

HOLCIM TAX TRANSPARENCY 2020 ANNUAL REPORT

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BUILDING PROGRESS FOR PEOPLE AND THE PLANET

November 30 2021



Message from Jan Jenisch Chief Executive Officer



“ At Holcim we are building progress for people and the planet, becoming the global leader in innovative and sustainable building solutions.

Taxes play a vital role on this journey, funding essential services like education, health care and transport.

In times of crisis such as the COVID-19 pandemic, taxes are even more central to support people’s lives and livelihoods.

This report shows our contribution to economic development, the role we play in society, and the rigor of our tax practices.

Being transparent on all these aspects of our business is an essential part of building progress for people and the planet.

”



OUR PURPOSE:

Building Progress for People and the Planet



**MAKING
CITIES
GREENER**

**FROM
FOUNDATION
TO ROOFTOP**

**EMPOWERING
SOCIETY WITH
SMARTER
INFRASTRUCTURE**

**FROM GREEN MOBILITY
AND RENEWABLE ENERGY
TO ESSENTIAL SANITATION**



**IMPROVING
LIVING
STANDARDS
FOR ALL**

**WITH AFFORDABLE
AND SUSTAINABLE
SOLUTIONS**

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Basis of preparation of this report

This section answers some of the questions readers may have on definitions and concepts used in the report

Message from Géraldine Picaud Chief Financial Officer



Holcim's purpose is to Build Progress for People and the Planet and we do this through making cities greener, empowering society with smarter infrastructure and improving living standards for all.

We operate according to the world's highest governance standards, from health and safety to human rights. We recognize that taxes are a vital source of revenues for governments to support economic growth and enhance social development.

We pay our taxes where we do our business. The taxes Holcim pays are one of the many links between our business and the countries and communities where we operate. Today, because taxes paid by multinationals are often discussed and challenged by their stakeholders, it is more important than ever that we are open about our tax payments and that people can understand how much we pay, where and why.

We handle our tax affairs with a non-negotiable focus on compliance and transparency and as the next step on our transparency journey we have prepared this report to provide an overview of Holcim's economic and tax contribution.

In 2020 our total economic contribution to the communities where Holcim is present was more than CHF21bn, of which CHF1.8bn constituted taxes and other forms of direct payments to Government. This is a significant revenue contribution which benefits all the countries in which we operate.

Holcim is committed to promoting transparency in how companies approach tax and how much they pay. Therefore, we welcome your feedback on this report and our approach to transparency.

02 OUR VALUE CHAIN CONTRIBUTION



Throughout our value chain we are building progress for people and the planet

Holcim is 70,000 people around the world who are passionate about building progress for people and the planet.

As a global leader in innovative and sustainable building solutions, Holcim is enabling greener cities, smarter infrastructure and improving living standards. With sustainability at the core of its strategy, Holcim is becoming a net zero company, with its people and communities at the heart of its success. The company is driving the circular economy as a world leader in recycling to build more with less.

Holcim is the company behind some of the world's most trusted brands in the building sector including ACC, Aggregate Industries, Ambuja Cement, Disensa, Firestone Building Products, Geocycle, Holcim and Lafarge.



Our four Business Segments operate locally



Cement



From classic masonry cements to high performance products tailored for specialized settings, we offer an extensive line of sustainable and innovative cements and hydraulic binders.

Aggregates



Our aggregates serve as raw materials for concrete, masonry and asphalt as well as base materials for buildings, roads and landfills. Our recycled aggregates use crushed concrete and asphalt from deconstruction.

Ready-Mix



Concrete is the world's second most consumed substance by volume after water. We stand apart through the quality and consistency of our products, the breadth of our portfolio and our innovative solutions.

Solutions & Products



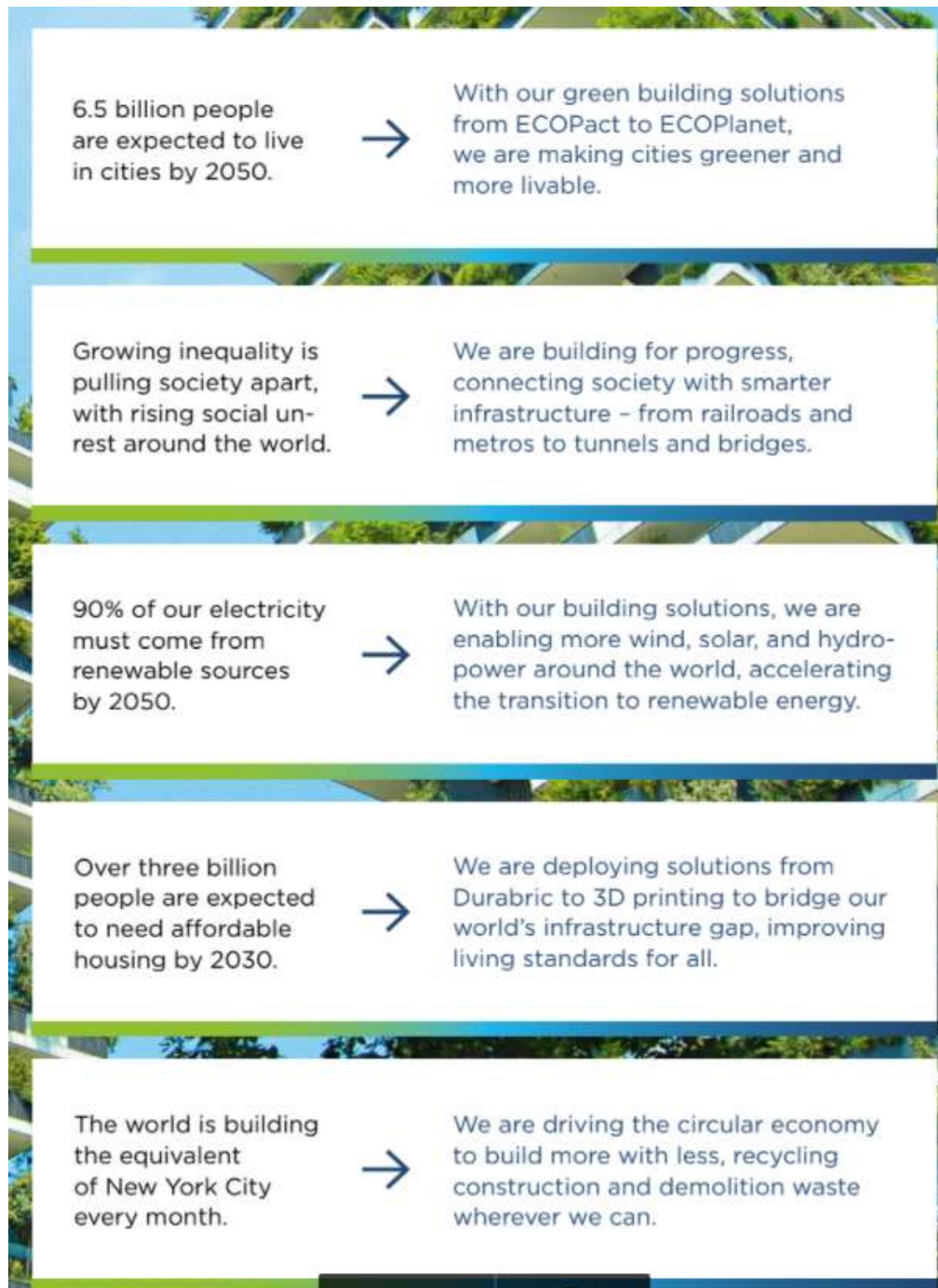
Supported by technical expertise and decades of experience, we deliver targeted solutions to customers' specific needs. Our local market knowledge combined with R&D capabilities allows us to develop and scale up new solutions.

ECOPlanet
The Green Cement

ECOPact
The Green Concrete

At the forefront of green building solutions, we launched the world's first global ranges of green concrete, ECOPact, and green cement, ECOPlanet, starting at 30% lower CO₂ footprint with no compromise on performance.

Everywhere, five mega trends influence our value chain



OUR VISION: BE THE GLOBAL LEADER IN INNOVATIVE AND SUSTAINABLE BUILDING SOLUTIONS

- At the forefront of green building solutions

- Leading the circular economy

- Pushing the boundaries of digitalization

- Becoming a net-zero company

- Thriving with our people and communities



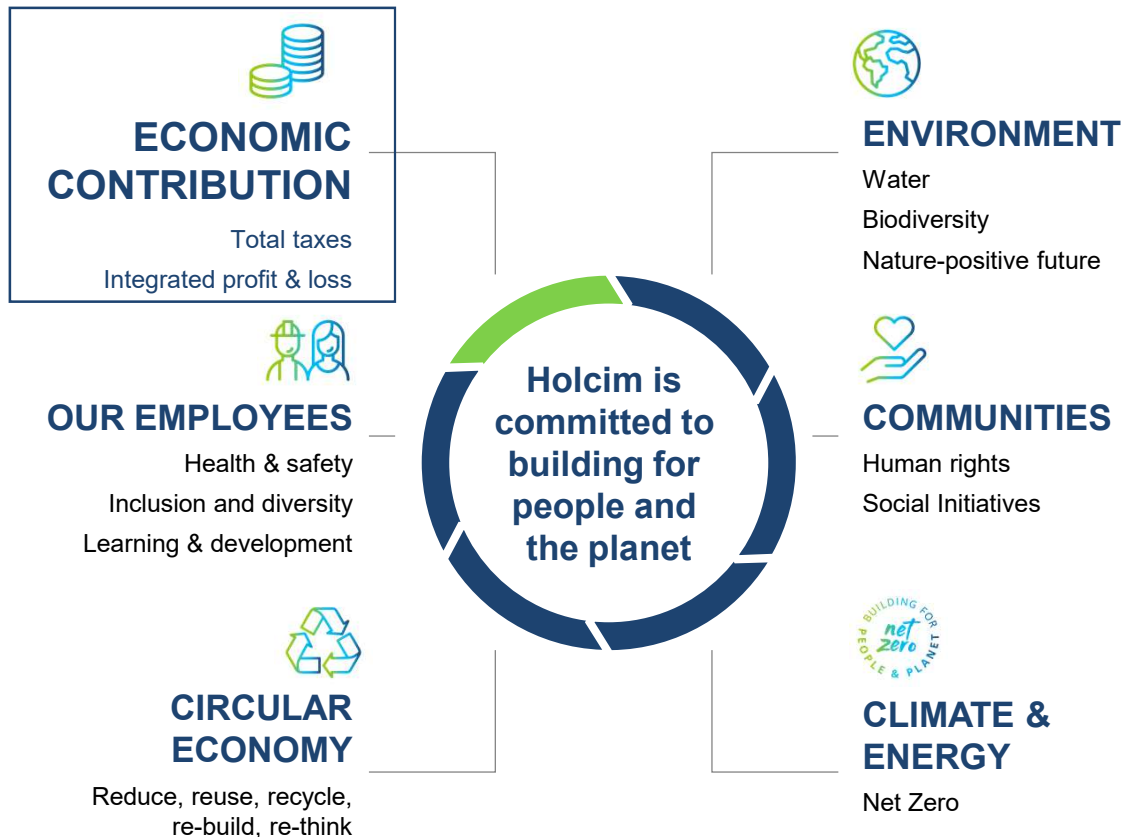
Our approach to sustainability includes a fair economic contribution back to all the communities where we operate.

MAGALI ANDERSON
Chief Sustainability and Innovation Officer

We provide building materials and solutions for a circular, low-carbon and inclusive world, re-shaping the way our industry builds. At Holcim climate action is at the heart of our strategy.






We focus on four main areas of action – Climate and Energy, Circular Economy, Environment, and Communities. These combined with commitment to our employees and our economic contribution to communities reinforce our commitment to building for people and the planet.

→ Learn more on www.holcim.com/sustainability



Our success and growth are shared fairly at each step of our value chain

Our business model is very local and we generate considerable local value – both financial and social – for the communities in which we operate and also to society more broadly. We do this at each step in our value chain.

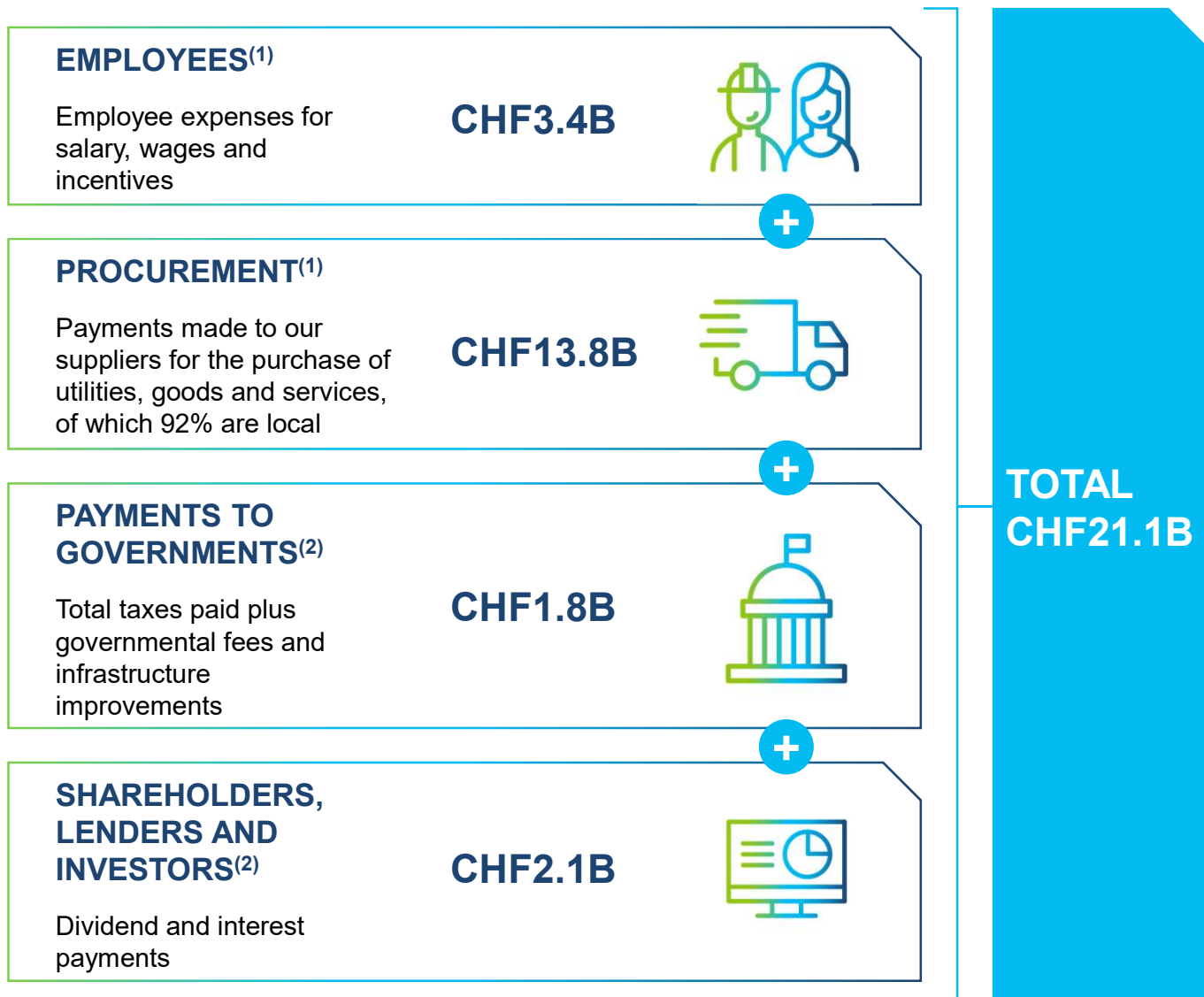
	Value Drivers	Our Contribution to the Communities
INNOVATION 	<ul style="list-style-type: none"> Development of a new technology, process or product Improve the performance, reliability, quality and cost efficiency of a technology or core product. 	<ul style="list-style-type: none"> Digital Innovation Process Innovation Product Innovation Research & Development <ul style="list-style-type: none"> Employment related contributions (wages and taxes) Indirect taxes Property taxes
EXTRACTION & PROCUREMENT 	<ul style="list-style-type: none"> Extraction and procurement of commodities used in Holcim products 	<ul style="list-style-type: none"> Access to raw materials (e.g., Slag, gypsum) Access to clinker and cement Optimize energy supply (power fuels) Benefit from global sourcing <ul style="list-style-type: none"> Corporate income taxes Licenses, permits, fees paid to government Royalties Employment Related contributions (wages and taxes) Payments to suppliers, contractors Contribution to communities Withholding taxes on payments to suppliers and contractors Indirect + property taxes
MANUFACTURING 	<ul style="list-style-type: none"> Manufacture of products in dedicated facilities located in the market Significant investment in people and infrastructure 	<ul style="list-style-type: none"> Reduce energy cost and CO² emission Run production facilities efficiently Reduce clinker factor Efficient engineering and debottlenecking Reduce mean time between failures <ul style="list-style-type: none"> Corporate income taxes Employment related contributions (wages and taxes) Indirect taxes Payments to suppliers, contractors Withholding taxes on payments to suppliers and contractors Property taxes
SALES / MARKETING 	<ul style="list-style-type: none"> Sales are generated by marketing, advertising, and promotional activities in the local markets 	<ul style="list-style-type: none"> Develop a market orientated approach Build brand equity Develop alternative models (e.g. Digitalisation) Deliver value through commercial performance <ul style="list-style-type: none"> Corporate income taxes Employment related contributions (wages and taxes) Indirect taxes
LOGISTICS 	<ul style="list-style-type: none"> Logistics not only affects outbound transportation, it is also embedded in the rest of the value chain such as transportation of raw or semi-finished product. 	<ul style="list-style-type: none"> Optimise supply chain Reduce CO² emissions Optimise logistics costs <ul style="list-style-type: none"> Corporate income taxes Employment related contributions (wages and taxes) Indirect taxes Payments to suppliers, contractors Withholding taxes on payments to suppliers and contractors

03 OUR TOTAL ECONOMIC CONTRIBUTION



In 2020 Holcim contributed more than **CHF 21 billion** back to communities across the world.

Total economic contribution in 2020



→ Learn more on www.holcim.com

Figures are rounded to the nearest one hundred million.

⁽¹⁾ Calculated on an accrual basis.

⁽²⁾ Calculated on a cash basis

For more details on how we define these terms please see page 49

04 OUR APPROACH TO TAX



Holcim's Tax Strategy supports the Holcim ambition

Being a leader in the building materials industry means having the resources necessary to pursue the best return on capital for our shareholders and investors while creating value broadly for all stakeholders. Holcim's Tax Strategy contributes to growth in line with our CEO's vision, while taking a firm commitment to act in a transparent, ethical and compliant manner.

Holcim Tax Strategy



Pillar 1: Alignment of Tax Strategy to Business Strategy

We comply with tax laws in a responsible manner and align our tax strategy with our business strategy.



Pillar 2: Tax Governance

The mission of the tax department is to deliver sustainable financial results every year.



Pillar 3: Tax Transparency

We value open and constructive relationships with tax authorities and support efforts to increase public trust in tax systems.



Pillar 4: Tax Risks Management

We put the relevant processes and controls in place in order to limit financial risks for the Company.



Pillar 5: Tax Advocacy

We advocate for fair, effective, coherent and stable tax systems to reduce uncertainty for governments and companies.

All companies within the Holcim Group should comply with our tax principles. We also instruct any external organizations, accounting or law firms we use to comply with such principles.

Pillar 1

Alignment of Tax Strategy to Business Strategy

We comply with tax laws in a responsible manner and align our tax strategy with our business strategy.

The tax function is committed:

To align the tax positions adopted with commercial and economic activity, to follow the tax laws of each country that we operate in, and to comply with substance tests.

To ensure our activities are consistent with our strategy and reasonable expectations of our stakeholders

To promote a culture of integrity and compliance that respects not only the letter of the law but also the spirit of its underlying principles.

To interpret the relevant tax laws in a reasonable way and to thoroughly analyse any tax issues that may be open to interpretation.

Where appropriate, to pre-align within a relationship of 'co-operative compliance', request for an advance tax agreement and/or (external) opinion before taking a filing position, and we will not adopt a filing position which is contrary to the documented intention of the law and/or case law at highest level.

To refrain from claiming or accepting exemptions not granted according to the statutory, regulatory, or administrative frameworks.

To follow the terms of the applicable Double Taxation Treaties and relevant guidance from local authorities, the Organisation for Economic Co-operation and Development (OECD), European Union (EU) and United Nations (UN).

Pillar 1

Why we have been in Switzerland for over 100 years



Holcim's established its first cement plant in Switzerland in 1912. Holcim is proud of this legacy.

Switzerland remains the location of our global headquarters along with 3 cement plants, 16 aggregate quarries and 36 ready-mix plants.

Holcim is listed on the SIX Swiss Exchange and is a significant employer in Switzerland with over 1,100 employees.

A brief history of Holcim

First cement plant in Holderbank

Creation of the research and testing facility in Holderbank.

Merger of Holcim & Lafarge, which gave birth to a global leader in building materials

1912

1922 – 1931

1942

1952 – 1991

2015

2021

Expansion in other European countries plus Egypt, Lebanon, and South Africa.

Expansion in the USA, Brazil, Latin America, the Philippines, Spain, Eastern Europe, China, India, and Southeast Asia..

Listing on the SIX Swiss Stock Exchange (1958).

Acquisition of Firestone Building Products, accelerating the Solutions & Products business segment

Launch of new Holcim Group identity

Holcim unites some of the most trusted global brands in the building industry



Holcim's brand portfolio is managed in its R&D centre in Switzerland.

Pillar 2 Tax Governance

The mission of the tax department is to deliver sustainable financial results every year.

When the business seeks tax advice and where alternative legitimate options exist to achieve the same commercial results, the most tax efficient approach is recommended by the tax team. We apply diligent care and judgment to ensure all decisions are well-considered and documented. As tax laws are not always clear, getting this right requires careful judgment and we recognise that the tax authorities may not always agree with the judgments we make. To reduce such potential areas of disagreement:

We do not engage or become involved in artificial tax arrangements. The artificiality of a tax treatment is tested by the tax team against the existence of commercial purpose and/or economic substance.

We consider the reputational consequences of each filing position.

We follow established procedures and channels when dealing with tax authority officials.

We ensure that transfer prices pertaining to intercompany transactions are set by the Company Tax Function according to the OECD transfer pricing guidelines and respect the arm's length principle.

All national, federal, state, provincial, or local tax audits are conducted and settled under the direction of the tax team.

We use external advisers when required, but we mainly in-source tax work.

Our Code of Business Conduct sets out the standards of behaviour, including for taxation. Holcim encourages employees to report violations of its Code of Business Conduct, policies (including tax or other breaches of law). Holcim facilitates such reporting through local legal or compliance teams as well as through an Integrity line.

We provide an update to the Audit Committee of the Board of Directors on the group's effective tax rate, cash tax paid and any key tax strategy items.

Adherence to the tax governance framework is verified by our statutory auditors on a quarterly basis.

Pillar 2

Tax Governance and Low Tax Jurisdictions

In 2020, our Effective Tax Rate was 25%

→ Learn more on ETR and cash taxes – see page 51

99% of total group revenue was generated in countries with a corporate income tax rate that is above 15% in 2020 ⁽¹⁾.

In the other countries, which apply a statutory rate at or below 15%, we are present for various reasons:

- Some countries where we have operations, such as a cement plant, have a low statutory tax rate (for example Bulgaria where the corporate income tax rate is 10%)
- Some of our legacy entities which have a publicly disclosed activity (such as our a public bond issuer in Bermuda)
- There are legacy entities that we inherited through acquisitions (e.g., holding companies), which now are either dormant or taxed in high tax jurisdictions through Controlled Foreign Company (CFC) rules.

→ Learn more on CFC rules – see page 52

Each year the tax team reviews our presence in low tax jurisdictions and, if and where possible, we liquidate companies that are not active, dormant or inherited from acquisitions made in the past.



Our cement plant in Bulgaria
<http://www.holcim.bg/za-nas/profil-na-kompanijata/kholsim-bigarija-ad>

⁽¹⁾ Excluding Switzerland

Pillar 3

Tax Transparency

We value open and constructive relationships with tax authorities and support efforts to increase public trust in tax systems.

We have an important role in society and take responsibility for acting in a fair and transparent manner towards all external stakeholders. Relationships between Holcim and tax authorities in all countries where the Company operates should be transparent and based on mutual trust.

We are committed:

To be open and transparent with the tax authorities about tax matters and provide the relevant, reasonably requested information within established due dates, or within a reasonable time-frame.

If questions or assessments from tax authorities appear not to be legitimate or are based on misunderstandings of the facts or the law, to work with tax authorities where possible, to identify the issues and explore options to resolve misunderstandings.

Where relevant, reasonably requested information is not available, to timely inform the tax authorities and explore mutually acceptable alternatives.

To work collaboratively with tax authorities to achieve early agreement on disputed issues and certainty on a real-time basis, wherever possible.

To explain to the public and any relevant stakeholders the Holcim Tax Strategy, economic contribution and taxes paid via appropriate disclosures.

Pillar 4

Tax Risks Management

We put relevant processes and controls in place to limit financial risks for the Company.

On a quarterly basis, the tax team collects all data pertaining to tax risks from the operations and, as appropriate, reports tax risks to the CFO, Legal Counsel and Audit Committee of the Board. We focus on the following risk areas:

Operational risk – The underlying risks of applying the tax laws, regulations and decisions to the everyday business operations of the Company.

Compliance risk – Risk of not being compliant with the systems, processes and procedures

Financial accounting risk – Risks associated with the financial reporting of tax figures (including the risk of not having documented and tested internal controls over financial reporting).

Transactional risk – Risks and exposures associated with the tax implications of specific transactions undertaken by the Company.

Reputational risk – Risks associated with the wider impact that may arise from the Company's tax profile.

People risk – Risks associated with the highly technical skills required to handle tax matters in all countries where the Company operates, gaps in such skills and succession planning challenges.

Pillar 4

Tax Risks Management & Internal Controls

Holcim has put in place rigorous internal controls to ensure adherence to our tax policies and directives. Below is a snapshot of our tax internal controls:

TAX
Tax risk assessment and reporting

Control #51
Track, monitor and reduce tax risks and ensure they are properly reflected in financial statements and disclosures

Requirements

At least quarterly, the finance team keeps track of and properly completes the status of all uncertain tax positions, including (Step 1):

- The estimated maximum risk and estimated loss,
- The classification as not probable, probable and virtually certain,
- The amount of the provisions recorded in the financial statements.

Based on this information:

- Provisions must be adjusted accordingly
- Contingencies must be disclosed

This detailed information is reported to Group Tax using the format and tool communicated by Group tax with all balances reconciled

RISK

- Lack of proper tax risk monitoring and reporting (Step 1, 2)
- Poor management of tax cases (Step 1, 2)
- Inaccurate or fraudulent closing entries (incl. judgemental assumptions and estimates) (Step 1, 2)

IMPACT

- Errors in financials
- Financial losses

TAX
Tax filings and payments

Control D
Control #52
Any exceptions to timely tax filings and payments must be approved by the Group Head of Tax

Requirements

- A tax calendar, including filing and payment due dates for all taxes, is formally set up by the tax manager and CFO (or designee). (Step 1)
- A process is in place to monitor filings and payments so they are made on time. Entities should be compliant with local rules for timely filing and payment of tax liabilities. Any extension request for filing or payment of taxes shall be approved by Group Head of Tax. (Step 2)

RISK

- Statutory filings and payments not performed timely (Step 1, 2)
- Poor management of tax cases (Step 1, 2)

IMPACT

- Errors in financials
- Financial losses

TAX
Deferred and current income tax calculations

Control D
Control #53
The deferred and income tax calculations and related documentation are prepared in accordance with the Group consolidation instructions, tax policies, directives and guidance and in line with local tax regulations

Requirements

A quarterly review of the deferred and current income tax calculations and related documentation is performed by the Tax Manager and CFO and includes:

- Appropriate representation on outstanding audits
- Compliance with requirements of tax rulings
- Enacted tax rate changes

RISK

- Inaccurate or fraudulent closing entries (incl. judgemental assumptions and estimates)
- Lack of proper tax risk monitoring and reporting

IMPACT

- Errors in financials
- Financial losses

TAX
Transfer pricing

Control #54
All tax and legal rules regarding intercompany transfer prices and documentation are complied with, transfer prices are entered in the relevant systems, where required, transactions are reviewed by Group Tax. Any exceptions are discussed and approved by the Group Head of Tax

Requirements

- Group Tax and the Regional Heads of Tax are analyzing, advising and confirming the transfer pricing methodology for all intercompany transactions. Transfer prices are entered into the relevant systems in order to ensure compliance with the Group Transfer Pricing Directive. (Step 1)
- Any and all intercompany transactions must comply with the arm's-length principle as also required by local laws and regulation. (Step 1)
- Any exceptions to the LafargeHolcim Direct Taxation policy for goods sold and services / intellectual property licenses within the Group (including rebates and one offs) should be discussed with Group Tax to evaluate the risk and has to be formally agreed by the Head of Tax (Step 2)
- The practice of the entity is regularly analyzed by the tax manager and the CFO to check compliance with the LafargeHolcim Direct Taxation Policy. Risk analysis is communicated to the finance and legal departments to define potential needs for provisions or disclosures in accordance with the Minimum Control Standards (MCS) on Tax Risks. (Step 3)
- Transfer Pricing Documentation is drafted, maintained and filed by the local tax team with the support of the Group Head of Transfer Pricing in accordance with local tax regulations and requirements. (Step 4)

RISK

- Lack of commercial strategy and pricing policy (Step 1, 2)
- Lack of proper tax risk monitoring and reporting (Step 2, 3, 4)
- Poor management of tax cases (Step 1, 2, 3, 4)

IMPACT

- Errors in financials
- Financial losses

Control Description

Control:

- Determination and confirmation by Group Tax and Regional Heads of Tax on the methodology used for intercompany transactions. (Regional & Group level)
- Agreement by the Head of Tax on any exception to the LafargeHolcim Direct Taxation policy. (Group level)
- Review and analysis by the Tax Manager and approval by the CFO (or designee) to check that the practice of the entity is in compliance with the Group Transfer Pricing Directive.
- Maintenance by the Tax Manager (or designee) of transfer pricing documentation in accordance with local requirements.

LafargeHolcim

Pillar 5 Advocacy

We advocate for fair, effective, coherent and stable tax systems to reduce uncertainty for governments and companies.

Our contribution in the area of taxation advocacy is not only talking about the cash taxes we pay.

We regularly share knowledge and best practice through participation in industry and professional associations. These include the Organisation for Economic Co-operation & Development (OECD) and Swiss Holdings an industry body representing multinational corporations listed on the Swiss Stock Exchange (SIX).

We strongly advocate for the enforcement of international tax reforms in a coherent and coordinated way, enabling a level playing field and reducing the risk of paying tax twice on the same income.

We advocate for Pro-Growth Tax Policies and harmonised and transparent incentive regimes throughout the world.

We sometimes face additional taxes that we believe may not always have a positive impact on the economy or business growth. In such cases, we monitor this issue through our industry groups, public affairs, and tax networks and, where appropriate, pro-actively engage with regulators to ensure they do not unfairly single out our industry or our products for taxation.

Holcim recognizes that any advocacy should not improperly influence decisions and should never be misused for any corrupt or illegal purpose. Governments are responsible for their fiscal policy and resulting laws. We respect the roles and responsibilities of the institutions and organisations we engage with.

Pillar 5

Advocacy & Tax Incentives

Holcim uses fair, transparent and growth oriented tax incentives, which help governments obtain a net economic benefit.

Governments can use targeted tax incentives for specific policy objectives, such as protecting the environment, reducing carbon emissions, encouraging advances in areas like research and development and to encourage investment in their country. Investment by companies facilitated by tax incentives usually results in job creation and the expansion of infrastructure, aiding social and economic development. We use available and appropriate tax incentives and exemptions only where we have a qualifying business activity.

With the strongest R&D organization in the industry, Holcim seeks to constantly introduce and promote high-quality and sustainable building materials and solutions to our customers worldwide – whether individual home builders or developers of major infrastructure projects. Innovation is key to reaching our goal of net zero emissions.



Our R&D centers in Holderbank (Switzerland) and Lyon (France) were the first of their kind in the industry. We currently have over 1,500 patents or patent applications, and our network of local labs span five continents. We also work with more than 40 leading universities in fields ranging from materials science to civil engineering and sustainable construction.

When available, we take advantage of R&D tax incentives in order to reinject such incentives into employment and further innovation investment.

SPECIAL FOCUS

Our Approach To Tax and the 2020 Pandemic

Our approach to COVID-19 related tax incentives has been to balance our need to protect our business with the need to do what's right for the local communities.

The COVID-19 pandemic has made 2020 an extremely challenging year for individuals, countries and businesses.

We worked to support local communities and governments in countries where we have a presence. Tax authorities around the world have also taken action to help individuals and businesses in these unprecedented circumstances.

Many governments have extended tax filing or payment deadlines, accelerated tax repayments, introduced temporary tax rate reductions, or allowed tax payments to be adjusted to take account of the impact of COVID-19 on businesses. In some cases we have used these provisions, and have always done so with a view to preserve our employees and the communities in which we operate.

Helping communities in Azerbaijan during the COVID-19 pandemic



05 MORE ABOUT THE TAXES WE PAY

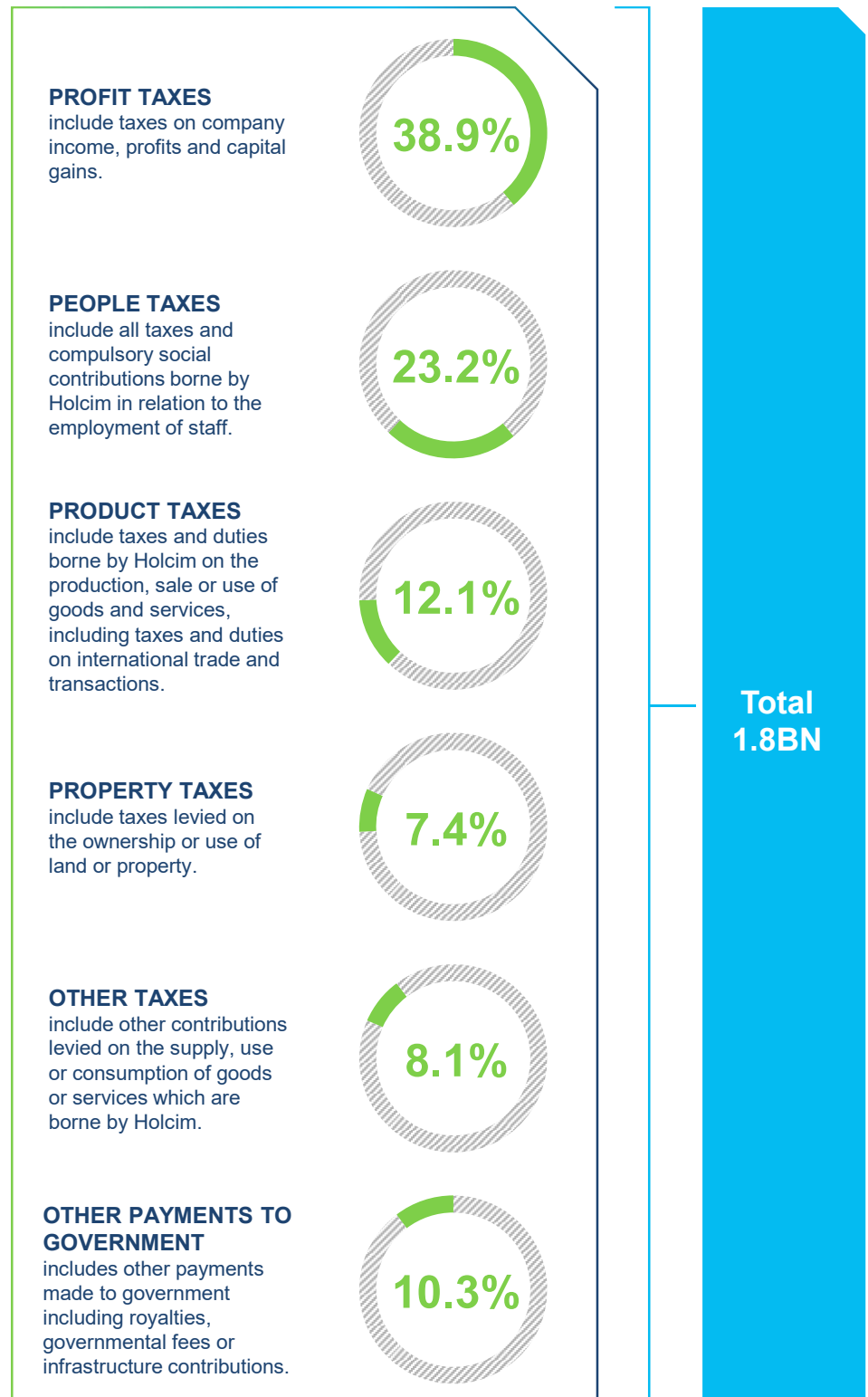


In 2020 total taxes and governmental contributions paid by Holcim were CHF 1.8 billion.

The taxes and other governmental payments paid by Holcim are a significant source of revenue for governments. It enables them to provide essential services to their citizens and invest in their communities for the future.

Much focus is often placed on the taxes we pay on our profits but these taxes represent only 38.9% of our total contribution.

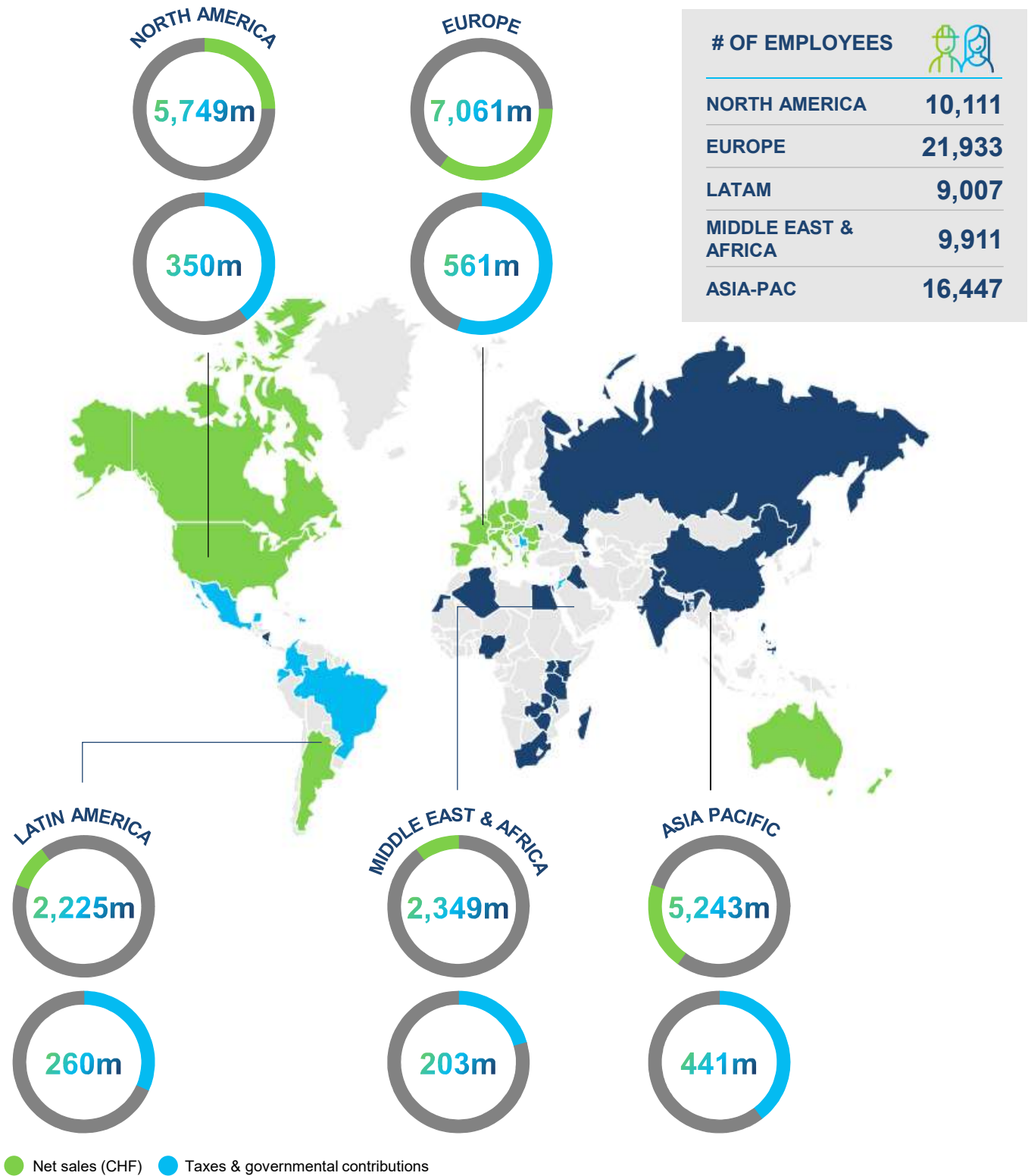
→ [For more details on the total contribution we make, see page 14.](#)



See page 49 for more detail on how we define our taxes

We pay our taxes where we do business

88% of the CHF 1.8 bn paid to government is located where 90% of sales occur



Our Main Countries Tax Profile

We have included below an overview of the countries that account for the majority of the taxes and other governmental payments. These are ordered by revenue with the largest markets shown first and represent 80% of the total paid to governments across the globe.

On the following pages we also provide additional analysis on these countries.

Country	Total Payments to Government
USA	CHF 153 million
India	CHF 288 million
Canada	CHF 197 million
France	CHF 167 million
United Kingdom	CHF 86 million
Australia	CHF 29 million
Mexico	CHF 68 million
Switzerland	CHF 75 million
Philippines	CHF 58 million
Poland	CHF 39 million
Algeria	CHF 62 million
China	CHF 48 million
Ecuador	CHF 62 million
Egypt	CHF 47 million
Spain	CHF 29 million
El Salvador	CHF 43 million

Key Markets Highlight United States of America



With a strong presence by Lafarge and Holcim in the United States since the 1950s, the LafargeHolcim family of companies is the leading cement producer in the United States.

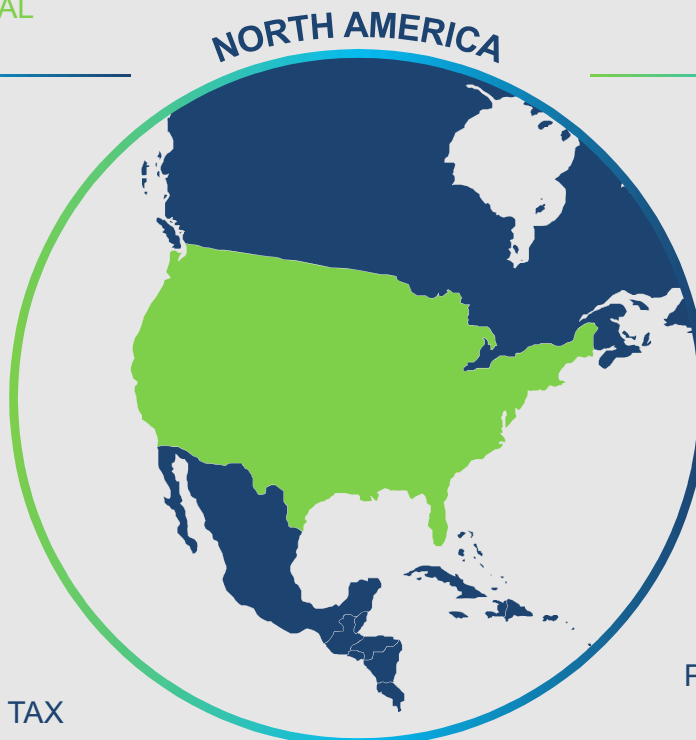
→ Learn more on
<https://www.lafargeholcim.us/who-we-are>

In the United States, Holcim companies operate close to 380 sites and employ 7,000 people.

Holcim has 13 cement production plants that produce more than 22 million tons of cement every year and 2 grinding stations out of which we sell fly ash and slag. We have nearly 130 terminals spanning the breadth of the country. With 121 ready-mixed sites, 28 hot mix asphalt sites, 98 aggregate sites, and 18 aggregates docks, Holcim capabilities reach across all regions of the US.

CHF 153 MILLION
TOTAL GOVERNMENTAL
PAYMENTS

CHF 42 MILLION
PEOPLE TAXES



CHF 46 MILLION
CORPORATE INCOME TAX

CHF 65 MILLION
PROPERTY, PRODUCT &
OTHER TAXES

Key Markets Highlight India



Holcim operates in India through two listed entities, Ambuja Cements Ltd and ACC Ltd. The two companies have a large nationwide footprint and second largest combined market share.

→ Learn more on
<https://ambujacement.com>
and
<https://www.acclimited.com>

Ambuja Cements Ltd has a cement capacity of 29.65 million tons with five integrated cement manufacturing plants and eight cement grinding units across the country.

ACC Ltd is a leading player in the Indian building materials space, with a pan-India manufacturing and marketing presence. It has 17 cement manufacturing units, over 90 ready mix concrete plants, over 6,600 employees, a distribution network of 50,000+ dealers & retailers and a countrywide spread of sales offices.

CHF 288 MILLION
TOTAL GOVERNMENTAL
PAYMENTS

CHF 45 MILLION
PEOPLE, PROPERTY,
PRODUCT & OTHER TAXES



CHF 171 MILLION
CORPORATE INCOME TAX

CHF 72 MILLION
OTHER GOVERNMENTAL
PAYMENTS

Key Markets Highlight Canada



Lafarge is Canada's largest provider of diversified construction materials with 6,000 employees and more than 400 sites across Canada.

→ Learn more on <https://www.lafarge.ca/en/lafarge-canada>

From cement and aggregates, to ready-mix and precast concrete as well as asphalt, paving and construction, Lafarge Canada has the ability to bring value to every project.

We are not just a material supplier in Canada. The major construction streams which our customers engage us in — buildings and housing, infrastructure, energy and mining — allow us to bring time, cost and green building benefits to the project.

CHF 197 MILLION
TOTAL GOVERNMENTAL
PAYMENTS

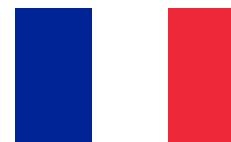
CHF 86 MILLION
PEOPLE, PROPERTY,
PRODUCT & OTHER TAXES



CHF 95 MILLION
CORPORATE INCOME TAX

CHF 16 MILLION
OTHER GOVERNMENTAL
PAYMENTS

Key Markets Highlight France



Lafarge has more than 4,500 employees at 450 sites in France.

→ Learn more on
<https://www.lafarge.fr>

The Company produces cement, aggregates and ready-mix concrete for use in buildings ranging from affordable housing in small local projects to complex infrastructure projects. Faced with the challenges of urbanization and its growing impact on the planet and its inhabitants, the Company develops innovative building products and solutions, marked by a strong commitment to sustainable development.

CHF 167 MILLION
TOTAL GOVERNMENTAL
PAYMENTS

CHF 113 MILLION
PEOPLE TAXES

EUROPE



CHF 10 MILLION
CORPORATE INCOME TAX

CHF 44 MILLION
PROPERTY, PRODUCT &
OTHER TAXES

Key Markets Highlight United Kingdom



With over 200 sites and around 3,700 employees, Aggregate Industries is a leading player in the construction and infrastructure industries.

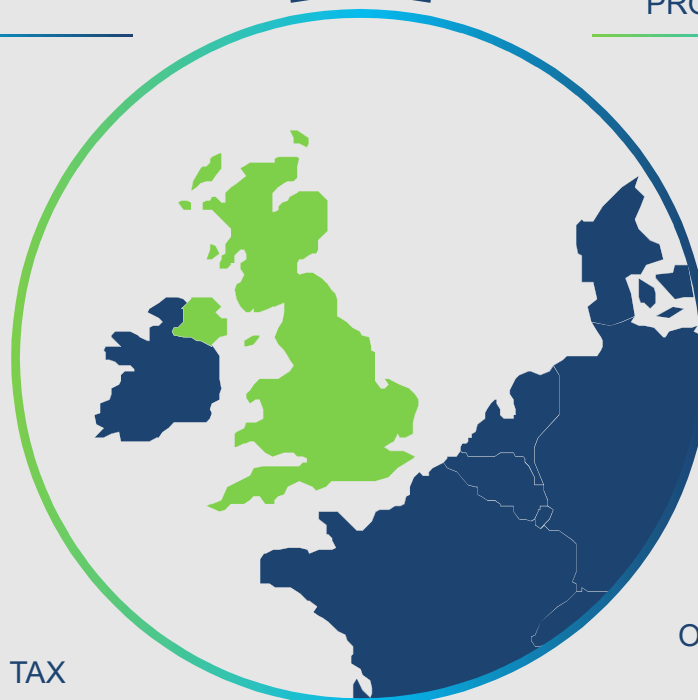
→ Learn more on
<https://www.aggregate.com>

It produces and supplies a wide range of construction materials including aggregates, cement, asphalt, ready-mixed concrete and precast concrete products. It also manufactures, imports and supplies cementitious materials and offer a national road surfacing and contracting service.

CHF 86 MILLION
TOTAL GOVERNMENTAL
PAYMENTS

EUROPE

CHF 82 MILLION
PEOPLE, PROPERTY,
PRODUCT & OTHER TAXES



CHF 2 MILLION
CORPORATE INCOME TAX

CHF 2 MILLION
OTHER GOVERNMENTAL
PAYMENTS

Key Markets Highlight Australia



Holcim entered the Australian market in 2009. Holcim supplies aggregates, sand, concrete and concrete pipe products under the Holcim name as well as under the much loved Australian brands - Humes (pipes) and Readymix (concrete).

→ Learn more on
<https://www.holcim.com.au>

Holcim has a presence in communities across Australia. Holcim Australia operates a network of more than 150 concrete plants, 900 mixer trucks and mobile and on site facilities. It also has 88 quarry operations providing consistent, quality products for a diverse range of customers and applications. Our Australian operations employ over 3,700 people directly and indirectly.

CHF 29 MILLION
TOTAL GOVERNMENTAL
PAYMENTS

CHF 5 MILLION
PROPERTY, PRODUCT &
OTHER TAXES



CHF 19 MILLION
PEOPLE TAXES

CHF 5 MILLION
OTHER GOVERNMENTAL
PAYMENTS

Key Markets Highlight Mexico



Holcim has been present in Mexico since 1964 when the Holderbank Company (now Holcim) acquired Cemento Portland Apasco SA.

Holcim México produces and markets cement, ready-mix concrete and other products and services for construction. The company has a nationwide presence through 7 cement plants, 23 cement distribution centers, 2 maritime terminals, 1 Corporate Office, 35 ready-mix concrete plants, and a Geocycle transfer center. It also has 26 commercial partners with more than 90 ready-mix concrete plants, more than 500 mixing pots, 1 aggregates plant and a Technological Innovation Center for Construction (CITEC). Through its Disensa network it also has more than 2300 sales points.

→ Learn more on
<https://www.holcim.com.mx>

CHF 68 MILLION
TOTAL GOVERNMENTAL
PAYMENTS

CHF 14 MILLION
PEOPLE, PROPERTY,
PRODUCT & OTHER TAXES



CHF 52 MILLION
CORPORATE INCOME TAX

CHF 2 MILLION
OTHER GOVERNMENTAL
PAYMENTS

Key Markets Highlight Switzerland



Holcim Switzerland is among the leading building material producers in the Swiss market. Holcim Switzerland employ around 1,000 people across 3 Cement Plants and 52 Aggregates and Ready-Mix plants. In addition to the operating sites, Holcim has its global headquarters in Zug, Switzerland with over 160 employees at this site.

→ Learn more on
<https://www.holcim.ch/de>

Holcim is committed to accelerating the world's transition to a net zero and more inclusive future. Switzerland is a country where we test many of our future sustainable solutions. Through our subsidiary, Neue Plastrec AG, we reuse industrial waste in our cement plants to avoid landfill and reduce emissions. Our business in Switzerland was also one of the first to release ECOPact, the industry's broadest range of green concrete for high-performing, sustainable and circular construction.

CHF 75 MILLION
TOTAL GOVERNMENTAL
PAYMENTS

CHF 22 MILLION
PEOPLE, PROPERTY,
PRODUCT & OTHER TAXES



CHF 44 MILLION
CORPORATE INCOME TAX

CHF 9 MILLION
OTHER GOVERNMENTAL
PAYMENTS

Key Markets Highlight Philippines



Holcim Philippines, Inc. is one of the leading construction solution companies in the country. The Company has a wide range of innovative construction solutions that help homeowners and large contractors in their building needs.

→ Learn more on
<https://www.holcim.ph>

With cement manufacturing facilities in La Union, Bulacan, Misamis Oriental and Davao, mobile concrete ready-mix facilities and an aggregates business backed by a strong nationwide network of dealers, Holcim Philippines is a reliable partner of builders in the country.

CHF 58 MILLION
TOTAL GOVERNMENTAL
PAYMENTS

CHF 36 MILLION
PEOPLE, PROPERTY,
PRODUCT & OTHER TAXES



CHF 18 MILLION
CORPORATE INCOME TAX

CHF 4 MILLION
OTHER GOVERNMENTAL
PAYMENTS

Key Markets Highlight Poland



In Poland, Holcim operates three business lines: cement, concrete & aggregates. In addition, LH Engineering provides large infrastructure & paving solutions. Holcim Poland works with clients in accordance with three pillars, Partnership, Development and Solutions.

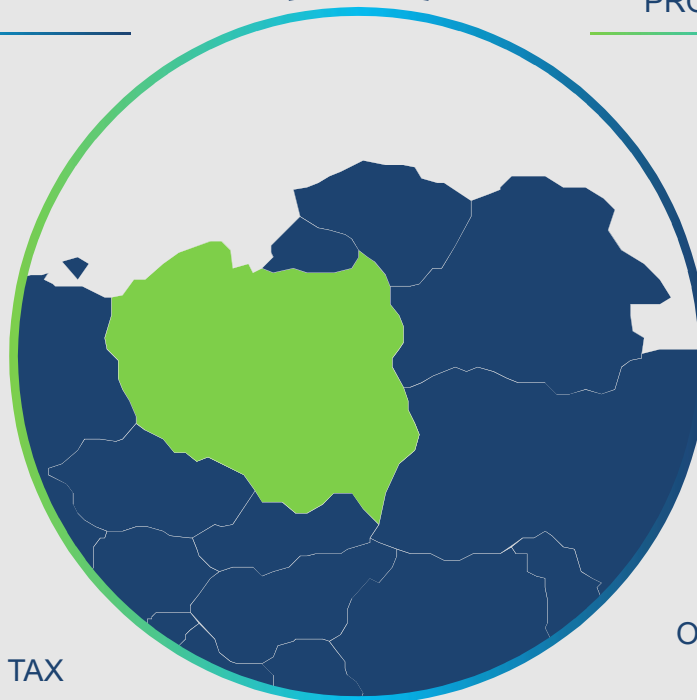
→ Learn more on
<https://www.lafarge.pl/grupa-lafargeholcim>

Holcim Poland has 1,400 employees and operates over 50 plants.

CHF 39 MILLION
TOTAL GOVERNMENTAL
PAYMENTS

EUROPE

CHF 12 MILLION
PEOPLE, PROPERTY,
PRODUCT & OTHER TAXES



CHF 22 MILLION
CORPORATE INCOME TAX

CHF 5 MILLION
OTHER GOVERNMENTAL
PAYMENTS

Key Markets Highlight

Algeria



In Algeria Holcim is the leading company in the construction materials market. It is present throughout the value chain of construction materials: Aggregates, Cements, Mortars, Concrete, Plaster, Bags, Logistics and Distribution.

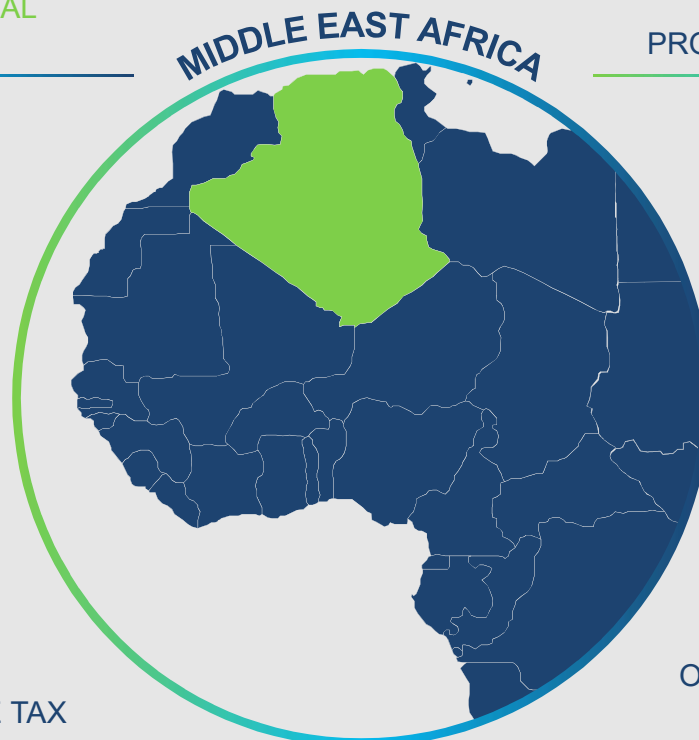
→ Learn more on <https://www.lafarge.dz>

Holcim has two cement plants, M'Sila and Oggaz, as well as the Cilas cement plant in Biskra in partnership with the Souakri Company for a total production capacity of 11.5 Mt / year. The Ready-to-Use Concrete activity operates 12 plants across the country with a capacity of 1 mit / year.

Holcim employs 2,585 people and is strongly committed to economic, social and environmental development in Algeria.

CHF 62 MILLION
TOTAL GOVERNMENTAL
PAYMENTS

CHF 33 MILLION
PEOPLE, PROPERTY,
PRODUCT & OTHER TAXES



CHF 25 MILLION
CORPORATE INCOME TAX

CHF 4 MILLION
OTHER GOVERNMENTAL
PAYMENTS

Key Markets Highlight China



Holcim's operation in China are mainly under two entities - Huaxin Cement and Holcim Sichuan Cement. Our business in China includes cement, concrete, aggregates, environmental protection services, equipment manufacturing and engineering, with a total of around 150 sites in 10 provinces.

→ Learn more on <https://www.huaxincem.com>

Huaxin has over 19,000 employee and has grown to be one of the leading companies in China's cement industry. Holcim Sichuan Cement was established in April 2017 and at present has more than 800 employees and two cement enterprises, namely Dujiangyan Lafarge Cement Co., Ltd. and Jiangyou Holcim Shuangma Cement Co., Ltd.

CHF 48 MILLION
TOTAL GOVERNMENTAL
PAYMENTS

CHF 11 MILLION
PEOPLE & PROPERTY
TAXES

ASIA-PACIFIC



CHF 17 MILLION
CORPORATE INCOME TAX

CHF 20 MILLION
PRODUCT TAXES

Key Markets Highlight Ecuador



Holcim Ecuador has been operating since 2004, producing cement, concrete and aggregates. We have a wide variety of products serve to supply the construction sector.

→ Learn more on
<https://www.holcim.com.ec>

The company has an integrated cement plant in Guayaquil; a cement grinding plant in Latacunga; 7 fixed concrete plants in Guayaquil, Quito, Cuenca, Manta, Machala and Ambato; a mobile concrete equipment in the national territory and an aggregates plant in Pifo (Quito).

Its administrative offices are located in Guayaquil and it offers technical advice through 7 regional sales offices nationwide.

CHF 62 MILLION
TOTAL GOVERNMENTAL
PAYMENTS

CHF 11 MILLION
PROPERTY, PEOPLE AND
OTHER TAXES



CHF 45 MILLION
CORPORATE INCOME TAX

CHF 6 MILLION
OTHER GOVERNMENTAL
PAYMENTS

Key Markets Highlight Egypt

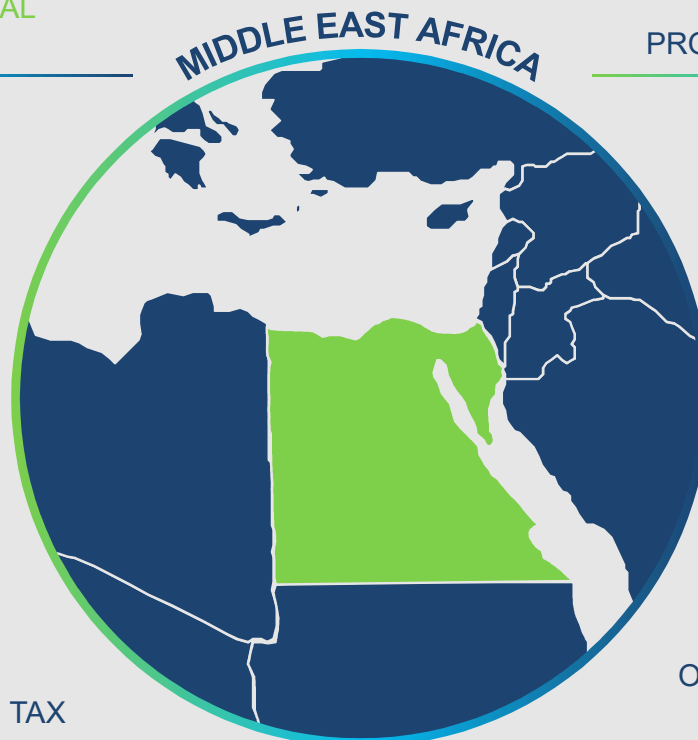


→ Learn more on
<https://www.lafarge.com/eg/en>

Powered by more than 2000 employees, and through its established business in cement, concrete and bags manufacturing, Lafarge Egypt, as a member of Holcim, has operations at Ain Al-Sokhna with one of the largest cement plants in the MENA region. The total plant capacity is 10.2 MT and has 5 state-of-the-art production lines.

CHF 47 MILLION
TOTAL GOVERNMENTAL
PAYMENTS

CHF 16 MILLION
PEOPLE, PROPERTY,
PRODUCT & OTHER TAXES



CHF 12 MILLION
CORPORATE INCOME TAX

CHF 19 MILLION
OTHER GOVERNMENTAL
PAYMENTS

Key Markets Highlight Spain



In Spain Holcim operates a well-balanced network of operational sites to cover most of the Spanish aggregates, cement, mortar and concrete markets. This includes five cement plants, twenty concrete plants, one mortar plant, six terminals, one waste treatment plant, and four research facilities.

→ Learn more on <https://www.lafargeholcim.es>

Holcim Spain has over 760 employees committed to H&S, customers and sustainability.

CHF 29 MILLION
TOTAL GOVERNMENTAL
PAYMENTS

CHF 15 MILLION
PEOPLE TAXES



CHF 6 MILLION
CORPORATE INCOME TAX

CHF 8 MILLION
PROPERTY, PRODUCT AND
OTHER TAXES

Key Markets Highlight

El Salvador



Holcim El Salvador was founded in 1949 under the name of Cemento de El Salvador and since then has established itself as a leader in the country's construction market.

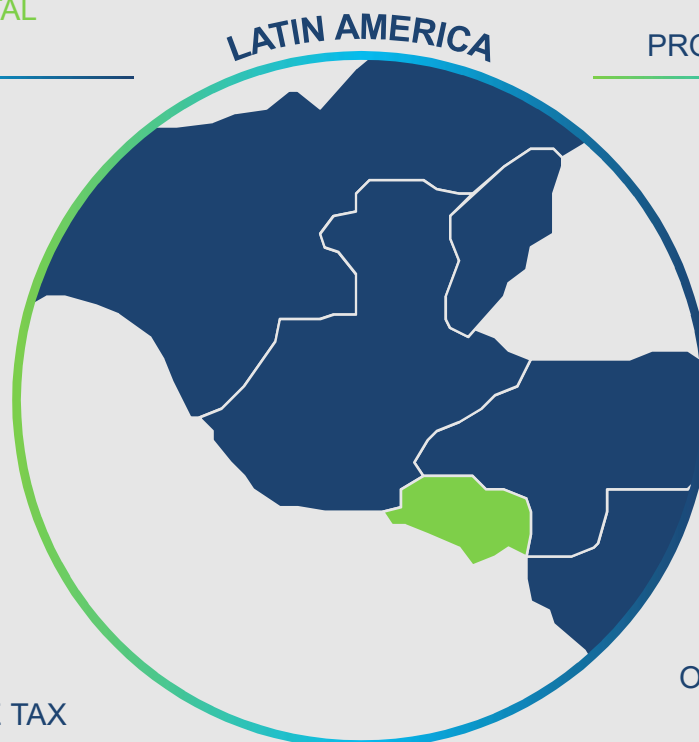
→ Learn more on <https://www.holcim.com.sv>

Holcim has two cement plants located in the northwest of the country, a few kilometers from the city of Metapán. Additionally, there are six permanent RMX plants strategically located in different parts of the country and several mobile RMX plants to install in specific projects. In 2021 an aggregate plant was added.

Geocycle El Salvador, also located in Metapán, contributes annually to the environment with the co-processing of more than 20k tons of waste.

CHF 43 MILLION
TOTAL GOVERNMENTAL
PAYMENTS

CHF 5 MILLION
PEOPLE, PROPERTY,
PRODUCT & OTHER TAXES



CHF 37 MILLION
CORPORATE INCOME TAX

CHF 1 MILLION
OTHER GOVERNMENTAL
PAYMENTS

Tax Transparency Report

Other countries

The remaining countries represent less than 20% of all taxes and other governmental payments made. We have included below a summary for these countries.

Country	Total (1)	Country	Total
Belgium	26,596	Czech Republic	5,716
Germany	25,205	Nicaragua	5,203
Kenya	22,780	Italy	4,916
Colombia	22,091	Azerbaijan	4,007
Argentina	20,436	Austria	3,927
Greece	19,463	Netherlands	3,718
Bangladesh	18,284	Lebanon	2,275
Uganda	17,515	South Africa	2,071
Romania	16,831	Reunion	2,013
Brazil	15,478	Turkey	1,506
Costa Rica	14,158	Madagascar	1,295
Iraq	13,677	Luxembourg	1,269
Bulgaria	12,626	New Zealand	1,171
Russia	11,005	Tanzania	908
Zimbabwe	10,753	Jordan	808
Nigeria	10,671	Slovakia	705
Croatia	9,673	Qatar	336
Hungary	9,003	Slovenia	314
Serbia	8,962	Singapore	283
Zambia	8,867	Cyprus	20
Moldova	5,766		

(1) All figures are CHF,000

06 BASIS OF PREPARATION OF THIS REPORT

Bosco Verticale, Milan, Italy
Holcim Concrete
©Kirsten Bucher Photographer



Basis of preparation of this report

The Report is prepared from data recorded in our financial systems, being the same data and financial systems used to prepare our Financial Statements.

Taxes, royalties and other payments to governments are presented in this Report on a cash paid basis for the year ended 31 December 2020.

For our controlled entities, amounts included are 100 per cent of the taxes paid to governments. For our investments in joint ventures and associates that are equity accounted by Holcim, no amounts have been included.

Total Economic Contribution

In this report we consider our Total Economic Contribution to include –

1. Procurement

The largest contribution occurs due to the economic value we add to society through our procurement activities, deriving CHF 13.8 billion gross value added. For further details please see our 2020 Integrated Profit & Loss Statement (1)

2. Employees

This is the Group's total personnel expenses in accordance with note 15.3 of the 2020 Annual Report, less social security contributions which have been included under Total Taxes Paid (see below).

3. Shareholders, Lenders & Investors

This is the Group's total interest paid, pay-out on ordinary shares and dividends paid to non-controlling interests in accordance with the consolidated statement of cash flows – see page 168 of the 2020 Annual Report.

4. Payments to Government

This includes –

Total Taxes Paid

Where we use the term "Total Taxes Paid" we do so in line with the World Economic Forum ESG definition, which includes corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes, and other taxes that constitute costs to the company. We have included below a summary definition for each tax subset –

Corporate income taxes

This is based on taxable profits under legislated income tax rules. This also includes payments made to revenue authorities in respect of disputed claims and withholding taxes. For the purposes of allocating corporate income taxes to particular countries, withholding taxes on dividends are allocated to the country in which the withholding taxes are remitted, whereas withholding taxes on interest and royalties are allocated to the recipient country.

Property Taxes

These are taxes borne by Holcim on its real estate. Such taxes may be based upon its rateable value or other metric of usage. It does not include taxes linked to revenue or profitability of the Holcim entity utilising the property.

Social Security Contributions

This is based on the contributions we pay to Government in addition to the salary and benefit costs of our employees. We only include social security costs borne and not those collected (e.g., contributions deducted from employee salaries).

Non-recoverable sales tax & VAT

Generally tax payments made to or received from governments in the nature of sales tax, value added tax and goods and services tax are not borne by Holcim. However on occasions Holcim may bare these taxes without an ability to pass them onto customers. Where Holcim bares the cost of these taxes in its P&L we have included these taxes in our total tax payments summary.

Customs & Excise Duty

These taxes are generally borne by Holcim upon the movement of tangible goods in or out of economic areas.

Other taxes

Payments to governments under other legislated tax rules.

Royalties

These are payments made to governments in relation to revenue or production generated.

Government Fees

Payments to governments in the form of fees typically levied on the initial or ongoing right to use a site or geographical area. This includes licence fees, rental fees, entry fees and other fees.

Payments for infrastructure improvements

Payments for the construction of public infrastructure, such as roads, bridges and port facilities.

(1) https://www.holcim.com/sites/holcim/files/atoms/files/55992_lafargeholcim_2020_ip_l_statement_aw2_final.pdf

Basis of preparation of this report

Excluded amounts

The following are not included in our report under Total Taxes Paid:

Employee taxes collected

Tax payments made to governments on behalf of our employees

Indirect taxes

Tax payments made to or received from governments in the nature of sales tax, value added tax and goods and services tax where the cost is not borne by Holcim

Penalties and interest

Payments to governments resulting from the imposition of penalties, fees or interest.

Other

Tax payments, whether made as a single payment or as a series of related payments, below CHF200,000 per tax, per country.

Reporting currency

All payments have been reported in CHF. Payments denominated in currencies other than CHF are translated for this Report using the average exchange rate the year ended 31 December 2020.

Company

This term refers to Holcim Ltd and its affiliates

Income Tax Expense and our Financial Statements

Why is the tax expense in your Financial Statements different to the amount of tax paid you disclose in this Report?

The numbers are different because they are calculated at different times for different purposes.

The income tax expense recorded in our Financial Statements reflects the impact on our financial position at the end of the financial year. It is designed to give shareholders an indication of the amount of tax the Company expects to pay (now or in the future) for the activities undertaken during that financial year. It may also include adjustments in respect of prior years. For a number of reasons, this number does not represent the actual cash income tax paid during that financial year. For example, cash income tax paid may include payments or refunds relating to activities for a prior financial year, but may exclude final payments that relate to activities for the current financial year yet occur after the end of the financial year.

Additionally, the reporting of revenues or expenses in our Financial Statements may be different to their impact on taxable income reported in tax returns. For example, a piece of equipment may be depreciated for accounting purposes over a certain number of years, but be deductible for tax purposes over a different period (whether shorter or longer). These differences are commonly known as 'deferred taxation'.

The income tax expense may also be impacted by permanent differences, such as non-deductible expenses.

In addition to income tax we also pay other taxes including –

- Property Tax – taxes levied on the real estate we own or lease and which are utilised in our commercial activities
- Social contributions – we must pay social contributions calculated by reference to our employee wage payments. These contributions can be borne by Holcim and not deducted from employee wages.
- Excise duty – an indirect tax on manufacturers due at the point of production rather than sale, which generally forms part of the cost of the product.
- Customs duty – an indirect tax imposed on goods as they either enter or leave a country.
- Value-added tax (VAT) – indirect tax due on goods and services, typically as a percentage of the sales price. These are normally borne by customers but in some circumstances Holcim may bare these costs where the VAT is irrecoverable

Controlled Foreign Company Rules

What are Controlled Foreign Company rules and how do they impact Holcim?

Controlled foreign company (CFC) rules respond to the risk that taxpayers can reduce the tax base of their country of residence by shifting income into a foreign company that is controlled by the taxpayer.

CFC rules, although complex, generally follow the same basic structure. First, an ownership threshold is used to determine whether an entity is considered a controlled foreign corporation.

Second, once a foreign subsidiary is considered a CFC, there is a test to determine whether the subsidiary's income should be taxed domestically. Most countries determine a subsidiary taxable if the foreign tax jurisdiction levies a tax rate below a certain threshold and/or a certain share of the subsidiary's income is passive. Passive income includes non-traditional production activities, such as interest, dividends, rental income, and royalty income.

Third, once a foreign subsidiary is considered a CFC and its income is taxable domestically, a country defines what income earned by the foreign subsidiary is subject to tax. While some countries tax only a CFC's passive income, others tax all income of foreign subsidiaries (active and passive).

Tax Transparency Report Assurance Statement

Holcim Ltd.

Zug

Independent Limited Assurance Report
on selected Total economic contribution and Total
taxes and governmental contributions for the finan-
cial year ended 31 December 2020 presented in
the Holcim's Tax Transparency Report 2020

to the Board of Directors



Tax Transparency Report Assurance Statement

Independent Limited Assurance Report

on selected Total economic contribution and Total taxes and governmental contributions for the financial year ended 31 December 2020 presented in the Holcim's Tax Transparency Report 2020 to the Board of Directors of Holcim Ltd.,

Zug

We have been engaged by Management to perform assurance procedures to provide limited assurance on the selected Total Economic Contribution on page 14 and on selected Total taxes and governmental contributions presented on pages 28 in the Tax Transparency Annual Report 2020 of Holcim Ltd. for the period ended 31 December 2020 prepared in accordance with the Tax Transparency Report Basis of our report.

The selected Total economic contribution and Total taxes and governmental contributions information presented in the Holcim's Tax Transparency Report 2020 (the "Report") was prepared by the Management of Holcim Ltd. (the "Company") based on the descriptions in "Basis of preparation of this report" on pages 46 - 50 ("Basis of preparation of the report").

Inherent limitations

Information and Data of the nature reported in a Tax Transparency Report can be subject to variations in definitions, collection and reporting methodology with no consistent and unanimously accepted standard. This may result in non-comparable information between organisations and from year to year within an organisation as methodologies develop. Our assurance report will have to be read in connection with the Basis of preparation of the report, its definitions and the methodology used to select, to prepare and to disclose the information for total economic contribution and total tax information included in the Report for the financial year ended 31 December 2020.

Our procedures are limited to those stated in this report and have not included an assessment of the correct presentation of the total economic contribution and correct tax treatment of individual transactions and balances as according to the relevant laws and regulations of the local tax jurisdictions. Because of the inherent limitations of an assurance engagement, together with the internal control structure it is possible that fraud, error, or non-compliance with tax requirements may occur and not be detected. A limited assurance engagement for the period ended 31 December 2020 does not provide assurance on whether compliance with the tax requirements will continue in the future.

Management's responsibility

The Management of Holcim Ltd. is responsible for preparing the Basis of preparation of the report and for the selected Total economic contribution and Total taxes and governmental contributions information for the financial year ended 31 December 2020 presented in the Holcim's Tax Transparency Report 2020. This responsibility includes the design, implementation and maintenance of the internal control system related to the preparation of the selected Total economic contribution and Total taxes and governmental contributions information presented in the Report that is free from material misstatement, whether due to fraud or error. Furthermore, the Board of Directors is responsible for the selection and application of the Basis of preparation of the report and adequate record keeping.

Independence and quality control

We are independent of Holcim Ltd. in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code, which is founded

PricewaterhouseCoopers SA, avenue Giuseppe-Motta 50, case postale, CH-1211 Genève 2, Switzerland
Téléphone: +41 58 792 91 00, Téléfax: +41 58 792 91 10, www.pwc.ch

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Tax Transparency Report Assurance Statement

on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

PricewaterhouseCoopers SA applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner's responsibility

Our responsibility is to perform an assurance engagement and to express a conclusion on the selected Total economic contribution on page 14 and Total taxes and governmental contributions information on page 28 for the financial year ended 31 December 2020 presented in the Holcim's Tax Transparency Report 2020. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) 'Assurance engagements other than audits or reviews of historical financial information'. Those standards require that we plan and perform our procedures to obtain limited assurance on whether anything has come to our attention that causes us to believe that the selected Total economic contribution and Total taxes and governmental contributions information on pages 14 and 28, respectively, for the financial year ended 31 December 2020 presented in the Report was not be prepared, in all material aspects, in accordance with the Basis of preparation of the report on pages 46-50.

Based on risk and materiality considerations, we performed our procedures to obtain sufficient and appropriate assurance evidence. The procedures selected depend on the assurance practitioner's judgement. A limited assurance engagement under ISAE 3000 (Revised) is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. Consequently, the nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement and therefore less assurance is obtained with a limited assurance engagement than for a reasonable assurance engagement.

Our work consisted in the following procedures:

- Obtaining an understanding of the Basis of preparation of the report by reviewing public information on the references made in the Report to the World Economic Forum ESG metrics;
- Interviewing Holcim Management on the background and objectives for preparing the Report;
- Obtaining an understanding of the key systems, processes and controls relating to the aggregation, validation and presentation of the Basis of preparation of the report and interviewing staff with operational responsibility of carrying out these processes and controls;
- Assessing the disclosure and presentation of the Basis of preparation of the report (pages 49-50) within the Report;
- Performing sample testing on the selected Total economic contribution and Total taxes and governmental contributions information presented on pages 14 and 28, respectively, and tracing them back to consolidated financial statements audited by another audit firm and related source data.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on the work we performed, nothing has come to our attention that would cause us to believe that the selected Total economic contribution on page 14 and the Total taxes and governmental contributions information presented on page 28 in the Tax Transparency Report 2020 of Holcim Ltd. for the period ended 31 December 2020 is not prepared, in all material respects, in accordance with the Basis of preparation of the report.

Intended users and purpose of the report

This report is prepared for, and only for, the Board of Directors and Management of Holcim Ltd., and solely for the purpose of reporting to them on selected Total economic contribution and the Total taxes and governmental contributions information for the financial year ended 31 December 2020 presented in the Tax Transparency Report 2020 of Holcim Ltd. and no other purpose. We do not, in giving our conclusion, accept or assume responsibility (legal or otherwise) or accept liability for, or in connection with, any other purpose for which our report including the conclusion may be used, or



Tax Transparency Report Assurance Statement

to any other person to whom our report is shown or into whose hands it may come, and no other persons shall be entitled to rely on our conclusion.

We permit the disclosure of our report, in full only and in combination with the Basis of preparation of the report, to enable the Management to demonstrate that they have discharged their governance responsibilities by commissioning an independent assurance report over its Tax Transparency Report 2020, without assuming or accepting any responsibility or liability to any third parties on our part. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Directors of Holcim Ltd. for our work or this report.

PricewaterhouseCoopers SA

Guillaume Nayet

Romano Luisoni

Genève, 17 November 2021

The maintenance and integrity of the Holcim Ltd. website is the responsibility of the Board of Directors; the work carried out by the assurance providers does not involve consideration of the maintenance and integrity of the Holcim Ltd. website and, accordingly, the assurance providers accept no responsibility for any changes that may have occurred to the reported sustainability information or criteria since they were initially presented on the website.

