

CLIMATE POLICY

SCOPE AND OBJECTIVE

The Holcim Climate Policy (the “Policy”) applies to Holcim Ltd. and its affiliates in our consolidated and managed countries (“Holcim”) and describes our approach towards accelerating our efforts in delivering our actions in a rigorous, science based manner to fulfill our net zero pledge.

The Policy’s main objective is to describe the approach and the full extent of our commitments to climate change mitigation and adaptation. This Policy is publicly available and subject to regular review.

OUR COMMITMENTS TO CLIMATE ACTION

To reduce the impacts of climate change, the world needs to move toward a near net-zero economy by 2050 to help limit warming to 1.5°C above pre-industrial levels. As the leading partner for sustainable construction, Holcim is contributing to this effort, putting climate action at the heart of our business strategy, to build progress for the people and the planet.

Holcim has an industry-shaping sustainability strategy, and is executing a science-based pathway to achieve net-zero greenhouse gas emissions by 2050. We are among the first companies worldwide to have its 2030 and 2050 CO₂ reduction targets validated by the Science Based Targets initiative (SBTi) as aligned with the Paris Agreement 1.5°C scenario.

To achieve net zero, Holcim is focusing on: formulation, energy and advanced technologies:

- **Formulation:** Optimizing cement and concrete formulation is a key pathway to lowering our CO₂ footprint. By replacing traditional limestone-based clinker with low-carbon and recycled mineral components, such as calcined clay, pozzolana, slag, fly ash, and recycled cement paste, we reduce both process emissions and the clinker content of our products. Calcined clay in particular enables CO₂ reduction of up to 50% compared to standard cement; supported by evolving regulations and carbon pricing mechanisms like the EU ETS, this technology accelerates clinker reduction and the scaling of low-carbon mineral components. Supported by our global R&D network, we are expanding scalable alternatives across regions and targeting significantly lower clinker factors. Through these innovations, formulation becomes a practical and cost-effective lever to decarbonize our operations while maintaining performance.
- **Energy:** Improving energy efficiency and the shift to lower-carbon energy sources are central to reducing our emissions. Through Geocycle, we substitute traditional fossil fuels with alternative and biogenic fuels derived from non-recyclable waste, lowering kiln emissions while securing reliable energy. Advanced technologies, such as electrification, hydrogen trials, and real-time fuel monitoring, further enhance efficiency and support decarbonization. We are increasing biomass content in our fuel mix and scaling clean electricity through nuclear, solar, wind, and other renewables across our operations. These measures make energy efficiency a practical and scalable pathway to decarbonize our operations while maintaining competitiveness.

- **Advanced technologies:** Holcim is advancing the industry's broadest decarbonization portfolio, with Carbon Capture Utilization and Storage (CCUS) as a key pillar of our 2030 and 2050 net-zero strategy. CCUS captures CO₂ before it enters the atmosphere, enabling safe storage or reuse in low-carbon products. With our investments and multiple EU-supported projects, we are building scalable, locally tailored CO₂ value chains through strong partnerships. A phased development approach ensures responsible management of technical, regulatory, and environmental impacts. By 2030, these initiatives strive to achieve large-scale carbon sequestration and the widespread production of near-zero cement, demonstrating how technology drives decarbonization and profitable growth.

By advancing low-carbon formulations, improving energy efficiency, and investing in cutting-edge decarbonization technologies, we provide a comprehensive sustainability offering across Building Materials and Building Solutions for foundation and flooring to walling and roofing:

- Our low-carbon and circular brands, ECOPact, ECOPlanet and ECOcycle®, enable resource-efficient construction, while Geocycle valorizes non-recyclable waste to preserve natural resources.
- Climate-resilient and energy-efficient solutions such as Hydromedia, ZinCo roofing, and insulation systems from PRB, TectorTherm and Elevate further reduce environmental impact, while integrating nature-positive solutions into buildings.
- Smart design solutions, such as AI-optimized formulations for DYNAMax and Artevia and our Holcim+ digital platform, ensure accurate resource use and minimize material waste.

Together, these innovations allow us to deliver decarbonized solutions at scale and support customers in meeting their sustainability goals.

POLICY PRINCIPLES

The main principle of this Policy is the delivery of our actions in a rigorous, science-based manner, to execute our net-zero strategy. Our commitments are translated into targets and actions to drive performance within and beyond our operations. We comply with local, state, federal and national regulations in all our operations and we advocate for collective actions with relevant stakeholders.

Our climate commitments are aligned with the principles and values included in the United Nations Sustainable Development Goal (SDGs).

Our efforts are focused on the following areas:

- **Reducing emissions across the value chain:** Implementing plant-level climate mitigation plans related to direct and indirect emissions based on our corporate targets, while decarbonizing transportation and engaging with our key joint ventures and key suppliers to drive aligned climate actions.

While we do not rely on carbon offsets to meet our net-zero targets, we support the development of high-quality carbon dioxide removals (CDRs), endorsed by the EU Carbon Removal Certification Framework (CRCF). This approach enables financing of real, deep decarbonization projects, guided by Group directives that ensure strong governance, transparency, and clear reporting disclosures.

- **Accounting:** Ensuring rigorous emissions accounting for both our direct and indirect CO₂ emissions based on the latest emissions accounting protocols.
- **Target setting:** Continuously ensuring our targets are aligned with the latest scientific developments and ensuring the highest level of scientific rigor when setting targets.

- **Disclosures:** Pursuing the highest level of transparency with regards to climate-related financial disclosures aligned with relevant frameworks such as the European Sustainability Reporting Standards (ESRS) and the Task Force on Climate-related Financial Disclosures (TCFD), and including climate related risks in our Enterprise Risk Management process.
- **Innovation:** Continuing to develop, manufacture and promote innovative, cutting-edge and sustainable solutions and products through customer-centric innovation, powered by our industry-leading Innovation teams. We develop solutions aimed at adapting to climate change and communicate these to the relevant stakeholders including municipal authorities. To scale up our impact, we drive an open innovation ecosystem, working with hundreds of startups with Holcim MAQER Ventures, while educating built environment professionals about the latest advances in sustainable construction with our free, online Holcim Sustainable Construction Academy, and collaborating with leading academic institutions, from Swiss Federal Institute of Technology (ETH) to University College London (UCL), to push the boundaries and scale innovative solutions.
- **Partnership:** To bridge the gap between market demands and what is possible with our innovation today, we engage with a range of key stakeholders to build awareness and scale up our impact together: government authorities to evolve building norms, real estate and infrastructure developers to specify low-carbon requirements in their building standards and procurement strategies, and architects and engineers to embed low-carbon, circular and energy-efficient solutions in their designs. With the built environment recognized as a critical sector poised to lead the transformation to a nature-positive world, we collaborated with International Union for the Conservation of Nature (IUCN) to assess the policies, incentives and infrastructure that promote circularity and nature in the cities, showcasing best practices and advocating for improvements.
- **Advocacy:** To ensure that our direct and indirect advocacy through trade associations are aligned with the Paris Agreement, we commit to publish a regular review of our climate-related public positions at corporate level and for our main markets. We also commit to perform an annual review of the positions of the main trade organizations we are a member of to verify that there are no major misalignments with the Group's positions on climate change.
- **Just Transition:** Decarbonizing in line with Just Transition principles:
 - Our People: We are committed to creating a high-performance culture of empowerment, lifelong learning and development. We aim for all employees to develop their skills in a way that helps us achieve our green growth ambitions while they continue to thrive.
 - Our Communities: We remain fully committed to creating a positive social impact in the communities where we operate. We aim to decarbonize while providing high value jobs, as well as increased affordable housing and skills development.
 - Our Suppliers: we remain committed to building long-term partnerships with suppliers who share our goals of addressing climate change, driving a circular economy and improving living standards for all. We also remain committed to a Just Transition for all the suppliers we work with.
 - Our Customers: We are at the forefront of decarbonizing building throughout its lifecycle to ensure a net-zero future.

OPERATIONAL REQUIREMENTS

We have identified the following operational requirements:

- Each country must set short-, medium- and long-term Scope 1, 2 and 3 decarbonization plans, including a plant-level Scope 1 and 2 decarbonization plan. Country targets shall be consistent with the Group decarbonization ambition, with confirmation that the consolidation of all country decarbonization roadmaps reflects Group targets.
- Our suppliers must comply with the principles and guidelines established in the Holcim Code of Ethics for Suppliers.
- Each site must comply with the related policies, directives and minimum control standards (MCS) as listed at the end of the policy.

MONITORING AND REPORTING

Scope 1 emissions (direct emissions):

- Holcim ensures rigorous monitoring and reporting of direct emissions across every production unit, including process-related emissions and those resulting from the consumption of fuels in operations.
- Specifically for cement, Holcim monitors and reports CO₂ emissions according to the Global Cement and Concrete Association (GCCA) Sustainability Guidelines.

Scope 2 emissions (indirect emissions from purchased electricity):

- Holcim ensures rigorous monitoring and reporting of Scope 2 emissions across every production unit in accordance with the Greenhouse Gas (GHG) Protocol. This includes total electricity purchased by contractual type, market based emission factors of electricity purchased from the grid, percentage of electricity covered with Energy Attribute Certificates.

Scope 3 emissions (indirect emissions from the supply chain):

- Holcim ensures rigorous measurement or estimation of Scope 3 emissions at the country level across all categories, following the Greenhouse Gas (GHG) Protocol Corporate Value Chain Standard.
- Green Mobility Hub (Transport Analytics Center) monitors CO₂ equivalent (CO₂e) emissions across the logistics functions of all business segments, while maintaining the accuracy of vehicle master data and dispatch-related variables such as volumes, distances, and payload.
- 'Spend Analysis Tool' is used to monitor purchasing activities across all business segments, while maintaining the accuracy of procurement data, including volumes, spend, and units of measure.
- Countries ensure strict adherence to the Group CLC Purchasing Guidelines when procuring clinker and cement from third parties, and excluding inter-company transactions.

Key performance indicators

We measure and track our progress using key performance indicators, including:

- Annual GHG emissions across Scope 1, Scope 2, and all relevant Scope 3 categories.
- Specific CO₂ emissions per ton of cementitious material for Scope 1 and 2.

- Alternative fuel and raw material substitution rates.
- Percentage of renewable electricity consumption.
- Green capital Expenditure (CapEx) allocated to decarbonization projects.

RESPONSIBILITIES

The Holcim Board of Directors, through its Health, Safety and Sustainability Committee, is responsible for overseeing the company's climate strategy, approving long-term targets, and reviewing climate-related risks and performance annually.

The Chief People and Sustainability Officer is the designated owner of this policy and is responsible for its implementation, monitoring, and reporting to the Board's Health, Safety and Sustainability Committee (HSSC); Chief Executive Committees in countries where we operate take responsibility and are accountable for assessing and addressing local climate performance.

The original version of this Policy was approved by the Holcim Executive Committee on April 19th, 2023 and is effective from May 8th, 2023.

DEFINITIONS AND ABBREVIATIONS

Term/Abbreviation	Definition
CCUS	Carbon Capture, Utilization, and Storage
CDR	Carbon Dioxide Removal
CLC	Clinker and Cement
CRCF	Carbon Removal Certification Framework
ESRS	European Sustainability Reporting Standards
ETH	Federal Institute of Technology (Eidgenössische Technische Hochschule)
EU ETS	European Union Emissions Trading System
GCCA	Global Cement and Concrete Association
HSSC	Health, Safety and Sustainability Committee
IUCN	International Union for Conservation of Nature
SBTi	Science Based Targets initiative
SDG	Sustainable Development Goal
TCFD	Task Force on Climate-related Financial Disclosures
UCL	University College London

WBCSD CSI	World Business Council for Sustainable Development Cement Sustainability Initiative
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DOCUMENT CONTROL

Approved by	Vice President Sustainability Chief People and Sustainability Officer
Related Policies, Directives and MCS	Nature Policy Circular Construction Policy Human Rights and Social Policy Procurement Policy Holcim Code of Ethics for Suppliers Quarry Rehabilitation and Biodiversity Directive Carbon Credit Directive Water Directive Human Rights Directive Sustainable Procurement Directive MCS 17, MCS 61, MCS 62, MCS 63
Other supporting documents	HARP 3.1.8.4 Green CAPEX, HARP 6.2.3 Sustainable Development - CO ₂ , HARP 7.3.7 Group CLC Purchasing Guidelines Holcim Environment questionnaire Holcim Sustainable Construction questionnaire External documents: GCCA Sustainability Guidelines Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard Taxonomy Reporting

VERSION CONTROL

Version Number	Issuance Date	Author	Summary of Changes
Version 1.0	April 27, 2023	Antonio Carrillo, Francesca Fabozzi (Sustainability)	Original version.
Version 2.0	February 27, 2026	Danila Gaudino, Sajith Mohideen (Sustainability)	Updated and aligned with NextGen Growth Strategy 2030.