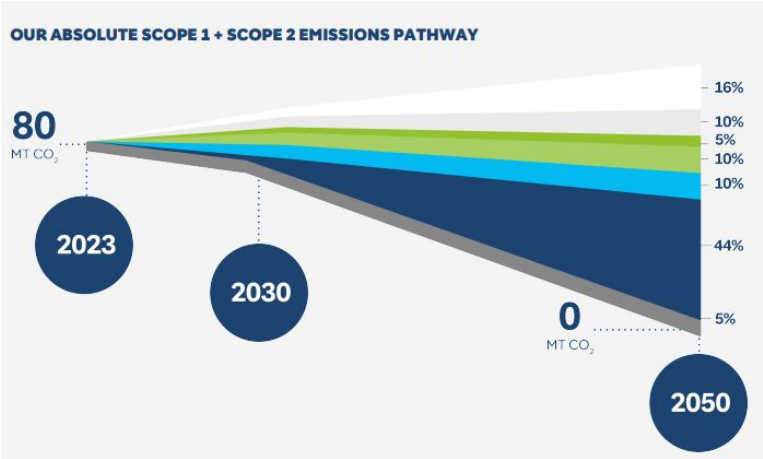


SCIENCE BASED TARGETS

BUSINESS AMBITION FOR **1.5°C**

OUR ONLY FUTURE

	2018	2023	2030	2050
<b>SCOPE 1</b> kg CO <sub>2</sub> / T cementitious	623	587	-23.3% <sup>1</sup>	-95%
	590 <sub>net</sub>	545 <sub>net</sub>	420 <sub>net</sub>	
<b>SCOPE 2</b> kg CO <sub>2</sub> / T cementitious	46	36	-65% <sup>2</sup>	
<b>SCOPE 3</b>	2020			
PURCHASED CLINKER AND CEMENT kg CO <sub>2</sub> / T cementitious	710	702	-25.1%	-90%
PURCHASED FUELS kg CO <sub>2</sub> / T cementitious	286	283	-20%	
DOWNSTREAM TRANSPORTATION kg CO <sub>2</sub> / T cementitious	11	9	-24.3%	



### TCFD/TNFD ADOPTION TIMELINE

Holcim's journey towards implementing and promoting TCFD and TNFD recommendations

<b>2018</b> Implementation of TCFD framework Dedicated governance, strategy, risk management and metrics are specifically designed to address the climate challenge.	<b>2021</b> TNFD launch Holcim selected to be an official task-force member of the TNFD (out of 17 corporate companies selected).	<b>2023 and beyond</b> Early adopter of the TNFD framework Leveraging the integration of TCFD into our ERM process, we are ramping up on the implementation of TNFD recommendations. A gap analysis was performed and we started to fully embed all the elements of Nature into our ERM process, to ensure full compliance with TNFD in 2024.
<b>2020</b> Participation to the TCFD Preparer Forum for the Construction sector Recognized as a reference in providing climate-related disclosures, our company committed to the promotion of TCFD recommendations.	<b>2022</b> Industry's first Climate Report With our Climate Report, a first in our sector, we further strengthened our climate-related disclosures and transparency by explaining in great detail our decarbonization roadmap. In 2023, our second Climate Report received a 95.75 percent advisory vote in favor from our shareholders.	

### SCENARIO ANALYSIS

● Risk to be watched continuously by Holcim and risk governance to be adjusted accordingly to limit negative business impact

● Opportunity improving the conditions to deliver our strategy and having a positive business impact

		PARIS AGREEMENT-ALIGNED SCENARIO		INEFFECTIVE COLLECTIVE ACTION	
		RISKS	OPPORTUNITIES	RISKS	OPPORTUNITIES
<b>1. POLICY AND LEGAL</b>					
1.1 CO <sub>2</sub> prices and other climate policies	2030				
	2050				
<b>2. MARKET</b>					
2.1 Access to mineral components	2030				
	2050				
2.2 Cost of fossil fuels/energy	2030				
	2050				
2.3 Circular construction (recycling materials, smart design and driving repair and renovation)	2030				
	2050				

# #5

# APPENDIX





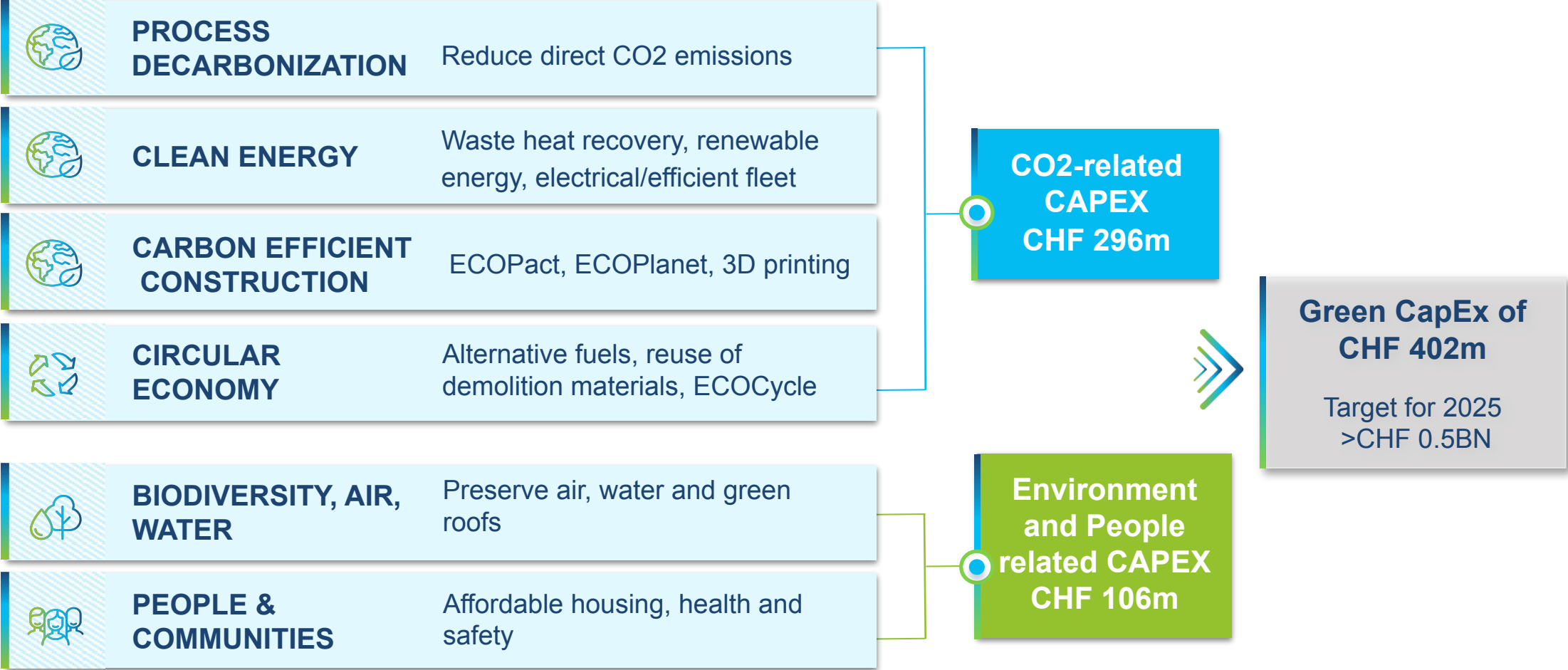
# FY 2023 GREEN CAPEX

## STRONG GROWTH IN GREEN CAPEX



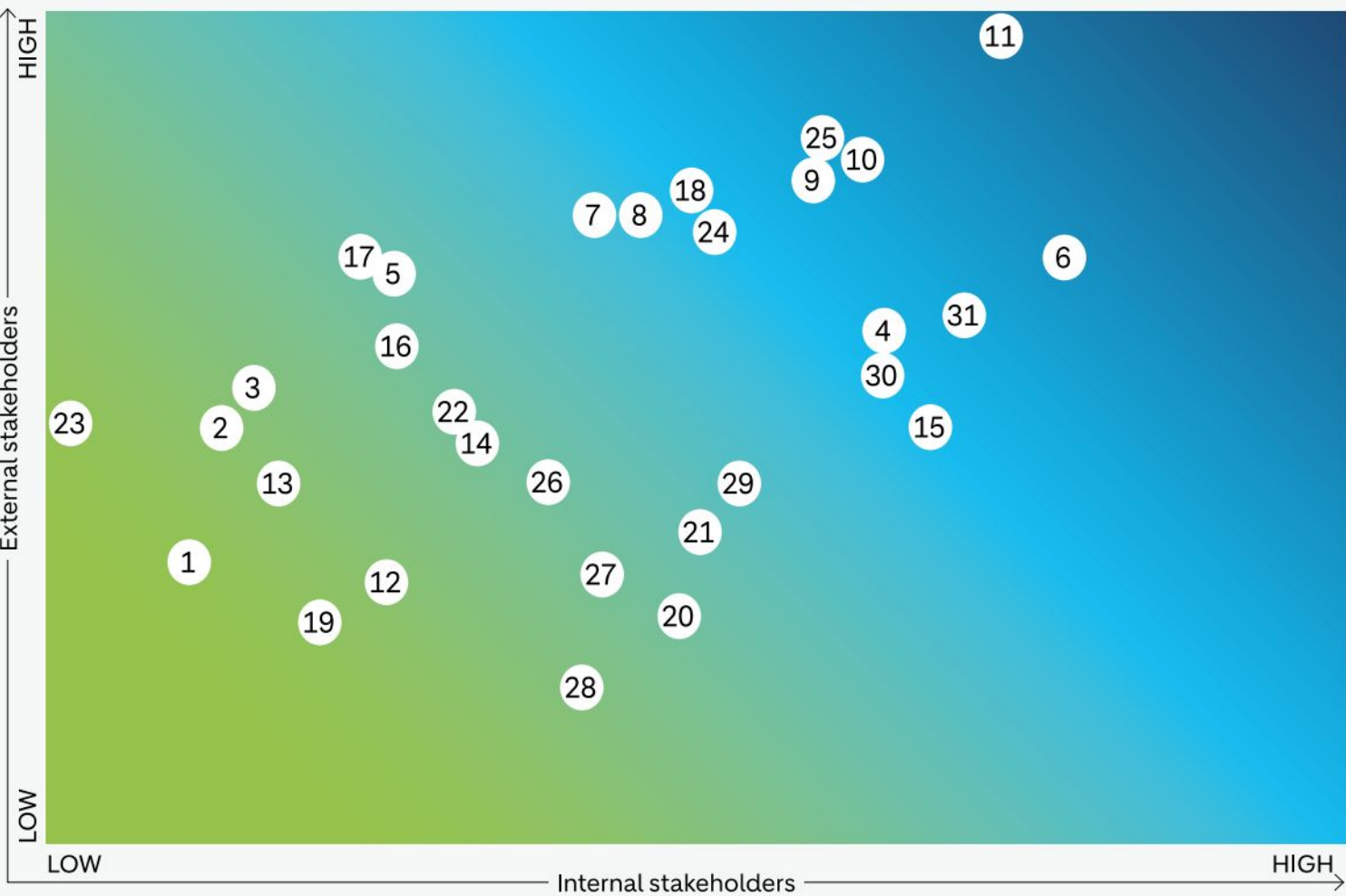
Green Capex

Six Categories:



# MATERIALITY MATRIX

## OUR MATERIAL PRIORITIES



### ENVIRONMENTAL

- 1. Natural hazards
- 2. Internal waste management
- 3. Biodiversity management and quarry rehabilitation
- 4. Raw materials
- 5. Water management
- 6. Energy consumption
- 7. Air emissions (including dust from sites)
- 8. Waste derived resources and circular economy
- 9. Meeting customers' product quality and decarbonization expectations
- 10. Scaling sustainable product innovation
- 11. Climate change and greenhouse gas emissions (GHG)

### SOCIAL

- 12. Local community engagements
- 13. Employee diversity, inclusion, and nondiscrimination
- 14. Responsible procurement
- 15. Talent attraction, development and retention
- 16. Labor relations
- 17. Human rights
- 18. Health & Safety









### GOVERNANCE

- 19. Data Protection & Privacy
- 20. Political and economic uncertainties
- 21. Fair competition
- 22. Corporate communication and investor relations
- 23. Security and resilience of people, assets and reputation
- 24. Corporate governance
- 25. Business integrity

### FINANCIAL

- 26. Asset integrity and business interruption
- 27. Major IT outage and cyber security
- 28. Transportation and logistics
- 29. Industry shifts (new entrants, price war, digital disruptors, substitution)
- 30. Sustainable financial returns
- 31. Portfolio Management, M&A operations, CapEx

# OVERVIEW OF HOLCIM STRATEGY 2025 – ACCELERATING GREEN GROWTH ON TRACK TO MEET OUR SUSTAINABILITY TARGETS

HOLCIM SUSTAINABILITY PERFORMANCE	Base & Base Year	2023 RESULTS	IMPROVEMENT vs FY 2022	TARGETS & Target Year	ACHIEVED to DATE
 <b>CLIMATE &amp; ENERGY</b> KG CO2 NET / TON OF CEMENT	<b>590</b> 2018	<b>545</b>	✓ <b>-2.9%</b>	<b>420</b> 2030	<b>-7.6%</b>
 <b>CIRCULARITY</b> <b>WASTE DERIVED RESOURCES</b> MILLION TONS	<b>n/a</b>	<b>36</b>	<b>+6.7%</b>	<b>45</b> 2025	<b>n/a</b>
 <b>CONSTRUCTION DEMOLITION MATERIALS</b> MILLION TONS	<b>6.6</b> 2020	<b>8.4</b>	✓ <b>+24.0%</b>	<b>12</b> 2030	<b>1.8</b>
 <b>FRESHWATER WITHDRAWAL</b> LITERS / TON OF CEMENT	<b>377</b> 2018	<b>298</b>	✓ <b>-2.0%</b>	<b>253</b> -33% 2030	<b>-21%</b>
 <b>ECOPACT</b> SHARE OF RMX SALES	<b>n/a</b>	<b>19%</b>	✓ <b>+6.7 pp</b>	<b>25%</b> 2025	<b>n/a</b>
 <b>GREEN CAPEX</b> IN MILLION CHF	<b>n/a</b>	<b>402</b>	✓ <b>on track</b>	<b>500</b> 2025	<b>n/a</b>
 <b>SUSTAINABLE FINANCE</b> LINKED TO CLIMATE, WATER & SAFETY GOALS	<b>n/a</b>	<b>40%</b>	✓ <b>+1.9 pp</b>	<b>&gt;40%</b> 2025	<b>n/a</b>
 <b>CUMULATIVE CONTRIBUTION TO POSITIVE SOCIAL IMPACT</b> CHFm	<b>n/a</b> 2021	<b>90.8</b>	✓ <b>+27%</b>	<b>350</b> 2030	<b>26%</b>

✓ ON-TRACK



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Risks and uncertainties relating to the proposed separation that could cause actual results to differ materially from our expectations include, but are not limited to: an unexpected failure to complete, or unexpected delays in completing, the necessary actions for the proposed separation, or to obtain the necessary approvals to complete these actions; that the potential strategic benefits, synergies or opportunities expected from the separation may not be realized or may take longer to realize than expected; costs of implementation of the separation and any changes to the configuration of businesses included in the separation if implemented; the potential inability to access or reduced access to the capital markets or increased cost of borrowings, including as a result of a credit rating downgrade; the potential adverse reactions to the proposed separation by customers, suppliers, strategic partners or key personnel and potential difficulties in maintaining relationships with such persons and risks associated with third party contracts containing consent and/or other provisions that may be triggered by the proposed separation; the risk that any newly formed entity to house the North American business would have no previously established credit rating and may not have access to the capital markets on acceptable terms; unforeseen tax liabilities or changes in tax law; requests or requirements of governmental authorities related to certain existing liabilities; and the ability to obtain or consummate financing or refinancing related to the transaction upon acceptable terms or at all.

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