

2024 REPORT ON NON-FINANCIAL MATTERS



DISCLOSURES FOR SWISS CODE OF OBLIGATIONS (ART. 964B)

The following sections comprise the report on non-financial matters in accordance with Art. 964b of the Swiss Code of Obligations.

Sustainability is at the core of Holcim's business and is deeply embedded in its corporate strategy. Recognizing that sustainability cannot be viewed separately from our broader business activities, Holcim adopts an integrated approach for the report on non-financial matters pursuant to Art. 964b of the Swiss Code of Obligations. Through the integration of sustainability topics alongside other relevant topics covered in the Integrated Annual Report, we aim to provide our shareholders and other stakeholders with a comprehensive view of our business activities.



CONTENTS

DESCRIPTION OF THE BUSINESS MODEL

4 Record performance

ENVIRONMENTAL MATTERS, IN PARTICULAR CO₂ GOALS

24 Sustainability performance highlights

26 [2024 Climate Report](#)

EMPLOYEE-RELATED ISSUES

72 Holcim people

78 Health, Safety & Environment

SOCIAL ISSUES AND RESPECT FOR HUMAN RIGHTS

82 Human rights and our communities

86 Essential Homes in Latin America

SUPPLY CHAIN

90 Sustainable supply chain

CORPORATE GOVERNANCE

96 Corporate governance

98 Compliance program – performance with integrity

100 Report on due diligence and transparency

MATERIAL RISKS

104 Risk and control

106 Material priorities

122 Human rights salient risks

124 Climate and nature risks and opportunities

142 Scenario analysis

NON-FINANCIAL PERFORMANCE INDICATORS

148 2024 Sustainability performance report

162 Methodology and consolidation 2024

166 Assurance statement

LEADING IN ESG DISCLOSURES & TRANSPARENCY

Read more about our transparent ESG disclosures in the *2024 Integrated Annual Report*.

☞ Art. 964b Swiss Code of Obligations. Read pages 410–411

☞ EU Taxonomy. Read page 244

☞ TCFD. Read page 216

☞ TNFD. Read page 216

DESCRIPTION OF THE BUSINESS MODEL

ART. 946B CONTENT REQUIREMENT

4 Record performance

RECORD PERFORMANCE

In 2024, Holcim delivered superior performance with profitable growth across all market conditions and economic cycles.



Santiago Bernabéu Stadium, home of Real Madrid CF, renovated with Holcim's sulfur-resistant cement and Agilia Light Weight self-compacting concrete



IN THIS SECTION

- 6 Delivering on our strategy
- 8 Growing multi-billion brands
- 10 Decarbonization driving profitable growth
- 12 Circular construction driving profitable growth
- 14 Value-accretive M&A
- 20 Empowered leadership

Achieving strong results in 2024

Holcim delivered record performance in 2024 thanks to our resilient business model. We scaled our sustainable building solutions – from ECOPact and ECOPlanet to Elevate – to meet our customers’ most advanced needs, and invested in value-accretive M&A. Other key profitability drivers are our innovation engine and empowered leadership with a strong performance culture.

“Holcim’s strong results show the resilience of our business model across all market conditions and economic cycles.”

MILJAN GUTOVIC
Chief Executive Officer

DELIVERING ON OUR STRATEGY

By focusing on the three strategic levers of our Strategy 2025, Holcim achieved record performance in 2024.



ACCELERATING GROWTH

With broad-based growth across markets we delivered leading profitability and cash flow.

- Holcim achieved a superior earnings profile in the full year, with broad-based growth drivers and our resilient business model delivering record Recurring EBIT and Recurring EBIT margin.
- Outstanding performance was driven by a strict focus on strategic priorities and impeccable execution from Holcim's 65,000 employees.
- Our high-value strategy with sustainable building solutions continues to deliver industry-leading performance.
- Holcim's disciplined M&A execution, which is a key contributor to our growth trajectory, continued in 2024 with 22 value-accretive acquisitions.

5.0BN

Recurring EBIT
CHF



EXPANDING SOLUTIONS & PRODUCTS

We continued to expand Solutions & Products both organically and through M&A.

- Roofing delivered profitable growth in the USD 40 billion North American roofing market, driven by resilient demand.
- We expanded our range of integrated solutions and systems – acquiring OX Engineered Products in the U.S., ZinCo in Germany and Tensolite in Argentina.
- Elevate opened a 60,000m² manufacturing and distribution center in Salt Lake City to service Canada and the Western U.S.
- Malarkey Roofing Products broke ground on a new 35,000m² facility in Franklin, Indiana, to produce sustainable residential roofing shingles.

➤ Solutions & Products. Read more on page 46 in the [2024 Integrated Annual Report](#)

5.9BN

Net sales from
Solutions & Products CHF



LEADING IN SUSTAINABILITY

We continued to deliver on our net-zero targets while driving innovation in construction.

- Making circularity a driver of profitable growth, we recycled 10.2 million tons of construction demolition materials in 2024, or over 2,000 truckloads every working day.
- We broke ground on two large-scale carbon capture projects, and were selected for an additional European Union Innovation Fund grant – taking the number of our supported projects to seven.
- Advancing circularity and decarbonization as drivers of profitable growth, Holcim reduced CO₂ per net sales by 4% in 2024¹.
- We developed innovations to decarbonize building – from powering smart operations with artificial intelligence and 3D printing to technology that turns concrete into a carbon sink.

▢ Leading in Sustainability. Read more on page 50 in the [2024 Integrated Annual Report](#)

4%

Reduction in CO₂/net sales

RECORD PERFORMANCE

Delivering on our three strategic levers, we continued to achieve record performance in 2024, focusing on these six pillars:

- **Growing multi-billion brands**
From ECOPact and ECOPlanet to Elevate. See page 8.
- **Decarbonization**
As a driver of profitable growth. See page 10.
- **Circular construction**
As a driver of profitable growth. See page 12.
- **Value-accretive M&A**
In the most attractive markets and segments. See page 14.
- **Fast-paced innovation**
Thanks to our R&D organization and work with startups. See page 16.
- **Empowered leadership**
With a strong performance culture. See page 20.

¹ 2024 Scope 1 + Scope 2 CO₂ emissions per million of net sales compared to 2023.

GROWING MULTI-BILLION BRANDS

Holcim generated 36% of net sales from advanced branded solutions in 2024 – from ECOPact to Elevate.



ECOPLANET

Flagship sustainable brand with 26% of Holcim cement net sales.

- The world needs to build, and ECOPlanet is meeting this demand as the backbone of sustainable construction in 34 markets worldwide.
- ECOPlanet delivers 100% performance starting at 30% lower CO₂ emissions compared to ordinary (CEM I/OPC) cement.
- Holcim uses innovative raw materials including calcined clay and recycled construction demolition materials, as well as alternative fuels, to reduce ECOPlanet's carbon footprint.

3+BN

Net sales ECOPlanet CHF



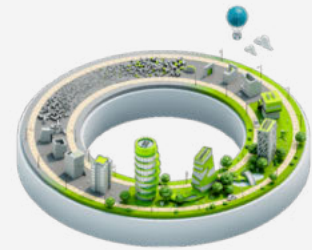
ECOPACT

Flagship sustainable brand – 29% of ready-mix net sales.

- Our flagship concrete brand ECOPact represents 29% of net sales in our ready-mix business across 30 markets.
- DYNAMax is Holcim's ultimate high-performance concrete, offering high strength, durability, superior rigidity and a reduced carbon footprint.
- Water-permeable Hydromedia concrete allows water to recharge ground soil, and TectorPrint, our proprietary 3D concrete printed ink, reduces material use by up to 50%.

1.5+BN

Net sales ECOPact CHF



ECOCYCLE®

ECOCycle® enables us to scale circular construction worldwide.

- Our ECOCycle® circular technology enables Holcim to recycle construction demolition materials (CDM) into sustainable building solutions – to build new from old.
- With over 150 recycling centers globally, we recycled 10.2 million tons of CDM in 2024 (+20% compared to 2023).
- Circular construction preserves primary materials and reduces waste and costs. We are scaling ECOCycle® both organically and through M&A.

+20%

Recycled CDM increase in 2024



FUERTE AND APASCO

Holcim's flagship cement ranges in Latin America.

- Offer a carbon footprint that is at least 30% lower versus ordinary Portland cement.
- Supplied in the broadest ranges, the cements are designed for concrete, mortar and all types of construction.
- Fuerte and Apasco provide excellent mechanical resistance, improved workability of mixtures and reduced segregation and exudation.

1+BN

Net sales Fuerte + Apasco¹ CHF



ONECEM

Holcim's leading cement range in the U.S.

- OneCem accounted for 87% of cement net sales in North America in 2024.
- The range offers strength, durability, performance and workability, while delivering a better sustainability profile versus traditional Portland cement – reducing CO₂ emissions by 5-10%.
- Varied applications range from general ready-mix concrete, through to architectural precast, structural precast, concrete block, paving and geotechnical.

2.5+BN

Net sales OneCem CHF



ELEVATE

Most advanced system selling roofing brand in North America.

- Elevate is our most advanced roofing systems brand in North America, and is central to our Solutions & Products segment.
- Innovative, durable and sustainable, Elevate's solutions range from high-performance roofing systems to wall and lining solutions.
- Other Solutions & Products brands include Duro-Last, a U.S. leader in commercial roofing systems, and Malarkey – which is growing fast in the U.S. residential roofing market.

2+BN

Net sales Elevate CHF

¹ Fuerte and Apasco are part of ECOPlanet.

DECARBONIZATION DRIVING PROFITABLE GROWTH

Holcim is driving the industry's broadest range of advanced construction technologies to achieve our net-zero targets and drive profitable growth.

Building for people and the planet

With the world's population expected to reach 9.7 billion by 2050¹, and more of us moving to cities, we need to build, yet we need to do so sustainably – given a changing climate and pressure on resources.

We want to decarbonize building across the value chain. Starting with our own operations, we are working to decarbonize Holcim from quarry to lorry. Then we focus on building better with less – using our low-carbon brands such as ECOPact and ECOPlanet.

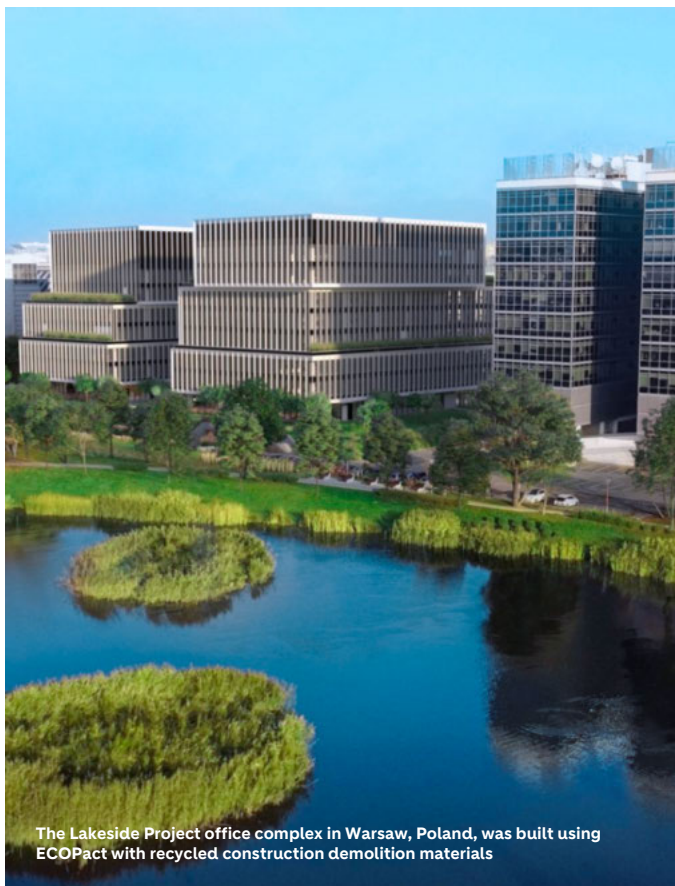
We are also making cities more sustainable, by offering products and solutions that improve thermal efficiency and enable green retrofitting.

Finally, we want to change the construction industry from linear to circular, by building new from old.

Why Holcim invests in decarbonization

We are investing in decarbonization because it is the right thing to do, and because it makes good business sense. It enables us to unlock cost efficiencies, and our sustainable building solutions offer customers added value.

In our operations, we are focusing on formulating cement and concrete using innovative raw materials, and expanding our use of decarbonized energy as well as advanced technologies, including carbon capture.



The Lakeside Project office complex in Warsaw, Poland, was built using ECOPact with recycled construction demolition materials

“We are investing in decarbonization to turn sustainable growth into profitable growth, and deliver leading Recurring EBIT margins.”

STEFFEN KINDLER
Chief Financial Officer

¹ United Nations population data.



Growing demand for sustainable solutions

With demand for our sustainable building solutions growing worldwide, Holcim stands to benefit over proportionally as a market leader.

We are on course to make net-zero cement and concrete a reality at scale this decade, and are already helping our customers build better with less using multi-billion Swiss franc brands such as ECOPact and ECOPlanet – which offer 100% performance with a carbon footprint that is at least 30% lower compared to standard alternatives.

In Solutions & Products, we have a strong portfolio of brands – from Elevate, Duro-Last and Malarkey to Tector, Airium and ZinCo – that help our customers build, refurbish and retrofit their buildings sustainably, to increase energy efficiency and further reduce emissions.

Sustainable growth is profitable growth

Across our regions, decarbonization, alongside circularity, is a large-scale opportunity that Holcim is seizing – accelerating sustainable and profitable growth.

Europe currently has the most advanced decarbonization policies and regulations that are facilitating our profitable growth. The European Union Emissions Trading System (EU ETS) is the first major carbon market created to lower emissions, and the Carbon Border Adjustment Mechanism (CBAM) places fair tariffs on products, including cement, that enter the bloc.

Such instruments incentivize companies to invest in breakthrough decarbonization technologies, while government funding, the EU Innovation Fund and the EU Green Deal add to Europe's attractiveness.

CIRCULAR CONSTRUCTION DRIVING PROFITABLE GROWTH

Holcim is advancing circular construction in key metropolitan areas where we operate across the world as a driver of profitable growth.

Advancing circular construction

The future of construction is circular. As the world's population grows, we need to build sustainably – with solutions to reduce, recycle and reuse materials.

Making circular construction a driver of profitable growth, we are committed to building new from old, reducing use of primary materials and minimizing waste, as well as generating revenue from recycling fees. We offer high-value, advanced sustainable solutions that incorporate recycled material, without compromising on performance.

Scaling our ECOCycle® circular technology

By deploying our ECOCycle® circular technology across a range of building solutions, we produce products that guarantee a content of minimum 10% up to 100% recycled construction demolition materials (CDM), with no compromise on quality and performance. Solutions include raw materials for use in low-carbon cement formulations and recycled aggregates for use in concrete or as fillers for road construction.

Solutions with ECOCycle® are now available in nine countries, with more launches planned. As we grow our network of advanced processing sites, we are expanding the markets for which we can provide circular solutions.

Unique geographical footprint

We currently run over 150 recycling centers worldwide, in or near to major metropolitan areas in which we operate – from London to Lyon and Melbourne to Toronto. Holcim's unique geographical footprint and our strong logistics network give us excellent access to CDM available at these "urban mines".

Scaling organically and through M&A

We are leading the shift to circular construction across all our regions, both organically and through M&A. In 2024, we made four value-accretive acquisitions in this space – in the UK, Germany, Belgium and Switzerland – to scale up ECOCycle®. In 2024, Holcim grew its recycling of CDM by 20% for the second consecutive year to 10.2 million tons – equivalent to over 2,000 truckloads every working day.

Iconic circular projects

Iconic Holcim projects include Wood Wharf in central London, where we provided one of the UK's first concretes with recycled CDM.

In Australia, the Kidston Pumped Hydro Energy Project in Queensland was built using 100% recycled aggregates in all Holcim concrete. In France, Recygénie – a social housing project near Paris – was constructed using the world's first 100% recycled concrete from Holcim.

10.2M

Tons of CDM recycled in 2024

150+

Recycling centers worldwide



London's Wood Wharf uses Holcim's ECOPact concrete with 20% locally "mined" construction demolition materials inside

Holcim's circular solutions in action

CDM as high-value aggregates

Holcim is taking recycled aggregates to the next level, recycling them as high-value solutions for use in ready-mix concrete, as well as asphalt for road construction. In the UK, for example, the spectacular Wood Wharf mixed-use development in London uses aggregates "mined" locally then recycled at our nearby recycling center. These were used to create ECOPact mixes with 20% recycled aggregates inside for two of the project's towers.

CDM as alternative raw materials

To reduce emissions in cement, we are substituting limestone in clinker with alternative raw materials derived from CDM – to reduce emissions. For example, the Lakeside Project office complex in Warsaw, Poland (see page 10) was built using ECOPact concrete. This contains cement that uses recycled mineral insulation wool recovered from CDM as a limestone substitute.

CDM as mineral components

Recycled ready-mix fines can be used to replace limestone in concrete production. One example is a multistory office building and underground car park in Styria, Austria, built using Holcim's ECOPlanet RC. Launched at the Austrian World Summit in 2023, this cement contains more than 25% ECOCycle® recycled CDM, and binds additional CO₂ directly into the recycling material via our innovative "RapidCarb" process.

CDM as coarse aggregates

Holcim's broad range of alternative aggregates – containing recycled concrete and secondary aggregates – can be used as base materials for everything from roads to buildings. Jobcenter Unna in Germany is an urban regeneration project where Holcim supplied 2,000m³ of ECOPact with coarse aggregates recycled at our site near Dortmund.

VALUE-ACCRETIVE M&A

Holcim continued its portfolio transformation with 27 value-accretive transactions closed in 2024, strengthening our position in the most attractive markets.

Investing in M&A for growth

M&A is instrumental to Holcim's growth trajectory. We are sharpening our footprint to focus on the most attractive markets and business segments, to ensure we remain at the cutting-edge of the industry – with 22 value-accretive acquisitions and five divestments closed in 2024.

With 100 synergetic acquisitions since 2018, we have shown how successful we are at integrating new companies, using our expertise to realize synergies and maximize the growth potential of our acquisitions.

Advancing in circular construction

Since circular construction is a driver of profitable growth for Holcim, this is one major focus of our M&A activity. In 2024, we acquired four high-margin businesses active in the recycling of construction demolition materials (CDM).

Mendiger Basalt in Germany produces aggregates and recycled CDM, while Land Recovery in the UK is a leading supplier of recycled construction materials and aggregates. Cand-Landi in Switzerland is a diversified business involved in recycling and waste management; Mark Desmedt is a leading Belgian recycler of CDM.

Strengthening Solutions & Products

We strengthened Solutions & Products in 2024 with the acquisition of OX Engineered Products, a leading U.S. provider of advanced insulation systems for residential and commercial applications. OX is a preferred provider for the nation's largest homebuilders, and with OX's complementary technologies, Holcim will offer an extended range of building envelope solutions to meet the needs of its North American customers.

ZinCo is a leader in green roofing systems with operations across Europe, that will strengthen Holcim's specification selling approach.

Tensolite is a leading manufacturer of innovative precast and prestressed concrete construction systems with a strong presence in fast-growing Latin American markets.

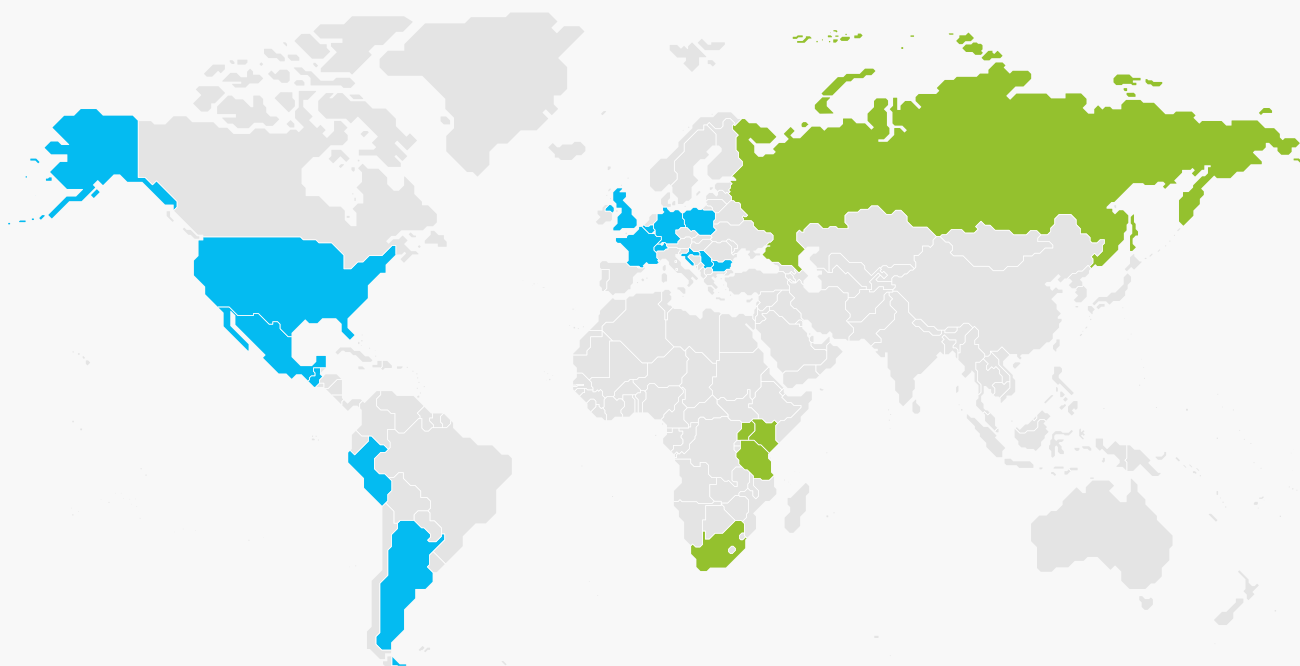
We continue to accelerate growth in our existing business through synergetic bolt-on acquisitions to expand local operations across key markets and geographies.

Sharpening our footprint

In Latin America we expanded in Guatemala through an acquisition, and acquired Comacsa and Mixercon in Peru to enter that market. In addition, our joint venture Cement Australia signed an agreement to acquire a division of the Buckeridge Group of Companies (BCG) in Australia subject to regulatory approvals.

We closed the divestments of our activities in Uganda, Tanzania, South Africa, Russia and Kenya. We also signed an agreement to sell our Nigerian business. The transaction is subject to customary and regulatory approvals.

27 TRANSACTIONS CLOSED IN 2024



CEMENT, AGGREGATES AND READY-MIX

NORTH AMERICA

King William S&G
U.S. | AGG

EUROPE

Mark Desmedt
Belgium | CDM

Rock 2023
Bulgaria | AGG

Sekundar
Croatia | Recycling

Expansion in Toulouse
France | AGG

Sablères de l'Atlantique
France | AGG

Mendiger Basalt
Germany | CDM, AGG

CemEnergy
Poland | Recycling

Eurobud¹
Poland | RMX

Dunex Plus
Serbia | RMX

Cand-Landi
Switzerland | CDM,
AGG, RMX

Ghielmicementi
Switzerland | CEM

Seekag
Switzerland | RMX

Land Recovery
UK | AGG, CDM

LATIN AMERICA

Expansion in Guatemala
Guatemala | CEM, RMX

Comosa
Mexico | RMX

Comacsa
Peru | CEM

Mixercon
Peru | CEM, RMX

SOLUTIONS & PRODUCTS

NORTH AMERICA

OX Engineered Products
U.S. | Insulation systems

EUROPE

Bantle Gips
Germany | Other

ZinCo
Germany | Green
roofing systems

LATIN AMERICA

Tensolite
Argentina | Precast

DIVESTMENTS

KENYA

RUSSIA

SOUTH AFRICA

TANZANIA

UGANDA

¹ Ready-mix operations in selected markets in Poland acquired from Eurobud.

FAST-PACED INNOVATION

With one of the industry's leading R&D networks, Holcim's innovation engine helps drive profitable growth.

R&D at Holcim

Holcim has one of the leading R&D networks in our industry, with over 300 dedicated experts at our research facility in Holderbank, Switzerland and the Holcim Innovation Center in Lyon, France.

Working closely with our global network of regional innovation hubs – from the U.S. to Australia – our researchers spread innovation across our markets. They also work with our commercial teams to support our customers in realizing their ambitious projects from concept to creation.

Spanning every field of construction, our experts include masons, engineers and material scientists as well as experts in artificial intelligence and data mining. They drive cutting-edge research to decarbonize our solutions, from testing new grinding technologies to finding new materials to reduce the CO₂ footprint of our ECOPact concrete mixes (read more on pages 34–73).

In our R&D work we draw on 370 patent families. In 2024, we filed 37 new patent applications, a record number and 30% more than in 2023. Harnessing the know-how of our experts, we launched 710 new products in 2024, a 18% increase compared with 2023.

Our work has won recognition with many awards. For example, we won the Innovation Award Architecture+ Building at BAU Munich, the world's leading trade show for architecture, materials and systems, for four different sustainable building solutions: our ECOCycle® circular technology, the ECOPact and ECOPlanet ranges (including an innovative calcined clay application), and our carbon prestressed concrete (CPC) smart design solution to build better with less.

SCALING AI AND DIGITALIZATION

LEVERAGING THE POWER OF AI

We are leveraging artificial intelligence (AI) to accelerate the transition to sustainable building as well as catalyze operational efficiency and customer service. For example, as part of our Plants of Tomorrow program, we are deploying a range of tools to implement the latest technologies at Holcim plants around the world.

Scaling AI across our plants, we are focusing on optimizing processes, product quality, equipment maintenance and health and safety. We are rolling out a solution from leading platform provider C3 AI to enhance manufacturing resilience at over 100 plants, and piloting generative AI to enhance its capabilities.

To provide a superior customer experience, we piloted elements of HOLCIM+, our AI-powered, integrated digital ecosystem in 2024. This has now been launched and offers everything from effortless ordering and delivery scheduling, to real-time tracking, instant direct communication and more.

In 2024, iconic projects including The Ellinikon in Greece and Mexico's Moranta Tower used our digital concrete services. SMARTCast speeds up construction with sensors in concrete that assess its strength in real time. SMARTFlow simulates concrete flowability and advises on the best pump to use. SMARTerm simulates concrete's temperature development to reduce cost, mitigate risk and optimize its thermal profile.



Located at the Holcim Innovation Center in Lyon, the Holcim Innovation Hub showcases our cutting-edge solutions and brings stakeholders together to accelerate sustainable building

Strong innovation partnerships

Innovation means collaboration. We partner with key players in our world's transition to net zero to pioneer new technologies that will get us there. Our partners range from top-tier academic institutions and star architects, to major corporations across industries and disruptive startups. We work with over 40 leading universities around the world in fields ranging from materials science to civil engineering.

Through Holcim MAQER Ventures, our corporate venture capital and open innovation unit, we have collaborated with startups on over 100 pilot projects around the world and invested in more than 16 startups to date, including four in 2024. We launched the fourth edition of the Holcim MAQER Ventures startup accelerator focused on driving circular construction, with corporate partners including Amazon, BloombergNEF, Acciona and Suez.

Holcim Innovation Hub

In 2024, we welcomed more than 1,800 visitors to the Holcim Innovation Hub. This co-creation lab showcases Holcim's sustainable building solutions and provides a forum to accelerate circular, resilient, low-carbon, energy-efficient and smart building worldwide.

The Hub is a place where key stakeholders across the construction value chain gather to advance net-zero building. From customers and government officials to startups and architects, visitors gain inspiration to transform the way we build.

Introducing HOLCIM+

HOLCIM+ is an integrated ecosystem of digital solutions, providing a seamless end-to-end customer experience that delivers more than just products.

Accessible through a mobile app or the website, HOLCIM+ is an intuitive platform that makes it easier than ever to manage orders, deliveries and projects with transparency and efficiency at every step.

It is already available in many key markets with more to follow. See how it can bring efficiency to your build!



holcim.com/holcim-plus

SCALING WITH STARTUPS

Holcim MAQER Ventures helps the most exciting startups reinvent how the world builds, through venture capital, venture clienting and an accelerator program.

Venture capital

Holcim MAQER Ventures predominantly invests in companies at an early stage, so we can help them scale their breakthrough technologies. Our three investment verticals are sustainable building, efficient building and transformative building.

Our 2024 investments included Sublime Systems, Paebbl, Travertine and Electrified Thermal Solutions.

Neustark, part of the Holcim MAQER Ventures portfolio, is a Swiss carbon removal pioneer. In 2024, we introduced its game-changing mineralization technology in the UK and France, having debuted it in Switzerland.

Concrete naturally absorbs CO₂ from the atmosphere, and neustark's technology accelerates the time this takes from centuries to hours – capturing biogenic CO₂ and permanently storing it in demolition concrete, for use in new building solutions.

Beyond minority equity investments, Holcim MAQER Ventures gives startups access to our global operations and technical expertise to scale innovation. This includes the operations and markets of over 50 businesses worldwide and the largest R&D center in our sector.

Venture clienting

Through venture clienting, where corporations leverage innovation by becoming customers of a startup, Holcim MAQER Ventures brings innovative startup solutions to its global operations, enabling them to pilot and scale up their technologies in a real market context.

Accelerator program

For startups looking to develop their early product, the six-month Holcim MAQER Ventures accelerator program provides real market and technical feedback from Holcim and other corporate partners. In 2024, we launched the fourth season of our accelerator with a focus on circular construction.

“Working with the most exciting startups, we scale breakthrough technologies to help reinvent how the world builds.”

BENGT STEINBRECHER

Head of Holcim MAQER Ventures



[Read more online](#)

100+

Pilot projects

16

Startup investments



Sublime Systems

Based on a proprietary CO₂-free electrochemical system, Sublime Systems’ technology uses clean electricity and carbon-free raw materials to reinvent cement making. Holcim has invested in the startup, which is now building a manufacturing plant to produce 30,000 tons of net-zero cement per annum as of 2026.



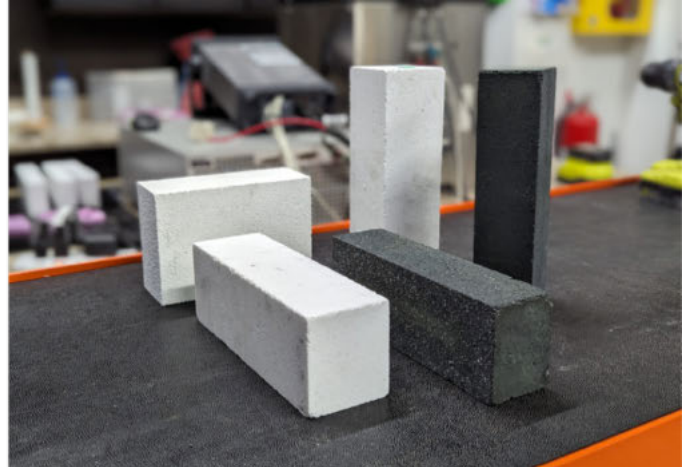
Paebbl

Using a low-energy process, Paebbl’s technology accelerates the mineralization process by converting and permanently storing CO₂ into a future-proof raw material that is suitable for a range of industrial applications. Holcim has co-invested in the startup with Amazon’s Climate Pledge Fund.



Travertine

We have invested in Travertine’s process that creates a fossil-free source of sulfuric acid. This helps minimize waste from mining and fertilizer while enabling the critical element extraction needed for the energy transition. Using carbon mineralization, it transforms captured CO₂ into stable minerals, mimicking natural processes.



Electrified Thermal Solutions

Holcim has invested in Electrified Thermal Solutions to scale up its breakthrough Joule Hive™ Thermal Battery. This “firebrick” stores electrical energy at ultra-high temperatures, and will allow us to expand our range of clean energy solutions. The startup plans a commercial demonstration in 2025 ahead of a global rollout.

EMPOWERED LEADERSHIP

Holcim's record performance is driven by empowered leadership with a strong performance culture.

Performance culture and management

Holcim is best-in-class when it comes to financial performance, innovation and sustainability, making decarbonization and circular construction drivers of profitable growth.

This is thanks to our deeply embedded purpose-driven performance culture that is lived by our people. Another cornerstone of our leadership model is transparent and accountable performance management, with over 500 profit and loss (P&L) leaders leading the way.

A place where people come first

Most importantly, Holcim is a place where we put our people first so that they can thrive and engage in our mission. For example, we are striving to build the best workplace, and our most recent employee survey had a participation rate of 90%, with Holcim rated higher on every question compared to the previous survey. This positions us among the top quartile of companies that achieved an improvement.

PURPOSE, PEOPLE AND PERFORMANCE

That is what we call the Holcim Spirit, and it is how we generate value for our people and the planet.

We are driven by a clear purpose to build progress, with sustainability and innovation at the core of our strategy.

Our people make this possible. This is why Holcim's leadership is focused on creating the best workplace for people, where talent is nurtured, diversity is celebrated and health and safety is the top priority.

The result is a deeply embedded culture of performance and value creation for customers and shareholders, lived by all our people across all markets. To accelerate this people strategy, our senior leaders will begin incorporating Purpose, People and Performance KPIs into their annual plans.

“At Holcim we live a purpose-driven performance culture. Our great successes are thanks to our people, who make this company the special place it is today.”

CARMEN DIAZ
Chief People Officer



Lifelong learning and development

Holcim is committed to nurturing talent by providing growth opportunities to our people through lifelong learning and leadership development, supporting them professionally and guiding them along the way. Everyone is encouraged to thrive and grow.

In 2024, we launched Holcim University, a one-stop destination where business schools, functional academies, forums, and online learning converge under one global brand. Through this global initiative, we are empowering all Holcim employees to take charge of their professional growth and development.

We support our young talent to make a difference through initiatives such as One Young World and the Early Career Leadership Program. Employees in more senior roles also have development opportunities through programs like the Business School for Emerging Leaders, Advanced Leaders and Senior Leaders, with a particular focus on driving Holcim's sustainable growth ambition and establishing a strong commitment to diversity.

In addition to our business schools, a variety of functional academies offered in person or virtually to our middle managers, team leaders and individual contributors all over the world, are designed to equip them with the technical skills they need to thrive and grow in their roles. Under the umbrella of "Collaborative Learning" we provide everyone with a variety of alternative learning resources, while our extensive online library offering thousands of learning modules is freely accessible to all our employees.

[→ Read more on page 72](#)

ENVIRONMENTAL MATTERS, IN PARTICULAR CO₂ GOALS

ART. 946B CONTENT REQUIREMENT

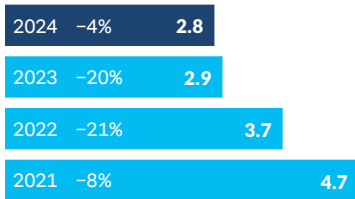
24 Sustainability performance highlights

26 [2024 Climate Report](#)

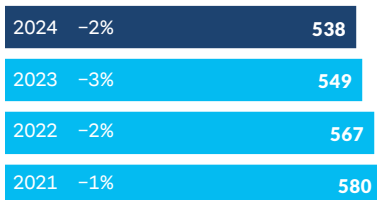
SUSTAINABILITY PERFORMANCE HIGHLIGHTS 2024

In 2024, Holcim achieved progress across all its sustainability targets, from advancing decarbonization and scaling up circular construction, to delivering on its nature and people targets.

REDUCTION OF CO₂ PER NET SALES %



REDUCTION OF CO₂ NET PER TON OF CEMENTITIOUS KG¹



DECARBONIZATION

CO₂ REDUCTION

4%
CO₂/net sales²

CO₂ NET PER TON OF CEMENTITIOUS

2%
Reduction in 2024³



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

First in our sector with net-zero targets validated by SBTi

² 2024 Scope 1 + Scope 2 CO₂ emissions per million of net sales, compared to 2023.
³ Compared to 2023.

CCUS AMBITION

PROJECTS

7
CCUS projects in execution

NET-ZERO CEMENT

8M
Tons per annum from 2030



Business Transformation Award from Reuters Events Sustainability Awards 2024

¹ Prior-year data are restated as per 2024 consolidation scope.

CIRCULARITY

RECYCLED

10.2M

Tons of construction demolition materials (CDM)

CIRCULAR CONSTRUCTION

+20%

Recycling of CDM compared to 2023



Circularity Lighthouse Award for our ECOCycle® technology

NATURE

SPECIFIC FRESHWATER WITHDRAWAL

277

L/ton of cementitious material
2023: 298 L/ton

BIODIVERSITY

100%

Biodiversity baselines assessed using BIRS¹ methodology (+36% versus 2023)



SCIENCE BASED TARGETS NETWORK
GLOBAL COMMONS ALLIANCE

One of only three companies worldwide to adopt science-based targets for nature

¹ Biodiversity Indicator Reporting System.

PEOPLE

EMPLOYEES

85%

Internal promotion rate across Senior Leaders

DIVERSITY

21%

Women in senior leadership roles



First place in sustainability category of Fast Company's Best Workplaces for Innovators

2024 CLIMATE REPORT

“In 2024, we showed climate leadership, advancing on all of our decarbonization levers as we lead the transition to a sustainable built environment.”

NOLLAIG FORREST
Chief Sustainability Officer



Elevate's green roofing systems can host complex ecosystems with trees, plants and irrigation, like here at Asia's largest urban rooftop farm, Thammasat University, Thailand



CONTENTS

DECARBONIZING BUILDING FOR A NET-ZERO FUTURE

- 28 Decarbonizing Holcim
- 54 Driving circularity
- 60 Nature
- 64 Advocacy and engagement
- 68 Just Transition

CLIMATE REPORTING

Read more about Climate Reporting in the *2024 Integrated Annual Report*.

- Climate governance. Read on page 143
- Climate-related risks and opportunities. Read on page 214
- Scenario analysis. Read on page 232
- Performance data tables. Read on page 378

LEADING IN ESG DISCLOSURES & TRANSPARENCY

Read more about our transparent ESG disclosures in the *2024 Integrated Annual Report*.

- Art. 964b Swiss Code of Obligations. Read on pages 410–411
- EU Taxonomy. Read on page 244
- TCFD. Read on page 216
- TNFD. Read on page 216

CLIMATE HIGHLIGHTS 2024

4%

Reduction in CO₂/net sales¹

7

CCUS projects in execution

2%

Reduction in CO₂ net/ton of cementitious material²

8M

Tons of net-zero cement from 2030

10.2M

Tons of CDM recycled

+20%

Recycling of CDM²

¹ 2024 Scope 1 + Scope 2 CO₂ emissions per million of net sales compared to 2023.

² Compared to 2023.

LEADING IN SUSTAINABILITY CONTINUED

CLIMATE

MAKING PROGRESS ACROSS ALL DECARBONIZATION LEVERS

ACCELERATING GREEN GROWTH
IMPACT DASHBOARD

2024 IMPACT

ECOPACT READY-MIX
NET SALES

29%



CONSTRUCTION DEMOLITION
MATERIALS RECYCLED TONS

10.2M



GREEN CAPEX CHF

534M



SUSTAINABLE FINANCE

40%



REDUCTION CO₂ NET/T CEM
YEAR-ON-YEAR

2%



RECOGNIZED CLIMATE AND NATURE LEADERSHIP



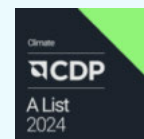
First in sector with SBTi-validated net-zero targets



One of the first three companies with SBTN validated targets



Signatory since 2017 with aligned reporting



Included in CDP's 2024 A List for Climate

2025 TARGETS

25%

10M

500M

40%

2%–4%

BY 2030

AMBITIONS FOR A 1.5°C FUTURE

8M

Tons of net-zero cement per annum

2BN

Investment in CCUS CHF

BUSINESS AMBITION FOR 1.5°C   **OUR ONLY FUTURE**



Taskforce member and early adopter



Reuters Events Business Transformation Award 2024



Co-funded by the European Union
Emissions Trading System
Innovation Fund

Seven CCUS projects selected for EU grants

LEADING IN SUSTAINABILITY CONTINUED

CLIMATE

DECARBONIZING HOLCIM TO BECOME NET ZERO

We take a science-driven approach to becoming a net-zero company. In 2024, we continued making strong progress toward our 1.5°C-aligned targets.

Our net-zero pledge

With climate action at the core of Holcim’s strategy, we have 2030 and 2050 net-zero targets in line with the 1.5°C framework validated by the Science Based Targets initiative (SBTi) for all three scopes.

Our Climate Policy

Holcim’s approach to accelerating climate action while enabling a Just Transition and climate adaptation are described in our Climate Policy. The main principle of our policy is the delivery of our actions in a rigorous, science-based manner to execute our net-zero journey. We comply with local, state, federal and national regulations in all our operations and advocate for collective actions with relevant stakeholders.





→ Read more about climate and nature-related risks and opportunities on pages 124–140

Say on Climate

Holcim greatly values shareholder feedback on our climate transition plan. For the fourth consecutive year, we will submit our Climate Report for an advisory vote at our Annual General Meeting. In previous years, shareholders’ insights have been instrumental in enhancing our disclosures and refining our strategy.

We actively engage with our shareholders on the Climate Report and incorporate their feedback to improve our reporting. This collaboration has led to significant enhancements, such as the inclusion of all 15 categories of Scope 3 emissions in our disclosures.

LEADING CLIMATE ACTION FOR YEARS: PIONEERING DECARBONIZATION WHILE SHAPING INDUSTRY STANDARDS

2020	2021	2022	2023–2024	2024
	 <p>SCIENCE BASED TARGETS DRIVING AMBITIOUS CORPORATE CLIMATE ACTION</p>		 <p>Co-funded by the European Union</p>	<p>CALCINED CLAY</p>
<p>First in sector to sign “Business Ambition for 1.5°C” initiative with SBTi-validated 2030 targets.</p>	<p>First in sector with SBTi-validated 2030 and 2050 net-zero targets.</p>	<p>First in sector to disclose a TCFD aligned climate report and give shareholders “Say on Climate”.</p>	<p>Seven Holcim breakthrough carbon capture, utilization, and storage (CCUS) projects selected for grants by EU Innovation Fund.</p>	<p>Holcim deployed 22 calcined clay projects (in Europe, Africa and Latin America), allowing us to produce cement with up to 50% less CO₂.</p>

OUR SBTi TARGETS ALIGNED WITH 1.5°C

Holcim commits to reaching net-zero greenhouse gas emissions (GHG) across the value chain by 2050.

Near-term targets

Holcim commits to reduce gross Scope 1 and 2 GHG emissions by 26.2% per ton of cementitious materials by 2030 from a 2018 base year.¹ This is equivalent to a 25% reduction in absolute emissions within the same timeframe.

By 2030, Holcim commits to reduce gross Scope 3 GHG emissions per ton of purchased clinker and cement by 25.1%, from a 2020 base year.

In addition, Holcim commits to reduce Scope 3 GHG emissions from fuel and energy-related activities by 20% per ton of purchased fuels and Scope 3 GHG emissions from downstream transport and distribution by 24.3% per ton of materials transported by 2030.²

Long-term targets

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

With these upgraded targets, we have confirmed our commitment to decarbonize building following the most advanced science.

Holcim has not financed climate change mitigation projects outside the value chain through the purchase of carbon credits to achieve GHG emission reductions or removals. Holcim is committed to becoming a net-zero company by 2050, aligned with SBTi guidelines.



	Target base year	2024	2030	2050
SCOPE 1 KG CO ₂ / T cementitious	623	582	-23.3%⁴	-95% <i>net zero</i>
	590 net	538 net	420 net	
SCOPE 2 KG CO ₂ / T cementitious	46	32	-65%⁴	-90% Absolute emissions of all Scope 3 categories <i>net zero</i>
SCOPE 3 2020				
PURCHASED CLINKER AND CEMENT KG CO ₂ eq / T purchased	710	705	-25.1%	-90% Absolute emissions of all Scope 3 categories <i>net zero</i>
PURCHASED FUELS KG CO ₂ eq / T purchased	286	285	-20%	
DOWNSTREAM TRANSPORTATION KG CO ₂ eq / T material transported	11	9	-24.3%	

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

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

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

⁴ Equivalent to the SBTi validated combined Scope 1 and 2 ambition of -26.2%.

LEADING IN SUSTAINABILITY CONTINUED

<CLIMATE

OUR CO₂ FOOTPRINT AND PATHWAY TO NET ZERO

Holcim is committed to reducing its carbon footprint across its operations and value chain (Scopes 1, 2 and 3), to become a net-zero company by 2050.

Scope 1

Scope 1 emissions account for 60.9% of our footprint and are at the core of our emissions reduction strategy. Scope 1 includes all emissions released directly from our operations. Most come from cement production. 39.8% of our emissions are generated by the raw materials we use to produce clinker. Fuel combustion necessary to heat cement kilns is another significant emissions source. A small share of Scope 1 emissions come from Solutions & Products, Aggregates and Ready-mix (RMX) operations.

Scope 2

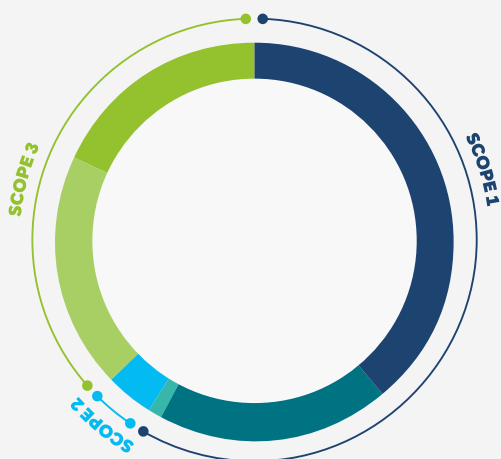
Scope 2 emissions account for 3.6% of our carbon footprint. Scope 2 includes indirect emissions from the generation of purchased electricity consumed in the company's owned or controlled equipment.

Scope 3

Scope 3 emissions account for 35.5% of our carbon footprint. Scope 3 includes all other indirect emissions generated in our value chain, such as for transportation as well as the extraction and production of purchased materials and fuels. Scope 3 also includes direct emissions from non-consolidated companies and investments.

➔ For more on our Scope 3 emissions, see page 42

OUR CO₂ FOOTPRINT



SCOPE 1

● Raw material calcination Cement production	39.8%
● Fuel combustion Cement production	19.8%
● Power generation, Aggregates, Ready-Mix and Solutions & Products operations	1.3%

SCOPE 2

● Purchased electricity	3.6%
-------------------------	------

SCOPE 3

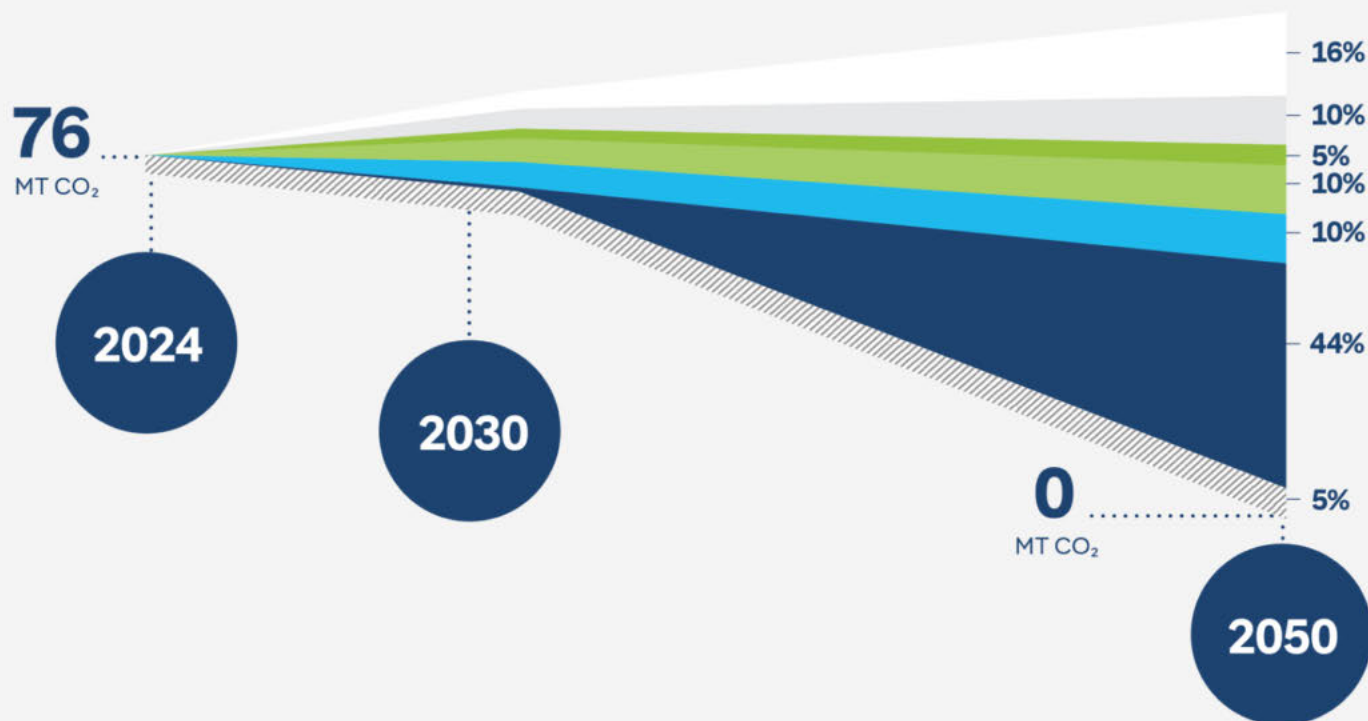
● Upstream and downstream emissions	18.8%
● Investments	16.7%

HOLCIM'S PATHWAY TO NET ZERO

Our pathway to 2030 and 2050 is clear. To reach our 2030 Scope 1 and Scope 2 commitments, we will reduce our clinker factor, use alternative fuels and raw materials, and increase our use of renewable energy. We will invest in proven technologies that produce positive returns.

To reach our 2050 targets, we will continue using our traditional levers while also scaling up carbon capture, utilization and storage (CCUS) and other advanced technologies. Our net-zero pathway does not rely on offsets.

OUR ABSOLUTE SCOPE 1 + SCOPE 2 EMISSIONS PATHWAY



Efficiency gains in design and construction	Smart design and low-carbon formulation of concrete moves the market to more carbon-efficient construction.
Efficiency gains in concrete	
Decarbonized electricity	Increase the share of decarbonized electricity through power purchase agreements and on-site renewable electricity, together with decarbonization of the electrical grid.
Less clinker in cement	Replace clinker in our final cement products with mineral components, such as calcined clay and novel binders.
Less CO₂ in clinker	Produce clinker with decarbonized raw materials, increasing energy efficiency and transitioning to alternative fuels.
CCUS and other advanced technologies	Deploy advanced technologies such as carbon capture, utilization and storage (CCUS) and other breakthrough process innovations, such as electrification or hydrogen as an alternative fuel, which decrease dependency on fossil fuels.
Passive recarbonation	Natural reabsorption of CO ₂ during the lifetime of concrete products.

LEADING IN SUSTAINABILITY CONTINUED

CLIMATE

DECARBONIZING OUR SOLUTIONS

Holcim R&D experts worldwide are harnessing their formulation expertise to decarbonize our concrete and cement.

ECOPact and ECOPlanet both offer CO₂ reductions of at least 30% compared to standard (CEM I/OPC) local concrete and cement, respectively.

Alternative raw materials

The majority of emissions from cement production result from the calcination of limestone into clinker. This part of the process is our largest source of CO₂ emissions, accounting for 40% of our total carbon footprint.

Using decarbonized materials in clinker production reduces emissions in two ways: it emits less CO₂ and requires less heat than conventional materials.

- Basic elements (Ca, Si, Fe, Al, S) enable the supply of the essential minerals required for clinker chemistry and safeguard natural resources in quarries.
- Recycled construction demolition materials (CDM) yield cement paste that has already been decarbonated, meaning process-related carbon emissions are lower.
- Waste from other industries, including fly ash and steel slag, can replace virgin limestone and avoid landfill.

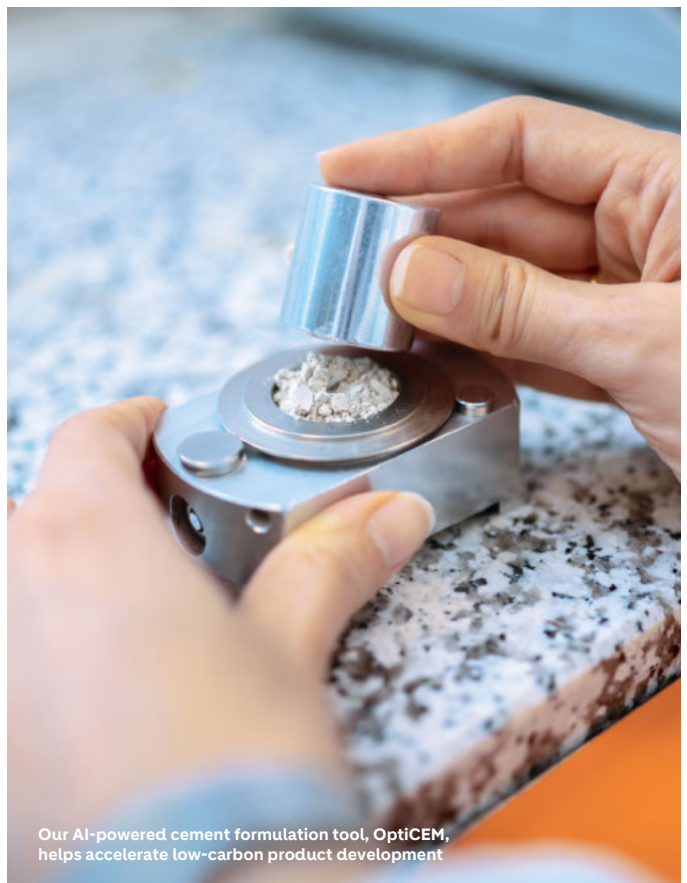
We are working with innovative companies to keep raising standards and developing new alternative material streams.

AI-POWERED CEMENT FORMULATION

In 2024, we launched OptiCEM, a digital tool to optimize cement formulation powered by artificial intelligence (AI) and materials science. OptiCEM uses AI to analyze vast amounts of data, such as plant specifications and raw material properties, to generate formulations optimized for KPIs including cost and carbon footprint.

The tool allows Holcim teams around the world to scale use of low-emission alternative raw materials and mineral components. By reducing the need for laboratory tests and industrial trials, OptiCEM accelerates the product development process.

In the first six months of deployment, OptiCEM generated over 1,400 new cement formulations, saving more than 39,000 days of curing time and over CHF 400,000 in costs.



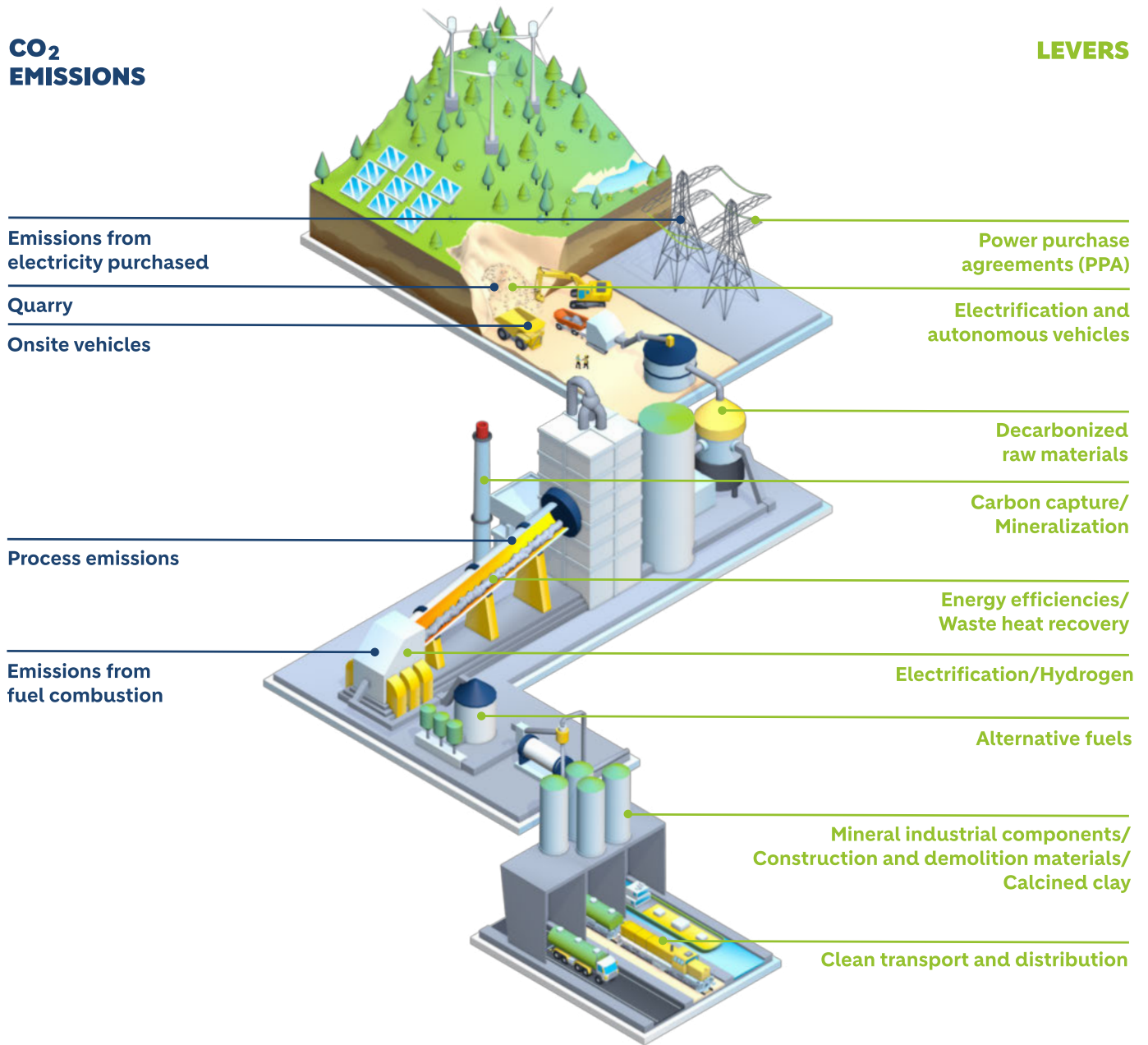
Our AI-powered cement formulation tool, OptiCEM, helps accelerate low-carbon product development

HOW WE ARE DECARBONIZING HOLCIM

From our products to our process

CO₂ EMISSIONS

LEVERS



	Base year 2018	2024	Target 2025	Target 2030	Target 2050
SCOPE 1 KG CO ₂ net/T cementitious	590	538	520	420	
SCOPE 2 KG CO ₂ /T cementitious	46	32	—	16	

LEADING IN SUSTAINABILITY CONTINUED

Mineral components

Beyond reducing the level of CO₂ in the clinker, our Scope 1 emissions pathway aims to reduce the level of clinker in our cement. We aim to decrease our clinker factor from 72% currently to below 68% by 2030 and reduce it further by 2050.

To achieve this, we partially replace the clinker in our cement with mineral components, significantly reducing the carbon intensity of the final product.

Holcim uses four major categories of mineral components to reduce emissions from our cement and concrete mixes:

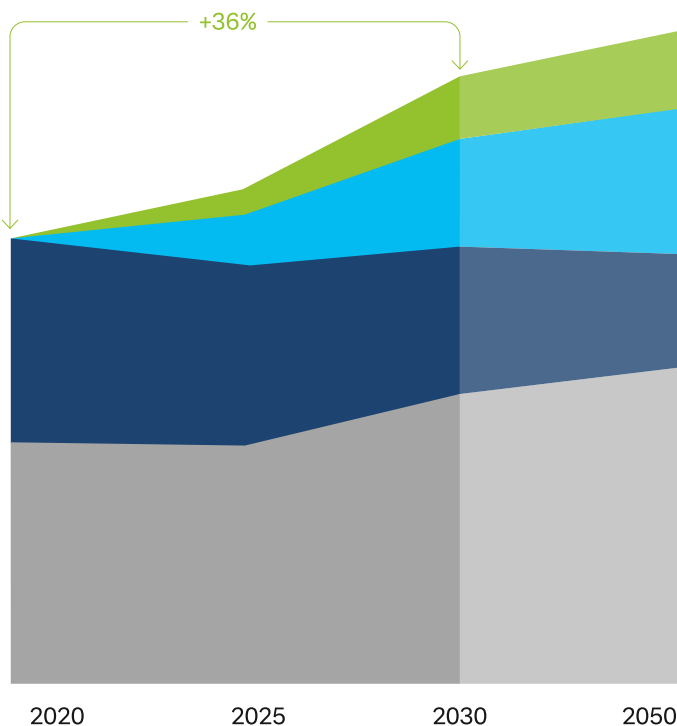
- Recycled cement paste from CDM.
- Innovative mineral components such as calcined clay, pozzolana and reclaimed ashes.
- Waste from other industries, including slag and fly ash.
- Traditional mineral components such as limestone and gypsum.

In the coming decades, we expect CDM and innovative mineral components to gradually replace slag and fly ash.

To this end, we are investing in advanced crushing and processing technology to fully recycle CDM. In 2024, we started using CDM as a mineral component in France, Romania, Germany, Spain and Austria, and scaled it up in Switzerland.

We are also accelerating the use of other innovative mineral components like calcined clay, which can reduce the footprint of cement by up to 50%, with operations currently advancing in Europe and Latin America.

MINERAL COMPONENTS IN EUROPE (M TONS)



GROWTH ENABLERS

- Construction demolition materials**
 Recycling fines as cementitious material in low-carbon cement.
- Innovative mineral components**
 Calcined clay, pozzolana, reclaimed ashes will gain in significance as a component of cement in the future.
- Slag and fly ash**
 After 2025, the supply of slag and fly ash is expected to decrease due to lower production of underlying related materials (steel/coal). Lower volumes on the market will mean a cost increase.
- Traditional mineral components**
 Limestones and gypsum (mainly) are and will continue to be a significant share of mineral components due to high availability and lower cost versus clinker.



Scaling up calcined clay

Calcined clay is a mineral powder obtained through the calcination of natural clays at a relatively low temperature. Acting as a replacement for limestone-based clinker in the final cement, it allows us to produce cement with up to 50% less CO₂ than standard cement.

Since clay is one of the most abundant natural resources globally, calcined clay is a highly scalable solution that we are increasingly using in our formulations. We now produce 10 calcined-clay based cements at nine plants across Europe, Latin America and North Africa.

Holcim is expanding production of calcined clay across our regions to reduce CO₂ emissions, and from 2026, the new EU Emissions Trading System (ETS) “binder” benchmark will favor calcined clay production – further supporting our plan to develop new projects in Europe.

In 2024, we started constructing a new dedicated calcined clay production line at our plant in Cízkovice in the Czech Republic, which will receive financial support from the Czech Ministry of Environment and is slated for completion in 2026.

In France, our Saint-Pierre-la-Cour calcined clay operation – the first of its kind in Europe – launched its first calcined-clay based cement in the second quarter of 2024, while our plants in La Malle, France, and Sagunto, Spain also launched cements with calcined clay last year.

The latest Holcim site to launch calcined clay production is our plant in Guayaquil, Ecuador, which will produce up to 465,000 tons of calcined clay per year.

Several building projects using Holcim’s calcined clay-based cements were completed in 2024, including the Marseille Marina for the Paris Olympic Games.

71.7%

Clinker factor in 2024

10.8%

Alternative raw materials in cement

LEADING IN SUSTAINABILITY CONTINUED

CLIMATE

DECARBONIZING OUR ENERGY MIX

Holcim is shifting to lower-carbon energy across our value chain – from alternative fuels and renewable electricity to waste heat recovery systems.

Optimizing our energy use

We are investing to modernize our kilns and lower our CO₂ emissions. For example, at our plant in Obourg, Belgium, we are installing an innovative oxyfuel cement kiln that significantly reduces CO₂ emissions. In combination with CCUS (see page 46), this will allow the plant to produce fully decarbonized cement from 2028.

Additionally, as part of Holcim's Plants of Tomorrow initiative, we are taking further steps to adopt the latest technologies in our plants. Using digital solutions, we are creating connected, smart and energy-efficient sites that will complement our other decarbonization levers.

Using lower-carbon fuels

The International Energy Agency anticipates that fossil fuel consumption will peak by 2030. Our transition to alternative fuels involves substituting traditional fossil fuels used in cement kilns, which include coal, petcoke and natural gas.

With waste volumes increasing globally, our Geocycle business offers us a scientifically proven, economical and ecological solution in line with international standards. We are closing material loops and reducing the carbon footprint of the clinker manufacturing process by transforming non-recyclable waste into high biogenic carbon fuels, thus replacing traditional fossil fuels.

In 2024, 31.7% of Holcim's thermal energy demand for clinker production came from alternative lower-carbon fuels. By further investing in waste treatment and co-processing facilities, we aim to increase the thermal substitution rate to 50% by 2030.

Currently, nine of our facilities in Europe already use alternative fuels for more than 80% of their energy.

In addition, as we progress toward net zero, advanced technologies such as electrification and use of hydrogen as an alternative fuel will account for an increased share of our decarbonization efforts.

Increasing biomass content

Our focus is on innovation to further reduce carbon emissions by increasing the biomass content in the fuels we use. To optimize alternative fuel use, we deploy near-infrared spectroscopy technology to analyze alternative fuel properties during kiln feeding. This enables us to eliminate quality variations and use an optimal fuel mix to reduce CO₂ emissions.

31.7%

of thermal energy sourced from alternative lower-carbon fuels

9

Plants in Europe running on over 80% alternative fuels

3.1M

Tons of alternative fuels processed in Europe in 2024



Geocycle transforms waste into resources to help municipalities and industries meet their sustainability goals

Innovations to boost alternative fuels

We are exploring oxygen and hydrogen as a booster in our kilns. Using a small amount of oxygen and hydrogen as a booster can enhance combustion, which is expected to increase the utilization of high biogenic carbon waste fuels and increase clinker production rates.

Holcim Mexico is piloting oxyhydrogen boosting at our Ramos Arizpe plant. Working with a local partner, Knergy, we have installed two electrolyzers at the plant for controlled oxyhydrogen injection. We aim to create technical knowledge in the region that can be replicated and scaled across Latin America.

At our plant in La Malle, France we successfully trialed the use of hydrogen as an alternative fuel. We were the first in our industry to reach an injection rate of 58%. With the remaining fuel mix coming from biogenic sources, this meant our kiln was powered by carbon-neutral fuels.

Driving decarbonization and circularity

As a dedicated part of Holcim, Geocycle provides sustainable waste management solutions to municipalities and industries worldwide. Geocycle maximizes resource value – recycling when possible, valorizing non-recyclable materials as well as setting and promoting industry-leading standards.

Geocycle materials reduce our carbon footprint, enhance circularity and preserve natural resources. Our global network of advanced pre-treatment platforms provides scientifically proven and environmentally friendly solutions in countries with Holcim cement operations.

In 2024, Geocycle supported Holcim’s decarbonization and circularity targets by recycling 14.7 million tons of waste and byproducts for use as decarbonized energy or in raw materials.

LEADING IN SUSTAINABILITY CONTINUED

Shifting to clean electricity

Electricity makes up a significant proportion of our energy use. To decarbonize electricity, we are shifting to clean energy sources such as solar, hydro, wind, biomass and geothermal power wherever possible.

Several factors impact the electricity value chain, including the availability of renewable power, transport and grid infrastructure and geographic conditions. At Holcim, we take a tailored, local approach to decarbonizing our electricity use. Working with private companies and local officials, we leverage our diverse energy portfolio to decarbonize electricity at scale.

Leveraging waste heat recovery

Waste heat recovery ultimately serves to capture excess heat generated within a facility and repurpose it in various applications to optimize energy efficiency. Holcim's waste heat recovery systems are specifically engineered to use excess heat produced by our cement kilns and convert it into electricity.

We presently have seven operational waste heat recovery units, producing 262 gigawatt hours of clean electricity. This translates into a carbon reduction of 377,000 tons annually. Our goal is to significantly increase the number of waste heat recovery units by 2030.

Scaling up renewable electricity

We signed our largest green energy contract to date in 2023 to power our operations in Germany with wind energy. Our plants in Colombia are setting an example by operating with 100% renewable energy. Globally, we aim to reduce the carbon intensity of our Scope 2 emissions by 65% by 2030 against a 2018 baseline.

We are developing renewable energy sources on our sites to reduce our dependence on electricity sources that generate CO₂ emissions.

Harnessing 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 installation from 2025. It is designed to supply 15% of our Obourg plant's electricity.
- In Hungary, 31 gigawatt hours of solar energy will be generated annually starting in January 2025.





Harnessing wind power

Through collaboration with our partners in the wind energy sector, we are installing and operating wind farms on our sites to generate our own renewable energy. For example, three wind turbines at our plant in Paulding, U.S., provide around 20% of the site's electricity, reducing CO₂ emissions by 9,000 tons per year.

Our plants in Germany are at the forefront of harnessing wind energy to power our operations. Thanks to their advantageous geographical locations, our Lägerdorf (Schleswig-Holstein) and Höver (Lower Saxony) plants utilized onshore wind power in 2024 for part of their electricity needs.

Leveraging 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 between Holcim, as a corporate buyer, and renewable power suppliers. PPAs typically specify pricing, electricity quantities and renewable sources.

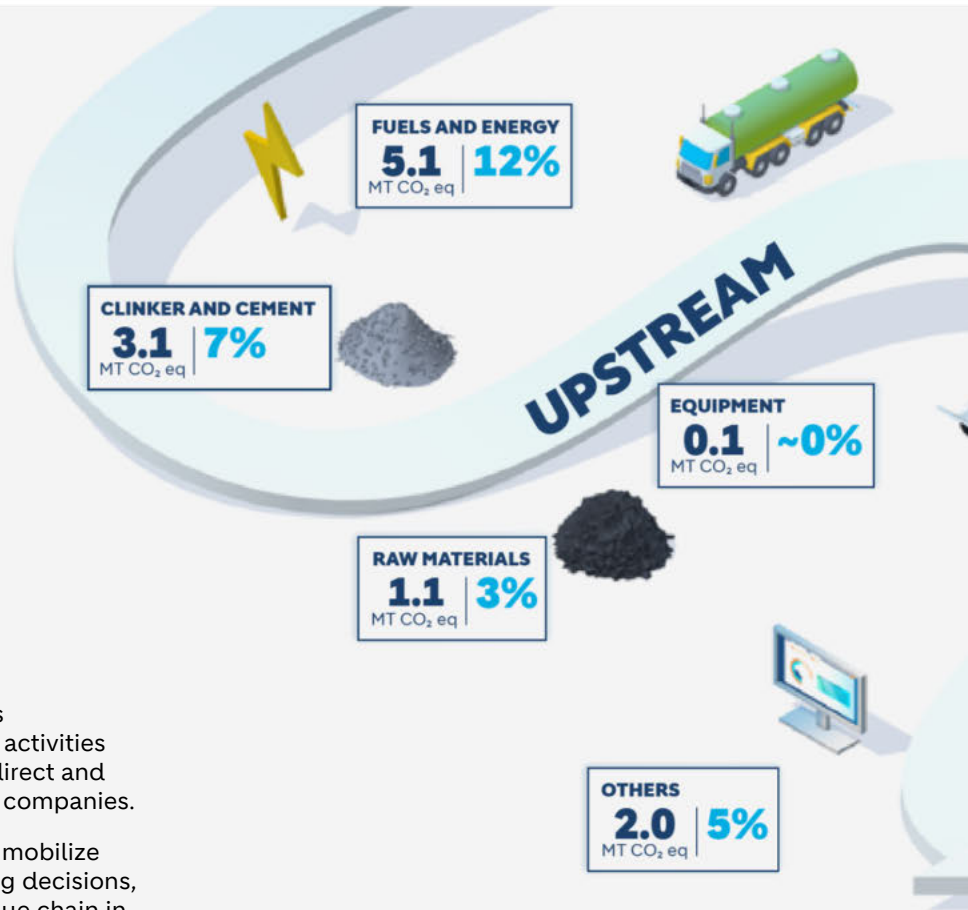
We are rolling out renewable energy PPAs around the world:

- In Europe, we secured additional long-term supply from renewable sources in Greece, Spain, Belgium and Austria. Ongoing projects in Hungary, Romania, Belgium and Germany are nearing completion, and will start operating in 2025.
- In North America, a virtual PPA began operating at our plant in Exshaw, Canada. In 2025, we expect two further PPAs to start supplying solar power for our U.S. plants in Alpena and Portland.
- In the Philippines, we entered into a PPA to supply geothermal power starting in Q3 2024 and began the installation of several rooftop solar projects, which will enter into operation by Q2 2025.
- In Latin America, we finalized a number of rooftop solar projects in Mexico, Guatemala and Costa Rica.

LEADING IN SUSTAINABILITY CONTINUED

HOLCIM'S VALUE CHAIN: SCOPE 3 EMISSIONS

22.1
MT CO₂ eq



Scope 3 emissions are all indirect emissions associated with upstream and downstream activities of consolidated companies, as well as the direct and indirect emissions of our non-consolidated companies.

Reducing Scope 3 emissions requires us to mobilize our full organization, make smart purchasing decisions, and engage other companies across the value chain in building a net-zero future.

Fuels and energy

These are the “cradle-to-gate” emissions from purchased fuels and energy. We are reducing these emissions by replacing traditional fossil fuels with locally sourced, alternative and non-extractive fuels.

Downstream transportation

These CO₂ emissions come from transporting our materials to customers, between factories and distribution terminals. We are reducing these by optimizing routes and loads, moving volumes from roads to waterways or rail, and deploying fleets powered by electricity and more eco-friendly fuels.

Purchased clinker and cement

We require our clinker and cement suppliers to provide the CO₂ information related to their products, for example, through Environmental Product Declarations (EPDs). This enables us to accelerate the purchase of low-carbon products.

Other products and services purchased

All other products and services purchased account for 21% of our total Scope 3 emissions. We include CO₂ requirements in the tendering process and integrate CO₂ as a parameter in our total cost of ownership models used to drive purchasing decisions.

Investments and joint ventures

We account for Scope 1 and 2 emissions from our principal cement-producing investments and joint ventures in proportion to our effective participation. These include:

Company	Country of incorporation or residence	Effective participation (percentage of interest)
Cement Australia Holdings Pty Ltd	Australia	50.0%
Huaxin Cement Co. Ltd	China	41.8%
Lafarge Maroc S.A.S.	Morocco	50.0%
Readymix Qatar L.L.C	Qatar	49.0%

Our principal cement-producing joint ventures have 2030 carbon reduction targets in line with SBTi ambitions. We are actively engaging with them to have their targets validated by the SBTi.

**INBOUND
TRANSPORTATION**

1.2 | **3%**
MT CO₂ eq



CHEMICALS

1.2 | **3%**
MT CO₂ eq



**EMISSIONS FROM JVS AND
NON-CONSOLIDATED
COMPANIES (INVESTMENTS)**

19.6 | **47%**
MT CO₂ eq



**DOWNSTREAM
TRANSPORTATION**

5.2 | **13%**
MT CO₂ eq



**PROCESSING OF
SOLD PRODUCTS**

1.6 | **4%**
MT CO₂ eq



19.6
MT CO₂ eq

DOWNSTREAM

**END OF LIFE TREATMENT
OF SOLD PRODUCTS**

1.3 | **3%**
MT CO₂ eq



41.7
MT CO₂ eq

LEADING IN SUSTAINABILITY CONTINUED

CLIMATE

DECARBONIZING OUR MOBILITY

We are transitioning to low-carbon mobility from quarry to city by adopting more sustainable and efficient transport options.

Downstream transportation currently accounts for 13% of our total Scope 3 carbon emissions. To reduce these emissions, we are leveraging four pillars:

- Transitioning to low-emission trucks.
- Using rail and waterways where possible.
- Optimizing vehicle dispatch, including the use of lightweight trailers.
- Encouraging eco-driving: adjusting driving behaviors to reduce fuel consumption.

By implementing these measures, and encouraging our customers and suppliers to do likewise, we aim to reduce Scope 3 downstream transportation emissions per ton of material transported by 24.3% by 2030 compared to 2020.

Driving demand for clean technologies

As a founding member of the First Movers Coalition, Holcim is committed to advancing low-carbon solutions.

In 2024, we announced that we will deploy 1,000 new Mercedes-Benz electric trucks in Europe. Holcim also entered an agreement with Putzmeister Oceania to trial the first Australian Design Rules-approved, 100% electric concrete truck mixer in the country, the SANY eMixer.

Such strategic partnerships help us assess the feasibility of integrating clean technologies into our logistics network to reduce Scope 3 emissions.



Holcim trialed the first Australian Design Rules-approved, 100% electric ready-mix truck in Australia

GREEN MOVEMENT

HYDROGEN MOBILITY WITH MERCEDES-BENZ

Holcim joined forces with Mercedes-Benz Trucks to pilot their GenH2 hydrogen-powered trucks, a game-changer in low-carbon mobility. Starting mid-2024, these advanced fuel-cell trucks were deployed on long-haul routes in Germany, including operations by Gerdes + Landwehr, a Holcim logistics partner.

With a range exceeding 1,000 kilometers and payloads comparable to diesel trucks, the GenH2 represents a significant step toward decarbonizing heavy-duty transport. It offers Holcim the opportunity to test hydrogen technology in real-world operations, to assess performance, reliability and scalability.

“We are proud to pioneer hydrogen-powered trucks in our logistics network, and support Holcim’s commitment to sustainable and innovative supply chains.”

MATHAN DURAIRAJ
Head of Group Logistics

Decarbonizing our vehicle fleet

From autonomous electric vehicles in quarries to heavy-duty electric trucks for material distribution, we are transforming our fleet to meet ambitious decarbonization goals – using electric, hydrogen and biofuel-powered solutions across our logistics operations.

In 2024, we ran over 50 electric truck pilots with leading equipment manufacturers such as Volvo, Daimler, Renault and SANY, in addition to the hydrogen-powered truck pilot in partnership with Mercedes-Benz Trucks.

Alongside these innovations, the integration of biofuels such as BioCNG and BioLNG across our fleet is accelerating the reduction of emissions.

Transforming logistics with digital solutions and AI

Holcim is transforming its global logistics by integrating advanced digital solutions and AI-driven strategies to optimize operations and reduce Scope 3 emissions, through the following levers:

- **AI-driven planning:** Improved forecasting aligns supply and demand, optimizing fleet use and reducing unplanned, emission-heavy moves.
- **Network optimization:** AI designs efficient routes, cutting transport distances and fuel consumption.
- **Dispatch optimization:** Smart systems consolidate shipments, reduce truck usage and minimize empty kilometers.
- **Advanced analytics:** Our global Transport Analytics Center (TAC), spanning over 50 countries, delivers real-time insights, empowering dispatch managers to optimize resources, cut energy use and reduce emissions across our logistics network.

LEADING IN SUSTAINABILITY CONTINUED

CLIMATE

DRIVING ADVANCED TECHNOLOGIES

Holcim is driving the industry's broadest range of decarbonization technologies to execute on its 2030 and 2050 net-zero targets. Carbon capture, utilization and storage (CCUS) is a key decarbonization lever.

Decarbonizing cement production

Decarbonizing cement and concrete is at the core of Holcim's net-zero journey. The first step is to decarbonize our formulations and energy mix (see page 34).

In product formulations, we are using low-emission raw materials from calcined clay to construction demolition materials (CDM). We are decarbonizing our energy mix using Geocycle alternative fuels, such as biomass, and harnessing renewable electricity generated by wind and solar. For the remaining CO₂ emissions, we are advancing CCUS technologies to become net zero.

CCUS enables us to capture CO₂ emissions before they are released into the atmosphere. This CO₂ can then be used in various applications, such as the production of low-carbon fuels or materials. Alternatively, we can store it safely underground in deep geological formations.

Carbon capture technologies

We are developing and assessing mature carbon capture technologies for cement production to maximize our flexibility across our global footprint.

Post-combustion technologies

These solutions capture CO₂ in the exhaust gases of a traditional kiln system. The most advanced use solvents to absorb CO₂, creating a liquid that is sent to a regenerator where concentrated CO₂ can be released. Other post-combustion approaches include CO₂ separation using membranes and adsorption processes.

Integrated processes

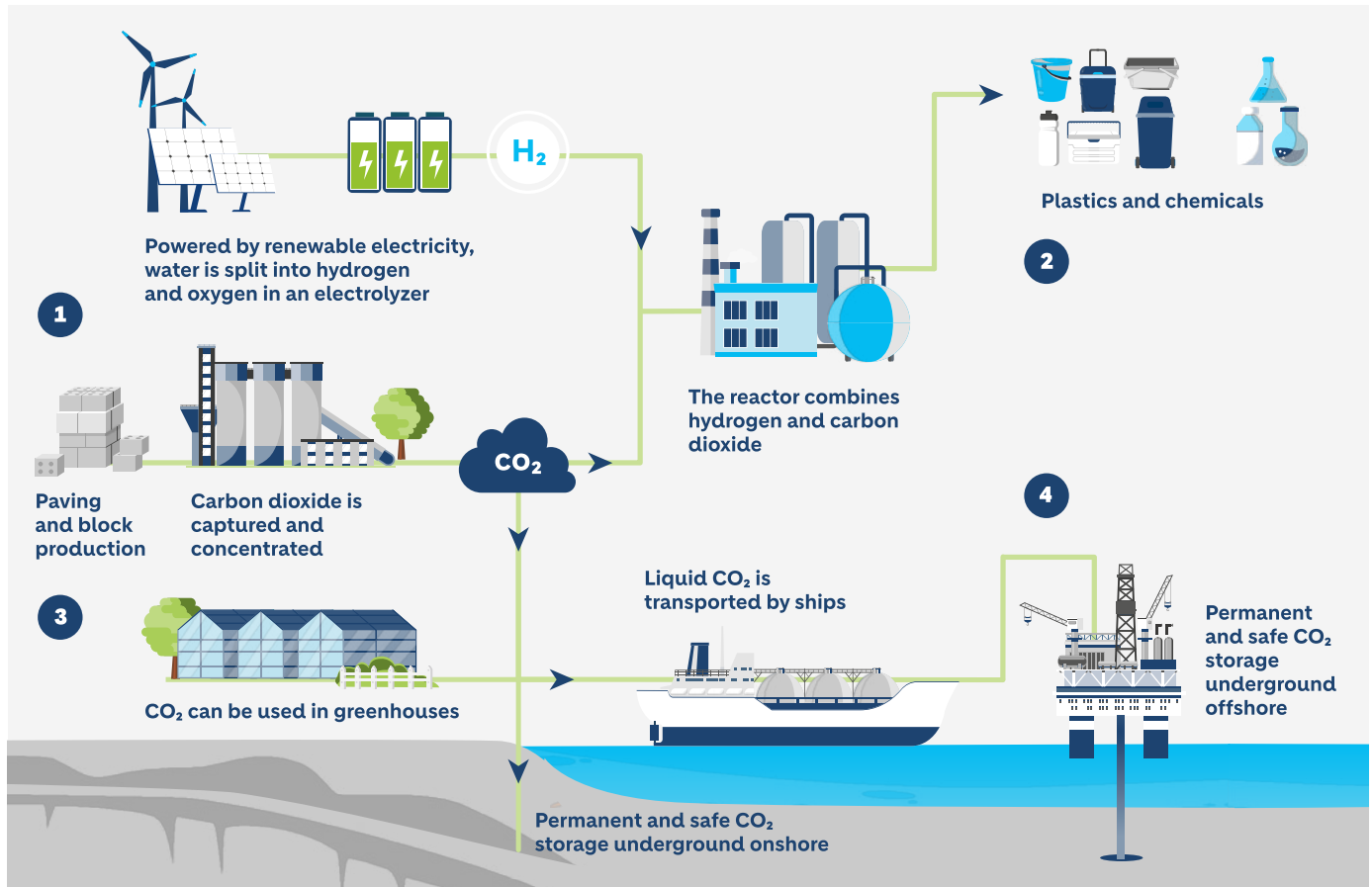
We are also exploring various integrated processes such as oxyfuel, the electrification of clinker manufacturing and the calcination of raw materials. The oxyfuel approach replaces air with oxygen in cement manufacturing, avoiding nitrogen in the system and creating a concentrated CO₂ exhaust stream.



Carbon2Business aims to capture and utilize CO₂ from our plant in Lägerdorf, Germany

HOLCIM'S CCUS PATHWAYS

Our projects span four CCUS pathways:



1 MINERALIZATION

CO₂ is reacted with minerals to form carbonates, storing the CO₂. In the cement sector, this reaction provides a way of capturing CO₂ as a raw material to produce new building materials.

2 CONVERSION UTILIZATION

CO₂ can be repurposed by reaction with green hydrogen to produce fuels that can decarbonize the aviation and maritime sectors, or can be used to produce chemicals and plastics.

3 MARKET UTILIZATION

Captured CO₂ can be used for greenhouse plants as a crop growth enhancer or in the food and beverage industries, to carbonate soft drinks, for example.

4 STORAGE

CO₂ is captured from a facility and transported to a location via pipelines, trains, ships or trucks. It is then safely stored underground either onshore or offshore.

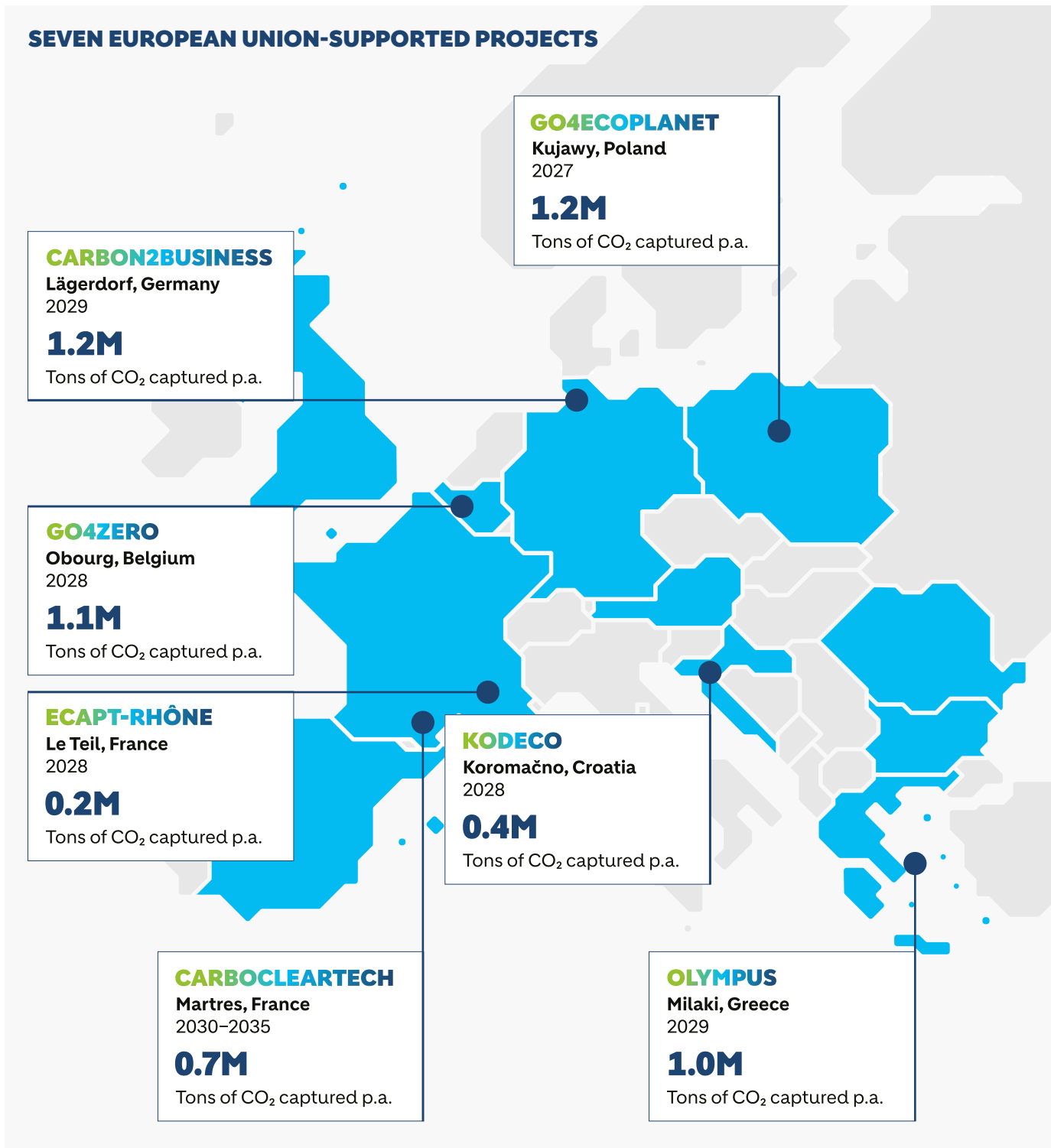
LEADING IN SUSTAINABILITY CONTINUED

OUR AMBITIOUS CCUS ROADMAP

By 2030, we aim to reach significant milestones in our CCUS journey. We have committed to invest CHF 2 billion in CCUS projects, net of public funding, to capture 5 million tons of CO₂ annually and produce 8 million tons of net-zero cement each year from 2030.

To meet these targets, we have identified 17 flagship projects based on mature technologies as well as robust partnerships and value chains. Each one is well positioned to become a net-zero cement plant. Seven full-scale CCUS projects across Europe have been selected for grants from the European Union Innovation Fund and aim to go live before 2030.

SEVEN EUROPEAN UNION-SUPPORTED PROJECTS





The GO4ZERO groundbreaking in Obourg, Belgium, was attended by guests including then Belgium Prime Minister, Alexander De Croo, and European Commissioner, Wopke Hoekstra

Advancing Europe's decarbonization

At its Obourg GO4ZERO groundbreaking, Holcim confirmed its commitment to advancing Europe's decarbonization at the core of its industrial competitiveness, while building broad-based industry coalitions to shape new value chains.

Holcim is currently piloting the broadest range of CCUS technologies – from capture and CO₂ treatment to transportation and storage – to bring these technologies to market at scale in a competitive way.

In addition to Holcim's seven European projects benefiting from EU Innovation Fund grants, we count 10 further projects in early stage development to make CCUS a reality at scale across key markets worldwide.

HOLCIM'S 10 CCUS PROJECTS IN EARLY STAGE DEVELOPMENT

- Mannersdorf, Austria
- Beli Izvor, Bulgaria
- Saint-Pierre-la-Cour, France
- Höver, Germany
- Câmpulung, Romania
- Carboneras, Spain
- Cauldon, UK
- Exshaw, Canada
- Portland, U.S.
- Ste. Genevieve, U.S.

“Thanks to the tremendous leadership here today, Holcim is embarking on the road to climate action, innovation and competitiveness. This is the industrial translation of the EU's Green Deal.”

WOPKE HOEKSTRA

European Commissioner for Climate, Net Zero and Clean Growth at Holcim's GO4ZERO groundbreaking

LEADING IN SUSTAINABILITY CONTINUED

Robust partnerships and value chains

Our advanced CCUS roadmap positions us as the right partner to scale up net-zero cement around the world. Close collaboration between public authorities, private companies, local stakeholders and other value chain partners is essential to unlock the business case for CCUS and enable a net-zero future.

Factors impacting the value chain include the availability of CO₂ infrastructure, proximity to ports, renewable power and water supply, nearby chemical or plastics industries and the feasibility of on- or offshore CO₂ storage.

Holcim is leveraging proven technologies and tailoring pathways and groundbreaking value chains based on local conditions. Working with other private companies and startups, we have a portfolio of diverse, cost-effective solutions that we scale across the company.

“Holcim is on course to make net-zero cement and concrete a reality at scale this decade – thanks to the strength of our engineering teams, our mature technologies and partnerships that span the value chain.”

MILJAN GUTOVIC
Chief Executive Officer

Addressing potential impacts of CCUS

Holcim is at the forefront of developing CCUS technologies, with the broadest range of projects within the industry.

Holcim is thoroughly assessing the potential impacts of these technologies on the environment and the communities where we operate throughout the full value chain:

- Energy and water consumption of CCUS installations.
- Potential impacts on communities with regard to onshore storage solutions.
- Impact on Holcim’s Scope 3 emissions.

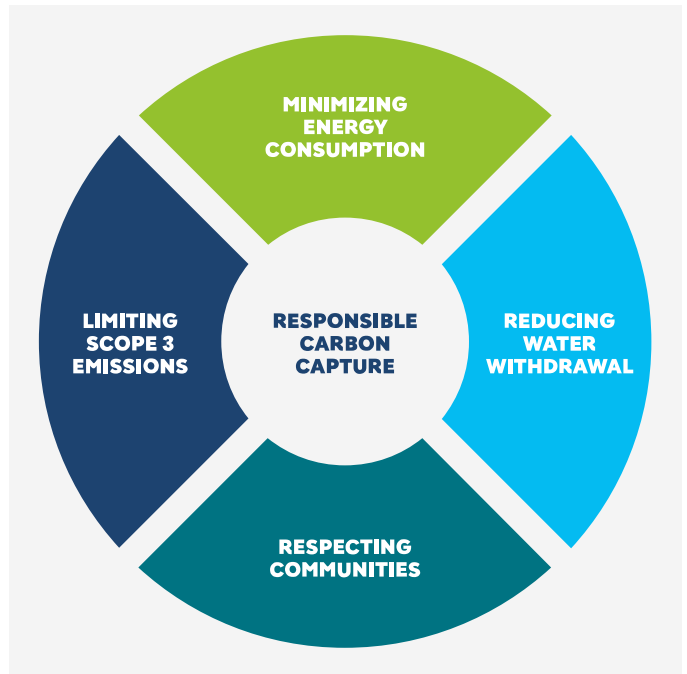
➔ Read about our climate and nature risks and opportunities from page 124

8M

Tons of net-zero cement will be produced annually from 2030



Co-funded by the European Union
Emissions Trading System
Innovation Fund





Groundbreaking ceremony for our Carbon2Business project in Lägerdorf, Germany

CCUS GROUNDBREAKING

In April and May 2024, we broke ground on two of our flagship CCUS projects – Carbon2Business (Lägerdorf, Germany) and GO4ZERO (Obourg, Belgium). Both have been awarded grants by the European Union (EU) Innovation Fund and will support our commitment to making net-zero cement and concrete a reality at scale this decade.

Guests at the ceremonies included EU, national and local politicians as well as project partners.

“Here in Lägerdorf we see how it can be done: decarbonizing production to deliver climate-neutral cement and concrete,” Dr. Robert Habeck, Vice Chancellor of Germany, Federal Minister for Economic Affairs and Climate Action, at the Lägerdorf groundbreaking ceremony.

NEW GRANT AWARD

In 2024, Holcim was selected for a new grant from the EU Innovation Fund for its breakthrough carbon capture and storage project in Martres-Tolosane, France. This grant for our CarboClearTech project brought the number of Holcim’s large-scale EU-supported CCUS projects to seven, advancing the European Green Deal.

CarboClearTech is a carbon capture and storage system that will be installed at the Martres-Tolosane plant. The system will sequester 700,000 tons of residual CO₂ emissions, enabling the plant to reach net zero by 2031. As the first CO₂ capture site in Southwest Europe, it brings this vital technology to the region and contributes to its sustainable growth.

LEADING IN SUSTAINABILITY CONTINUED

ADVANCING SMART DESIGN

Leveraging strategic partnerships with academia and industrial partners, we advance smart design to build better with less.

Partnering with academia

Holcim is leveraging key strategic partnerships to advance technologies that reduce “upfront carbon” – the carbon emitted during the construction of buildings – which accounts for 10% of global carbon emissions.

We partner with leading academic institutions around the world – from Massachusetts Institute of Technology (MIT) and the MIT Climate & Sustainability Consortium to the Swiss Federal Institute of Technology (ETH).

Smart design allows us to build better with less, by using just the right amount of materials in the most appropriate parts of a structure, and unlocks significant CO₂ savings.

By embracing smart design at an early stage in projects, we can reduce structural mass. This reduces vertical loads, which can in turn reduce mass further. Known as the “virtuous circle of design improvement”, this helps us to achieve the optimal design.

Together with other efficiency gains in construction and concrete industrialization, smart design will reduce our absolute Scope 1 emissions by 26% by 2050, on our pathway to net zero by that date (see page 33).



We collaborated with A3D Building to build the first 3D printed concrete office building in Spain, at our Torres de la Alameda plant

CARBON PRESTRESSED CONCRETE PIONEER

GRÜZE INNOVATION LAB, WINTERTHUR

Working with the Swiss city of Winterthur, Holcim pioneered the use of carbon prestressed concrete (CPC) to build the Grüze Innovation Lab – a 120-m² pavilion that functions as an information center, event location and workshop for sustainable construction.

The lab opened in spring 2024, and is not only one of the world's first CPC buildings – made using delicate yet resilient reusable panels designed by Holcim – but is also the first CPC structure built using a new construction method developed by CPC AG and Zurich University of Applied Sciences.

Made by Holcim using a proprietary process, the CPC panels are reinforced with thin, prestressed carbon strands. Due to carbon's high tensile strength and non-corrosive properties, we can produce slim, durable load-bearing elements.

This patented technology unlocks design possibilities and offers material savings of up to 75%, while reducing CO₂ emissions two to three times. The lab is also pioneering a "sharing" model, whereby Holcim loans out the CPC panels to the city for an annual fee.



[Read more online](#)

Pushing the boundaries of 3D Printing

By empowering smart design, 3D printing can reduce material use by up to 50%, with no compromise in terms of performance, while significantly lowering a building or structure's carbon footprint.

In 2024, we worked with A3D Building to build Spain's first 3D printed office building at our Torres de la Alameda site. Using 3D concrete printing, we unlocked freedom of design and form, and achieved time, cost and material savings, as well as sustainability benefits.

Stemming from Holcim's global Better Workplaces program, the new 127-m² office space was built using our TectorPrint mortar, which is formulated for ultra-fast 3D robotic printing. The floor and roof were built with ECOPact, and solar panels will cover all its energy needs.

With our partners, we have used 3D printing to build everything from schools in Malawi and affordable housing in Kenya, to Switzerland's first on-site 3D printed concrete building and wind turbine bases.

LEADING IN SUSTAINABILITY CONTINUED

CIRCULARITY

CIRCULAR LIVING

A circular economy decouples global growth from use of primary raw materials.

The world's current rate of resource use is unsustainable, and we are set to consume 2.3 planets by 2040¹. To stay within our planet's boundaries, we need to change the way we build. That is why we travel the world with a call to action – to drive circular building and living.

Empowering circular cities

With almost 70% of the world's population expected to live in cities by 2050², cities can play a vital role in helping us shift from a linear, take-make-waste economy to a circular, reduce-recycle-regenerate one.

Through sustainable building solutions such as ECOPact concrete, we enable sustainable building. We contribute to infrastructure that enables green mobility, from metros to railways and roads.

Elevate roofing and insulation systems improve buildings' energy efficiency and achieve the most advanced sustainability certifications, while Malarkey has diverted millions of rubber tires and billions of plastic bags from landfill by upcycling them into roofing shingles.

RACING FOR CIRCULARITY

VENDÉE GLOBE 2024

In November 2024, the skipper of Team Holcim-PRB, Nicolas Lunven, embarked on his first Vendée Globe – a solo, nonstop and unassisted round-the-world voyage. The 10th edition was the largest yet, with 40 boats and skippers representing 11 nationalities. After 75 days at sea, Nicolas finished in sixth place – an incredible achievement.

Thanks to the OceanPack onboard our IMOCA sailing boat, Nicolas collected up to 25,000 water samples daily from the most remote places on the planet – including Point Nemo, where anyone who visits is closer to astronauts on the International Space Station than to other human beings on Earth. This data from the South Pacific Ocean, which is currently scarce, will help scientists better understand the health of our oceans.

These water samples are analyzed using OceanPack, an autonomous monitoring system optimized for racing vessels. It measures levels of carbon dioxide, oxygen, salinity and temperature, to shed light on the impact of climate change on our oceans.



Team Holcim-PRB skipper Nicolas Lunven, moments before embarking on the Vendée Globe

¹ World Business Council for Sustainable Development report, 26 September 2022.

² UN Department of Economic and Social Affairs: "2018 Revision of World Urbanization Prospects"

From green roofs to urban gardens enabled by Hydromedia water-permeable concrete, we are bringing more nature into cities, improving air quality, reducing urban temperatures and enhancing people's well-being.

ECOCycle® enables us to recycle up to 100% of construction demolition materials across a broad range of applications, from decarbonized raw materials in low-carbon cement through to aggregates and concrete.

GO CIRCULAR: From Sea to City

With GO CIRCULAR, Team Holcim-PRB sails the world to preserve our oceans, with a call to action to accelerate the shift to circular building and living.

During the last edition of The Ocean Race, the team gathered scientific data as part of the largest-ever marine science program during a sports event, collecting over four million data points. These water and air samples were shared with the World Meteorological Organization.

Team Holcim-PRB did the same during the Vendée Globe 2024, collecting up to 25,000 samples each day with the help of the OceanPack.

Circular Explorer

The Circular Explorer is our 100% solar-powered catamaran, designed to recover and recycle plastic waste in the ocean and rivers, educate communities and advance marine research. It is currently operating in Manila Bay in the Philippines. Watch the Ocean Titans episode about the Circular Explorer:

holcim.com/circular-explorer

“Teamwork is what makes success possible in the Vendée Globe. The same is true when it comes to making circular living a reality.”

NICOLAS LUNVEN

Skipper, Team Holcim-PRB



Team Holcim-PRB at the Vendée Liberty, organized as part of the New York Vendée 2024

LEADING IN SUSTAINABILITY CONTINUED

REGENERATIVE REVOLUTION

We need to transform our cities to be regenerative by design, to ensure a thriving future for people and the planet.

Unleashing a “Regenerative Revolution”

Almost 70% of people worldwide will live in cities by 2050, which means they lie at the heart of our transition to a sustainable, circular, and resilient future. We need to ensure that we design and build cities in a regenerative way for those who live in them.

This demands a regenerative revolution, with spaces designed to improve living standards, make cities more resilient and serve society. Taking this approach is about bringing nature into cities and putting people at the core of the built environment.

Together with Systemiq, we published a report titled “Unleashing a Regenerative Revolution for the Built Environment”, calling for the built environment to accelerate positive impact for people and the planet. In the report, we set out the case for change, and how we can work together across the construction sector to make this the new normal.

What is a regenerative city?

A regenerative business model for the built environment evolves over time, is people-centric, well integrated with nature, and rooted in place.

THE BIG U – NEW YORK

New York’s Big U project is setting the standard for regenerative building, as coastal cities worldwide recognize the need to become more climate resilient.

In 2012, Hurricane Sandy hit Manhattan, causing significant damage to buildings and infrastructure. In response, a group of architects, environmental groups, and policy experts conceived the Big U, a 16-kilometer protective ribbon to encircle Manhattan’s southern tip. Holcim’s sustainable building solutions are being used in the East Side Coastal Resiliency (ESCR) section of the BIG U, to provide high structural strength in walls, and create parks and pathways.

The innovative project is nature-based. Listening to the needs of the local community, it incorporates outdoor spaces and reconnects residents with the natural ecosystem around them. Big U has improved the health and well-being of those living in Lower Manhattan and increased the city’s resilience.

“A regenerative revolution in the built environment offers a way of doing better business, while delivering benefits to people, nature and climate.”

JEREMY OPPENHEIM

Founder and Managing Partner
Systemiq



[Read more online](#)



Evolution over time

Regenerative approaches do not aim to deliver outcomes by strict time deadlines. Rather, they are designed to include feedback loops, giving them the flexibility to adapt continuously and be resilient to their ever-changing economic, social and environmental circumstances.

Focused on people's needs

The ultimate purpose of built structures is to meet the needs of their users for shelter, security, comfort, creativity, connectivity or enterprise. Putting the needs and wishes of users at the center of the planning and design process can create structures that uplift and improve human beings' daily experiences.

Integrated with nature

Restoring the connections between people and their natural surroundings regenerates their health and well-being. Regenerative places originate from living systems thinking, which respects planetary boundaries and favors nature-based solutions. Designed as living systems, they restore the connections between people and their surrounding natural environment.

Rooted in place

Urban environments that regenerate lives and livelihoods deepen the sense of connection between people and the places where they live, work and play. They are informed by an intimate understanding of local history, ecology and culture to reflect the unique essence of their place.

LEADING IN SUSTAINABILITY CONTINUED

SUSTAINABLE CONSTRUCTION

Advancing sustainable construction with the Holcim Foundation and Holcim Sustainable Construction Academy.

Holcim Foundation for Sustainable Construction

The Holcim Foundation for Sustainable Construction has supported and connected innovators in the built environment for two decades. In 2024, the Foundation created new platforms to share knowledge and promote best practices in sustainable construction.

Holcim Foundation Awards

Following the announcement of the 2023 Awards winning projects, the Foundation launched a monthly Awards Webinar series in 2024, giving a voice to winning teams from across the globe. With over 2,000 participants across live and recorded sessions, the webinars covered innovative approaches to decarbonization in construction, equitable community design and nature-based solutions.

In addition, several Awards Talks events visited winning projects, conducting panel discussions with project teams and industry experts. These events showcased real-life projects, sparking dialog on the challenges and opportunities of sustainable design. The new Words with Winners short film series also showcased groundbreaking projects from past Holcim Foundation Awards winners.

The Holcim Foundation Awards is the world's most significant prize in sustainable design, focusing on environmental, social, economic and contextual sustainability. Open every two years, the competition will announce a new cohort of winners in 2025.

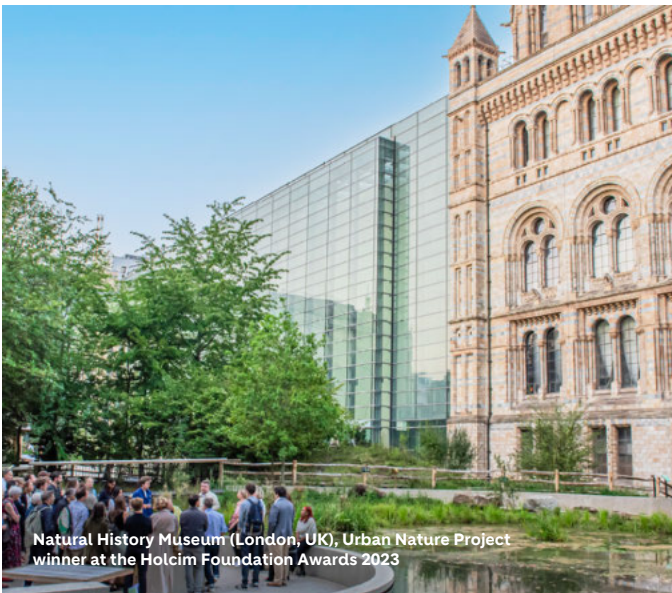
Supporting future agents of change

The Foundation expanded its educational efforts, focusing on next-generation changemakers with the first regional Holcim Foundation Fellowship in New York for North America. Over two weeks, 15 emerging leaders from built environment disciplines took part in workshops, site visits and discussions centered on decarbonization at scale. Bridging academia and practice, more fellowships will follow in 2025 in collaboration with universities across Latin America, the Middle East, Africa and Europe.

“I was blown away by the passion, intelligence and creativity of the first group of Holcim Foundation Fellows.”

DAVID BENJAMIN

Academic Lead, Holcim Foundation Fellowship
Columbia University GSAPP



Natural History Museum (London, UK), Urban Nature Project
winner at the Holcim Foundation Awards 2023



The Holcim Sustainable Construction Academy was launched at back-to-back events in London and New York in September 2024

HOLCIM SUSTAINABLE CONSTRUCTION ACADEMY

We launched the Holcim Sustainable Construction Academy in 2024 to engage built environment professionals – architects, urban planners, engineers and more – to integrate the principles of sustainable and regenerative design.

A free online training program, the academy equips participants with all the tools they need to measure the impact of their building project. Starting early in the design process, it guides them through to a more in-depth understanding of construction materials, knowledge of the latest design and material innovations and systems that support circularity.

Experts from Holcim Group and Holcim Innovation Center collaborated with professors from the University of Cambridge, ETH Zurich, and architects and engineers from ARUP, Ramboll, Zaha Hadid Architects, Henning Larsen and others to design the curriculum. The modules are Continuing Professional Development (CPD) certified and, upon completion, participants receive a shareable certificate.

holcimacademy.com

“I am proud to have contributed to the Holcim Sustainable Construction Academy, which has the potential to make a lasting impact on our industry and planet.”

DR. JOHN ORR

Professor of Structural Engineering,
University of Cambridge

LEADING IN SUSTAINABILITY CONTINUED

NATURE

BUILDING A NATURE-POSITIVE FUTURE

Holcim takes a measurable, science-driven approach to nature, from our biodiversity indicator system to our freshwater ecosystems and nature-friendly building solutions.

Contributing to a nature-positive future

Holcim is committed to contributing to a nature-positive future. Going beyond traditional rehabilitation, we transform local ecosystems to increase the resilience of our planet and society.

Enhancing biodiversity

Our approach to enhancing biodiversity involves working with nature to accelerate restoration. We harness natural processes, endemic species and local adaptation, and account for the landscape and conservation context.

Our biodiversity targets are based on progressive transformative rehabilitation plans and measured by a scientific methodology developed in partnership with the International Union for Conservation of Nature (IUCN).

In 2024 we reached our milestone of assessing 100% of our biodiversity baseline in all our active and non-active quarries (excluding quarries in the process of divestment such as quarries in the U.S. and Canada). Our other commitments include a higher biodiversity index measured with the Biodiversity Indicator and Reporting System (BIRS) by 2030.

BIRS enables us to identify risks and opportunities to improve the effectiveness of the actions we put in place to increase biodiversity by 2030. In 2024, Holcim successfully worked with IUCN to assess the quality of the BIRS baseline process. As a next step, IUCN will help Holcim identify opportunities to improve our biodiversity index.

SCIENCE-BASED TARGETS FOR NATURE

At COP16 Convention on Biological Diversity, Holcim was named by the Science Based Targets Network (SBTN) as one of the first three companies in the world to adopt science-based targets for nature. This science-based target-setting, starting with freshwater, is a significant milestone in advancing ambitious and measurable corporate action for nature. It follows a year-long SBTN pilot program, for which Holcim was one of 17 companies selected globally and the only company in its sector.

Holcim's granular water data enabled it to set an ambitious target of a 39% reduction in freshwater withdrawals by 2030 in its direct operations in the Moctezuma basin in Mexico, compared to an average 2022–2023 baseline.

“We’re pleased to see companies like Holcim leading the way by publicly adopting the world’s first science-based targets beyond climate, demonstrating that a clear and credible pathway for ambitious action for nature is possible.”

ERIN BILLMAN

Executive Director
Science Based Targets Network

Water

Since freshwater is a finite resource, we aim to reduce water intensity throughout our operations. We are prioritizing our actions in high water-risk areas, tailoring our solutions to local conditions.

Our commitments include: committing to lowering water intensity across business lines, with a 33% reduction in cement, 20% in aggregates and 15% in ready-mix concrete.

Restoring ecosystems

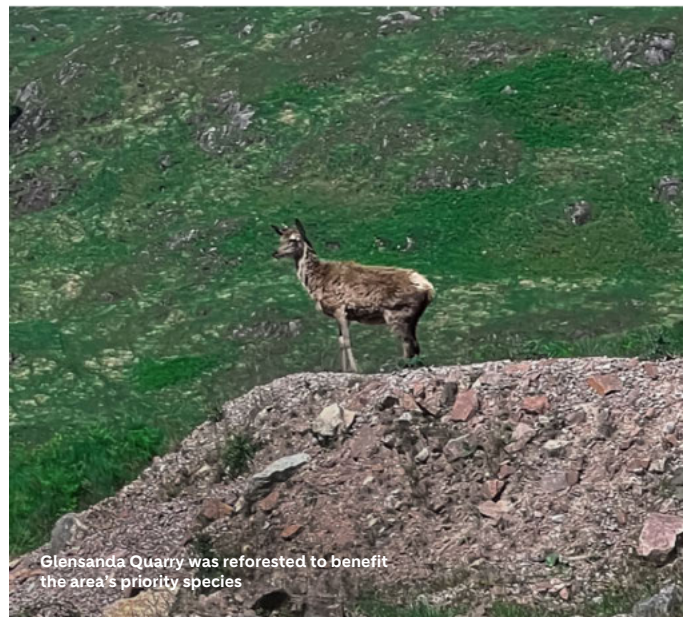
We are committed to promoting healthy habitats, with local, site-based rehabilitation plans to safeguard natural resources and restore ecosystems.

At Glensanda Quarry in Scotland, we planted a 64-hectare native woodland to restore habitats that have been in decline over the last few decades. This 105,000-tree plantation supports the re-establishment of the country's temperate rainforest.

In partnership with the municipal government, technical organizations and civil society, our team in Argentina launched a 2.4-hectare reforestation project on the Alto Comedero riverside in Jujuy by planting 1,300 specimens of native flora. The project replenishes freshwater by retaining runoff, restores a degraded ecosystem, improves soil quality, enhances biodiversity, improves water quality, and reduces the downstream flooding risk.

We are working with partners such as the University of Patras and IUCN to improve our biodiversity levels at our Araxos Quarry in Greece. The site is a birdwatching paradise thanks to a nesting area for migratory protected birds, and a year-round shelter for many species, including endemic amphibians and reptiles.

We partnered with Landcare Australia to support foreshore and riparian restoration in Perth, helping to mitigate water quality threats. On the eastern seaboard, our Beenleigh Quarry team successfully completed the Protected Plant project, ensuring no net loss (NNL) of a vulnerable plant species, the Slender Milkvine.



SPECIFIC FRESHWATER WITHDRAWAL

277

L/ton of cementitious material
2023: 298 L/ton

BIODIVERSITY

100%

Biodiversity baselines assessed using BIRS methodology (excluding quarries in process of divestment such as U.S. & Canada)

GLOBAL LEADERSHIP



SCIENCE BASED TARGETS NETWORK
GLOBAL COMMONS ALLIANCE

One of the first three companies with targets validated by SBTN

LEADING IN SUSTAINABILITY CONTINUED

Preserving freshwater ecosystems

Holcim implements freshwater replenishment programs beyond our site boundaries, and supports water access and sanitation, to benefit local communities and nature.

Reviving an iconic river in Costa Rica

Our team in Costa Rica joined forces with the National Alliance of Rivers and Basins to rehabilitate the Agua Caliente River and restore its importance as a natural and tourist resource.

We are doing this by using clay spheres made by community volunteers. Loaded with microorganisms, the spheres purify water and rehabilitate deteriorated aquatic ecosystems. Holcim also created the Citizen Water Observatory, which trains and empowers the community to monitor and protect local water sources.

Tackling water scarcity in Algeria

Zeghad, a village 240 kilometers east of Algeria’s capital Algiers, is in a region of extreme water scarcity. Village inhabitants previously had no access to running water. They either had to purchase water tanks at prices some could not afford or walk considerable distances to reach water points. Holcim’s team at our M’Sila plant installed water pipes from the plant’s water wells to the village center, and built a fountain that provides water for domestic and drinking purposes, for people and livestock.

Thanks to this project, water supply to the villagers has reached 2,200 m³ per month, with water quality certified by annual controls. Additionally, we planted new green areas, including herb gardens.

Reducing freshwater withdrawals in Ecuador

In Ecuador, we partnered with a local brewery and beverage manufacturer to reduce freshwater withdrawals at our two concrete plants in Guayaquil, Ecuador. The project uses 69,000 m³ of treated wastewater from the two companies for concrete production over a five-year period.

This initiative promotes responsible water management, focusing on its optimal use and preservation, reducing freshwater use and effectively managing wastewater. By September 2024, we had achieved a reduction of 15.99 l/m³, representing 5% of the segment’s total consumption nationwide, and the equivalent consumption of 2,520 people or 28 Olympic-sized swimming pools.

SUPPORTING NATURE WITH OUR SOLUTIONS

We are committed to developing solutions that support nature and bring more of it into cities.

Our innovative bio-active concrete solutions, for example, help rehabilitate damaged coastal ecosystems. In the Philippines, Holcim supplied rreefs, a Swiss startup, with ECOPlanet cement to create 500 concrete base elements. Sitting off the coast in Pujada Bay near Mati city, these will hold 820 3D-printed artificial reef modules produced by rreefs. In Mexico, we deployed more than 20 volunteers and donated ECOPlanet Prime to create bio-active reefs that will restore the corals of Isla Contoy National Park. This has enabled the restoration and reproduction of nearly 450 corals.

Green roofs play an essential role in bringing nature into cities and improving urban biodiversity. Leading by example, ZinCo’s green roof systems were used to construct a large roof terrace with intensive greening and balconies at the company’s new head office in Germany.



Designed for corals to regenerate and fish to thrive, these modules enable a reef ecosystem to flourish in Pujada Bay



Using innovative clay spheres to rehabilitate aquatic ecosystems in the Agua Caliente River, Costa Rica

“We are excited to collaborate with Holcim to strengthen the foundation of our reef system and inspire further action towards a nature-positive future.”

JOSEPHINE GRAF
rreefs Co-Founder

Toward a nature-positive built environment

The business case for taking action to address nature loss has never been clearer. We partner with leading NGOs, coalitions and other actors in the built environment value chain to share and transfer knowledge that will accelerate the shift to a nature-positive built environment. In 2024, we collaborated on a variety of publications to inspire corporate action on nature.



[!\[\]\(003082e50e3009141f59bd5df831749f_img.jpg\) Read more about how we are building a nature-positive future](#)

LEADING IN SUSTAINABILITY CONTINUED

ADVOCACY POSITIONS AND TRANSPARENCY

Holcim is committed to advocating for public policy frameworks that are fully aligned with the 1.5°C Paris Agreement.

Introduction

In 2020, Holcim joined the UN Global Compact's Business Ambition for 1.5°C campaign, committing to align its targets and actions with the 1.5°C framework. This commitment was translated into robust, SBTi-validated targets for 2030 and 2050, in line with the 1.5°C science-based framework. It forms part of Holcim's climate advocacy and engagement, to ensure alignment with the global ambition of the Paris Agreement to limit global warming to 1.5°C above pre-industrial levels.

To meet its ambitious climate targets, Holcim closely collaborates with stakeholders, partners and policymakers. It advocates for forward-looking policy frameworks that facilitate the development of business cases to drive innovation, establish new industrial value chains, and scale up the deployment of circular and low-carbon solutions globally, thereby contributing to the global 1.5°C ambitions.

Holcim's commitment to the 1.5°C ambition is fully reflected in our public policy positions, which are further described in this chapter as well as in our Climate Policy Advocacy and Engagement report.

Climate policy positions

Holcim actively addresses global and specific climate policy issues through close collaboration with policymakers, partners and key stakeholders. We are committed to promoting public policy frameworks that are anchored in circular economy principles, aligned with the Paris Agreement's 1.5°C target, that enable innovative and competitive green growth. Our 2024 policy priorities are outlined on the following pages.

Competitive green growth and carbon costs

Decarbonization is at the heart of our industrial and commercial strategy through the deployment at scale of advanced innovative technologies, such as CCUS, and the introduction of low-carbon solutions, such as ECOPact concrete, on construction markets globally. The competitive deployment of such technologies and products is facilitated by policy measures such as carbon pricing or emissions trading schemes. In that regard, Holcim advocates for a level playing field on carbon costs internationally. Initiatives such as the Carbon Border Adjustment Mechanism (CBAM) in Europe, fair state aid rules for energy-intensive sectors and dynamic carbon pricing are critical to scaling decarbonization efforts.

Support advanced decarbonization technologies

Holcim is driving the broadest range of decarbonization technologies in the industry. These span the utilization of innovative low-emission raw materials, such as calcined clay and recycled decarbonized cement paste, to fossil fuel-free energy and CCUS.

Recognizing that no single solution will be perfectly scalable everywhere due to varying technological, geological and legislative conditions, we emphasize the need for a regulatory framework that is flexible and clearly defined. This requires adequate funding, simplified application and flexibility within existing financial tools, plus de-risking mechanisms, to incentivize first movers.



Secure access to competitive decarbonized energy

We advocate for the development and deployment of sustainable and decarbonized energy solutions. Securing access to competitive decarbonized energy sources is essential to enable industrial decarbonization at scale. To accelerate the transition, we urge: (1) A well-functioning electricity market with access at scale based on competitive prices. (2) Accelerated investments in renewable energy assets via faster permitting procedures. (3) Sustained access to non-recyclable and biomass waste as alternative fuels.

Foster demand for low-carbon products

Holcim is at the forefront of driving the transition to low-carbon, circular construction by delivering innovative sustainable products and solutions on a global scale. Introducing them to the market requires a dynamic standardization framework supported by enabling building codes and progressive public procurement practices, while integrating sustainability performance alongside traditional metrics such as safety, performance, durability and affordability.

Advance mandatory human rights and environmental due diligence

We take a whole-society approach to reaching net zero, respecting labor and human rights while creating stimulating jobs. We are committed to decarbonization in line with the Just Transition principles, assessing and addressing the impacts of our journey to net zero on four key stakeholder groups: our people, our suppliers, our communities and our customers (see pages 68–69).

As part of its climate policy engagement, Holcim supports the implementation of regulatory frameworks that require mandatory human rights and environmental due diligence. Establishing common legal requirements, such as those proposed at European Union level, ensures consistent standards across industries. It also ensures that efforts made by companies to respect people and the planet are not undermined by the lack of uniform standards. Such regulatory frameworks increase legal certainty and ensure a competitive level playing field, to the benefit of the environment and of local communities.

LEADING IN SUSTAINABILITY CONTINUED

Climate policy advocacy governance

Holcim's climate advocacy is led by Group Public Affairs, supported by Group Sustainability and regional experts. Our approach consists of defining priorities aligned with the 1.5°C agenda and scalable actions as well as sharing advocacy guidance through a public affairs network for consistent local engagement.

Governed by a "Responsible Lobbying Directive", Holcim commits to dealing transparently and fairly in all its lobbying activities and complies with all applicable laws. This includes adherence to public codes of conduct and lobbying registers, where those exist. For example, Holcim's climate advocacy activities are disclosed in the EU Transparency Register. Furthermore, participation in industry and business associations is subject to mandatory compliance training and regular review.

"We can be very proud of what Holcim is doing here in Belgium. The greenest cement in the world will be produced here."

ALEXANDER DE CROO

Prime Minister of Belgium (Oct 2020 to Feb 2025)

Direct climate policy advocacy

Our advocacy efforts have centered on amplifying climate action through direct engagement with policymakers, contributing to relevant policy developments and forming strategic partnerships.

Engaging on specific policy developments

We are actively engaged in the development of ambitious and enabling climate policy frameworks. At a global level, we are proactively involved in relevant frameworks, such as the Basel Convention on the Transboundary Movement of Waste and the revision of its Annex IVB. At a regional level, in Europe we actively contribute to the development of innovative policy frameworks such as the EU's Industrial Carbon Management Strategy and the Net Zero Industry Act, which were both adopted in 2024.

Engaging at global events

Holcim engages proactively during global events throughout the year. In 2024, this included the Buildings and Climate Global Forum (Paris, France), the EU's Industrial Carbon Management Forum (Pau, France) and the UNFCCC's COP29 (Baku, Azerbaijan). We foster regulatory developments and cross-sectoral collaboration that enable the decarbonization of industrial activities, products and solutions, as well as the built environment value chain.

Forming strategic partnerships and alliances

To further advance global advocacy for low-carbon and circular construction, we joined key coalitions, including the Circular Leaders Group of the Ellen MacArthur Foundation, and took on a leadership role as co-chair of the Focus Group Sustainability & Circularity of the Davos Baukultur Alliance, hosted by the Swiss Confederation.



The GO4ZERO groundbreaking event in Obourg, Belgium, was attended by regional, national and EU representatives



At COP29, Holcim joined calls for global policy action to boost demand for low-carbon materials and transformative climate policies

Climate advocacy in action (indirect)

We promote our commitment to the Paris Agreement and net-zero targets by collaborating with partners and trade associations including Cembureau and GCCA, with a view to shaping Paris-aligned climate policies locally and globally.

By way of example, in 2024, we contributed to the launch of global definitions for low-carbon cement and concrete at COP29, based on frameworks from the IEA and UNIDO's IDDI, to drive low-carbon cement and concrete demand.

Advocacy through multi-stakeholder collaboration

In 2024, we collaborated with global organizations such as World Business Council for Sustainable Development (WBCSD), World Green Building Council (WGBC), European Roundtable for Industries (ERT) and World Economic Forum (WEF), to drive industrial and built-environment decarbonization, supporting circular economy principles and the Paris Agreement.

At COP29, Holcim joined calls for global policy action to boost demand for low-carbon materials and transformative climate policies.

Industry associations review

Holcim is committed to ensuring that our advocacy through trade associations is aligned with the Paris Agreement and Holcim's positions. We conduct an annual trade association review focused on:

- Support for the Paris Agreement's climate ambition and net-zero agenda.
- Support for carbon pricing mechanisms.
- The need to develop 2050 decarbonization roadmaps.
- Acceptance of the need to deploy advanced technologies, including CCUS.
- Support for the creation of demand-pull policies for low-carbon products.

We are committed to working with our trade associations to accelerate that journey. We address misalignment with associations or, if necessary, reconsider our membership.

Additional details regarding our climate advocacy and our trade association review are available in our Climate Policy Engagement Report.



[Read more about our Climate Policy Engagement Report](#)

LEADING IN SUSTAINABILITY CONTINUED

JUST TRANSITION

We take a whole-society approach to reaching net zero, respecting labor and human rights while creating decent jobs.

Decarbonizing in line with the Just Transition

We are committed to decarbonization in line with the Just Transition principles, assessing and addressing the impacts of our journey to net zero on four key stakeholder groups: our people, our suppliers, our communities and our customers.

Holcim is committed to fostering a Just Transition where the well-being of our key stakeholders is prioritized. Our Just Transition commitments ensure the most equal and inclusive solutions for progress toward our net-zero journey to decarbonize the built environment.

By promoting a fair and holistic approach, Holcim seeks to ensure that everyone, including people from marginalized and disadvantaged groups, has the opportunity to lead fulfilling and sustainable lives characterized by dignity, inclusivity and empowerment.

Our Just Transition plan

Our comprehensive Just Transition plan will represent our commitment to implementing a series of substantive actions as we transition to a low-carbon economy. These actions will be designed to support our key stakeholders, such as employees, unions, communities, suppliers and customers throughout our decarbonization projects.

UPSKILLING PEOPLE

EMPOWERING OUR WORKFORCE IN BELGIUM

As part of our GO4ZERO project in Obourg, Belgium (see page 38), we launched an extensive upskilling and reskilling program that will run until 2027. Targeting approximately 170 employees, from factory workers to managers at the plant, this initiative reflects our commitment to a Just Transition by equipping our people with the necessary skills to drive operational excellence and achieve our strategic goals.

A key focus is on technical training delivered through workplace learning, which will ensure hands-on experience in real-world operational contexts. To prepare employees for this phase, group tools such as iCecil will be used during e-learning sessions, offering a seamless transition into practical applications.

Beyond technical expertise, the program incorporates soft skills development to foster a future-ready workforce capable of navigating dynamic environments.



[Read more about the Just Transition at Holcim](#)



As part of our GO4ZERO project in Obourg, Belgium, we launched an extensive upskilling and reskilling program

Our employees

We are committed to supporting our employees and empowering them with the necessary skills to thrive in a rapidly evolving net-zero future. To ensure the successful implementation of our decarbonization projects with a highly engaged workforce, we provide initiatives such as comprehensive training, reskilling and upskilling opportunities, redeployment options and fair compensation packages.

Our suppliers

Holcim's principles of respect for human and labor rights, protecting the environment and our commitments to climate and nature are integral to how we work with our suppliers. As part of this effort, we are engaging our suppliers to identify and manage the environmental impact of their operations and the life cycle of products and services we purchase from them. We focus our efforts on products and services that have the highest impact on climate, water, air emissions, waste, biodiversity and land use.

Our customers

To help our customers build better with less, we are developing low-carbon and recycled products and solutions worldwide. We are becoming a global leader in roofing with systems spanning cool, green and solar-enabling roofs. We drive cutting-edge innovation for customers, from 3D printing to ultra-high-strength concrete. The Holcim Sustainable Construction Academy improves knowledge of sustainable construction practices to accelerate the transition to net zero.

Our communities

Holcim remains fully committed to creating a positive social impact in the communities where we operate. We aim to decarbonize while providing high-value jobs, increased affordable housing and skills development. We promote sustainable development through innovative building materials and solutions to enable our communities to thrive in safe and resilient environments.

EMPLOYEE- RELATED ISSUES

ART. 946B CONTENT REQUIREMENT

72 Holcim people

78 Health, Safety & Environment

PEOPLE

HOLCIM PEOPLE

In 2024 we introduced the Holcim Spirit, with Purpose, People and Performance at the core of our strategy.

The Holcim Spirit

We are proud to connect our people to our shared purpose: building progress for the people and the planet, with sustainability and innovation at the core of our strategy. We are constantly aiming to create the best workplace where talent is nurtured, diversity is celebrated and health and safety is a top priority. Our 65,000 people worldwide are reinforcing our culture of performance and value creation for our people, customers and shareholders, every single day.

Progress through a culture of respect

Our approach empowers all our countries to cultivate practices that balance the equitable treatment of our workforce with the demands of our operations, customers and communities. This resolution is stated in our Group People Policy, where it reinforces our commitment to put our employees at the center of what we do.

Our policy is adaptable to align with local regulations while upholding its fundamental principles of fairness, respect, and the safeguarding of human rights, as well as preventing child labor. Should the need arise, we will refine the policy to comply with local laws, while preserving its essence. Our Human Rights Policy and Diversity, Equity and Inclusion (DEI) Standard further strengthen our approach to integrity and fair treatment.

Growth through learning and development

Growth starts with all of us. And it starts with development opportunities for all our people who are encouraged to take charge of their own careers.

Launch of Holcim University

We were proud to launch the Holcim University in 2024, a one-stop destination where business schools, functional academies, forums and online learning converge under one global brand. Its objective is to provide more and transparent growth opportunities to all employees, from Early Career to Middle Management and Senior Leaders.



500+

P&L leaders

21%

Women in senior leadership roles

85%

Internal promotion rate across Senior Leaders

HOLCIM GLOBAL LEADERSHIP PROGRAMS

SENIOR LEADERS BUSINESS SCHOOL	Driving strategy execution	On-site 3 days	200 senior leaders participated	Total 1,667 leaders trained by end of 2024
ADVANCED LEADERS BUSINESS SCHOOL	Preparing the organization's senior leadership	Live online 5 sessions	123 completed (+98%) ¹	
EMERGING LEADERS BUSINESS SCHOOL	Nurturing leaders to lead the way in accelerating growth	Live online 4-month journey	643 completed (+48%) ¹	
EARLY CAREER LEADERSHIP PROGRAM	Building the next generation of leaders	Live online 6-month journey	701 completed (+36%) ¹	

¹ Leaders trained by end 2023/2024 (year-on-year change).

Our well-established and highly successful business schools continue to deliver outstanding results. Talents from Early Career through to Middle Management and Senior Leaders are being educated by best-in-class educational providers such as IMD, Ivey, IE and Franklin Covey – in collaboration with our own learning and development experts.

One example is our Early Career Leaders Program, which is equipping the next generation of leaders with the tools, knowledge, skills and experience to become effective leaders. Spanning a six-month period, the program gives participants a unique opportunity to receive coaching, engage in hands-on learning through project work focusing on sustainability, gain exposure to senior management, and more. By the end of 2024, over 700 early career leaders had completed the program.

Our colleagues in more senior roles continue their professional development in the Business School for Emerging Leaders, Advanced Leaders and Senior Leaders.

In addition to our business schools, a variety of functional academies are offered in person or virtually to Middle Managers, Team Leaders and Individual Contributors from all over the world – from finance to sustainability. Our growth catalog holds critical learning opportunities for all our functions. This offering is well complemented by our extensive online library, where thousands of learning modules are freely accessible to all employees, providing just-in-time learning and performance support.

We continue to ensure that development is not only offered through traditional courses (virtual or in person), but also by creating more social dialog and human interaction. Through Collaborative Learning, we provide a variety of alternative learning opportunities. This includes our in-house mentoring platform Career Catalyst, through which Holcim employees get to access mentorship pairings. We also partner with external mentoring and coaching experts such as Advance in Switzerland and CoachHub.

“Holcim University enables all our employees to take ownership of their own careers, and explore new opportunities for development.”

CARMEN DIAZ
Chief People Officer

LEADING IN SUSTAINABILITY CONTINUED

It all starts with strong leadership

Best-in-class leadership is a key enabler of the Holcim Spirit and Holcim's success. We do not leave this up to chance, and ensure that our Senior Leaders are being developed on an ongoing basis, where we foster the importance of inclusive leadership.

Every year, we bring our most senior leaders together for the annual Senior Leaders Meeting. In 2024, this event took place in Madrid. Kicked off by our Chief Executive Officer Miljan Gutovic and Chairman Jan Jenisch, and attended by the entire Group Executive Committee, the meeting was an immersive opportunity to celebrate the achievement of our "Strategy 2025 – Accelerating Green Growth" ambition and launch a new era of growth.

Strategic focus on the right gender balance

Driven by our strategic objective to have 30% of our senior leadership roles held by women by 2030, we continue to promote a diverse and inclusive work environment. Various diversity initiatives have been launched or scaled in 2024 across Holcim, all under the umbrella of The Right Mix, our female empowerment program.

In partnership with Lean In we launched Lean In Girls, with Holcim Iraq as an early adopter, designed to empower girls aged 11–15. We further scaled up Lean In Circles – our network for women to exchange, connect and create "nurture ambassadors".

Various countries are engaged in activities supporting girls in science, technology, engineering and mathematics (STEM), as we aim to increase the future pipeline for women in our industry as a whole. Within our mentoring program Career Catalyst, a dedicated pairing is reserved for women only, called Stronger Together.

ONE YOUNG WORLD 2024

For the fourth year running, Holcim partnered with One Young World (OYW), sponsoring the attendance of 30 internal delegates and five external scholars at the One Young World Summit. Here, scholars drive positive change, develop leadership skills and grow their global networks. Inspired by the summit, they return with new ideas and drive meaningful projects.

At the 2024 summit in Montreal, a team of returning Holcim ambassadors showcased their own idea which they have successfully implemented – Holcim's Virtual Innovation Hub. Hundreds of visitors experienced the hub through the virtual reality tool at Holcim's booth, and learned about our innovative and sustainable building solutions.

To date, Holcim has built an internal community of 81 OYW ambassadors. 60% are female and 63% have won internal promotions in the last two years.



Holcim delegates at the 2024 One Young World Summit in Montreal, Canada



Celebrating our diversity

With over 150 nationalities represented within our organization, we aim to celebrate what makes each of us unique and leverage all the cognitive diversity we possess. We celebrate annual events such as General Diversity Awareness month, Movember, Pride and International Women’s Day – to name just a few.

Our multiple Employee Resource Groups (ERGs) that enhance visibility for underrepresented groups such as LGBTQ+, people with disabilities or Black, Indigenous and people of color (BIPOC) communities are gaining momentum. At Holcim, we fully empower our ERGs to proactively propose new initiatives or concepts, which we aim to scale and execute globally, whenever possible.

“The Career Catalyst mentoring program was a transformative experience. As a mentor I gained fresh insights, while my mentee flourished in her role with newfound confidence and skills.”

IRMA FLORES

Health & Safety Manager, Holcim Mexico

62%

Promotion rate of One Young World participants in last two years

250+

Participants in Stronger Together female mentorship program

LEADING IN SUSTAINABILITY CONTINUED

Holcim strives to provide a best workplace for our people, a place where everyone feels welcome, valued and where our performance culture is lived. We regularly benchmark our efforts against top employers in the industry, and review and update our diversity, equity and inclusion (DEI) and People processes to ensure that Holcim is an inclusive workplace.

We have integrated the “Inclusion Index” into our Engagement survey, and have won accolades from the likes of Top Employer and EDGE following external assessments – in locations including Switzerland, Poland, Spain, Colombia, Mexico, France and Slovakia.

In recognition of our progress on gender, age diversity and broader diversity and inclusion, Holcim was named a Financial Times and Statista “Leader in Diversity” and one of Fast Company’s 2024 “Best Workplaces for Innovators”.

Expanding Women on Wheels

Since its launch in 2021, our Women on Wheels (WoW) program has enabled women to become truck drivers, improving their lives as well as those of their families and communities.

In 2024, the number of women driving Holcim trucks across 36 countries increased to more than 950, up 10% from 2023. We launched WoW in Oman, while in Ecuador the program was recognized by the World Economic Forum in the “Guide to Promote Gender Equality in Latin American and Caribbean Companies”. In Australia, Holcim Concrete in Victoria launched a training program to support women to become professional drivers.

Looking ahead, WoW is expanding its reach. In partnership with the University of Villa Maria in Argentina, Holcim is developing a blueprint for female driving schools, set to launch in early 2025.

WoW’s success earned the program numerous awards in 2024. For example, at the Reuters Sustainable Business Awards, WoW won in “Diversity, Equity & Inclusion,” and was also a finalist at the 2024 edie Awards in “Social Sustainability, Diversity & Inclusion”.





The annual Global People Forum brought together 150 Holcim colleagues, to learn about and equip themselves for Holcim's new era of growth

Advancing global pay equity and inclusion

While our local teams consistently meet the requirements of local gender pay equity regulations, we went further, using an advanced, recognized statistical regression analysis model to conduct our fourth global assessment.

Our commitment to fair and equitable pay is ongoing, with annual monitoring to reinforce equal pay for equal work and performance – not only between women and men but also across all dimensions of diversity, including ethnic origin, age, religion, ideology, sexual orientation and physical ability. The results of this assessment continue to show encouraging progress, underscoring our dedication to fostering a truly inclusive workplace.

Driving performance through engagement

Living the Holcim Spirit, we are committed to creating an environment with the maximum engagement of our people. Empowering people to voice their views through the Global Employee Engagement Survey (last conducted at the end of 2023), helps us drive meaningful action at country, region and Group levels with everyone's involvement. Listening to all our 65,000 employees is key, and is of the highest priority for our leaders.

We are committed to continue fostering best leadership practices across Holcim worldwide, and ensuring we apply global standards of employee experience across the entire life cycle – from talent attraction and onboarding to people growth, performance and offboarding.

That is why our purpose-driven performance culture is lived by our people through the Holcim Spirit: Purpose, People and Performance.

HEALTH, SAFETY AND ENVIRONMENT

Our strong culture prioritizes zero harm, environmental excellence and empowered teams.

In 2024, our three-pillar operating model – Critical Risk Management, Workforce Engagement, and Continuous Improvement – drove tangible progress in Health, Safety and Environment (HSE).

Aiming for a zero-harm business

- In 2024, our lost-time injury frequency rate (LTIFR) fell to 0.39, with 98% of our sites and 42% of countries reporting zero lost-time injuries (LTIs).
- We are deeply saddened that two employees lost their lives in work-related incidents in 2024. Each case was carefully investigated, and corrective measures were implemented to prevent future occurrences. Our top priority is to support affected families and colleagues. Holcim is committed to ensuring a safe, healthy workplace and will not rest until we reach zero.
- In 2024, we made progress toward zero environmental impact by completing over 150 projects globally: diverting 63,000 tons of waste from landfill, recycling 1.8 million m³ of water, and reducing Scope 2 CO₂ emissions by 45,000 tons. Real-time monitoring systems and focus projects enhanced emissions governance, cutting absolute dust (-42%), SO₂ (-1.6%), and NO_x (-5.6%) emissions.

Critical risk management

Our critical risk management program targets the 50 highest-risk controls, ensuring they are rigorously reviewed on a quarterly basis. This year, over 76,000 verifications resulted in 7,000+ improvement actions and 150,000 coaching sessions to enhance workforce understanding of our critical controls.

In 2024, we launched the World-Class Energy Isolation Program, mobilizing all countries to implement industry-leading practices.

To date, we have run 500 assessments to develop improvement plans, given 2,000 training hours, and created 24,000 procedures via our homegrown digital platform.

Workforce engagement

Boots on the Ground (BoG), our workforce engagement program, introduced a new module for HSE professionals and executives. Giving access to all HSE stats, it facilitates structured feedback, streamlines visit reporting and enables follow-ups. Our roadmap features AI-powered advancements, including technical inspection modules, digital work permits, and positive recognition.

With over 4.2 million hours dedicated to field activities, the program delivered 670,000 HSE coaching sessions with workers.

Continuous improvement

In 2024 we launched a set of real-time performance dashboards to promote accountability and informed decision making, and we improved incident management tools. WeInvestigate is a new board game to help site teams develop skills and strengthen our safety culture.

Our Health program encompasses initiatives to support the well-being of our employees and their families. The Fitness for Work medical evaluation program is now present in seven Latin American countries. In the UK, one mental health first aider is trained for every 25 employees, providing confidential mental health support to 6,000 employees and contractors.

We conducted 59 comprehensive HSE audits and invested CHF 95 million in HSE improvement projects throughout the year.

0.39

2024 lost-time injury frequency rate

98%

Of our sites with no lost-time injuries



Transforming old cement bags into children's school bags in Guinea

TOWARD ZERO ENVIRONMENTAL IMPACT

Our journey toward zero environmental impact has become a platform for innovative collaborations with local communities and industries. Here are some highlights from over 160 projects worldwide:

- In Guinea, discarded cement bags are transformed into durable school backpacks for kids, reducing waste and creating jobs in recycling.
- Our Lägerdorf plant in Germany repurposed process waste into a ground stabilization binder, eliminating the need for landfill.
- Our Villaluenga cement plant in Spain meets its water needs by recycling local wastewater, while in Ecuador, our ready-mix plants collaborate with breweries to repurpose discharged water.
- In the United Arab Emirates, Holcim's Fujairah plant maximizes energy efficiency with waste heat recovery systems.
- Holcim's Liverpool, UK, asphalt site piloted air-to-air heat exchangers, a technology we are now implementing in more locations.
- In Lebanon, our Chekka plant has transformed unused roof space into a renewable energy hub, generating solar power.



Participants in the annual Global Health, Safety and Environment meeting

GAMIFYING HSE IMPACT WITH TREASURE HUNT

We have upgraded Treasure Hunt, our annual team competition within our Boots on the Ground app, to amplify its impact on HSE priorities. Employees explore opportunities to improve energy efficiency, water conservation, dust emission reduction and serious safety risk mitigation.

A new micro-learning module leveraging advanced adult learning techniques engages employees with gamified HSE questions. This flexible, interactive format blends education with action, enhancing motivation and competency among supervisors and managers while driving real-world improvements.

In 2024, we introduced the "Champions League", a global competition sponsored by country, regional, and Group executives, which boosted our results.

Ten thousand employees took part, including over 350 senior managers. We achieved CHF 3.2 million in cost savings, removed 45,000 metric tons of CO₂, conserved 1 million m³ of water, mitigated 5,500 dust emission sources and potentially prevented 7,500 serious injuries.

SOCIAL ISSUES AND RESPECT FOR HUMAN RIGHTS

ART. 946B CONTENT REQUIREMENT

82 Human rights and our communities

86 Essential Homes in Latin America

HUMAN RIGHTS AND OUR COMMUNITIES

We are committed to upholding and promoting human rights, while fostering positive social impact in the communities where we operate.

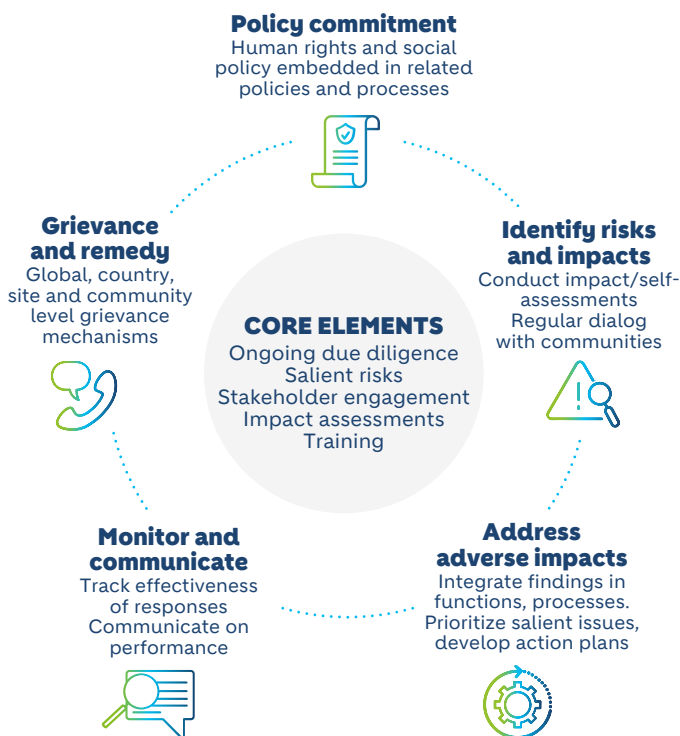
Upholding human rights

Treating people with respect and dignity and providing decent working conditions are the minimum requirements in all our operations, business activities, business relationships and in the communities where we work.

Holcim is committed to adopting internationally recognized human rights frameworks such as the UN Guiding Principles on Business and Human Rights and OECD Guidelines for Multinational Enterprises. We have actively participated in the UN Global Compact for over two decades.

Our human rights approach

Our Human Rights and Social Policy and Human Rights Directive set out our approach, processes and our salient risks. We have carried out human rights assessments for more than a decade, led either by Group-level experts or at country level. Today, every country where we operate has a human rights assessment process in place with defined action plans. In 2024, 18 impact assessments and 38 self assessments were conducted. All the findings from a human rights assessment and mitigating action plans are recorded in a global system, and are followed up every quarter by the country's and Group's human rights experts.



Harvesting and treating rainwater to provide safe drinking water for locals near our plant in Chhatak, Bangladesh

REMEDIATION IN MEXICO

In June, heavy rains caused water accumulation at our Orizaba plant in Mexico, resulting in a wall collapsing. This incident resulted in water flowing into the community, damaging furniture in 10 homes. Recognizing our responsibility, we engaged with the affected stakeholders through challenging yet constructive dialog to address grievances.

These efforts led to formal agreements for damage compensation, including fully covering furniture replacement. Beyond immediate remediation, we prioritized long-term solutions by collaborating with the community to rebuild and reinforce the wall, as well as improve internal drainage systems, mitigating future risks. Our proactive approach restored trust and resolved tensions, strengthening our relationship with the local community.



Supporting local people in Orizaba, Mexico to strengthen community relations

A typical Human Rights Impact Assessment

In 2024, during a Human Rights Impact Assessment (HRIA) in Mexico, we held anonymous and confidential consultations with more than 160 stakeholders at one of the cement plants and a Geocycle sorting station.

These consultations included employees on all levels: contractors, union representatives, representatives of minority groups such as Indigenous people, government officials and representatives of the affected local communities.

The assessment showed that our employees and contractors are proud to work at Holcim and enjoy safe and dignified working conditions. Labor rights are being respected, and the Holcim operating company goes considerably beyond minimum legal requirements in all areas.

Scope for improvement was also identified and reported to the country Executive Committee (ExCo). For example, during the consultations, employees reported that the global grievance mechanism (Integrity Line) was not working. The issue was immediately investigated, fixed and communicated to all internal and external stakeholders. A final report and action plan addressing all findings was shared with the Group's ExCo.

The impact assessment was carried out by highly experienced and trained Group-level staff who have done similar HRIAs in many parts of the world. Holcim representatives from Argentina, Colombia, Costa Rica and El Salvador, as well as eight people from other plants in Mexico, joined the HRIA to learn the methodology.

“Respect for human rights is fundamental to how we conduct business, and our ability to operate around the world.”

NOLLAIG FORREST

Chief Sustainability Officer

LEADING IN SUSTAINABILITY CONTINUED

Ongoing stakeholder engagement

Ongoing due diligence, stakeholder engagement and training characterize our human rights approach. Under our country- and Group-level programs, we trained more than 18,000 employees, contractors, community members and other stakeholders in 2024 on human rights topics.

From Group level to our sites, we speak to a wide range of stakeholders, from community members and employees to NGOs and government representatives, to explain company positions, build trust, understand expectations and listen to grievances and concerns.

At and around our sites, we aim to build and maintain regular and constructive relationships with the people who influence our business activities or could be impacted by them. Every cement and grinding site must have a locally managed stakeholder map and engagement plan in place.

Having a Community Advisory Panel is mandatory for cement plants and grinding units and ensures regular exchanges with community representatives. In 2024, 39 countries had an active Community Advisory Panel and 1,856 meetings were held with local stakeholders. Such engagements with relevant stakeholders are mandatory in the planning of any new industrial development (such as a new quarry, for example).

We have a number of mechanisms in place to address stakeholder questions and concerns. Our Integrity Line is an anonymized and confidential grievance mechanism, operated by an external third party. Available in multiple languages, the line serves employees and their families, contractors, suppliers, business partners, customers, community members and other stakeholders. All grievances are investigated and responded to.



[More about our social impact initiatives here](#)

INDIGENOUS RIGHTS

In Canada, we are committed to fostering lasting relationships with Indigenous peoples. Last year, we reaffirmed our partnership with the Whitefish River First Nation in Ontario by signing a new 50-year land lease agreement, reflecting our respect for Indigenous rights and the principle of free, prior and informed consent (FPIC).

Through our partnership with Habitat for Humanity Australia, Holcim donated concrete and materials for the construction of a new refuge in Western Sydney. This emergency transitional accommodation is for Indigenous women and children escaping domestic violence. On the other side of the country, we partnered with local construction company Geraldton Building Services and Cabinets Yurra to supply more than 1,300 m³ of ECOPact concrete for the Short Stay project. It will provide affordable short-stay accommodation for Aboriginal people visiting the region.



Our collaboration with the Whitefish River First Nation is an important part of our commitment to Indigenous communities



Access to adequate housing

Collaborating with NGOs such as Habitat for Humanity and Build Change, we help to address the global housing gap affecting 1.6 billion people. Additionally, we engage in emergency relief initiatives to help communities reconstruct after natural disasters. In 2024, reconstruction and volunteering programs were implemented from Romania and Spain to Mexico, to help rebuild residential, health and educational infrastructure after floods.



Building skills

To improve living standards, we offer skills training in communities such as Barangay Quirino, the Philippines. Here we launched a program in fish processing and baking, upskilling 270 people to support families with no steady livelihoods. In Egypt, we introduced Step-IN, an initiative that lets students complete their final semester as a Holcim intern. The first cohort of 10 students enhanced their skills to prepare them as future leaders.



Female empowerment

Holcim is committed to equal opportunities. In Spain, the Women's Construction Camp offers free hands-on construction training for women, with 15 participants this year. In Nigeria, our Female Tilers & Block Laying Program empowered 40 women in Lagos, providing skills in tiling, block laying, safety and entrepreneurship. In Morocco, the Loujain cooperative supports rural women, helping them produce and market essential oils and cosmetics, to provide sustainable income streams.



Education

Education is key to empowering communities. In Bazian, Iraq, we installed solar panels at a local school to stabilize the electrical grid, enhancing the educational experience. In Ivory Coast, our Sokouamekro team supported the construction of a new elementary school, training young villagers, including women, to make earth-cement blocks. Now operational, it serves 300 students in the 2024-2025 school year, helping to improve literacy and providing sustainable opportunities for the community.

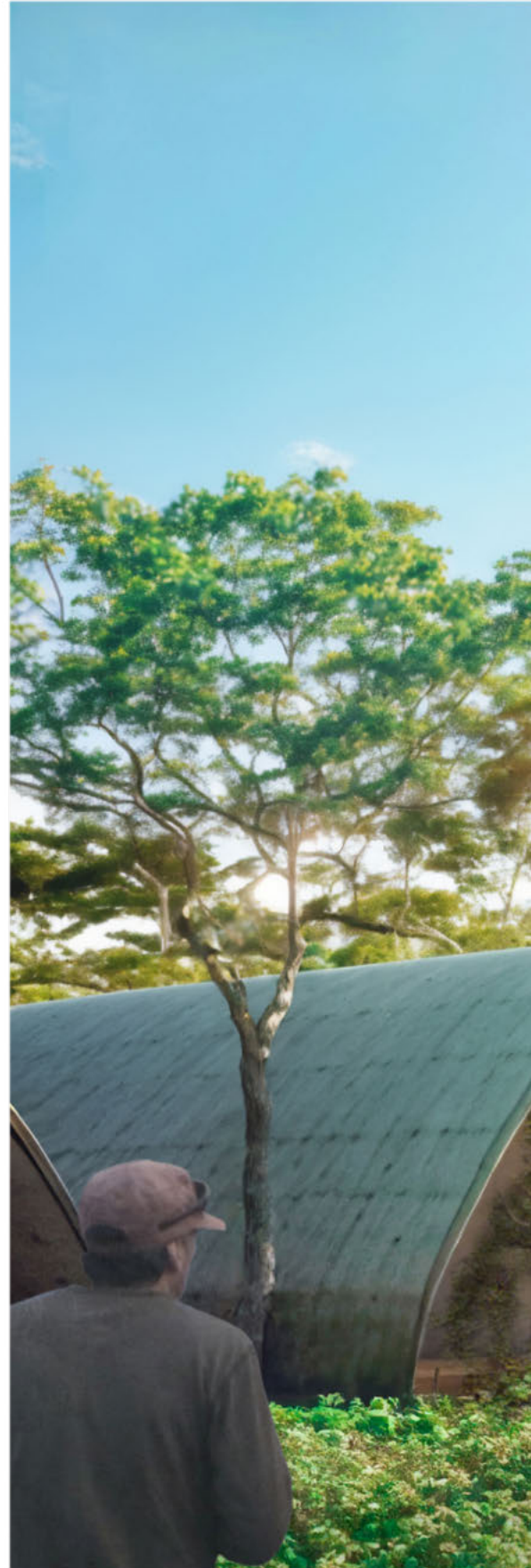
ESSENTIAL HOMES IN LATIN AMERICA

We are working with Norman Foster to make sustainable building possible for all, scaling a new row house in Latin America in 2025.

How can we best provide safety, comfort and well-being for low-income or displaced communities? The Essential Homes project – with Holcim’s sustainable building solutions inside – is designed by the Norman Foster Foundation to answer this question.

After a first prototype was unveiled at the Venice Biennale in 2023, a new scalable prototype for real-world use was presented at the 2024 Royal Academy Summer Exhibition in London. It has been developed for rollout in Costa Rica in 2025 following an in-depth survey of local housing conditions and the environment.

The Essential Homes in Latin America will be built with local, low-carbon materials – including ECOPact concrete and ECOPlanet cement. A custom, high-performance concrete will be used in the prefabricated roofs, and in line with Holcim’s commitment to circular construction, Essential Homes applications are fully recyclable.



Durable, dignified homes

Essential Homes first grew out of a workshop on refugee housing organized by the Norman Foster Foundation. Realizing that a family can spend up to nearly two decades living in a tent, graduate students posed a challenge: Could a more durable, permanent and dignified home be built in a few days, and be economically viable and sustainable?



The new Essential Homes prototype has been developed for rollout in Costa Rica in 2025 following an in-depth study of local housing conditions and the environment

“Working with Holcim, we are demonstrating that we can deliver sustainable and dignified housing that has real quality.”

NORMAN FOSTER
President, Norman Foster Foundation

SUPPLY CHAIN

ART. 946B CONTENT REQUIREMENT

90 Sustainable supply chain

SUSTAINABLE SUPPLY CHAIN

Holcim's principles of respect for human and labor rights and environmental protection are integral to how we work with our suppliers in all markets.

The standards and principles governing sustainable procurement at Holcim are based on the UN Global Compact Ten Principles, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.

The overriding policies that govern Holcim's approach to deploying responsible business practices in our supply chain are the Supplier Code of Conduct, the Procurement Policy, the Sustainable Procurement Directive and the Workers in the Value Chain Directive.

Commitment to transparency

Holcim's regular disclosures reflect our due diligence commitments and performance:

- Governance: policies, codes of conduct, process, minimum control standards to enforce ESG compliance across all business lines and geographies.
- Materiality: Risk-based methodology to identify areas of significant potential ESG impacts or risks.
- Performance: KPIs related to our Sustainable procurement actions taken to prevent or mitigate risks and impacts identified.

DUE DILIGENCE TARGET AND PERFORMANCE

88%

of spend with high-ESG impact is with qualified suppliers.

Equivalent to approximately 22,000 suppliers worldwide, covering around 60% of our total third-party spend.

SUSTAINABLE PROCUREMENT CORE ELEMENTS



SUPPLIER DUE DILIGENCE

Supplier Code of Conduct



CLIMATE IN THE SUPPLY CHAIN

Sustainable Procurement Directive



NATURE IN THE SUPPLY CHAIN

Workers in the Value Chain

Supplier due diligence

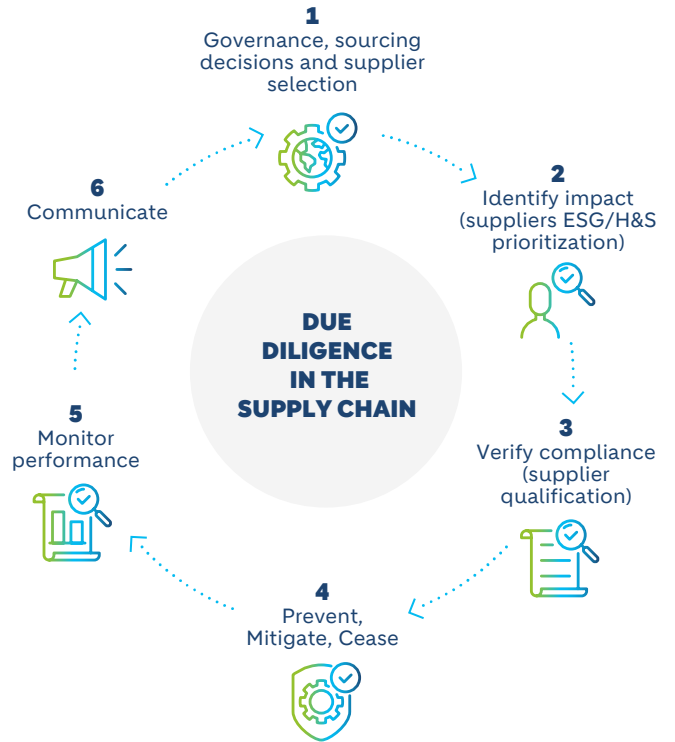
In all countries, we have processes in place to identify, prevent and manage potential adverse impacts in our supply chain pertaining to Climate, Nature (biodiversity and water), Health, Safety and Environment (HSE), Security and Resilience (S&R), Social Responsibility, Human Rights, Business Ethics and Legal Compliance.

Holcim applies a periodic supplier prioritization methodology to focus due diligence actions on the main risk procurement categories:

- Maintenance and production contracted services.
- Raw materials, in particular mining, chemicals and packaging.
- Logistics services.
- Energy and fuels.

Our due diligence approach begins with the qualification of prioritized suppliers, which consists of regular performance evaluations in the form of self-assessments, fact-finding or audits to verify compliance.

Throughout the process, Holcim engages in dialog with suppliers so that they understand our expectations and how they will be evaluated.



RISK-BASED DUE DILIGENCE IN THREE MAIN STEPS

1

IDENTIFY

Know who the supplier is
(Risks/Opportunities)

Supplier screening/prioritization

1. Products/Services
2. Business relationship
3. Country risk

2

PREVENT

Verify compliance
(Supplier Code of Conduct)

Verification levels

1. Self-assessment questionnaire
2. Fact-finding (evidence)
3. Site audits

3

MITIGATE

Address non-compliance
(Risk mitigation)

Risk mitigation

1. Improvement plans
2. Additional controls
3. Supplier replacement

Ongoing performance evaluation

LEADING IN SUSTAINABILITY CONTINUED

When a supplier does not meet the requirements, corrective action plans are established and guidance is provided. Holcim monitors progress made and, where appropriate, supports suppliers in developing their capabilities to improve ESG performance.

Holcim may terminate relationships with suppliers that breach zero-tolerance requirements and/or suppliers that repeatedly and knowingly violate the Supplier Code of Conduct and refuse to implement improvement plans.

Holcim operates a global whistleblowing line known as Integrity Line, to facilitate employees, customers, suppliers and other stakeholders in reporting any concerns about Holcim's business practices.

Holcim cooperates in good faith with National Contact Point, when required, to address adverse impacts that might arise from stakeholders with regard to principles and standards contained in the OECD Guidelines.

Climate in our supply chain

Our procurement and logistics professionals around the world are working at full speed to deliver on Holcim's climate commitments across all GHG scopes. For example, we work with our suppliers of transportation services to help them decarbonize their fleet:

- Extending to them the agreements we negotiated with suppliers of trucks, so they can access clean technologies.
- Helping them access bank credit with favorable conditions negotiated by Holcim.
- Prioritizing business volumes with suppliers that join our decarbonization actions.

Nature in our supply chain

Holcim piloted the SBTN methodology and used it together with an Earth Engine platform to identify suppliers that operate in water risk areas. This is the first step to prioritize key suppliers to engage with, and work on implementing actions to reduce freshwater withdrawal and water pollution in our supply chain.



Using 100% electric trucks to distribute bulk cement to our ready-mix plants and customers in Guadalajara city, Mexico



A consultation in progress with our supplier's workers during one of our ESG site assessments

Workers in the value chain

Our supplier due diligence program includes site assessments to verify ESG standards in our suppliers' operations, following a risk-based approach and covering every market where we operate. This involves consultation with our suppliers' workers to better understand their working conditions, health and safety, and welfare.

Site assessments are periodically conducted by Holcim employees empowered through a "train the trainer" approach, and equipped with a comprehensive ESG assessment toolbox. Findings are shared constructively with suppliers in order to promote continuous improvement in ESG standards.

"We integrate sustainability criteria into every sourcing decision to scale up action at pace, and deliver on our climate, nature and human rights commitments."

RAJESH SURANA
Chief Procurement Officer

CORPORATE GOVERNANCE

ART. 946B CONTENT REQUIREMENT

96 Corporate governance

98 Compliance program – performance with integrity

100 Report on due diligence and transparency

CORPORATE GOVERNANCE

Holcim applies high standards to corporate governance. The goal is to assure the long-term value and success of the company in the interests of various stakeholder groups: customers, shareholders, employees, creditors, suppliers and the communities where Holcim operates.

Preliminary remarks

The ultimate goal of effective corporate governance is long-term value creation and strengthening of the Group's reputation. This includes continuous improvement to decision-making processes and management systems through legal, organizational and ethical directives and terms of reference, as well as measures to enhance transparency.

Compliance with internal as well as external law and regulations, early recognition of business risks, social responsibility for stakeholder groups, and open communication on all relevant issues are among the principles of Holcim.

The Code of Business Conduct, binding for the entire Group, is part of our internal regulations. For further information in relation to Holcim's comprehensive risk-based compliance program, please refer to page 98.

The information published in this chapter conforms to the Directive on Information relating to Corporate Governance of the SIX Swiss Exchange (SIX) and the disclosure rules of the Swiss Code of Obligations. In the interest of clarity, reference is made to other parts of the Annual Report or, for example, to the Group's website: [holcim.com](https://www.holcim.com)

Except where otherwise indicated, this Annual Report reflects the legal situation as of 31 December 2024.

Group structure and shareholders

The holding company Holcim Ltd was established under the laws of Switzerland for an indefinite period. Its registered office is in Zug (Canton of Zug, Switzerland). It has direct and indirect interests in all companies listed on pages 275–284 in the [2024 Integrated Annual Report](#).

The Group is organized by segments. The management structure as of 31 December 2024 is described in this chapter.

To the knowledge of Holcim, it has no mutual cross-holdings with any other company. To the knowledge of Holcim, there are neither shareholders' agreements nor other agreements regarding voting or the holding of Holcim shares.

More detailed information on the business review, Group structure and shareholders can be found on the following pages of the [2024 Integrated Annual Report](#):

TOPIC

- ↩ Business review of the Group segments pages 276–280
- ↩ Segment information pages 306–307
- ↩ Principal companies page 301
- ↩ Information about Holcim Ltd & listed Group companies page 304
- ↩ Information on significant shareholders page 386

2024 CLIMATE REPORT

HEALTH, SAFETY & SUSTAINABILITY COMMITTEE (HSSC)

Philippe Block (Chairman)

Leanne Geale

Catrin Hinkel

Naina Lal Kidwai

Claudia S. Ramirez

The Health, Safety & Sustainability Committee supports and advises the Board of Directors on the development and promotion of a healthy and safe environment for employees and contractors as well as on sustainable development and social responsibility.

For information on the role of the Health, Safety & Sustainability Committee with regard to governing the risks and opportunities around sustainability, including climate change, please see the table on the right.

In 2024, the Health, Safety & Sustainability Committee held four ordinary meetings. The average duration of the meetings was one hour and forty minutes.

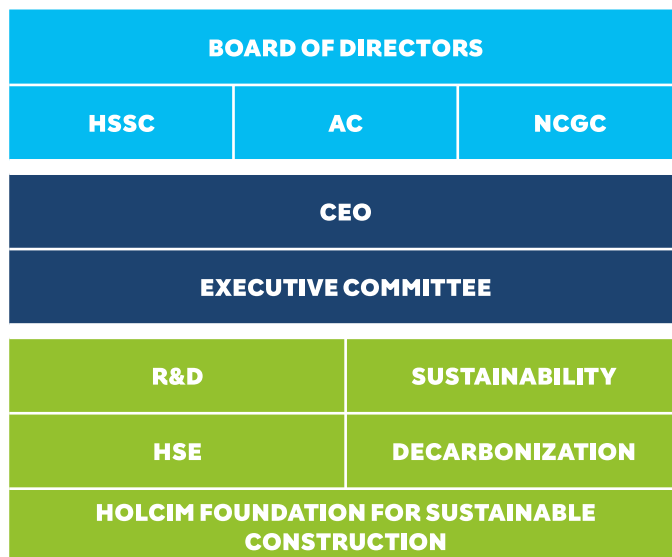
In 2024, the topics discussed by the Health, Safety & Sustainability Committee included:

- Health, safety and environment KPIs and focus areas, in particular root causes for fatalities and strategic initiatives to reduce air emissions.
- Sustainability focus areas and ESG strategy including:
 - The Group's third Climate Report, presented at the 2024 AGM receiving 95.07% approval by shareholders.
 - Launch of the sector's most ambitious decarbonization roadmap in Europe including seven EU-awarded carbon capture, utilization and storage (CCUS) projects.
 - Strategic Nature roadmaps for each country to reduce freshwater used as well as a science-based measurable positive impact on biodiversity.
 - Holcim named by the Science Based Targets Network (SBTN) as one of the first three companies globally to adopt science-based targets for nature.
 - Strategic People roadmaps for each country to meet social initiatives, pending targets, human rights assessments and affordable housing programs.
- Holcim's response to adverse events; mainly geopolitical events, pandemic/epidemic outbreaks, natural disasters.
- Security & Resilience program, in particular the updated governance and key performance indicators.

The Health, Safety & Sustainability Committee Charter is available at: holcim.com/regulations-and-reporting

Climate governance, read more on page 175 in the [2024 Integrated Annual Report](#)

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



Board of Directors (BoD)

Ultimate responsibility for strategy and overall governance of the company, including Holcim's climate strategy. Through the AC and the HSSC, the BoD oversees Holcim's risk management and internal control Process, including sustainability/climate and nature-related risks and opportunities.

Health, Safety & Sustainability Committee (HSSC)

Consists of five BoD members. Advises BoD on all matters related to sustainability, including climate and nature.

Executive Committee

Responsible for execution of the sustainability strategy including climate and nature strategies.

Chief Sustainability Officer (CSO)

Climate and nature issues are managed on an operational level by the CSO, an Executive Committee-level position. The CSO is supported by a core sustainability team.

Core Sustainability Team

A cross-disciplinary department responsible for developing and overseeing the deployment of Holcim's sustainability strategy.

R&D team

- Around 74% of resources at the Group's Innovation Center in Lyon, France, are dedicated to low-carbon products.
- Since 2021, 90% of new patent applications filed relating to cement-based products support our sustainability goals. 50% of new patents support sustainable solutions such as CCUS and low-emission construction materials. 25% relate to sustainability drivers such as 3D printing.

Decarbonization Team

Accelerates the implementation of both our traditional and next-generation decarbonization levers based on bottom-up decarbonization plans for every cement plant.

CORPORATE GOVERNANCE CONTINUED

Compliance Program – Performance with Integrity

High performance with high integrity is key to achieving sustainable success. Acting with integrity creates trust, protects our reputation, lowers our cost of doing business and enhances shareholder value.

Holcim maintains a comprehensive, risk-based compliance program (Compliance Program), which is based on requirements under national as well as international laws and relevant standards. Holcim's decentralized, empowered operating model is considered in the design and operation of the Compliance Program, in a manner that recognizes the business model while also ensuring appropriate centralized oversight and control.

Combating corruption is an important area of the Compliance Program. Compliance with all applicable anti-bribery and anti-corruption laws and regulations is an integral part of Holcim's license to operate. Holcim is a signatory to the United Nations Global Compact Initiative and committed to supporting its principles on anti-corruption.

The Compliance Program has five pillars and is subject to continuous optimization.

1. Organization and governance

The Group's Executive Committee is responsible for the Group-wide implementation of the Compliance Program and sets the tone from the top in support of it. The core responsibilities of the Compliance function lie in the prevention, detection and correction of compliance infringements. It is the responsibility of the Compliance function to work with all stakeholders to identify weaknesses and control gaps, support management during implementation of corrective measures and ensure the systematic follow-up of such measures. Compliance assists management with promoting and fostering a foundation of integrity in all business practices.

The Compliance function is embedded and aligned within the Legal function and includes staff at the Group, region and country levels. At the Group level, the Compliance function is led by the Group General Counsel who has delegated responsibility for organizing and managing the Compliance function to the Chief Compliance Officer and the head of Competition Law (in relation to Fair Competition). Regular checks and reviews are conducted to ensure that Compliance resources at the Group, region and country levels are adequate.

The Group provides oversight of the Compliance Program through the Ethics, Integrity and Risk Committee (EIRC). The EIRC meets at least quarterly to oversee compliance matters, including compliance investigations, disciplinary actions recommended to management, as well as remediation of identified process or control deficiencies.

The Group's governance structure further ensures that the Audit Committee maintains significant visibility regarding the effectiveness of the Compliance Program. The Group General Counsel attends the Audit Committee meetings and reports regularly to the Audit Committee on the Compliance Program and function. Furthermore, the Chief Compliance Officer has a dotted reporting line to the Chair of the Audit Committee, allowing the Group Chief Compliance Officer to escalate matters directly if necessary.

2. Risk assessment

The annual compliance risk assessments survey key risk manifestations such as bribery and corruption or sanctions and export control violations against different risk triggers and specific scenarios. If there are relevant changes to the risk profile during an annual cycle – such as, for example due to mergers or acquisitions, the compliance risk assessments will be updated on an ad hoc basis. The compliance risk assessments are integrated into the Enterprise Risk Management (ERM) Group-wide risk assessment cycle.

Regarding bribery and corruption, the main risks identified in the compliance risk assessments include risks associated with obtaining and maintaining licenses and permits for business operations. As Holcim also operates in jurisdictions with a heightened exposure to bribery and corruption, the risk profiles in these jurisdictions are elevated accordingly. Third-party risks and risks pertaining to joint ventures are considered additional risk heightening factors where applicable.

For more information, please refer to the "Key operational risks" section on page 112.

3. Controls

Holcim has adopted a multi-layered approach to controls. This includes:

- Specific and detailed policies and directives that specify the conduct to which to adhere in operations. Their coverage includes the topics of bribery and corruption, third-party due diligence, sanctions, embargoes and export controls, conflicts of interest, fair competition, data protection and privacy, as well as speak-up and internal investigations.
- Policies and directives are strengthened through the use of specific transactional and entity level controls which are implemented through the Internal Control System and monitored by the Internal Controls function. For more information please refer to the “Internal control” section on page 120.
- Policies, directives and controls are reinforced through training and communications activities, which are planned, implemented and tracked in all operating countries.
- The implementation of controls and the delivery of training and communications is monitored through a system of compliance metrics and through audits conducted by the Internal Audit function.
- All conduct is subject to speak-up integrity reporting and a comprehensive review and response mechanism, including employee disciplinary measures.

4. Training and communications

Regular compliance communications and training start at onboarding, during which all employees are required to review the Code of Business Conduct, which begins with a letter from the Group CEO and Group General Counsel discussing the importance of integrity, compliance, and the Code of Business Conduct – and to acknowledge in writing that they have read and understood the Code.

Continuous communications are subject to an annual planning process, which is localized to every operating country. The annual compliance planning process results in country-specific communications plans, tailored to the risk profiles of each country, executed in each country, and monitored by regional and Group levels. This establishes a Group-wide dialog on compliance at country level that is supplemented by Group-wide or regional communications and awareness campaigns.

Training is delivered both through e-learning and face-to-face training sessions. E-learning training is provided to a broad employee audience. Face-to-face training is given to employees in functional positions that face heightened exposure to compliance risks. Training attendance is tracked and follow-ups are conducted. In 2024, a total of 23,458 role-relevant business integrity face-to-face trainings and 48,658 business integrity e-learning were completed.

5. Monitoring and Reporting

By monitoring and reporting compliance-related metrics, Holcim measures the performance of the Compliance Program, providing reasonable assurance that the Compliance Program is effectively implemented. Metrics include both preventive measures such as training, communications or third-party due diligence, as well as detective or responsive measures such as corrective actions identified through the compliance processes, internal control testing, internal audits or internal investigations.

To support transparency over its conduct and business integrity, Holcim encourages a culture of speaking up. Any concern over known or suspected misconduct, which means any conduct relating to Holcim’s business that is potentially illegal, violates the Code of Business Conduct or other applicable policies and directives, can be reported. Holcim manages a global reporting system called Integrity Line to facilitate employees, suppliers, customers, or members of the public to report any concerns. Holcim employees have a duty to report their concerns, and Holcim views active reporting as a healthy indicator of an integrity culture. The Integrity Line is provided by an independent third party and all reports are objectively assessed and investigated if required.

All reports are treated seriously, and the confidentiality of the involved parties is preserved to the fullest extent possible. Holcim applies a zero-tolerance policy regarding any misconduct and any retaliatory actions against reporters.

In 2024, a total of 1,067 reports were received in the Integrity Line, out of which 668 were reports of misconduct that required further assessment or investigation. The reporting categories of the 668 reports included: Human resources, Diversity and workplace respect (340/51%); Business integrity (170/25%); Misuse or misappropriation of assets (76/11%); Health, Safety & Environment (60/9%); Accounting, auditing & financial reporting (6/1%); Other (16/3%). 44 cases resulted in dismissals, 66 cases in other employment/disciplinary measures and 76 cases in process improvements, including training, third-party related sanctions and control adjustments.

Report on due diligence and transparency in relation to minerals and metals from conflict-affected areas and child labor

A) Minerals and metals from conflict-affected areas

Holcim is committed to maintaining a responsible and ethical supply chain. Based on the information contained in Holcim's supply chain traceability system, Holcim has not placed in free circulation or processed in any country of operation, including Switzerland, any conflict minerals or metals (tantalum, tin, tungsten and gold) from conflict-affected or high-risk areas in 2024.

B) Child labor

1) Holcim's commitment and adherence to international regulations

Holcim is committed to respecting and promoting the rights of people and children in its own operations, supply chain and in the communities where it operates. Respect for human and children's rights is fundamental to Holcim's ability to do business across all sites in the operating countries. Child rights are fully integrated into Holcim's human rights and sustainable procurement programs and standards. In 2021, Holcim signed a pledge to eliminate child labor in global supply chains.¹

Holcim's commitment is aligned with the principles and values contained in the following internationally recognized regulations:

- ILO Convention No. 138 on Minimum Age
- ILO Convention No. 182 on the Worst Forms of Child Labour
- ILO-IOE Child Labour Guidance Tool for Business of 15 December 2015
- OECD Due Diligence Guidance for Responsible Business of 8 June 2023
- UN Guiding Principles on Business and Human Rights

2) Due diligence

a) Supply chain policy

Holcim's supply chain policy is integrated into its overall human rights approach. The company's due diligence on human rights – including child labor – is based on thorough human rights impact assessments and stakeholder engagement, which are carried out at both country and site levels, as well as risk-based due diligence. For more details, please refer to "Human rights" section on page 82.

Holcim clearly and actively communicates its commitment and human rights expectations of employees and business partners through its Code of Business Conduct, Human Rights Directive, Sustainable Procurement Directive, and the Supplier Code of Conduct, all of which are publicly available. The Supplier Code of Conduct, which forms an integral part of contracts and agreements between Holcim and its suppliers, explicitly states that suppliers shall prevent all forms of child labor.²

Holcim applies a zero-tolerance approach to any form of child labor in its supply chain, and any breach leads to immediate termination of the business relationship and remediation of the situation.

b) Own operations

Holcim's efforts to eliminate child labor start within its own operations. For Holcim employees, the Code of Business Conduct explicitly prohibits the exploitation of children, including through child labor.³ The basic principles provided by the International Labour Organization (ILO) are adopted in Holcim's Human Resources Policy and implemented throughout all business operations. This includes Holcim's commitment to conduct business with the goal of causing zero harm and in full compliance with its strict health and safety requirements.

For the financial year 2024, Holcim does not have reasonable grounds to suspect any child labor within its own operations.

¹ endchildlabour2021.org/holcim-ltd

² holcim.com/responsible-sourcing-supply-chain

³ holcim.com/building-with-integrity-code-of-business-conduct

c) Supplier qualification, traceability and verification

Holcim's Sustainable Procurement program requires that new suppliers be assessed to identify potential risks related to the products or services provided, business activities (volumes and spend, work- and location-related hazards) and the countries' risk levels.

Supplier qualification is conducted before starting a business relationship with the supplier and continues during the business relationship, as a minimum on an annual basis.

Holcim tracks every purchase of goods and services in each market where it operates, including descriptions of products or services, trade names as well as the names and addresses of suppliers and the production sites or service providers. This enhances Holcim's ability to trace the origin of the materials purchased and this information is used to monitor the country risk for child labor via the UNICEF Children's Rights in the Workplace Index and ILO Statistics on Child Labour. Furthermore, Holcim maps and monitors additional tiers of the supply chain as an additional measure to prevent child labor in its supply chain.

Holcim verifies compliance with its Supplier Code of Conduct by means of a three-step verification process:

1. Self-assessment questionnaire: Using Holcim qualification platforms.
2. Fact-finding: collecting evidence to verify potential breaches identified in the self-assessment.
3. Field audits: To confirm deviations and to verify compliance in high-risk procurement categories.

For more details, please refer to the "Sustainable supply chain" on page 90.

d) Reporting procedure

Holcim addresses complaints and grievances received through its global Integrity Line, which supplements numerous site- and community-level grievance mechanisms. All Holcim employees, suppliers and other interested third parties have access to the Integrity Line, which is an independently operated platform to raise potential or actual concerns regarding business practices, including child labor.


Reports can be submitted online, via phone or email in their chosen language, anonymously, if preferred. All reports are documented, and indications of potential child labor are subject to assessment, investigation and follow up. Depending on the results, appropriate measures are applied to avert or mitigate risks and negative effects, and Holcim evaluates the results of the measures taken and communicates them. For more details on the Integrity Line, please refer to page 99.

e) Risk management

Holcim's supply chain policy follows a risk-based approach that considers, among other things, the OECD Due Diligence Guidance for Responsible Business, the UN Human Development Index (HDI) and the Freedom House Index. Risk management is set up to eliminate, prevent or mitigate any identified risks in the supply chain, according to their likelihood of occurrence and the severity of adverse impacts.

f) Transparency

Holcim publicly discloses annual performance indicators regarding the implementation of its supply chain policy. This information is disclosed for the entire Group and covers all geographic areas and all business segments.

 For more details, see our ESG policies, documents and reports

MATERIAL RISKS

ART. 946B CONTENT REQUIREMENT

104 Risk and control

106 Material priorities

122 Human rights salient risks

124 Climate and nature risks and opportunities

142 Scenario analysis

RISK AND CONTROL

Holcim is committed to managing our risks to achieve our strategic objectives and create value for society.

In full alignment with Holcim's "Strategy 2025 – Accelerating Green Growth", we make continuous efforts to prevent and control the risks to which we are exposed. A comprehensive enterprise risk management (ERM) and internal control process is deployed throughout the company, supported by appropriate governance and tools. We use this process to identify, assess, mitigate and monitor the company's overall risk exposure while incorporating a risk mindset into all strategic decisions and ensuring that our Internal Control System is deployed in every country where we operate.

Risk management

The ERM process is structured around several coordinated approaches, including bottom-up and top-down risk assessments, complemented by thematic analyses that address all our Group's value drivers. These assessments are consolidated and used as a basis for the Group Risk Map, which is updated every year and reviewed by the Executive Committee and the Audit Committee.

The Risk Management process includes several stages:

• Identification and assessment

Country- and Group-level management assess and evaluate the potential impacts and likelihood of key mid-term risks that could have a material adverse effect on the current or future operations of our business. For sustainability- and climate-related risks, the timeframe has been extended to consider various threats that might impair the achievement of our 2030 sustainability targets and net-zero pledge.

• Mitigation and response

Our risk mitigation strategy begins with a number of internal actions, such as those defined by Holcim's Minimum Control Standards, which clarify and reinforce the responsibilities of our businesses. The strategy also includes the Holcim Integrity Line, which enables employees anywhere in the world to anonymously exercise their whistleblowing rights and report any breach of our Code of Business Conduct or other concerns.

• Monitoring and reporting

Risk leads at country level regularly monitor and report progress on the action plans to the Group through the Holcim Risk Management tool. Updates on mitigating actions, controls and overall risk exposure are reported to the Audit Committee and other executive committees. Additional reports on the effectiveness of the Minimum Control Standards are submitted to the Group on a regular basis. Further information is provided in the "Internal control" section on pages 120 and 121.

• Verification and remediation

Group Internal Audit performs independent assessments to evaluate the effectiveness of the risk management and internal control processes. It also assesses the effectiveness of mitigating actions and controls. The annual audit plan drawn up by Group Internal Audit and approved by the Audit Committee takes into account the Group Risk Map and the various analyses described above.

Roles and responsibilities

Holcim has a clear structure to ensure the implementation of the risk management and internal control process is implemented in compliance with the governance, policies and framework defined by the Group. This organization is built on the Three Lines Model. Under the first line, operational management has ownership and accountability for identifying, assessing, managing and mitigating risks. They are equally responsible for deploying the Minimum Control Standards. In all of our markets, a risk lead is appointed to facilitate and coordinate the whole ERM process. Risk leads receive specific training and are the main points of contact for all questions related to the ERM process at country level. The second line consists of Group corporate functions such as Legal, Compliance, Internal Control, Group Risk Management, Security and Resilience, IT, Sustainable Development as well as Health, Safety & Environment. These functions monitor and facilitate the implementation of an effective ERM process and appropriate internal controls to ensure that the first line is operating as intended. They also assist in the development of policies and controls. The third line is Group Internal Audit, which as an independent function provides assurance to the Board of Directors and Executive Committee on the effectiveness of the first and second lines as well as on the risk management and internal control process. Through the Audit Committee and the Health, Safety and Sustainability Committee (HSSC), the Board of Directors oversees Holcim's risk management and internal control process. The Audit Committee mandate includes the oversight of Compliance and Risk Management processes as well as the review of management and internal audit reports on the performance of the ERM and internal control process. The HSSC's mandate is to support and advise the Board of Directors on promoting a healthy and safe environment for employees and contractors, as well as on sustainable development and social responsibility. The HSSC approves Holcim's sustainability and climate-related strategy and major initiatives, including the Group's health and safety performance as well as its approach to human rights. All sustainability topics are monitored using key indicators. More details on the Audit Committee and HSSC are disclosed in the Corporate Governance section on pages 142–143 in the [2024 Integrated Annual Report](#).

• **Holcim Resilience and Governance**

Holcim Resilience and Governance (RaG) is a collaborative risk management team comprising subject matter experts from corporate functional and industrial leadership teams. The RaG team aims to break down silos and work closely with countries to identify and respond to a wide range of matters and adverse events that could impact Holcim’s people, environment, assets and operations, reputation and legal exposure.

The RaG group has three main activities to ensure a holistic, multifunctional approach to risk prevention, mitigation and response that is fully aligned with the organizational strategy and objectives:

- Ensure that coordinated, efficient programs are in place to prepare for, monitor and reduce known risks.
- Develop dynamic mitigation strategies for emerging “rising tide” risks such as natural catastrophes and pandemics.
- Provide an effective, expert response and recover from risk manifestations.

• **Risk Committee and Integrity Committee**

The Risk Committee reports to the Audit Committee and meets twice a year. It is responsible for overseeing the ERM process and the activities performed by assurance functions such as Legal and Compliance, Internal Control, Group Risk Management, Internal Audit, Health, Safety & Environment, IT and Security and Resilience. It also includes the Group Chief Financial Officer (CFO) and Chief Sustainability Officer, who report to the Group Chief Executive Officer and are members of the Executive Committee. It is chaired by the Group CFO and the Head of Internal Audit. The Integrity Committee is responsible for overseeing the effective investigation and remediation of any Code of Business Conduct violations, as well as rigorous implementation of third-party due diligence, and sanctions and export control programs launched in 2017. It is chaired by the Group General Counsel.

HOLCIM’S ERM CYCLE

VERIFY & REMEDIATE

- Group Internal Audit performs independent assessments to evaluate the effectiveness of mitigating actions and controls
- Presentation of the Group Risk Map to Executive Committee and Audit Committee
- The Group Risk Map is taken into account for the annual audit plan drawn up by Group Internal Audit (risk-based approach)



IDENTIFY & ASSESS

- ERM process executed on a yearly basis combining bottom-up and top-down approaches
- All business objectives (financial and non-financial) and all categories of risks (strategic, operational and external) are included in the assessments
- In-depth assessments on security, IT & cyber, compliance, H&S, climate and nature risks

MITIGATE & MONITOR

- Comprehensive documentation of mitigations in place, including countries’ activities, Minimum Control Standards, projects and programs
- Monitoring of new threats by the Resilience & Governance team
- Action plans followed up at country level as well as by Group’s relevant functions

MATERIAL PRIORITIES

Holcim conducted a double materiality assessment (DMA) in 2024 to identify and evaluate material topics.

The DMA enables us to systematically prioritize and report on relevant sustainability issues. Material priorities inform Holcim's reporting and build the foundation of our sustainability strategy. These insights guide the adjustment of strategic and operational activities to maximize our impact for stakeholders.

We are committed to regularly conducting materiality assessments and to strengthen and adjust our process with each exercise. In 2022, we redesigned our materiality assessment to align closely with our risk assessment process and engage a broader range of stakeholders to capture more diverse insights.

This approach was further enhanced in 2024 when we conducted our first DMA. Conducting a DMA ensures full alignment with stakeholder priorities and compliance with the European Sustainability Reporting Standards (ESRS), in preparation for the upcoming EU Corporate Sustainability Reporting Directive (CSRD).

Double materiality considers both the impact of our business activities on the environment and people (impact materiality) and how external factors, such as environmental, societal or market topics, impact our own business success (financial materiality).

Process

We conducted a survey to gather quantitative input from key internal and external stakeholder groups to assess impact and financial materiality. Only stakeholders with subject matter expertise or experience were selected for the survey. This survey was complemented by several workshops, business context reviews and other qualitative contributions from the Group's sustainability and risk experts.

To ensure objectivity, we partnered with DNV Business Assurance to assist us with our DMA, and provide independent expertise and guidance on aligning with relevant standards and best practices.

- **Impact materiality:** Stakeholders assessed the impact on people, the economy and the environment in terms of scale and likelihood of both positive and negative, actual and potential impacts (in the short, medium and long term) for each topic.
- **Financial materiality:** Stakeholders evaluated the scale and likelihood of actual or potential risks and opportunities that could affect Holcim's financial performance and position in the short, medium and long term.

Stakeholder engagement was conducted through a survey that involved 444 participants (357 internal and 87 external) from over 20 different stakeholder groups.

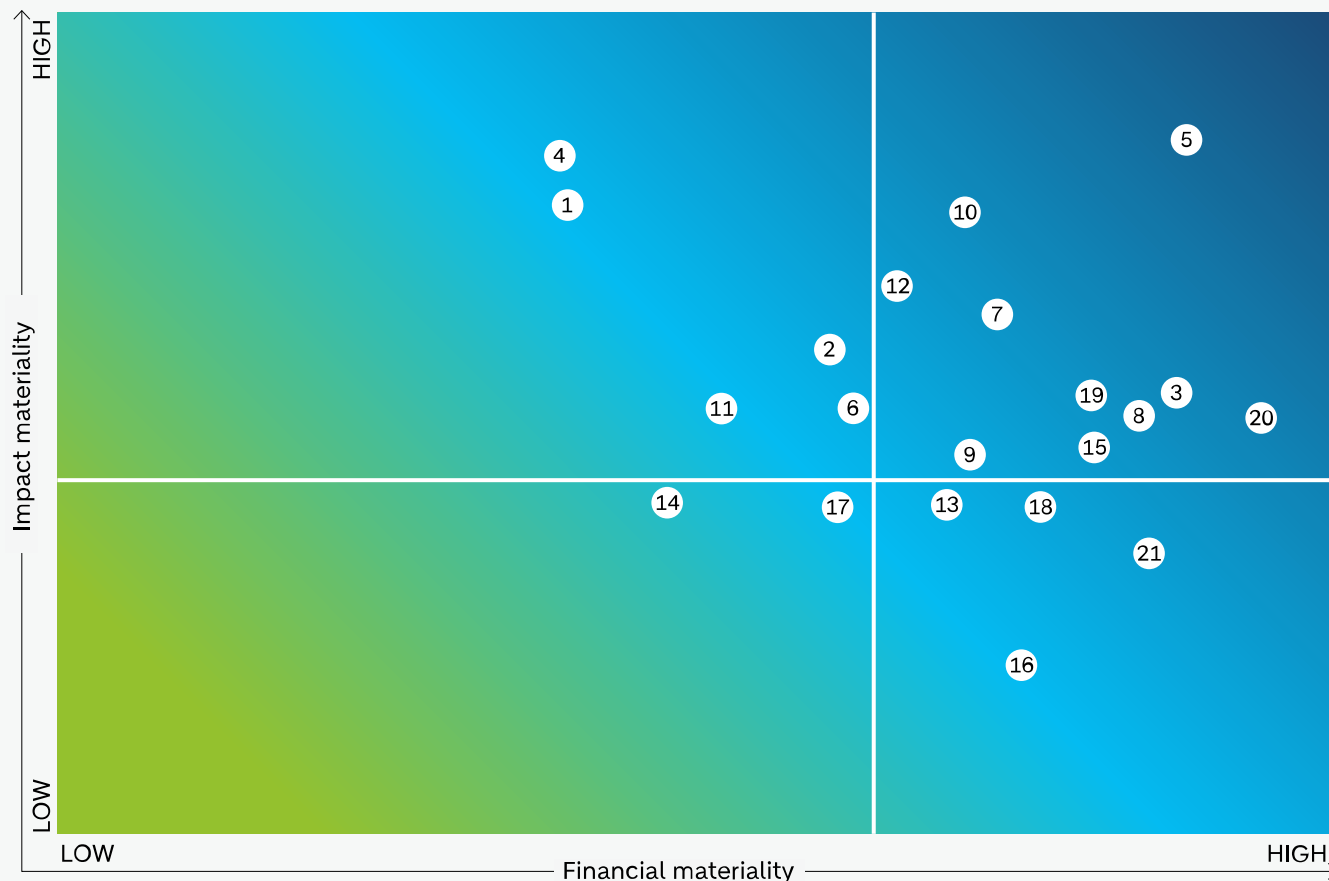
Results

The DMA results are presented in Holcim's double materiality matrix that maps our material priorities (defined as having a high or very high impact). To create this comprehensive matrix of Holcim's material priorities, the results of the financial materiality assessment are placed on the x-axis and the results of the impact materiality assessment are placed on the y-axis. The top-right quadrant features the double materiality topics that have been defined as being most material for Holcim in terms of both financial and impact materiality.

We prepared a report with further details about our double materiality assessment including the process steps, value chain mapping, stakeholder mapping, an analysis of the qualitative and quantitative results as well as the validation steps. The full report will be available in March 2025 via the link below.

holcim.com/materiality-assessment

MATERIALITY MATRIX



ENVIRONMENTAL

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

SOCIAL

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

GOVERNANCE

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

MARKET

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

Holcim has aligned its materiality assessment with the European Sustainability Reporting Standards (ESRS).

CLIMATE CHANGE

ESRS E1

Climate change is the most material topic for Holcim. We were among the first companies globally to have our 2030 and 2050 CO₂ reduction targets validated by the Science Based Targets initiative (SBTi), and are committed to reaching net-zero greenhouse gas emissions across our value chain by 2050.

Holcim's Climate Policy applies to Holcim Ltd and its affiliates. The policy lays out the full extent of our commitments to climate change mitigation and adaptation. The document is publicly available and subject to regular review: holcim.com/climate-policy

Impacts, risks and opportunities related to climate change mitigation and adaptation are described in "Key operational risks" (page 111) and "Climate and nature risks and opportunities" (page 124). Progress toward targets and other relevant metrics are detailed in the "Performance data tables" (page 150).

WATER RESOURCES

ESRS E3

Water is a material topic for Holcim and we aim to reduce water intensity throughout our business operations, implement freshwater replenishment programs beyond our site boundaries and treat the water we use when returning it to nature. We are prioritizing our actions in high water-risk areas, tailoring solutions to local conditions.

Our operations are becoming more water-efficient through process optimization, reduced leakages and equipping our sites with water recycling systems. Where possible, we shift our water use from freshwater to non-freshwater. In some countries, during heavy rains, we use harvested rainwater, while in others we use sea water or treated municipal wastewater.

Impacts, risks and opportunities related to water resources are described in "Nature risks and opportunities" (page 138), while relevant metrics are detailed in the "Performance data tables" (page 150).

POLLUTION

ESRS E2

Both air and water pollution are material topics for Holcim. We are committed to reducing air emissions within our operations. Holcim's Emission Monitoring and Reporting standards require all sites to measure and manage air any emissions from cement production. Holcim's 2030 targets are aimed at reducing emissions of SO₂, NO_x and dust from kiln stacks. The vast majority of Holcim's plants operate within best-practice emission ranges, with some considered among the best in the sector.

Holcim has pledged to treat the water we use and return it to nature. We require all our sites to implement strict standards to ensure that high-quality water according to in-country regulations and our strict water management standards.

Impacts, risks and opportunities related to pollution are described under "Key operational risks" (page 111) and "Climate and nature risks and opportunities" (page 124). Progress toward targets and other relevant metrics are detailed in the "Performance data tables" (page 150).

BIODIVERSITY AND ECOSYSTEMS

ESRS E4

Holcim's operations are strongly linked to natural resources, and our business plays a key role in tackling biodiversity loss and degradation. Taking a rigorous science-based approach, we work with nature in a progressive transformative way, going beyond traditional rehabilitation.

In 2023, we entered a three-year partnership with the International Union for Conservation of Nature (IUCN) to preserve nature and advance nature-positive development in the built environment. Holcim commits to making a measurable positive impact on biodiversity by 2030. In 2024, IUCN assessed the quality of our Biodiversity Indicator and Reporting System (BIRS) baseline process. As a next step, IUCN will help us identify opportunities to improve our biodiversity index.

Impacts, risks and opportunities related to biodiversity are described in "Nature risks and opportunities" (page 138), whilst relevant metrics are detailed in the "Performance data tables" (page 150).

RESOURCE USE AND CIRCULAR ECONOMY

ESRS E5

It is essential that we make construction more circular, to stay within our planet's boundaries while improving living standards for all. Holcim is committed to building new from old, reducing use of primary materials and minimizing waste. We are one of the largest recyclers in the world and aim to grow our capacity.

Holcim's Circular Economy Policy applies to Holcim Ltd and its affiliates, and describes our approach to the efficient use of materials and reduction of waste. The document is publicly available and subject to regular review: [holcim.com/circular-economy-policy](https://www.holcim.com/circular-economy-policy)

We currently operate over 150 recycling centers worldwide. By 2030, we have a target to recycle 20 million tons of construction demolition materials per annum. Progress toward this target and other relevant metrics is detailed in the "Performance data tables" (page 150).

OWN WORKFORCE AND WORKERS IN THE VALUE CHAIN

ESRS S1 and S2

Human and labor rights are material topics for Holcim, along with the health and safety of our workforce and the workers in our supply chain. We are committed to respecting and promoting human and labor rights in our operations, business activities, business relationships and in the communities where we operate.

Holcim has a robust policy framework governing these topics, encompassing our Group Human Resources Policy, Health, Safety and Environmental Policy, Human Rights and Social Policy, and Workers in the Value Chain Directive.

Holcim's most salient human rights risks and our response to them are detailed in "Human rights – salient risks" (page 122). All relevant metrics are provided under the "Social" section of the "Performance data tables" (page 150).

AFFECTED COMMUNITIES

ESRS S3

Creating a positive impact in affected communities is one of Holcim's goals. Our approach includes building strong, trusting relations with the highly diverse communities and stakeholders where we operate. We acknowledge that Indigenous peoples' rights could potentially be at risk as a result of our business activities. We are committed to addressing these risks by fostering lasting relationships.

Our social initiatives focus on three main areas to benefit communities: affordable housing and infrastructure, education and skills, and health. Holcim has continued to make significant progress toward reducing dust and other emissions across our sites, knowing that these can potentially impact people's health and local communities.

The results of our Human Rights Impact Assessment are disclosed in the "Human rights and our communities" section (page 82). Our "Human rights – salient risks" are disclosed on page 122, while all relevant metrics are detailed in the "Performance data tables" (page 150).

BUSINESS CONDUCT

ESRS G1

Our Code of Business Conduct defines the behaviors Holcim expects of its employees. We expect everyone to have the courage to make the right decisions based on our ethical principles and to uphold these principles even when under pressure.

Corporate culture, corruption and bribery as well as responsible lobbying and advocacy, are some of the material topics that Holcim addresses in its policy framework.

Our compliance practices are fully disclosed in the "Compliance program" section (page 98) and relevant metrics are detailed in the "Performance data tables" (page 150).

STRATEGY DRIVERS

STRATEGIC PRIORITIES



Accelerating Growth



Expanding Solutions & Products



Leading in Sustainability & Innovation



Delivering Superior Performance

OUR SUSTAINABILITY PILLARS



Climate



Circularity



Nature



People

The risks on pages 111 to 119 are considered material to our strategy and our value creation. This list is not exhaustive and represents the principal risks and uncertainties faced by Holcim at the time of preparing the 2024 Integrated Annual Report. Salient human rights risks are detailed on pages 122 and 123. Climate and nature-related risks are presented in detail on pages 124 to 140.

Further information is provided in the [2024 Integrated Annual Report](#): “Corporate governance” section (pages 136 to 155), in the “Management discussion & analysis” section (pages 236 to 261) and in Note 14.6 to the “Consolidated Financial Statements” (page 321).

KEY EXTERNAL RISKS

Risk

Potential impact

Our response

Market changes

The risk that the economic environment in a given country can significantly change and have an influence on demand for construction and building materials.

Strategic pillars impacted



Demand for building materials is fundamentally driven by economic growth (or contraction) in a given territory. Changes in this underlying demand may impact sales volumes, prices and/or industry structure. Many markets are currently facing persistent inflationary pressures alongside high interest rates, both of which are straining the construction sector.

In 2024, global inflation and widespread social unrest (most notably in countries in Latin America as well as Asia, Middle East & Africa), along with threats to market demand in mature countries (especially in Europe), are elevating uncertainty about demand for building materials. Additionally, market dynamics are heavily impacted by extreme weather events and geopolitical instability, which can hinder economic growth and generate uncertainty regarding investments in new construction projects. In this context, the development of new products – including low-carbon products with a higher added value and a higher price – might be impaired or slowed down.

Our growth strategy in mature markets such as Europe and North America, and the sharpening of our footprint with selective divestments in emerging markets, reduces the Group's exposure to markets where economic growth is more volatile. Aligned with our strategy of moving from volume to value, responsible pricing ensures the profitability of our business is maintained. We are also growing in Latin America organically and through value-accretive acquisitions. Additionally, the progressive development of our Solutions & Products business segment strengthens our diversification, providing greater opportunities to benefit from increasing demand in the resilient repair and refurbishment sector, as well as in profitable markets for low-carbon products and building solutions.

Political risks

Holcim operates in many countries across the world and is exposed, whether directly or indirectly, to the effects of economic, political and social instability. These include trade protectionism, foreign exchange volatility, geopolitical tensions, terrorism, civil war and unrest.

Strategic pillars impacted



Economic, social and/or political instability can impact our people, environment, assets and business as well as our reputation. That impact may be direct (e.g., security-related consequences including kidnapping, assaults on our people or attacks on our assets), or indirect (e.g., economic uncertainty) and might also increase our exposure to a large range of threats, including some related to compliance, tax, access to raw materials and cash repatriation.

Our industry is specifically targeted by activists who can perpetrate operations (e.g., protests, blockades, sabotage) in order to sway public opinion on the environmental challenge. Those actions are likely to endanger the safety of our people on site, the integrity of our assets and the continuity of our operations. Exacerbated by the rise of misinformation and disinformation worldwide, societal polarization also has the potential to compound the adverse effects of campaigns against our Group and affect our people, assets and reputation. Also, our broad geographic footprint exposes us to the adverse consequences of shifts in geopolitical dynamics, which can spark social unrest and government interventionism, resulting in reduced access to utilities and raw materials, changes in the sanctions environment and supply chain disruptions.

Countries with the support of relevant Group functions actively monitor the political environment in order to identify and anticipate any adverse events, from activism to civil unrest and interstate conflicts. When necessary, mitigation measures are taken to adapt the Group's activities and protect our people, environment, assets, reputation and legal exposure. Dedicated governance enforced across the Group and country-specific action plans have been implemented to enhance crisis management, the security of people and assets as well as business resilience. The organization in place is fully embedded in our security and resilience program to enable swift and efficient responses in the event of a material risk to our people or assets.

Where relevant, the Resilience and Governance (RaG) team initiates dedicated programs such as monitoring of the election supercycle. The RaG team likewise plays a crucial role in managing geopolitical crises, from identifying potential threats to preparing operations in the event of disruptions (e.g., conflicts in Ukraine or in the Middle East). Preparing for legal and macroeconomic changes driven by political decisions (e.g., government interventionism in Argentina, internal armed conflict in Ecuador) is another of its crucial roles.

Pandemics and epidemics

Pandemics, epidemics, outbreaks of infectious diseases or any other serious public health concerns (such as COVID-19, Ebola, avian flu, Mpox, SARS, cholera) can affect the health of our people as well as the communities in which we operate.

Strategic pillars impacted




Public health outbreaks – in particular pandemics and epidemics – can affect the health of our people as well as the communities in which we operate. In addition, they may negatively affect our activity due to operational constraints and supply chain disruption. Lastly, the adverse macroeconomic effects of public health outbreaks can affect the value of assets and reduce demand for the Group's products.


The RaG team collaborates with the Health and Safety teams to closely monitor emerging diseases and outbreaks, to identify the characteristics of an epidemic or a pandemic. Leveraging experience gained from the Covid-19 pandemic, measures are proactively put in place to ensure that countries potentially affected are informed, prepared and trained to minimize the impact of wide-scale disease.

RISK AND CONTROL CONTINUED

KEY OPERATIONAL RISKS

Risk	Potential impact	Our response
<p>Sustainable supply chain</p> <p>Supply chain concerns are becoming increasingly prominent in line with our purpose to build progress for people and the planet. The boundaries of our supply chain-related risks cover a broad range of concerns related to health & safety, compliance, operational, human rights, climate and nature.</p> <p>Strategic pillars impacted</p> 	<p>Holcim is committed to preventing any deviations from its governance principles on the part of its suppliers to protect its reputation, improve its business resilience to supply chain disruptions and contribute to creating positive social impacts. Our most material risk exposure lies in health and safety with additional exposure stemming from our contractors' respect for decent working conditions, protection of the environment, strict observance of human rights standards, the reduction of our CO₂ footprint (Scope 3) and our impact on nature (biodiversity and water). Operating in poorly regulated countries increases our exposure to supply chains and requires us to continuously intensify our monitoring of high-risk suppliers. Yet, in the context of increasingly integrated global supply chains, compliance and reputational challenges top our agenda wherever we operate.</p>	<p>A comprehensive set of policies and actions have been defined in order to strengthen our contractor and supplier management. These follow a systematic risk-based approach. The Supplier Code of Conduct is part of the contractual agreements with our suppliers. It provides a detailed list of and describes expectations with respect to ESG (environmental, social, governance) compliance in alignment with OECD Guidelines as well as laws and regulations that were derived on this basis. All high-ESG-risk suppliers must undergo a supplier qualification process that covers topics related to business integrity, health and safety and ESG, with additional requirements for suppliers of security services as per our Security Directive. Through our Sustainable Procurement Program, 88% of our procurement spend with high-ESG-risk suppliers was transacted with qualified suppliers in 2024. Our procurement decisions also integrate the objective to reduce CO₂ emissions and our dependency on natural resources and negative impacts on biodiversity and water. We implement specific actions on purchased categories identified as having a potential impact on nature, in particular natural sand, and other raw materials extracted from earth through mining, packaging and chemicals. Extractive raw materials suppliers are subject to a site (quarry) assessment coupled with supplier development activities wherever necessary. In high-risk countries (in accordance with the UN "Human Development Index" and "Freedom House Index") or for China-sourced suppliers, a proactive monitoring of ESG controversies (with a dedicated platform), enables us to extend our visibility on potentially high-risk suppliers. We enable a grievance mechanisms platform for suppliers to raise questions and concerns about Holcim's business practices: holcim.com/integrityline</p>

KEY OPERATIONAL RISKS CONTINUED

Risk	Potential impact	Our response
<p>Legal and compliance risks</p> <p>The risk that the company might be found to have violated laws and regulations governing business conduct, such as those that combat bribery, corruption, fraud, unfair competition, breach of trade sanctions or export controls, as well as unauthorized use of personal data. In the ordinary course of its business, the Group is involved in lawsuits, claims of various natures, investigations and proceedings, including product liability, commercial, environmental, health and safety matters, etc.</p> <p>Strategic pillars impacted</p> 	<p>Impacts include investigation costs, financial penalties, debarment, profit disgorgement and reputational damage. The impact is compounded by the fact that local violations can have an effect on the entire Group.</p>	<p>The Group maintains a comprehensive risk-based compliance program.</p> <p>➔ Please refer to pages 98–99 to learn more about our compliance program</p> <p>There are several response mechanisms to the risk areas within the scope of the compliance program, including:</p> <ul style="list-style-type: none"> • Business Integrity and Compliance: Anti-corruption activities centered on training and awareness, management of third-party risk through targeted due diligence and management of conflicts of interest. • Pricing Integrity and Antitrust Compliance: This program focuses on training employees with a high and medium risk exposure and on performing fair competition reviews (in-depth assessments of risk, based on interviews, documents and email reviews). In addition, specific actions (training, instructions) have been implemented to address five risk drivers: participation in trade associations, pricing decisions, market intelligence, contacts with competitors and merger control rules. • Sanctions & Trade Restrictions: The Group trade sanctions compliance program is designed to handle the increasing number of sanctioned parties and growing complexity of sanctions designations across the globe, including but not limited to those administered by the U.S., the European Union and Switzerland. The Group trade sanctions compliance program is implemented through restricted third-party sanctions screening, dedicated training and targeted communications. We regularly conduct in-country assessments on trade sanctions risks and potential touchpoints with sanctioned parties in the Group’s operations with a heightened risk exposure. The restricted third-party sanctions screening is performed using state-of-the-art tools for sanctions screening and through continuous monitoring of suppliers and customers against worldwide sanctions lists. • Data Protection and Privacy: The Group data privacy and protection program is built around key components to ensure the protection of individuals’ personal information. These include: clear and comprehensive privacy policies; strong security measures to protect personal information from unauthorized access, use, or disclosure; employee training on data privacy and protection; technical and organizational measures to protect personal data such as encryption and access controls; clear procedures for handling data breaches and incident responses; defined rights for individuals to access, correct, or delete their personal information; as well as regular review and updates of the program to ensure that it continues to meet evolving data privacy and security requirements. <p>Group Compliance operates the global whistleblowing system and conducts internal investigations. Group Legal manages all competition law-related investigations, information requests and enforcement cases through a central team. Group Legal also tracks all Group-relevant commercial litigation cases and provides support to relevant operating companies in defense and dispute resolution. Root cause analysis of internal investigations, disputes and enforcement cases is taken into account in our continuous improvement cycle.</p>

RISK AND CONTROL CONTINUED

KEY OPERATIONAL RISKS CONTINUED



Risk	Potential impact	Our response
<p>Energy sourcing (including alternative fuels)</p> <p>The risk that an increase in prices for fuels, electricity or the inability to accomplish planned savings from alternative fuels will impact our production costs. Threats on energy sourcing can have severe consequences on the continuity of our operations and the achievement of our sustainability targets.</p> <p>Strategic pillars impacted</p> 	<p>An increase in energy prices has the potential to adversely impact the Group's financial performance, as it might not be possible to pass on the increase in such costs (in part or in full) through sales prices charged to customers. In the longer term, depending on the local context, security of sourcing is influenced – if not threatened – by a large range of external factors (e.g. regulations, transport and grid infrastructures, political uncertainties, shortages of refineries) that might disrupt our operations in locations where we operate.</p> <p>Holcim's commitment to decarbonization as well as constant pressure on energy prices (due to CO₂ pricing or taxes) will require that we reduce the dependency of our operations on highly CO₂-intensive sources of energy.</p>	<p>We are employing a truly global sourcing concept that enables us to access all potential supply sources and optimize sourcing decisions based on commercial, sustainability, governance and lead-time criteria. Optimizing the fuel mix and energy efficiency, as well as the use of alternative fuels, is a key area of focus at all our plants. At country level, we use a mixture of spot price and fixed-price contracts to reduce our exposure to price volatility while still maintaining commercial flexibility. We also continue to enter into long-term power purchase agreements/on-site power generation projects to reduce volatility and increase consumption of renewable energy at competitive prices.</p>
<p>Raw materials (including mineral components)</p> <p>The risk that supply disruptions in raw materials may lead to production bottlenecks and slow down our efforts to decarbonize.</p> <p>Strategic pillars impacted</p> 	<p>Much of our business depends on the reliable supply of mineral resources, e.g., aggregates, sand and limestone, as well as mineral components (MIC) such as slag and fly ash. Failure to secure long-term reserves or licenses and permits as well as to obtain raw materials (including mineral components) from third parties at the expected cost and/or quality may adversely impact variable costs and financial performance and impair our long-term growth outlook. In addition, changing market conditions resulting from lower production of fly ash and slag might limit our ability to reach our CO₂ reduction target in a cost-effective manner. Moreover, significant increases in freight costs (difficulties finding available vessels and fuel prices) might lead to uncompetitive landed costs for MIC, clinker as well as cement and other raw materials. In the longer term, this may impact the ability to supply raw materials (including innovative binders such as calcined clay) in an economically viable way.</p> <p>Our Solutions & Products business segment requires a different set of raw materials that is largely dependent on oil-derived polymers. We are consequently exposed to the risk of volatility in commodity markets such as oil and the risk of a market controlled by a limited number of suppliers, thereby leading to volatility in these raw material prices or availability.</p>	<p>In locations where the supply of raw materials is at risk (due to the depletion of own reserves, permitting issues, poor quality, lack of suppliers and scarcity of certain raw materials), we implement a range of measures including monitoring the permitting process, strategic sourcing and diversification, changing input mixtures and maintaining minimum long-term reserve levels. When required, we manage international seaborne sourcing, which is an alternative to offset local risks.</p> <p>Regarding MIC, availability issues are mitigated in the long term by new formulations, innovative mineral components and the upcycling of Construction Demolition Materials (CDM). We are continuously developing chemical treatments (on our own and in cooperation with external suppliers), to enable the use and production of alternative raw materials and new binders such as calcined clay or CDM, which have high availability levels and proven binding capabilities. Encouraged by new regulations, the use of CDM in particular offers promising opportunities for our industry, especially in mature markets where volumes are significant.</p>

KEY OPERATIONAL RISKS CONTINUED





Risk	Potential impact	Our response
<p>New solutions, technologies and open innovation</p> <p>To secure our competitive advantage and achieve our net-zero goal, we must maintain a strong internal innovation pipeline focused on new solutions and technologies. However, relying solely on internal innovation represents a risk, as it may limit our access to cutting-edge expertise and emerging technologies. Accelerating open innovation through external partnerships is thus crucial. This approach, while offering significant potential, also introduces risks associated with managing collaborations and ensuring alignment with our goals.</p> <p>Strategic pillars impacted</p> 	<p>Innovation is crucial to our long-term success, ensuring our competitive advantage and enabling us to meet future customer needs, particularly in low-carbon and circular solutions. However, achieving this requires proper innovation pipeline management, robust investment processes and strategic risk mitigation. Moreover, we must be vigilant in monitoring competitive disruptions and other innovation initiatives, and be attentive to external innovation.</p> <p>Rapid growth, especially through acquisitions, requires careful management. Failure to integrate new teams and processes can disrupt workflows and hinder innovation. Furthermore, any product quality or performance issues can erode customer trust. Rigorous quality control and proactive risk mitigation are essential.</p>	<p>Holcim is dedicated to empowering customers across the entire construction value chain. By understanding and anticipating our customers' needs, we develop and deliver innovative solutions and technologies that directly address the industry's most pressing challenges and megatrends, including decarbonization and circularity, urbanization and population growth, rising living standards, innovation-driven building, and repair and refurbishment.</p> <p>Holcim is a leader in innovative and sustainable building solutions, offering a wide range of low-carbon and circular solutions, such as ECOPlanet cement and ECOPact concrete, significantly reducing emissions by at least 30% compared with standard options. Circular construction is at the heart of our strategy with a goal of recycling 10 million tons of construction demolition materials by 2025. Holcim's ECOCycle® circularity technology platform is designed to accelerate circular change, building new from old and closing the loop in construction – it enables our customers to set themselves apart in their markets. Furthermore, we are strengthening customer relationships through our Solutions & Products business segment. This segment provides integrated solutions for a wide range of customer needs, including advanced roofing, insulation, and Specialty Building Solutions such as advanced mortars. These solutions enhance buildings' energy efficiency, resilience and longevity.</p> <p>Our researchers at the Technology Center in Switzerland and the Holcim Innovation Center in Lyon, France develop solutions based on our four pillars: Green operations – decarbonizing our own operations to become a net-zero company; Circular construction – driving circular construction with solutions to reduce, recycle and reuse materials; Building better with less – scaling low-carbon construction with innovative brands, and Making buildings sustainable – improving energy efficiency for buildings in use with our solutions.</p> <p>Furthermore, Holcim MAQER Ventures is our corporate venture capital and open innovation unit comprising three pillars: venture capital, venture clienting and an accelerator program for leading startups within the construction sector. Beyond minority equity investments, Holcim MAQER Ventures gives startups access to Holcim's global operations and technical expertise.</p> <p>Holcim takes a proactive approach to intellectual property management. We ensure the success of our open innovation collaborations through clear legal frameworks and comprehensive project management. Our intellectual property, including patents and trademarks, is carefully secured through robust knowledge management. We also leverage market intelligence to avoid infringing on third-party IP rights.</p>
<p>Health and Safety risk</p> <p>The risk of the company failing to adequately safeguard its employees, contractors and third parties from injury, illness or fatality, during both on-site and off-site activities related to its operations.</p> <p>Strategic pillars impacted</p> 	<p>Impacts include injury, illness or fatality, reputational damage and the possibility of business disruption, with consequences for our financial and business performance. The impact is compounded by the fact that local incidents can affect the entire Group.</p>	<p>We conduct our business in a manner that creates a healthy and safe environment for all stakeholders – our employees, contractors, communities and customers – built on a sound health and safety culture. We believe in visible leadership and personal accountability at all levels and throughout our organization. We maintain a global Health, Safety and Environment Management System designed to continuously improve our performance and actively minimize risks in our business. The Group HSE team conducts regular audits to ensure the full deployment of our HSE policy and internal standards in all Holcim countries. Through the Health, Safety & Sustainability Committee, the Board of Directors supports the development of a health and safety culture and oversees the resources and processes to be employed to minimize or eliminate risks related to health and safety. In addition, our Group Security and Resilience teams provide support when a situation requires a cross-functional response.</p> <p>In 2024, we focused our approach on conducting successful HSE projects in every country, aiming at proving through on-the-ground implementation that “zero is possible”.</p>
<p>Joint ventures and associates</p> <p>Holcim routinely acquires stakes in other companies or businesses and pursues joint ventures. Since the Group does not control all joint ventures or associates in which it has invested, this may restrict the Group's ability to generate adequate returns and to implement the operating standards and Holcim compliance program.</p> <p>Strategic pillars impacted</p> 	<p>These limitations could impair the Group's ability to control joint ventures and influence associates effectively, and/or realize the strategic goals of these businesses. In addition, this might hamper the ability of Holcim to implement organizational efficiencies and its controls framework, including its full compliance program. It can also impede the ability to transfer cash and assets between subsidiaries to allocate assets in the most effective way.</p>	<p>Joint venture partners and associates are within the scope of Holcim's Third Party Due Diligence Directive and Holcim performs risk-based compliance due diligence.</p> <p>In entities where Holcim is not in control, Holcim applies good faith efforts to implement the Holcim compliance program or other risk-proportionate compliance measures.</p>

RISK AND CONTROL CONTINUED

KEY OPERATIONAL RISKS CONTINUED





Risk	Potential impact	Our response
<p>Information technology and cyber threat risk</p> <p>The risk that arises from the unavailability of critical IT systems and the loss or manipulation of data resulting from cyber attacks, computer malware, infrastructure and network outages, natural disasters or human error.</p> <p>Strategic pillars impacted</p> 	<p>An information technology failure or cyber security event could lead to financial losses, reputational damage, safety or environmental impacts. This risk has become a major concern because of the continuous growth of external threat factors such as cyber crime and cyber warfare. The increasing prevalence of artificial intelligence (AI) in business and industry amplifies our cybersecurity vulnerabilities. For Holcim, the most salient IT risk impacts are financial loss through business interruptions due to IT system unavailability, as well as reputational damage caused by data leaks originating from targeted cyber attacks or operational errors. Furthermore, geopolitical instability and the weaponization of cyberspace in hybrid conflicts have amplified security concerns. The expansion of our digital footprint heightens our exposure to IT-related risks.</p>	<p>To prevent major risks related to critical IT infrastructure operated either by the Group or its service providers, Holcim has established policies and procedures for IT security and governance, as well as internal control standards that are followed Group-wide for all applicable systems. These include alternative/redundant data centers for each region, resilient critical IT system architecture, backup recovery procedures and cybersecurity measures to detect unusual activity in our networks. As constant vigilance and awareness throughout the organization is essential, our personnel receive ongoing training on how to detect and mitigate cyber risks, especially given the growing prevalence of remote working. Because the risk landscape is constantly evolving, the Group's IT risk register is regularly assessed and updated. Additionally, measures to prevent new risks from occurring are continuously improved and enhanced, and are regularly audited and monitored by different independent internal departments and external partners.</p> <p>Global conflicts are monitored by the Security & Resilience team in cooperation with the IT Security team, to identify potential risks and improve the Group's preparedness to respond to unusual cyber activity potentially targeting Holcim Group.</p>
<p>Employee-related issues</p> <p>The risk of the company not attracting, motivating and retaining skilled people in the right places and at the right time to reach its targets. Attraction and retention of talent has become a key issue across the entire construction and building materials industry, which is suffering due to competition from more appealing industries.</p> <p>Strategic pillars impacted</p> 	<p>Some countries are facing long-lasting labor shortages across a wide range of positions, especially drivers, technical employees and middle management (mainly in the U.S. and Europe). In the longer term, it is likely that the shift in employee preferences will become more pronounced, forcing companies to adapt to the new paradigm (adjusted work/life balance, workplace satisfaction, employees seeking value and purpose at work, etc.). In some regions (especially in the Middle East, Africa and Eastern Europe), the risk is aggravated by the fact that skilled workers are increasingly searching for opportunities to relocate to mature markets. In addition, new skills and more extensive training programs are needed to support our transition to a low-carbon business model, together with the digitalization of our operations and the integration of artificial intelligence.</p>	<p>Holcim ensures that all our employees are provided with the right growth opportunities in order to thrive and develop themselves. This starts with empowering our young talent to make a difference with initiatives such as One Young World or the Early Career Leadership Program. This continues with various Functional Academies for team leaders, individual contributors, middle managers as well as Business Schools for senior leaders.</p> <p>Our Holcim Spirit contains 3Ps: Purpose, People and Performance. This Holcim DNA is integrated into all our training modules from onboarding and Business Schools to online training, and all our leaders are expected to always demonstrate leadership in all these areas. Our purpose is to build sustainably with an innovation mindset, equipping all our leaders to achieve our green growth ambition. At Holcim, we believe in the power of an environment where everyone can thrive, making inclusive diversity a key focus of our organization. From gender balance initiatives to dedicated employee resource groups and networks, to zero tolerance and clearly stated policies and directives, the topic of Diversity, Equity and Inclusion is present in every stage of our employee lifecycle. Engagement is what sparks best-in-class performance and creates well-being for our people.</p> <p>Our second Global Employee Engagement Survey (performed in 2023) demonstrated an increased engagement level versus previous years and helped us identify further areas of focus to continue this trend going forward. As the labor risk mostly presents itself in specific local contexts, all countries deploy talent reviews and succession planning processes to evaluate current and future talents across the year. The outcomes are taken into consideration in the Group talent and succession reviews. Core people processes, such as a broad learning portfolio with new programs for young and experienced professionals, online learning, performance management and reviews, leadership development, reward and recognition and talent management are implemented in all Holcim countries as well as corporate functions. The Group People department oversees the quality of deployment of these processes to keep improving the robustness of our talent pipeline.</p>
<p>Acquisitions and divestments</p> <p>The risk that the company does not identify opportunities in the market at a profitable cost, or fails to successfully carry out acquisitions, mergers, divestments resulting in financial losses. Inability to achieve strategic objectives and inefficient capital allocation that may harm long-term profitability and growth.</p> <p>Strategic pillars impacted</p> 	<p>The capital allocated to mergers or acquisitions may not yield the expected returns and synergies may not be achieved. This inefficiency can result in the misallocation of resources that could have been directed toward more strategic investments, organic growth initiatives or value-creating investments that align better with Holcim's business. There is also uncertainty regarding the integration of new entities into our operating model, organizational structure and governance (including our internal control framework and compliance program).</p> <p>In connection with disposals made in recent years, the Group provided the customary warranties. Holcim and its subsidiaries may receive claims arising from these warranties.</p>	<p>Our M&A process is structured around a robust due diligence process (including, but not limited to, strategic, compliance, financial, environmental, legal, tax, commercial, human resources and pension plans streams). Key internal stakeholders are involved, with the support of external experts. Our large geographical footprint, combined with the Group's strong cash position, enable us to swiftly respond to identified targets as well to leverage opportunities to generate synergies at local level. Our Minimum Control Standards are fully applicable to the newly acquired entities. These are implemented following a thorough gap analysis and integration plan, which analyzes and considers the specific details and risks of the new business to design an effective internal control framework. Our due diligence process also applies to disposals, which are closely analyzed by our teams at Group level before the divestment transactions take place. While our company is liable for events that are no longer under our direct control, the Group carefully monitors our exposure and assesses any indication of potential liability.</p>

KEY FINANCIAL RISKS CONTINUED




Risk	Potential impact	Our response
<p>Risk involving credit ratings In the course of our business we use external sources to finance a portion of our capital requirements. Consequently, our access to global sources of financing is important. The cost and availability of financing are generally dependent on our short-term and long-term credit ratings.</p> <p>Strategic pillars impacted</p> 	<p>Factors that are significant in the determination of our credit ratings, or which could otherwise affect our ability to raise short-term and long-term financing include: the level and volatility of our earnings, our relative positioning in the markets in which we operate, our global and product diversification, our risk management policies, and our financial ratios, such as net debt to Recurring EBITDA and cash flow from operations to net debt. We expect credit rating agencies to particularly focus on our ability to generate sufficient operating cash flows to service our debt. Deterioration in any of the above-mentioned factors individually or in combination may lead rating agencies to downgrade our credit ratings, thereby increasing our financing costs. Conversely, an improvement in these factors may prompt rating agencies to upgrade our credit ratings. With the development of green finance and growing investor expectations regarding the sustainability of our business model, we anticipate that ESG performance will increasingly influence investors' decision making in the near future.</p>	<p>Our Executive Committee establishes our overall funding policies. The aim of these policies is to safeguard our ability to meet our obligations by maintaining a strong balance sheet. This policy takes into account our expectations concerning the required leverage level, average debt maturity, interest rate exposure and the level of committed credit lines. These targets are monitored on a regular basis. As a result, a significant portion of our debt has a long-term maturity. We maintain unused, committed credit lines covering at least the next 12 months of debt maturities at all times.</p>
<p>Liquidity risk The risk of the company not generating sufficient cash and/or not having access to external funding to meet its obligations.</p> <p>Strategic pillars impacted</p> 	<p>Lack of liquidity could impact our ability to meet our operational and/or financial obligations.</p>	<p>Subsidiaries are responsible for their own cash balances and the raising of internal and external funding to cover the liquidity needs, subject to guidance by the Group. The Group monitors its liquidity risk by using a recurring liquidity planning tool and maintains cash, readily realizable marketable securities and unused committed credit lines to meet its liquidity requirements. The Group also adjusts liquidity levels to changing market conditions by organizing additional bank loans or issuing bonds. In addition, the strong credit worthiness of the Group allows it to access international financial markets. Please refer to Note 14.6 of the Consolidated Financial Statements on page 321 in the 2024 Integrated Annual Report for details on Holcim debt maturity profile.</p>
<p>Interest rate risk The risk that an investment's value will change due to a change in the absolute level of interest rates, in the shape of the yield curve or in any other interest rate relationship.</p> <p>Strategic pillars impacted</p> 	<p>Movements in interest rates could affect the Group's financial results and market values of its financial instruments. The Group is primarily exposed to fluctuations in interest rates on its financial liabilities and cash. The Group is also exposed to the evolution of interest rates and credit markets for its future refinancing, which may result in a lower or higher cost of financing.</p>	<p>The exposure is mainly addressed through the management of the fixed/floating ratio of financial liabilities. To manage this mix, the Group may enter into interest rate swap or option agreements in which it exchanges periodic payments based on notional amounts and agreed-upon fixed and floating interest rates. The Group constantly monitors credit markets. The aim of its financing strategy is to achieve a well-balanced debt maturity profile to reduce both the risk of refinancing and large fluctuations of its financing cost. Please refer to Note 14.6 of the Consolidated Financial Statements on page 321 in the 2024 Integrated Annual Report for additional details.</p>
<p>Foreign exchange risk The Group's global footprint exposes it to foreign exchange risks.</p> <p>Strategic pillars impacted</p> 	<p>Movements in foreign exchange rates could have an influence on the Group's business, results of operations and financial condition. Such translation into the Group's reporting currency leads to currency translation effects, which the Group does not actively hedge in the financial markets. In addition, the statement of financial position is only partially hedged by debt in foreign currencies and therefore a significant change in the aggregate value of such local currencies against the reporting currency may have a material effect on the Group's shareholders' equity. Currency fluctuations can also result in the recognition of foreign exchange losses on transactions, which are reflected in the Group's consolidated statement of income and statement of cash flows. The impact on the expected future economic growth and capital flows in some of these markets may lead to devaluations of the local currencies against the Group reporting currency.</p>	<p>With regard to transaction-based foreign currency exposures, the Group's policy is to hedge material foreign currency exposures through derivative instruments. These derivative instruments are generally limited to forward contracts, swaps and options and the Group does not enter into foreign currency exchange contracts other than for hedging purposes. Each subsidiary is responsible for managing the foreign exchange positions arising as a result of commercial and financial transactions performed in currencies other than its functional currency with the support of the treasury department. The Group's activities expose it to foreign exchange risk notably in countries with inflation indices reflecting a three-year cumulative inflation rate exceeding 100%. In these countries, qualified as hyperinflationary countries, the Group applies a financing strategy that reduces the Group's exposure to a minimum by having the country manage its funding needs in an autonomous way. As of 31 December 2024, Argentina and Lebanon are considered as hyperinflationary countries. The Group is also exposed to countries with limited availability of hard currency, such as Egypt, Nigeria and Bangladesh, where hedging and repatriation of cash is difficult or not possible.</p>

RISK AND CONTROL CONTINUED

KEY FINANCIAL RISKS CONTINUED

Risk	Potential impact	Our response
<p>Credit risk The risk of our customers defaulting on payment, resulting in collection costs and write-offs.</p> <p>Strategic pillars impacted</p> 	<p>The failure of counterparties to comply with their commitments could adversely impact the Group's financial performance.</p>	<p>The Group regularly assesses customers' financial reliability. Credit risk, or the risk of counterparty default, are constantly monitored. Counterparties to financial instruments comprise a large number of established financial institutions. The Group does not expect any counterparty to be unable to fulfill its obligations under its respective financing agreements. The maximum credit risk exposure is represented by the carrying amount of each financial asset, including derivative financial instruments, in the consolidated statement of financial position. Please refer to Note 14.6 of the Consolidated Financial Statements (Financial risks associated with operating activities, page 321 in the 2024 Integrated Annual Report) for additional details. In light of the current macroeconomic context and the risk of a slowdown in activity in the Group's operating regions, the Group closely monitors the risk of an increase in bad debt.</p>
<p>Insurance Our industry is subject to a wide range of risks, not all of which can be transferred or adequately insured. The Group purchases insurance cover for a broad range of operational risks to protect its assets and itself against third-party liabilities, commensurate with the risk exposure.</p> <p>Strategic pillars impacted</p> 	<p>The Group could be impacted by losses where recovery from insurance is either unavailable or insufficient to cover of the incurred loss.</p>	<p>We transfer our insurable risks with international insurers or reinsurers of high repute, including our internal captive reinsurance companies. We continuously monitor the evolving risk environment to determine whether additional insurances need to be considered.</p>
<p>Group's pension commitments The Group operates a range of defined benefit pension schemes and similar contingent liability schemes in various countries. The assets and liabilities of these schemes may be subject to significant volatility based on prevailing market conditions.</p> <p>Strategic pillars impacted</p> 	<p>Unforeseen deficits may require cash contributions to fund unrecoverable amounts, which could vary significantly from year to year due to external factors. These contributions may in turn impact the Group's financial results.</p>	<p>To mitigate these risks, where possible, the Group has taken measures to close, freeze, and terminate these defined benefit pension schemes and has deployed scheme-appropriate asset allocations in order to mitigate volatility and optimize investment returns. Please refer to Note 15.2 of the Consolidated Financial Statements (Employee benefit and share compensation plans page 330 in the 2024 Integrated Annual Report) for additional details.</p>
<p>Multi-employer pension plans (MEPP) The Group participates in several union sponsored multi-employer pension plans in the U.S. These plans are susceptible to substantial deficits arising from market conditions, business decisions, trustee decisions, plan failures, and the actions and decisions of other contributing employers. The Group, however, has minimal control over the management of these plans.</p> <p>Strategic pillars impacted</p> 	<p>There is a material risk that substantial cash contributions could be required in the future to meet outstanding obligations under these plans. Fulfilling the Group's obligations may have a material impact on the Group's reported financial results. Currently, the financial condition of these plans is not disclosed in the Group's financial reports.</p>	<p>The Group continuously reviews these plans with the primary objective of gaining a thorough understanding of the relevant financial circumstances. The aim is to explore all available options to mitigate risks and reduce the Group's actual and potential financial obligations. It is important to note that the Group's ability to take action is constrained, as participation in these plans is contingent upon negotiations with bargaining unions.</p>

KEY FINANCIAL RISKS CONTINUED

Risk	Potential impact	Our response
<p>Goodwill and asset impairment</p> <p>Significant underperformance in any of the Group's major cash-generating units or the divestment of businesses in the future may give rise to a material write-down of goodwill or assets.</p> <p>Strategic pillars impacted</p> 	<p>A write-down of goodwill or assets could have a substantial impact on the Group's net income and equity.</p>	<p>Indicators of goodwill or asset impairment are monitored closely through our reporting process to ensure that potential impairment issues are addressed promptly. Detailed impairment testing for each of the Group's cash-generating units is performed prior to year-end or at an earlier stage if a triggering event occurs. The Audit Committee reviews the goodwill and asset impairment process once a year.</p> <p>In the context of growing challenges posed by the transition to a low-carbon economy, the Group makes estimates and assumptions regarding climate change and how it might impact our operations and cash-flow projections. We continuously reevaluate those assumptions in a way that is consistent with our assessment of climate-related risks, our commitments to investors and other stakeholders, and the climate-related regulations in place. Our cash flow projections are aligned with the commitment to reach our 2030 sustainability targets, as well as the climate-related regulations currently in force, notably in Europe.</p>
<p>Tax</p> <p>Our business operations are subject to numerous income taxes as well as duties and other taxes that are not based on income such as sales or value-added taxes, payroll taxes, etc. imposed by state and local governments. Significant judgment is often required in determining our annual tax charges and in evaluating our tax positions. Although we believe our tax estimates are reasonable, the final determination of tax audits and any related disputes could be materially different from our historical tax provisions and accruals.</p> <p>Strategic pillars impacted</p> 	<p>Due to the uncertainty associated with tax matters, it is possible that, at some future date, liabilities resulting from changes in legislation, interpretation of existing tax rules and regulations, and /or audits or litigation could have a material adverse impact on our financial results and cash flow. Governmental authorities in the countries where the Group operates may increase or impose new income taxes or indirect taxes, or revised interpretations of existing tax rules and regulations, including as a means of financing the response to economic shocks or the threats of recession. This may include global initiatives such as the OECD minimum tax rules (pillar 2) that ensure that multinational enterprises pay a minimum tax of 15% in a given country of operation.</p>	<p>Risks are reviewed and assessed on a regular basis in light of ongoing developments with respect to tax audits and tax cases, as well as ongoing changes in legislation and tax laws. The Holcim Tax Directives provide binding rules for all countries where we operate, and the Group Tax team continuously works with Group Internal Control on aligning, improving and implementing processes and controls within Group Tax and countries. It is also continuously developing and acquiring the right in-house skills.</p>
<p>North American business separation</p> <p>The risk of Holcim failing to achieve its intended goals in the planned separation and spin-off of Holcim's North America Business.</p> <p>Strategic pillars impacted</p> 	<p>Failure to effectively implement the separation and spin-off could negatively impact the company's business, operational performance and financial stability. The anticipated benefits from the transaction may not be realized or may take longer than expected to realize. Following the transaction, Holcim could experience negative impacts due to the reduced geographic diversification of its business, lost synergies and fewer economies of scale, as well as its smaller overall size.</p>	<p>Holcim acknowledges the potential risks associated with the separation and spin-off of its North America business. However, the company is carefully planning the transaction with the assistance of leading advisors and drawing on its own significant experience.</p> <p>Moreover, Holcim is confident in its ability to achieve the anticipated benefits of the separation, which will not only position both the newly formed entity and Holcim for accelerated growth, but also unlock substantial value for our shareholders by creating two distinct and compelling investment profiles with attractive shareholder returns. The new standalone company is set to emerge as North America's leading pure-play solutions provider, delivering cutting-edge building innovations from foundation to rooftop while leveraging its strong market positions and track record of profitable growth in this dynamic region. The separation will allow Holcim to sharpen its focus on its core markets and continue to deliver industry-leading margins, strong cash generation and attractive shareholder returns, with decarbonization, circularity, and value-accretive M&A as drivers of profitable growth. For further details on the separation, please see page 8 in the 2024 Integrated Annual Report.</p>

RISK AND CONTROL CONTINUED

Internal control

Holcim's internal control framework defines Minimum Control Standards to clarify and reinforce the responsibilities of the businesses in the different countries. Every operating business within our organization must adhere to these standards, which are equally applicable at Group level. There is clear guidance and consequence management in case of failure to fully meet the requirements. Minimum Control Standards are managed and verified independently by our Internal Control team, together with business process owners and control owners in all our businesses across the globe. Our internal control process is in accordance with the Swiss Code of Obligations and Swiss Code of Best Practices for Corporate Governance. Holcim's Internal Control System (ICS) aims to give the Board of Directors and management reasonable assurance concerning the reliability of financial reporting, compliance with laws and internal regulations, and the effectiveness and efficiency of major company processes and controls. Each Holcim employee plays an important role in running the ICS to ensure the implementation and the effectiveness of internal controls.

Group internal control environment

Holcim aims to have an effective ICS at each level of responsibility and promotes a culture of robust internal control, supported by the commitment of the Board of Directors and management. Continuous training efforts are carried out throughout the company, with a particular focus on exposed persons when necessary. The Minimum Control Standards are used as a baseline for mandatory compliance within the Group, and are the main reference for the Holcim Corporate Governance Framework. The following key documents form part of the Minimum Control Standards and support the internal control environment:

- The Group Delegated Authorities, which define approving authorities and thresholds within the Group.
- The Code of Business Conduct which covers guidance and provides examples to help employees when confronted with challenging situations.
- The Supplier Code of Conduct.

Risk identification and analysis

The Group's approach to identifying and analyzing risks is described on pages 104–105.

Minimum Control Standards

The Minimum Control Standards cover the following core business processes, going beyond accounting and finance:

- **Governance and compliance:** Compliance with laws, regulations and the Code of Business Conduct, Board of Directors secretarial standards, Health, Safety & Environment policies as well as requirements on risk assessment and mitigation, segregation of duties, delegation of authorities, review of litigation, disputes, and personal data protection.

- **Accounting and consolidation:** Compliance with accounting principles including best practices from the reconciliation of accounts to consolidation of financial statements, and submission of Group reporting requirements and statutory financial statements.
- **Tax:** Tax risk assessment and reporting, tax filings and payments, deferred and income tax calculations, transfer pricing and non-income (indirect) taxes.
- **Treasury:** Bank relations, secure payment handling, financial instruments, borrowings and commitments and foreign exchange, interest rate, commodities risks monitoring and hedging.
- **Fixed assets:** Management of titles, licenses and permits, rehabilitation and restoration provisions, classification and depreciation of property, plant and equipment and physical verification.
- **Inventory:** Physical stock take (spare parts and materials), and inventory provisions and write-offs.
- **Revenue:** Master data, price management, customer credit limits, accounts receivable.
- **Expenditure:** Master data, supplier qualification, three-way match and direct vendor invoices, supplier payments and accruals for expenditures.
- **HR:** Employee management (onboarding, transfers, offboarding), payroll, compliance with local labor laws, and employee pension and benefit plans.
- **IT:** Information security management and IT service management.
- **Sustainability:** Environmental impact and social impact.
- **Operational technology:** Operational technology (OT) security baseline controls for OT systems and industrial applications, and OT infrastructure (hardware, operating system, database, network, interfaces) in all operating plants and sites.

Internal control monitoring throughout the Group

The Group is committed to maintaining high standards of internal control. It tests and documents adherence to Minimum Control Standards. These activities are implemented at country and at all Group levels and encompass:

- A description of key processes affecting the reliability of the Group's financial reporting, and that of the parent company.
- A detailed description of mandatory controls defined in the Group's Minimum Control Standards.
- Tests of controls to check the operational effectiveness. Group Internal Control provides each entity with clear guidance and testing methodology.
- A twice-yearly internal certification process twice a year to review the main action plans in progress and confirm management responsibility at country and Group levels for quality of both internal control and financial reporting.
- A formal reporting, analysis and control process for the information included in the Group's Integrated Annual Report.

The implementation of action plans identified through the activities described above, as well as through internal and external audits, are followed up by relevant Senior Management. The outcome of such procedures is presented to the Audit Committee. Internal control is monitored at all levels of the Group. The roles of key stakeholders are described below:

Board of Directors and Board Committees

The Board of Directors, through the Audit Committee, reviews the management and internal auditor's reports on the effectiveness of internal control systems. The Audit Committee forms its own opinion on the Internal Control System (ICS), risk management and state of compliance within the company.

Executive Committee

The Executive Committee steers the effective implementation of the Group's ICS through:

- The monitoring and follow-up of internal control procedures performed throughout the Group, and in particular those related to identified action plans. Periodic presentations on internal control are submitted to the Executive Committee.
- Twice yearly review and certification of the respective country's Minimum Control Standards.

Group functions

Group functions leaders, including in particular managers of the Group Finance function, have been designated at Group level as business process owners, with responsibility for:

- Documenting their processes at Group level, including product line specifics and verifying that the Internal Control Standards for such processes are effectively implemented
- Defining and updating the standards of internal control applicable to countries.

Countries

Internal control falls under the direct responsibility of the Executive Committee for each country.

Internal control managers are appointed in each country to support the identification of risks, the implementation of the Minimum Control Standards and to ensure procedures related to internal control over financial reporting are implemented. Their activities are coordinated by the Group Internal Control department. Countries report their internal control assessments to the Group twice a year through the ICS and sign certification letters. Any exception to the Minimum Control Standards needs to be documented, mitigated and approved by the relevant Group function and Group Internal Control.

Group Internal Control department

The Group Internal Control department is in charge of overseeing internal control and monitoring all procedures related to internal control over financial reporting. This department manages the Minimum Control Standards and coordinates the network of internal control managers within countries. It supports countries and the Group functions in the implementation of these standards as well as the documentation and tests of Minimum Control Standards. Group Internal Control designs and coordinates the annual certification process to confirm management responsibility at each relevant level of the Group organization on the quality of both internal control and financial reporting. The outcome of this certification process is presented to the Group Chief Financial Officer for validation prior to presenting it to the Audit Committee.

Group Internal Audit

The Group Internal Audit department is responsible for performing an independent assessment of the quality of internal control at all levels of the organization following the annual audit plan approved by the Audit Committee. The main observations and findings observed during the audit assignments are reported periodically to the Audit Committee. For more information, please refer to Corporate Governance on page 146 in the [2024 Integrated Annual Report](#).

HUMAN RIGHTS SALIENT RISKS

We have identified seven salient human rights risks from our business activities, which we seek to proactively identify, cease, prevent or mitigate.

Holcim's human rights guidelines and salient risks were defined after extensive consultation with our global senior executives, global managers, staff, external human rights experts, civil society and community representatives.

HUMAN RIGHTS – SALIENT RISKS		
Risk	What it means for Holcim	Example
Health and safety	Being a leader in the building materials industry means setting new health, safety and environmental standards. Our aspiration is to conduct a business with zero harm to people and to create a healthy and safe environment for our employees, contractors, communities and customers, while minimizing our environmental footprint.	Building on Holcim's workforce engagement program, Boots on the Ground (BoG), launched in 2021, we have enhanced our Treasure Hunt program by integrating it in the BoG application to amplify its impact on HSE priorities. The BoG roadmap for 2025 features AI-powered advancements, including technical inspection modules, digital work permits and positive recognition. → More information is available on page 78
Working conditions in our operations and, in particular, our supply chain	We respect workers' rights. This applies to direct employees as well as contractors.	In 2024, Holcim launched a new directive to enhance Holcim's procurement practices, ensuring high standards for workers in the value chain while complying with the latest regulations. The directive includes a general framework outlining Holcim's approach to identifying and managing impacts related to the value chain workers, as well as a formal process for analyzing business impacts and dependencies on value chain workers. This includes guidelines to: (1) Inform outsourcing decisions. (2) Enforce supplier qualification. (3) Validate workers credentials through access control systems to Holcim sites. (4) Enhance training and (5) Strengthen compliance verification and performance monitoring. → More information is available on page 90
Discrimination and harassment	We promote an inclusive and fair workplace, where discrimination and harassment are not tolerated. As an equal opportunities employer, Holcim actively promotes diversity, making no distinction based on ethnic background, culture, religion, age, disability, medical conditions, race, sexual identity, gender, world view, affiliation to political organizations or unions, membership of minority groups, or sexual orientation. Harassment is an unwelcome, disrespectful or unacceptable behavior that has the purpose or effect of creating an intimidating, hostile or offensive work environment.	Holcim Trading & Shipping, part of the Holcim Group, has conducted a dedicated training Go Beyond Difficult Conversations for all its employees in 2024. The program aims to foster Nonviolent Communication (NVC) in the workplace, helping to sustain a culture without discrimination and harassment. The program includes theoretical and practical training in Nonviolent Communication teaching as well as various tools that can be applied in day to day workplace settings.
Security-related abuses and violations	We use security services to protect our people and assets from intentional criminal activity and malicious acts on an as-needed basis and follow a strict risk-based methodology and stringent rules of professionalism and integrity. Holcim has made its adherence to human rights very clear in its Security and Resilience Policy and governance. Holcim holds its private security service providers and public forces accountable for meeting the highest compliance standards, with international best practices for security and human rights.	In 2024, in collaboration with the Geneva Center for Business and Human Rights, Holcim developed a series of e-learning modules on "How can security and respect for human rights work hand in hand?" These modules will be used on top of existing training material to raise awareness and train supervisors and managers across our operations on how to integrate human rights at work, cross-functionally partnering with security services.

HUMAN RIGHTS – SALIENT RISKS

Risk	What it means for Holcim	Example
Child labor in high-risk supply chains	<p>We respect and support children’s rights in our operations and supply chain. Holcim is at the beginning of the supply chain, therefore our Human Rights Impact Assessment and actions with communities are key levers to identify and act to eliminate child labor, for example by implementing social initiatives addressing communities’ socio-economic challenges.</p>	<p>We are committed to continuously strengthening children’s rights across our supply chain as recognized by the Global Child Forum. Holcim enables access to education by running 18 schools in seven countries. These schools are often located in impoverished and remote areas with a higher risk of child labor. In 2024, Holcim completed the construction of a primary school in the Ivory Coast. Community members were empowered to produce bricks, helping them to generate an income while building a local school for 300 schoolchildren. This new school will help improve literacy in the region in collaboration with the Ministry of Education.</p>
Dust and other emissions	<p>We require all our sites to measure and manage air and other emissions. Our plants must operate within emission ranges to comply with environmental laws, regulations and standards applicable to our products and operations, and subscribe to leading industry initiatives and internal requirements. We continue to make improvements across all sites to address other sources of dust, such as surrounding roads. We have a program in place to consistently reduce fugitive emissions in all our plants, to preserve the local environment and minimize impacts on neighboring communities.</p>	<p>As part of our stakeholder engagement approach, cement sites hold regular Community Advisory Panels (CAP). At one such CAP meeting in Croatia, the local community had many questions about emissions. As a result, Holcim decided to make access to emissions data much easier. To meet the community’s needs, a dedicated website was launched, providing public access to live emission data. This ensures the transparent disclosure of emission levels to all stakeholders. The website is updated daily and includes links to the state database of all continuous emission measurement stations.</p>
Climate change and its impacts	<p>We are decarbonizing our operations, scaling up low-carbon and circular construction, and growing Solutions & Products to make buildings sustainable in use. Holcim’s strategy includes 2030 and 2050 targets aligned with a 1.5°C scenario validated by the Science Based Targets initiative. We engage transparently and responsibly with public authorities, industry partners, customers and communities to create a political, economic and social ecosystem that encourages decarbonization, and fosters an environment that works for people and the planet.</p>	<p>We take a whole-society approach to reaching net zero, respecting human rights while creating decent work to ensure a Just Transition: holcim.com/just-transition</p> <p>In 2024, we launched our first Just Transition Brochure. This illustrates our whole-society approach to reaching net zero, respecting human rights while creating decent jobs.</p>

CLIMATE AND NATURE RISKS AND OPPORTUNITIES

With sustainability at the core of our strategy, we have implemented a comprehensive approach to anticipating climate and nature-related challenges as well as enhancing our ability to accelerate green growth.

Identifying climate and nature risks and opportunities

As the global political and industrial agenda is firmly moving toward green growth, we see ambitious initiatives such as EU Green Deal and the U.S. Inflation Reduction Act, which aim to decouple economic growth from carbon emissions and resource use. Due to this shift in the political agenda, the risks and opportunities in relation to the emerging climate and resource-related policies are a key element of our Group Risk Management Process.

We have tailored our Group Risk Management approach to align with best practices and recommendations, creating specific bottom-up assessments done by each country dedicated specifically to climate and nature topics. Adopting an integrated risk and opportunity approach allows Holcim to balance climate and nature risks against other material risks and opportunities, such as those related to strategic, operational or external topics and to facilitate the prioritization of the main threats. Our comprehensive climate and nature risk and opportunity assessment includes, but is not limited to, regulation and public policy scenarios, economic assumptions and project contingencies for significant CapEx projects such as those related to carbon capture utilization and storage as well as new production processes and technologies aimed at resource saving and efficiency.

Short- and medium-term assessments

Climate and nature risks are assessed over both the short (< 3 years) and medium term (< 10 years) in line with our 2030 sustainability targets. This enables operational teams to anticipate and adapt their business strategy, engage with key local stakeholders and prepare for potentially more stringent climate and nature regulations as well as new market conditions. Long-term risks and opportunities (up to 2050) have been assessed as part of our scenario planning (pages 142–145), whereby we tested the resilience of our strategy and the opportunities offered by innovative technologies.

Aligned with our Enterprise Risk Management (ERM) methodologies, the risks include the inherent risk level (without consideration of the mitigations in place) and the residual risk level (after consideration of the mitigations in place). Any residual risk that remains uncovered must be reduced through action plans documented in our risk Management system. These are subject to a follow-up by the country Risk Leads.

CLIMATE & NATURE RESILIENCE AND ADAPTATION PROGRAM

The Group has implemented a climate and nature resilience and adaptation program to identify and mitigate the potential impacts of current and future climate and nature physical risks on our people, economic activities and assets. Our technology identifies projected site-level risks over a range of climate pathways and time periods, using the climate scenarios of the Intergovernmental Panel on Climate Change (IPCC). This year, we increased the coverage of our assessment to include 322 cement plants as well as Solutions & Products sites.

[→ Read more about the program on page 133](#)

Monitoring and reporting

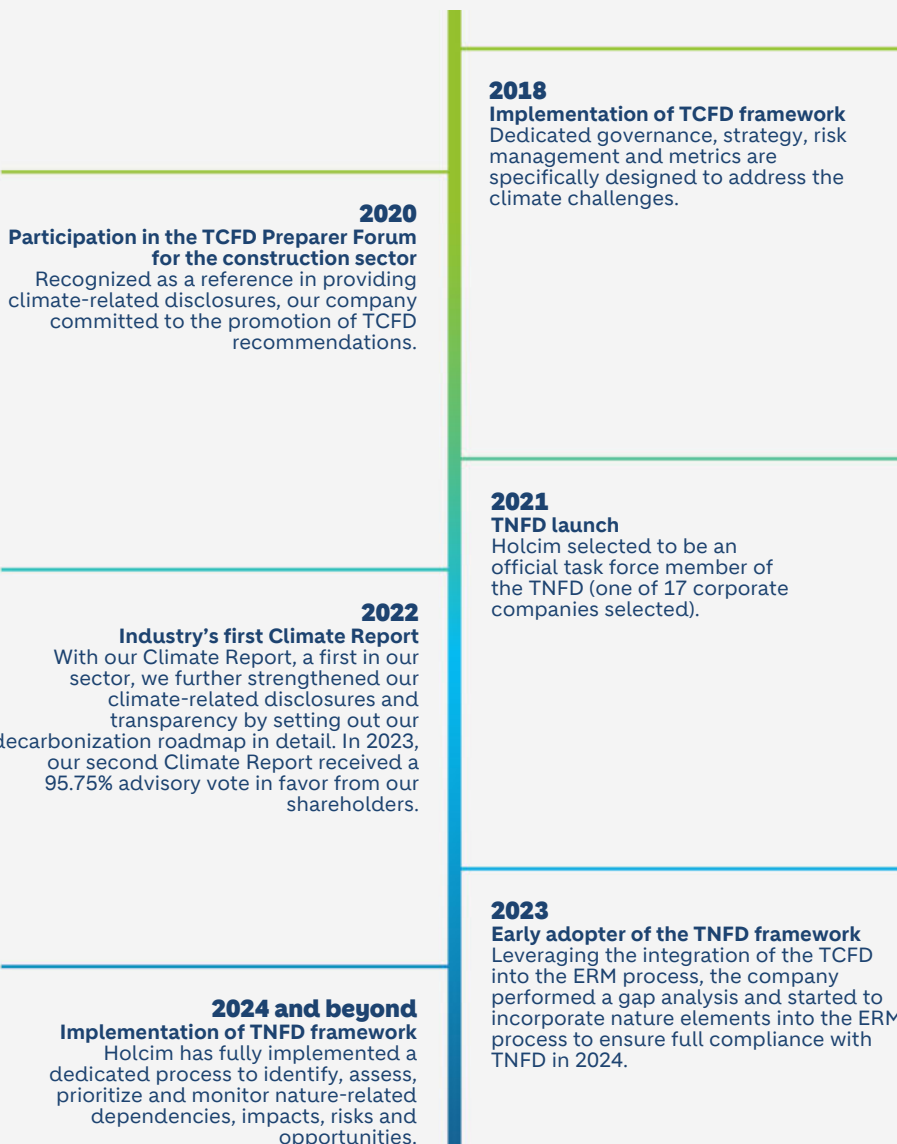
At country level, the risk assessment involves all business areas. Involvement of the country Executive Committee and country Chief Executive Officer (CEO) is required before submission to the Group. The objective is to make sure that all potential areas of concern are included in the risk map, and to ensure that the risk assessment follows a forward-looking approach integrating potential risks arising from the strategic initiatives or projects that might occur in the next three to ten years. At Group level, country risk assessments are consolidated and adjusted, accounting for insights from Group level stakeholders, to consider local and global impacts.

We consider that any risk that impairs the achievement of our long-term target is substantive. We also consider the impact on the Group's or local operation's reputation with investors, rating agencies, regulators and other external stakeholders such as NGOs or media.

Once consolidated, all assessments are summarized in our Group Risk Report which is presented to the Audit Committee together with the Internal Audit Plan. Adopting an integrated risk and opportunity approach allows us to balance climate and nature risks against other material risks and opportunities, such as ones related to strategic, operational or external topics and facilitate the prioritization of the main threats.

TCFD/TNFD ADOPTION TIMELINE

Holcim's journey toward implementing and promoting Task Force on Climate-Related Financial Disclosures (TCFD), and Taskforce on Nature-related Financial Disclosures (TNFD) recommendations.



CLIMATE AND NATURE RISKS AND OPPORTUNITIES CONTINUED

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) ALIGNMENT

GOVERNANCE	<p>Board oversight</p> <ul style="list-style-type: none"> Refer to “Holcim governance approach climate and nature-related risks and opportunities,” page 97, “Information and control instruments of the Board of Directors,” page 145 in the <i>2024 Integrated Annual Report</i>, and “Risk and control” section > “Roles and responsibilities,” page 104 	<p>Management’s role</p> <ul style="list-style-type: none"> Refer to “Risk and control” section > “Roles and responsibilities,” page 104 	
STRATEGY	<p>Risks and opportunities over the short, medium and long term</p> <ul style="list-style-type: none"> Refer to “Climate and nature risks and opportunities” section, pages 124–140, and “Climate and nature physical risks” section, pages 133–135 	<p>Impact on the organization’s business, strategy and financial planning</p> <ul style="list-style-type: none"> Refer to “Risk and control” section, pages 104–145, “Climate and nature risks and opportunities” section, pages 124–140, and “Climate and nature physical risks” section, pages 133–135 	<p>Scenario planning</p> <ul style="list-style-type: none"> Refer to “Climate and nature risks and opportunities” section > “Scenario planning”, pages 142–145
RISK MANAGEMENT	<p>Climate change-related risks identification and assessment</p> <ul style="list-style-type: none"> Refer to “Risk and control” section, pages 104–145, “Climate and nature risks and opportunities” section, pages 124–140, “Climate and nature physical risks” section, pages 133–135 	<p>Climate change-related risks management</p> <ul style="list-style-type: none"> Refer to “Risk and control” section, pages 104–145, and “Climate and nature risks and opportunities” section, pages 124–140, “Climate and nature physical risks” section, pages 133–135 	<p>Integration into overall risk management</p> <ul style="list-style-type: none"> Refer to “Risk and control” section, pages 104–145, and “Information and control instruments of the Board of Directors”, page 145 in the <i>2024 Integrated Annual Report</i>
METRICS AND TARGETS	<p>Reporting CO₂ metrics</p> <ul style="list-style-type: none"> Refer to sustainability performance data tables on pages 151–153 	<p>Details Scope 1, 2 and 3</p> <ul style="list-style-type: none"> Refer to sustainability performance data tables on page 153 	<p>CO₂ targets</p> <ul style="list-style-type: none"> Refer to sustainability performance data tables on page 151

TASK FORCE ON NATURE-RELATED FINANCIAL DISCLOSURES (TNFD) ALIGNMENT

GOVERNANCE	<p>Board oversight</p> <ul style="list-style-type: none"> Refer to the <i>2024 Integrated Annual Report</i>: “Holcim governance approach climate and nature-related risks and opportunities”, page 143, “Information and control instruments of the Board of Directors”, page 145, “Long-term incentives”, page 175, and “Risk and control” > “Roles and responsibilities”, page 195 	<p>Management’s role</p> <ul style="list-style-type: none"> Refer to “Risk and control” > “Roles and responsibilities”, page 105 <p>Organization’s engagement with local stakeholders</p> <ul style="list-style-type: none"> Refer to “Human rights – salient risks”, pages 122–123
STRATEGY	<p>Identification of nature-related dependencies, impacts, risks and opportunities over the short, medium and long term</p> <ul style="list-style-type: none"> Refer to “Material priorities”, pages 106–107, “Climate and nature risks and opportunities”, pages 124–140 <p>Effects of nature-related dependencies, impacts, risks and opportunities on the organization</p> <ul style="list-style-type: none"> Refer to “Our approach”, pages 56–57 in the <i>2024 Integrated Annual Report</i>, “Climate and nature risks and opportunities”, pages 124–140 	<p>Resilience taking into account different scenarios</p> <ul style="list-style-type: none"> Refer to “Climate and nature risks and opportunities”, pages 124–140, “Scenario analysis”, pages 142–145 <p>Location of assets and activities in direct operations, upstream and downstream that are in priority locations</p> <ul style="list-style-type: none"> Refer to sustainability performance data tables on pages 156–157
RISK AND IMPACT MANAGEMENT	<p>Identification and prioritization of impacts, dependencies, risks and opportunities in direct operations</p> <ul style="list-style-type: none"> Refer to “Our approach”, 56–57 in the <i>2024 Integrated Annual Report</i>, “Material priorities”, pages 106–107, “Climate and nature risks and opportunities”, pages 124–140 <p>Identification and prioritization of impacts, dependencies, risks and opportunities in upstream and downstream value chain</p> <ul style="list-style-type: none"> Refer to “Climate and nature risks and opportunities”, pages 124–140 	<p>Managing impacts, dependencies, risks and opportunities</p> <ul style="list-style-type: none"> Refer to “Climate and nature risks and opportunities”, pages 124–140 <p>Integration with overall risk management processes</p> <ul style="list-style-type: none"> Refer to “Risk and control”, pages 104–145, “Information and control instruments of the Board of Directors”, page 145 in the <i>2024 Integrated Annual Report</i>
METRICS AND TARGETS	<p>Metrics to manage risks and opportunities</p> <ul style="list-style-type: none"> Refer to “Climate and nature risks and opportunities”, pages 124–140, sustainability performance data tables on pages 151–157 <p>Metrics dependencies and impacts on nature</p> <ul style="list-style-type: none"> Refer to “Our approach”, 56–57 in the <i>2024 Integrated Annual Report</i>, sustainability performance data tables on pages 151–157 	<p>Targets and goals</p> <ul style="list-style-type: none"> Refer to “Our approach”, pages 56–57 in the <i>2024 Integrated Annual Report</i>, sustainability performance data tables on pages 151–157

CLIMATE AND NATURE RISKS AND OPPORTUNITIES DESCRIPTIONS

Our climate and nature risks and opportunities assessment is fully aligned with TCFD and TNFD frameworks.

Climate risks and opportunities have been fully accounted for in our transformational business model, which has four strategic decarbonization pillars: decarbonizing operations, decarbonizing construction, decarbonizing cities and circular construction.

Nature risks and opportunities have been integrated into the company strategy in order to reduce our most material nature-related impacts and dependencies, preserve biodiversity and ecosystems and prepare for potentially more stringent nature-related regulations.

We believe that the risks and opportunities presented here represent the most material risks and opportunities for our company, although other risks or opportunities might materialize, especially as policy, economic or technological landscapes evolve.

CLIMATE RISKS	
Policy and Legal	Carbon pricing mechanisms (and other climate policies)
Market	Slow market acceptance for low-carbon products and solutions
Technology	Feasibility of new technologies (including CCUS) across all relevant geographies
Reputation	Damaged reputation due to undocumented or unsubstantiated green claims
Physical risk	Damaged assets and operations

CLIMATE OPPORTUNITIES	
Resource efficiency	Accelerating circularity in construction
Energy source	Access to competitive decarbonized energy
Products / services	Decarbonizing the built environment
Markets	Growing demand for low-carbon and climate-resilient solutions and products

NATURE RISKS	
Policy and Legal	Nature-related policies
Market	Price of raw materials and natural inputs
Technology	New production processes and technologies for resource saving and efficiency
Reputation	Reputational damage
Liability	Liability arising from legal claims

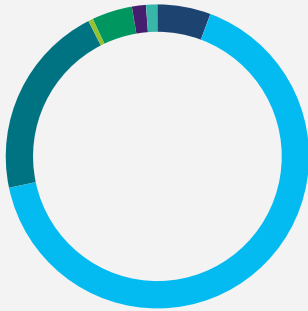
NATURE OPPORTUNITIES	
Resource efficiency	Operational efficiency and reduced dependence on natural resources
Market	Growing demand for biodiversity and nature-driven products and solutions
Reputation	Reputational capital

CLIMATE AND NATURE RISKS AND OPPORTUNITIES CONTINUED

CLIMATE RISK CARBON PRICING MECHANISMS (AND OTHER CLIMATE POLICIES)

Description	Potential impact	Our response
<p>Transitioning to a decarbonized business model depends on effective climate policies with robust carbon pricing mechanisms such as the EU ETS, which requires stable, transparent, and equitable CO₂ pricing. Volatility or misalignment in carbon pricing schemes, particularly outside the EU (e.g., in the U.S.), could significantly impact the achievement of our net-zero targets and hinder long-term planning.</p>	<p>Even though the political and industrial agenda is firmly moving toward green growth, ineffective climate policies and carbon pricing mechanisms could lead to a misalignment between our efforts to reach net-zero emissions and the regulatory framework. On the contrary, more stringent and well-designed CO₂ regulations, and the associated set of environmental measures, would reinforce our competitive advantage as we decarbonize following our ambitious emissions targets. In Europe, the Emissions Trading System (ETS), as well as Swiss and UK schemes associated with the Carbon Border Adjustment Mechanism (CBAM), strongly encourage industries to decarbonize and tackle climate change. However, CBAM's effective and fair implementation, including strict measures to prevent circumvention, will be critical to maintaining a level playing field between domestic manufacturers and importers. In the U.S., while there is no national carbon pricing framework comparable to the EU ETS, recent initiatives have moved the agenda towards green growth, such as the Inflation Reduction Act in 2022, which created incentives to deploy low-carbon and resource efficient technologies at scale. Additionally, Article 6 of the Paris Agreement opens up new avenues for international cooperation on climate action by allowing countries to voluntarily collaborate. Alongside this voluntary collaboration principle, the Voluntary Carbon Market (VMC) and the Book & Claim mechanism – although operating outside of state or intergovernmental frameworks – also offer promising opportunities to achieve sustainability targets where it proves challenging. While they offer promising pathways to net-zero targets, robust regulation, including stricter verification and tracking of emissions reductions, is crucial to ensure their integrity and effectiveness. In the long term, we anticipate additional sets of measures in the journey to a low-carbon economy, such as the ones that set rules for explicit green claims or for communications to the financial markets. New carbon markets and pricing mechanisms that create a robust environment that encourages direct investments towards sustainable projects and helps scale up sustainable development towards the objectives of the European Green Deal, represent an opportunity for our Group.</p> <p>Impacts on financial reporting</p> <p>Useful lives of assets may be affected by climate-related matters because of transitional risks such as obsolescence and legal restrictions. The change in useful lives has a direct impact on the amount of depreciation or amortization recognized each year. Management's review of useful lives has taken into consideration the impacts of the Group's 2030 targets. It can also lead to the impairment of operating assets that no longer comply with more stringent environmental measures. Climate-related matters may affect the level of provisions recognized, such as site restoration provision and litigation provision as a result of the levies imposed by governments for failure to meet climate-related targets or new regulations, requirements to remediate environmental damages on Holcim's sites or due to existing obligations now being considered more likely. Some contracts may become onerous as a result of climate-related changes, which would potentially decrease the Group's revenue or increase its operating costs.</p>	<p>Our CO₂ reduction roadmap follows a best-in-class approach with both our 2030 and 2050 targets (net-zero pledge) validated by the SBTi as aligned with 1.5°C.</p> <p>To accelerate green growth, Holcim is deeply transforming its business model in order to be a major player in decarbonizing building across the value chain, to reduce emissions and build smarter and better with less. Changes in regulatory frameworks worldwide are regularly monitored centrally to assess our exposure to new CO₂ pricing schemes, but also to identify opportunities and market incentives for low-carbon products, or any developments that require us to accelerate or adapt the deployment of our decarbonization roadmap. Aligned with the most recent regulatory moves towards sustainable green growth such as Europe's Green Deal and the US Inflation Reduction Act, our "Strategy 2025 – Accelerating Green Growth" has put decarbonization at the heart of our industrial and commercial strategy, driving circular construction to build better with less and developing solutions to make cities greener from foundation to rooftop.</p> <p>Holcim continues to proactively and transparently engage with external stakeholders and advocate for climate policies that are aligned to the Paris Agreement 1.5°C, which enables us to accelerate the deployment of low-carbon solutions to execute and meet the objectives of our decarbonization roadmap. With that perspective, we support enhancements of the regulatory environment globally that aim to:</p> <ul style="list-style-type: none"> • Support the business case to invest at scale in decarbonized technologies (including CCUS). • Incentivize market demand for decarbonized and circular solutions. • Facilitate access to competitive decarbonized energy. • Implement effective carbon pricing mechanisms and enable industry to remain competitive on the global stage.

OVERVIEW OF OUR EXPOSURE TO CO₂ REGULATIONS



- Currently, 28% of our emissions are exposed to CO₂ regulations.
- Besides carbon pricing and taxes, other climate policies might have an influence on our decarbonization roadmap, especially those policies that allow us to maintain the competitiveness of low-carbon technology investments in the cement industry, and that set rules for the re-use of captured CO₂, as well as waste management regulations.
- Europe is the most advanced region, with a mature Emissions Trading System (ETS) which incentivizes carbon reduction initiatives. Coupled with other climate policies (revised building codes, EU Taxonomy), Europe offers huge opportunities for the successful implementation of our net-zero roadmap.

- The U.S. stands apart, as the country is a patchwork of federal and state regulations mostly not covered by an ETS, despite certain states having one or planning to implement one. However, the current approach is based on mostly voluntary initiatives, with few federal regulations being implemented, while certain states are setting regulations and standards (building codes, public procurement, transparent communication), which might not be enough to support decarbonization efforts and investments in breakthrough technologies. However, the recent Inflation Reduction Act (2022), promoting investments in decarbonization projects and securing long term strategies, is likely to offer a specific path to a decarbonization model.
- Latin America is moving toward carbon regulation similar to the EU ETS, with pilots in certain countries, notably Mexico. We anticipate that the implementation of carbon pricing in Latin America will support our efforts to decarbonize.
- In the long term, the absence of more stringent and ambitious CO₂ regulation in Middle East, Africa or Asia may lead to future conflicts between financial performance and emission reductions, should market dynamics be insufficient to support decarbonization efforts.

CLIMATE RISK SLOW MARKET ACCEPTANCE FOR LOW-CARBON PRODUCTS AND SOLUTIONS

Description	Potential impact	Our response
<p>Holcim's decarbonization journey entails the capacity to meet customers' product quality and decarbonization expectations. Indeed, the successful launch of our global low-carbon brands ECOPlanet and ECOPlanet exposes the Group to new threats should the Group be unable to build strong credibility with its customers, document and back up environmental claims, develop strategic partnerships, leverage differentiating capabilities or promote a marketing and product-led approach within the Group.</p>	<p>Slow market acceptance for low-carbon products and solutions could lead to revenue losses due to reduced demand and limit margin improvements. While there is no viable, affordable and local substitute for cement on a global scale, increased pressure to decarbonize the built environment may support growing demand for low-carbon products and solutions, thus potentially increasing our market share in the range of low-carbon cement and sustainable solutions.</p> <p>Impacts on financial reporting Impairment testing is performed at cash generating unit (CGU) level. In assessing the valuation of a CGU, future cash flows are estimated. This includes making assumptions in relation to the impact of climate-related matters on future profitability. The impact of climate-related matters could result in higher costs and reduced revenues affecting the future taxable profits on which the recognition of deferred tax assets is based. Business plans used for the recognition of deferred tax assets are aligned with those used in the impairment process, taking into account climate-related impacts.</p>	<p>Our approach is to meet customer needs along the entire construction value chain by developing and delivering solutions that address both customer expectations regarding product quality and safety as well as today's major construction challenges (scarcity of resources, sustainable and resilient infrastructure, urbanization), turning sustainable growth into profitable growth.</p> <p>We offer our customers advanced sustainable solutions to best meet their needs and have already expanded our multi-billion brands delivering value-added margins. We have built billion-dollar low-carbon brands from ECOPlanet concrete to ECOPlanet cement. By 2030, Holcim will grow both brands, which offer customers at least 30% less CO₂ compared with local standard (CEM I/OPC) concrete and cement. With the help of carbon capture, we are aiming to produce eight million tons of fully decarbonized ECOPlanet cement per annum by 2030. Where possible, our solutions are independently verified through Environmental Product Declarations (EPDs), which validate the environmental profile of our products and ensure transparency.</p>

CLIMATE AND NATURE RISKS AND OPPORTUNITIES CONTINUED

CLIMATE RISK FEASIBILITY OF NEW TECHNOLOGIES (INCLUDING CCUS) ACROSS ALL RELEVANT GEOGRAPHIES

Description	Potential impact	Our response
<p>The inability to deliver Carbon Capture Utilization and Storage (CCUS) projects or develop necessary technologies that meet both technical and financial expectations could inhibit Holcim from achieving its decarbonization targets.</p>	<p>The successful scaling up of CCUS relies on accurate projections of external factors such as compatibility with CO₂ usage opportunities, climate regulations, market acceptance of low-carbon products, the existence of large transportation infrastructure as well as other aspects of viability and scalability. In addition, there are contingencies related to the management of the projects especially in regard to the management of technical interfaces and the relationships with stakeholders (public administrations, partners, suppliers, communities). In the long term, should CCUS be confirmed as the main technology to remove CO₂, there is a risk of stranded assets where CCUS is not feasible (absence of transport infrastructure, insufficient storage capacities, insufficient renewable power or water supply, etc.), and may subsequently risk the loss of leadership in the decarbonization journey.</p> <p>The pathway from 2030 to 2050 also integrates a large range of both new and established decarbonization technologies including novel binders (calcined clay), zero-emission vehicles and low-clinker cements. For the latter, higher prices for mineral components (MIC) such as slag and fly ash challenge our CO₂ reduction roadmap, as the integration of MIC in our cement production process is a key lever for the reduction of clinker factor and thus reduction of our CO₂ footprint.</p> <p>Impacts on financial reporting Useful lives of assets may be affected by climate-related matters because of transitional risks such as technological obsolescence. It can also lead to the impairment of operating assets. Sustainability is now a key factor considered by the Group in any investment decision. The transition to lower-emission technologies will impact the allocation of future CapEx. The Group's R&D expenditures are aligned with the strategy to focus on new and alternative technologies that, as a result of diverse research initiatives, may either impact CapEx or R&D costs in the statement of income, depending on the success of the initiatives.</p>	<p>We investigate every opportunity, at every stage of a building's life cycle, to eliminate emissions and build smarter and better. Leveraging proven processes and existing technologies, we are optimizing our own consumption of resources, using low-carbon energy and fuel, and reducing our water use.</p> <p>In line with our "Strategy 2025 - Accelerating Green Growth", we are accelerating the decarbonization of our own operations to become a net-zero company by switching to renewable energy, developing new formulations, adopting decarbonized mobility and harnessing advanced technologies such as carbon capture, utilization and storage (CCUS).</p> <p>Furthermore, in 2024 the Group continued to successfully demonstrate its ability to bolster its net-zero future through CCUS with an additional project selected by the European Union (EU) Innovation Fund to capture a total of 5 million tons of CO₂ from 2030. With seven projects now selected for EU Innovation Fund grants and additional projects at an advanced stage of planning, we are further reinforcing our solid portfolio of CCUS projects globally. Based on various technologies, robust partnerships and value chains, these sites are well positioned to become net-zero cement plants and drive our Group to net zero. Holcim is a partner of choice in the CCUS ecosystem in Europe and continues to actively engage with public authorities, industry partners, customers and communities. In addition, new economic conditions could emerge in the long term (steady development of e-fuels, growing usage of captured CO₂ by the chemical industry) and drive a significant shift from CO₂ storage to CO₂ utilization, improving the profitability of CCUS and offering new prospects for this business model. Holcim also continues to explore promising opportunities such as smart design, novel binders, kiln electrification and the use of hydrogen.</p>

HARNESSING PROMISING CCUS PROJECTS TO REACH NET ZERO

It is clear that no single solution will be scalable at every location, since different environments present different conditions. Consequently, there is a risk of us not capitalizing on every promising opportunity offered by CCUS, thus compromising our decarbonization agenda. For this reason, we have ensured that our portfolio of projects is based on the broadest selection of mature technologies and applications (including those with proven results in other industries), offering the largest range of possible solutions to implement CCUS in locations based on the local context (existence and reliability of local infrastructure for CO₂ transportation or storage, industry partners, economic environment, regulatory frameworks).

The successful deployment of CCUS technology is underpinned by effective project management in order to build strong credibility with our partners and secure public funding. Holcim is thoroughly assessing the potential impacts on the environment and the communities where we operate throughout the full value chain:

- Energy consumption: Capturing CO₂ is an energy-intensive process. Our projects are assessed according to availability of renewable energy sources.
- Water withdrawals/consumption: CCUS typically requires water for the capture process, with a large portion of the water needed for cooling purposes, and may generate wastewater. Through the implementation of efficient closed-loop recycling systems and the shift to non-freshwater sources, the use and disposal of water will be managed carefully to minimize environmental impacts.

- Communities: We are looking at both onshore and offshore CO₂ storage facilities. Concerns around the safety of storing CO₂ underground and potential leaks that could impact nearby communities are thoroughly assessed.
- Scope 3 emissions: Depending on the application (storage or utilization), carbon capture technologies will have an impact on our Scope 3 emissions. These are evaluated project by project and accounted for in our Scope 3 modeling. The configuration and ownership of the carbon capture facility down the value chain will shape the accounting of Scope 1, 2 and 3 emissions. Holcim is monitoring the evolution of these standards and advocating for a fair and balanced approach.

The Group's long-term CCUS strategy is based on both planned and opportunistic timing of numerous CCUS projects, starting in locations where the context is the most relevant, especially in jurisdictions that are already proactively supporting CCUS technology or where transportation and storage infrastructure and geographies already exist. Accelerating the transition to a decarbonized economy, Holcim responsibly advocates for both onshore storage and the re-use of CO₂. We are actively partnering with stakeholders who support the transition to a decarbonized economy, including governments, industry bodies and equipment suppliers, to enable the development of the conditions required for success. Understanding the key success factors from the initial projects in Europe and North America, we will create an environment that will facilitate the implementation of CCUS in plants where opportunities for it are currently under development.

CLIMATE RISK GREEN CAPEX AT HOLCIM

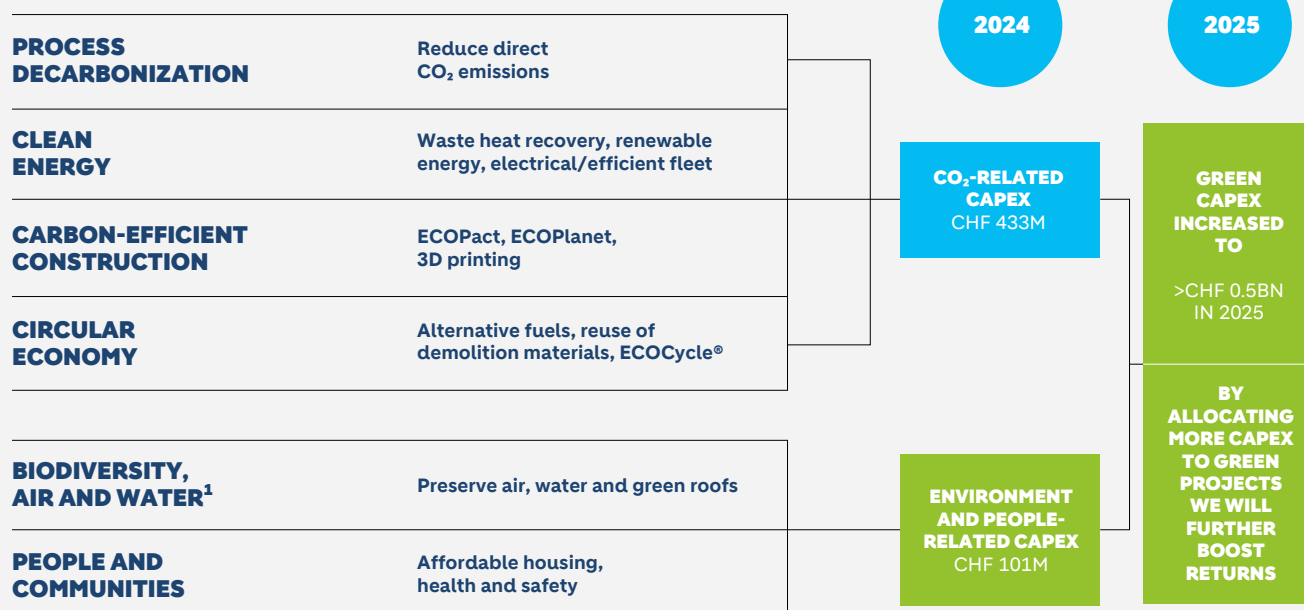
Holcim puts sustainability at the core of our strategy to build a net-zero future. Our focus on green investments is a fundamental aspect of this strategy.

In 2024, our Green CapEx reached CHF 534 million, including investments of CHF 433 million in projects to accelerate our CO₂ reduction and circular economy, and CHF 101 million in environment and people-related projects. We will sustain our annual green CapEx at CHF 500 million by 2025. These investments will impact all our operations and geographies and will encompass existing technologies with proven returns.

We are committed to aligning capital expenditure plans with our long-term net-zero reduction target, which has been validated by SBTi and is aligned with the Paris Agreement's objective of limiting global warming to 1.5°.

Holcim Green CapEx classifications encompass a broad range of activities, including those not eligible under the EU Taxonomy, and consider a wider scope of environmental benefits. As a result, there are overlaps and differences between Holcim Green CapEx and the EU Taxonomy-aligned CapEx disclosed.

GREEN CAPEX CATEGORIES



¹ CHF 0.4 million for biodiversity-related CapEx, CHF 9.4 million for water-related CapEx.

CLIMATE AND NATURE RISKS AND OPPORTUNITIES CONTINUED

CLIMATE RISK DAMAGED REPUTATION DUE TO UNDOCUMENTED OR UNSUBSTANTIATED GREEN CLAIMS

Description	Potential impact	Our response
<p>The Group's inability to meet its decarbonization commitments, if materialized, is likely to damage the Group's reputation and reduce our attractiveness to stakeholders such as customers, investors, and potential employees.</p>	<p>In light of increased public scrutiny on green claims, there is a growing reputational risk in case the Group does not achieve its climate targets, is found to have misreported its emissions, if its targets and claims are not ambitious enough, or if they are deemed incomplete, vague, ambiguous or insufficiently documented on a scientific basis. In addition, litigation on the basis of climate action failure (including misreporting of emissions) is emerging and could also exacerbate reputational damages.</p> <p>Impacts on financial reporting Holcim has increased diversification of financing instruments with, for example, sustainability linked bonds, which are linking our funding with our sustainability objectives. This could have an impact on the Group's financial expenses in the event the Group does not reach the targets that have been set.</p>	<p>The Group's first priority and strategy is Accelerating Green Growth as a global leader in innovative and sustainable building solutions. We continuously ensure our targets stay abreast with the latest scientific developments and the highest level of scientific rigor. For this reason, Holcim was the first company in its sector to have 2030 and 2050 net-zero targets validated by the Science Based Targets initiative (SBTi), as aligned with a 1.5°C pathway. To ensure emissions reductions are in line with our corporate targets and decarbonization roadmap, we establish plant-level climate mitigation. Furthermore, we ensure rigorous emissions accounting for both our direct and indirect CO₂ emissions, based on the latest emissions accounting protocols. Holcim notably engages with key suppliers and business partners to respond to climate risks, encouraging them to measure and manage their CO₂ impact in their operation and their supply chain.</p> <p>To reflect the credibility of our sustainability commitments to investors, Holcim ahead of a bond issuance always assesses the feasibility to offer sustainability linked bonds to its investors. More recently Holcim updated its financing framework and added the option to issue green bonds which will be associated to the bond offering.</p> <p>While our brands ECOPact and ECOPlanet are becoming multi-billion CHF brands, we ensure that each of those products follow strict clear global brand qualification criteria and adhere to international standards and consider both present and future frameworks.</p>

CLEAR, TRANSPARENT CRITERIA FOR LOW-CARBON PRODUCT CLAIMS



In 2021 and 2022, Holcim voluntarily and proactively launched brands with low-carbon criteria supported by clear, documented and publicly available credentials. In the absence of recognized external standards at the time, Holcim initiated its own definition of low-carbon products.

In recognition of the rapid increase in regulatory regulations and in accordance with our objective of fostering the emergence of internationally recognized standards for low-carbon products, Holcim is continuously updating and reinforcing the alignment of low-carbon brand definitions with external global frameworks such as the Industrial Deep Decarbonisation Initiative (IDDI) from United Nations Industrial Development Organization (UNIDO).

Transparency is key on Holcim's net-zero journey, and we are committed to providing reliable environmental information so that our customers can build with low-carbon materials in a transparent, verified way. We have partnered with Climate Earth to expand Environmental Product Declarations (EPDs) worldwide, utilizing Climate Earth's EPD Generator™ digital platform. As an independent verification system that validates the environmental profile of products including ECOPact and ECOPlanet, EPDs are vital to accelerating low-carbon demand and decarbonizing building at scale.

CLIMATE RISK DAMAGED ASSETS AND OPERATIONS

Description	Potential impact	Our response
<p>The physical consequences of climate change (such as increased frequency and intensity of extreme weather events), have the potential to disrupt our operations on both on-site and value chain transportation activities, leading to higher costs and reduced production capacity (e.g. delayed planning approval, supply chain interruptions), business interruptions and even reputational damages.</p>	<p>For Holcim, water-related physical risks are particularly critical. Floods, often triggered by storms can severely disrupt our on-site operations and affect our river-based supply chains (shipping) and product delivery. In the meantime, climate change is affecting the on-site conditions of natural resources essential to Holcim's operations leading to nature-related risks that could severely threaten our business activities. For example, droughts can increase water scarcity which may lead to production disruptions, as water is a vital resource for our traditional businesses. As the climate changes, extreme weather events are likely to increase and intensify with potentially higher associated insurance costs.</p> <p>Impacts on financial reporting Physical deterioration of our production assets would result in potential impairment. Climate-related matters may affect the value of inventories as they may become obsolete as a result of a decline in selling prices or an increase in costs. The cost of inventories that are not recoverable must be written down to their net realizable value. Climate change may imply more frequent and intense climate events such as flooding or drought, which can have a significant impact on our production with business interruption, increased risk of accident or damages. This may increase our insurance costs due to the higher amounts at stake or more frequent insured cases.</p>	<p>Holcim sites need to be prepared to manage current and future physical climate-related risks that could disrupt our operations and production capacities. In 2024, our assessment of physical risks associated with climate change has been fully implemented, on a per site view and across the Holcim portfolio identifying the most material risks. At a Group level, the climate resilience and adaptation program works towards the protection of our people and the environments. Furthermore, a Group-wide climate risk assessment strengthens the decision-making process, mitigates financial losses due to asset damage and business interruption, and ensures adaptation to climate change based on scientific data.</p>

FOCUS ON CLIMATE AND NATURE PHYSICAL RISKS

Identifying climate and nature risks

Our climate and nature resilience and adaptation program is embedded in our Enterprise Risk Management (ERM) process. It is designed to assess current and future exposure as well as capture site resilience and preparedness for these risks. This program ensures the protection of our people and assets, and compliance with the climate change adaptation (CCA) objective (EU Taxonomy).

We are integrating the results into a questionnaire for sites to assess the impacts of the risks, identify the adaptation solutions in place and define action plans to reduce exposure. Our 2024 assessment covered 320 sites, including integrated cement sites and associated quarries, grinding and blending stations, Geocycle sites, and selected insulation production sites. The impact level is defined as the impact to the entire Group and not the individual asset at risk.

Short-, medium- and long-term time horizons

For each location, changes to climate and nature physical risks are assessed based on the years 2025, 2030 and 2050 and under three future scenarios (SSP1-2.6, SSP2-4.5, and

SSP5-8.5) from the Intergovernmental Panel on Climate Change's (IPCC) Sixth Assessment Report. The scenarios consider greenhouse gas concentration trajectories in the atmosphere that relate to a 1.5°C–2°C, 2°C–3°C and >4°C increase in the global average surface temperature by 2100 respectively.


Adaptation and resilience strategy


Following our risk assessment, we have a clearer understanding of our exposure to risks and the actions needed to adapt to climate change and nature dependencies. Our sites continuously adapt and enhance their resilience capabilities in line with the Group's Crisis Management System, which sets out the requirements for each operation to respond to physical risks, including an Emergency Response Plan, Crisis Management Plan, Business Continuity Plan and Evacuation Plan. The exercise also documents future CapEx needs and substantiates the economic rationale for the investment to respond to climate and nature physical risks and reduce our impacts and dependencies on nature and global raw resources.


Climate or Nature Physical Risk	Current Impact Level	Number of Sites Exposed (% out of total scope) ¹	Future Exposure (by 2050) ²
Flood	Low	13.8%	=
Storm/precipitation	Low	15.9%	↑
Wildfire	Low	8.1%	=
Landslide	Low	7.5%	=
Drought	Low	34.4%	↑
Extreme temperature	Low	40.3%	↑
Water security	Low	55.0%	↑


¹ Corresponds to short-term (2025) exposure to climate and nature physical risks.

² Corresponds to mid-term and long-term (from 2030 to 2050) exposure trend to climate and nature physical risks under Shared Socioeconomic Pathway 5-8.5.


 Low negative impact on personnel, operations and assets.
 Medium negative impact on personnel, operations and assets.
 High negative impact on personnel, operations and assets.


 Climate projections indicate a long-term increase in the number of sites (% of total scope) with high or very high exposure to the climate or nature physical risk.


 The number of assessed sites (% of total scope) with high or very high current exposure to the climate or nature physical risk.


 Climate projections suggest long-term stability in the number of sites (% of total scope) with high or very high exposure to the climate or nature physical risk.





Acute

Chronic



Nature

FOCUS ON CLIMATE AND NATURE PHYSICAL RISKS CONTINUED


CLIMATE AND NATURE PHYSICAL RISKS ACUTE RISKS

Risk Description	Potential impact	Adaptation and resilience strategy
<p>Flood Includes fluvial, riverine, pluvial floods and storm surges. The risk score is based on changes in precipitation patterns as well as other components such as topography, catchment area and runoff.</p> <p>Key Risk Indicators</p> 	<p>As a building materials company, Holcim is exposed to high and low water levels and flooding events. These conditions can directly impede planned transportation schedules, as transportation routes may be blocked or submerged. In addition, operations may be slowed down or halted due to employees being unable to work as they cope with the flood. Critical equipment or infrastructure may also be damaged.</p>	<p>We have taken proactive steps to respond to flood risks by implementing climate adaptation measures, particularly in our businesses that are the most vulnerable to fluctuating water levels and flooding events. For example, in the U.S., we have implemented a response plan that involves altering transportation methods and production sourcing, making use of temporary seasonal floating storage and short-term rail track. Moreover, a comprehensive array of flood protection equipment (e.g. flood barriers, sandbags, drains on roofs), is proactively implemented and emergency reserves (e.g. backup power, fuel reserves, water bottles) are in place on sites. Additionally, dewatering systems are strategically deployed in relevant quarries to effectively handle higher rates of water infiltration. Beyond these preventative measures, Holcim is actively supporting communities affected by floods, as during the recent flooding event in eastern Spain (2024). We are committed to providing robust recovery effort support and sharing essential documents that outline effective individual strategies and valuable information for managers and leaders.</p>
<p>Storm/Precipitation Maximum daily precipitation (in mm) for a predefined event. Also includes windstorms and lightning storms.</p> <p>Key Risk Indicators</p> 	<p>Storms associated with strong winds can damage buildings, trees, and infrastructure which may generate debris on roads and disrupt transportation. Power lines can also be disrupted which may lead to limited operations. Water storms may also lead to flooding events while runoffs may carry pollutants into waterways, contaminating water sources.</p>	<p>Holcim prioritizes safety during heavy storms, adjusting or temporarily halting production as necessary. Storm shelters are available for both personnel and critical equipment. Our proactive monitoring of cyclone alerts and river levels in Bangladesh notably enabled the company to suspend operations at its Mongla grinding station before Cyclone Remal made landfall, minimizing damage and ensuring employee safety in cyclone shelters. In addition, dedicated stormwater management and spill containment teams are in place to address stormwater runoff and prevent contamination. In the event of lightning storms, a lightning arrester system and grounding system are used to reduce the impact of electrical discharges caused by lightning strikes.</p>
<p>Wildfire Likelihood of wildfire based on current land susceptibility to fire and projected hot and dry weather.</p> <p>Key Risk Indicators</p> 	<p>Wildfires present a significant threat to quarries and cement facilities, particularly those situated near forested areas. Wildfires release smoke and particulate matter into the air, which can cause respiratory problems and other health issues. They can also lead to temporary shutdowns, damage essential infrastructure and disrupt transportation networks which may result in delays and increased costs.</p>	<p>Holcim has implemented a set of measures to prevent the spread of wildfires and protect its employees. This includes a fire emergency response plan (e.g., evacuation plan, fire drills) as well as proactive action plans such as managing areas around the plant to reduce wildfire proliferation (e.g., vegetation clearing). In addition, Holcim maintains installations and regularly checks fire-fighting infrastructure and equipment (e.g., water cisterns, fire walls, fire alarms, fire hydrant systems, fire extinguishers). We also conduct appropriate training of personnel on site. For instance in 2024, our preventive measures enabled us to safely evacuate our employees at the Rifle Port Terminal in Colorado during a wildfire in the vicinity.</p>
<p>Landslide Mass movement processes including rockfall, debris flows and mudslides.</p> <p>Key Risk Indicators</p> 	<p>Extreme downpours increase the risk of landslides. Apart from the potential impact on people, a landslide may also damage building structures, entrap equipment, contaminate underground water systems and destabilize building foundations. Severe landslide damage to transport infrastructure can disrupt local supply chains.</p>	<p>Holcim has implemented a comprehensive plan that includes geological and landslide risk studies and the installation of slope stability monitoring equipment. Containment systems on access roads to quarries (e.g. berms, barriers, and mesh systems) and backup generators in case of damage to electrical infrastructures, are available to reduce the risk of business interruption. For instance, even though no recent landslide events, such as those in Ecuador (2022) or in Colombia (2024), had a direct impact on our people and operations, our sites were proactively prepared to ensure the safety of our employees.</p>

CLIMATE AND NATURE PHYSICAL RISKS CHRONIC RISKS

Risk Description	Potential impact	Adaptation and resilience strategy
<p>Drought Water stress locations based on the Standardized Precipitation Index (SPI) in combination with the number of heat wave days.</p> <p>Key Risk Indicators</p> 	<p>Acute drought periods may lead to business interruptions due to water scarcity. Droughts significantly reduce water levels which may impact waterborne transport, restrict shipping capacity and disrupt production processes. In addition, the potential implementation of water usage quotas due to water shortages for drinking and other industries may further limit production capacity.</p>	<p>By leveraging WRI Aqueduct data on water stress and scarcity combined with SBTN's framework for setting science-based targets, Holcim continuously develops tailored strategies to enhance our resilience in each of our sites. We notably introduced mature water management systems focused on optimizing consumption through improved rainwater capture, water recycling, and retention basins, and aim to equip 100% of our sites with water recycling systems. For example, in Egypt, we have responded to risks associated with water scarcity by commissioning a desalination facility, enhancing our resilience and ensuring our commitment to sustainable water management.</p>
<p>Extreme temperatures Combination of atmospheric water capacity, change in extreme temperatures, and increase in the number of dry days.</p> <p>Key Risk Indicators</p> 	<p>Extreme heat can impact our people's health (e.g. dehydration, heatstroke, etc.). In turn, it may decrease labor productivity both at our plants and construction sites, which could slow down production and delay transportation. Over time, extreme temperatures can weaken infrastructure and negatively impact the efficiency of our assets causing further operational disruptions and increased costs.</p>	<p>Holcim engages in adaptation solutions that we implemented in our businesses located in South Europe, US and Canada during the record-breaking temperatures in summer 2024. For example, we reorganized shifts to minimize heat stress, ensured sufficient water bottles reserves and provided employees with trainings and coping strategies for extreme heat. Although the risk of heatwaves is expected to increase in the future, Holcim has equipped its buildings and assets with cooling systems, which may reduce the risk.</p>

CLIMATE AND NATURE PHYSICAL RISKS NATURE RISKS

Risk Description	Potential impact	Adaptation and resilience strategy
<p>Water security The indicator used is Water Availability and is based on the "Baseline Water Stress" of WRI that measures the ratio of water withdrawals to available renewable surface and groundwater at the catchment scale.</p> <p>Key Risk Indicators</p> 	<p>According to the ENCORE database, water security is a critical nature-related risk for the cement industry, as operations are highly dependent on sufficient water and freshwater supply and availability. Acute droughts can notably increase water scarcity, which may lead to business interruptions and financial losses. In addition, new regulations could lead to higher prices, restrictions or quotas on water which may limit production capacities and increase operational costs. Furthermore, the use of water in our operations in water-stress locations can strain relationships with local communities, potentially impacting Holcim's reputation.</p>	<p>Leveraging our annual risk assessment exercise, water security risk is regularly assessed at each manufacturing site using WRI Aqueduct and risk data from Swiss RE's RDS platform. The data and platform helps us identify high-risk locations, prioritize risk mitigations actions and design data-driven solutions. Water management plans have been implemented for locations at above medium-high water risk. This enables the operations to anticipate and adapt their business strategy to reduce freshwater withdrawal, engage with key local stakeholders, prepare for potentially more stringent regulations and new market conditions. Committed to a nature-positive future, Holcim aims to achieve a 33% reduction in freshwater withdrawal while making 75% of sites in water-risk areas water-positive by 2030. To achieve these goals, we are investing in projects aiming at reducing our dependence on freshwater through stewardship actions.</p>

CLIMATE AND NATURE RISKS AND OPPORTUNITIES CONTINUED

CLIMATE OPPORTUNITY ACCELERATING CIRCULARITY IN CONSTRUCTION

Description

Alongside reducing our CO₂ footprint, the circular economy represents an important lever to designing a business model that offers sustainable financial returns with reduced costs. In addition, preserving natural resources by reducing the extraction of new materials considerably decreases our dependence on mineral resources and preserves our long-term growth.

Our response

Holcim's commitment to circular economy is deeply embedded in our sustainability strategy, making circularity a driver of profitable growth. We leverage our robust analytical frameworks, including the Double Materiality Assessment and the Climate and Nature Risks and Opportunities Assessment, to identify circular economy impacts, risks and opportunities. This data-driven approach informs our action plan, which includes specific initiatives and investments to promote circularity across our operations and value chain.

Circular construction to build new from old is made possible at scale through recycling construction demolition materials (CDM) into new building solutions. We are driving circular construction with solutions to reduce, reuse and recycle materials and continuously monitor our progress and report transparently to stakeholders. We are scaling up Holcim's proprietary ECOCycle® technology platform to produce recycled construction aggregates and cement paste to be used to replace limestone in cement manufacturing, therefore helping to decarbonize.

This commitment to circularity extends to our portfolio of roofing solutions. As an example, a standard Malarkey residential roof upcycles at least 3,000 plastic bags into new shingles. Duro-Last roofing solutions also recycle manufacturing waste and roofs at the end of their life through the Recycle Your Roof program. In addition, we are continuously tracking the amount of our products that contain recycled materials and ensure that the majority of products are bulk shipped with no packaging.

CLIMATE OPPORTUNITY ACCESS TO COMPETITIVE DECARBONIZED ENERGY

Description

Shifting to decarbonized sources of energy is at the core of the Group's transformation towards a resilient, circular and sustainable business.

In the medium to long term, our operations decarbonize their energy usage while mitigating continuous pressure on prices and risks to energy security and supply. Access to competitive decarbonized energy will benefit our business encompassing resilience, self-sufficiency, stable energy prices and a contribution to our net-zero roadmap.

In the longer term, it is likely that the consumption of electricity will increase with the deployment of new technology for carbon capture and the electrification of industrial processes (e.g. kiln electrification), which makes the development of low-carbon energy sourcing all the more strategic and beneficial for the Group.

Our response

We work continuously to increase the portion of decarbonized energy in our operations with reliable, competitive and decarbonized power. All opportunities are investigated and addressed in order to achieve cost competitiveness as well as sustainable performance.

Our Group is applying a wide range of strategies which differ depending on the local context:

- Increase consumption of decarbonized power from long-term power purchase agreements (PPA) produced by either on-site or off-site assets.
- Bilateral clean power contracts directly with producers of decarbonized power to reduce dependency on market movements and have a more decarbonized footprint.
- Investment in renewable power projects and waste heat recovery systems using available space in our plants and quarries.

CLIMATE OPPORTUNITY DECARBONIZING THE BUILT ENVIRONMENT

Description

Climate change will create new challenges and opportunities for the construction sector. We will need more resilient infrastructures, rapid transformation into a circular economy due to scarcity of resources, and accelerated sustainable solutions such as energy efficiency for growing cities.

Addressing these challenges requires activating several levers, for which the construction and building material industry is a partner of choice. For Holcim, building represents a unique opportunity to contribute to the transition to a low-carbon and circular global economy, while accelerating the transition to highly energy-efficient cities.

Our response

We are decarbonizing buildings across their lifecycle to build a net-zero future that works for people and the planet. To do so, our large range of building solutions help cities curb greenhouse gas emissions by enabling a lower carbon footprint, higher energy efficiency and reduced material use. Our Solutions & Products segment offers solutions that help decarbonize cities with a range of roofing, insulation and retrofitting solutions both for new builds and existing building stock. As an example, our insulation systems offer advanced energy-efficiency benefits enabling Passive House buildings, such as the Winthrop Center in Boston, U.S. This includes Holcim's Elevate ISO GARD™ boards that provide thermal insulation, making buildings more energy-efficient and cost-effective in use.

Holcim is raising awareness among mayors and urban planners to evolve building norms and standards and specify smart and sustainable building solutions in public procurement. Our solution DYNAMax high-performance concrete is an example of how we seize those kinds of opportunities by deploying new building technologies to use minimum material for maximum strength. Usable space is optimized while superior rigidity enables the construction of longer-lasting buildings.

Developers and end users are increasingly setting their own rigorous net-zero targets. Holcim supports them by raising awareness of the role that construction materials can play in decarbonizing buildings, and the need to specify sustainable solutions in procurement, as well as evolving building norms and standards.

CLIMATE OPPORTUNITY INCREASING DEMAND FOR LOW-CARBON, CLIMATE-RESILIENT PRODUCTS & SOLUTIONS

Description

As the economy shifts to a decarbonized paradigm, endorsed by norms and regulations, and supported by a large number of stakeholders and customers, the market demand for low-carbon products will increase. Should Holcim's decarbonization keep pace with the market, it will offer a unique opportunity to deliver profitable growth and the business case for further decarbonization.

Our response

We accelerate the decarbonization of our operations together with the development of a complete offer aimed at meeting customers' product quality and decarbonization expectations. With the strength of global brands such as ECOPact and ECOPlanet, our Group is prepared to capitalize on the evolution of the market and increased demand for low-carbon products. As a global leader in innovative and sustainable building solutions, we engage with a wide range of stakeholders and partners to influence norms and regulations and contribute to decarbonize construction, fostering green demand and preparing our Group to capture over-proportional green growth. We closely monitor climate policies and incentives (such as the Buy Clean Initiative in the U.S.) and take advantage of our broad global customer base to target decarbonization first movers and those likely to move in the medium/long term.

CLIMATE AND NATURE RISKS AND OPPORTUNITIES CONTINUED

NATURE RISK NATURE-RELATED POLICIES

Description	Potential impact	Our response
Any changes in government regulations, policies, or legal frameworks aimed at protecting biodiversity and natural resources which may potentially require Holcim to adjust its operations.	Regulatory bodies are increasingly strengthening policies that address nature issues. This will likely impact Holcim's operations, notably through greater raw material extraction and upstream transparency. This will also involve increased quarry rehabilitation and biodiversity management along with improved standards for water management. Compliance with these requirements will necessitate increased costs and investments in new technologies. If stricter regulations were to come into effect, Holcim could face potential operational disruptions stemming from higher mining fees, limited access and complex permitting processes required to access and extract raw materials and natural inputs. Any perceived deviation, such as the destruction of biodiversity or harm to protected species, or failure to adapt to evolving nature-related policies, could result in reputational and financial damages.	<p>Holcim has a Water Directive along with a Quarry Rehabilitation and Biodiversity Directive, setting out the requirements to countries and sites to achieve our biodiversity and freshwater protection goals, particularly in areas that could be negatively impacted by our operations.</p> <p>We have notably identified potential negative impacts with regards to land degradation, and have rehabilitation plans in place that are mandatory when land is leased or bought by Holcim. To prioritize actions and develop tailored solutions to local challenges, we assess the biodiversity importance of each of our extraction sites and mitigate negative impacts. A Biodiversity Management Plan will be in place for all quarries that are considered to be located in areas of high biodiversity importance. Identification of the Biodiversity Importance Category of the quarry is performed according to the classification set out in the Holcim Biodiversity Management Plans and Karst Biodiversity Management. High biodiversity Importance areas are those classified with a Biodiversity Importance Category 1 and 2. Holcim also commits not to open new sites within protected areas declared under World Heritage, International Union for Conservation of Nature (IUCN) I and III.</p> <p>Furthermore, the compliance related to our water footprint is ensured by the implementation of Holcim's Nature Policy, Water Directive and Water Management Standard.</p> <p>To ensure responsible sourcing, we identify suppliers from extractive materials in each market where we operate and engage them to implement a Responsible Mining Program, to protect biodiversity and improve water management. Furthermore, we use SBTN to prioritize 100% of our purchases and to identify their impact based on pressure for nature and land use.</p> <p>Overall, Holcim prioritizes transparency and publicly discloses its environmental performance and progress against its nature targets annually.</p>

NATURE RISK PRICE OF RAW MATERIALS AND NATURAL INPUTS

Description	Potential impact	Our response
Any fluctuations in raw materials and natural resources prices that directly impact Holcim's operational costs and overall profitability. These additional costs can be driven by increasing demand, increasing scarcity, and/or restrictions along with mining fees from stringent nature-related regulations	Increased costs for freshwater and essential raw materials directly impact production costs, potentially leading to a need for supply chain optimization and adjustments in pricing strategies that could result in higher prices for Holcim's products. Moreover, nature-related policies restricting supply of natural inputs (freshwater) and raw materials (limestone, gypsum, sand, gravel) essential to our operations could lead to operational costs and business interruption. Overall, increased prices coupled with additional fees for extraction, create a complex scenario where Holcim must navigate rising costs, potential supply shortages, and the risk of reduced consumer demand due to higher product prices.	Holcim actively monitors raw material prices and market trends to anticipate potential risks. In locations where the supply of raw materials is at risk, we have a dedicated program focused on securing the best possible prices and ensuring a reliable supply of raw materials. In line with our nature-positive strategy, Holcim aims at reducing its dependence on nature. We are committed to continuous innovation in our materials and production processes. Our researchers at the Holcim Innovation Center in Lyon France and at our Technology Center in Switzerland continuously work on solutions to develop sustainable solutions to drive circular construction, with solutions to reduce, recycle and reuse materials and natural inputs.

NATURE RISK NEW PRODUCTION PROCESSES AND TECHNOLOGIES FOR RESOURCE SAVING AND EFFICIENCY

Description	Potential impact	Our response
Holcim's inability to be at the forefront of new production processes and technologies that might offer more sustainable or efficient ways to produce building materials could disrupt existing operations, create new competitive pressures and hinder our sustainability targets.	The market is demanding not only low-carbon but also nature-driven products and solutions. Failure to implement new production processes and technologies that would lower our impact on biodiversity and nature while increasing our operational efficiency could lead to a loss of market share and reputational damages. In the meantime, project management contingencies such as an inability to secure resources, inefficient technological knowledge and site limitations could delay our progress and lead to unexpected costs. Increasing pressure on freshwater availability and competition for valuable waste streams will only exacerbate these challenges, making investment in new production processes and technologies for resource saving and efficiency crucial to maintain our competitive edge and comply with new nature-related regulations.	Our researchers at the Holcim Innovation Center in Lyon, France and at our Technology Center in Switzerland are actively investing in research and development to explore and adopt new production processes and technologies - to preserve natural resources and biodiversity while improving operational efficiency. Our sites have already implemented production processes and technologies that reduce our dependence on virgin raw materials with, for example, the use of cement waste-derived materials, and natural resources with, for instance, investments in mature water management systems focused on optimizing consumption through improved rainwater capture, water recycling, and retention basins.

NATURE RISK REPUTATIONAL DAMAGE

Description	Potential impact	Our response
Potential negative perceptions from local communities, authorities, non-governmental organizations related to Holcim's dependencies on nature, as well as Holcim's actual or perceived impact on nature and/or impacts of activities upstream and/or downstream in a value chain, leading to damage on Holcim's brand image.	Negative publicity stemming from a lack of transparency or stakeholder engagement during mining projects and their development could erode public trust, damage the company's brand image, and ultimately impact its financial performance. This could also lead to reduced investor confidence, boycotts of Holcim products, community protests, and difficulty attracting and retaining talent.	Holcim conducts a continuous active engagement with relevant stakeholders from the planning phase of a mining project and throughout its development. This is fundamental to understand stakeholder needs and establish trust in developing the quarry rehabilitation, biodiversity management and water stewardship plans. This ongoing stakeholder engagement enables us to better understand stakeholder issues, address them and gain stakeholder trust. The Human Rights Directive is the reference document for planning and implementing stakeholder engagement activities. The key elements to make this viable are as follows: (1) Assess the level of stakeholder engagement that is required in order to develop and execute a Quarry Rehabilitation, Biodiversity Management and Water Stewardship Plan. (2) Relevant stakeholders must be identified according to local conditions and must be consulted in the planning process. (3) Not engaging with relevant local stakeholders is unacceptable. (4) Opportunities for developing strategic partnerships and engaging in a multi-stakeholder collaboration should be explored. (5) A communication plan must be put in place according to local needs and embedded in the overall communication strategy of the country.

NATURE RISK LIABILITY ARISING FROM LEGAL CLAIMS

Description	Potential impact	Our response
Legal actions taken against Holcim arising from local communities, authorities and non-governmental organizations, due to non-compliance with environmental regulations related to our activities' impacts and dependencies on nature and biodiversity, can lead to financial losses and reputational damage.	Legal claims represent a significant risk to our company, potentially affecting our commitment to responsible operations and our financial performance. Legal settlements and potential fines due to environmental damage or violations to nature-related policies can lead to financial losses. Moreover, ongoing legal proceedings and regulatory scrutiny can disrupt operations, resulting in project delays and increased operational costs. In addition, negative publicity stemming from legal claims can damage Holcim's brand reputation while undermining public trust, and adversely affect customer relationships.	We have already taken proactive steps to respond to evolving nature-related policies, as well as to protect and preserve biodiversity-sensitive areas that could be negatively affected by our activities. We are committed to transparency and accountability and openly communicate our environmental performance. Furthermore, we conduct proactive and active community engagement with relevant stakeholders and continuously address their potential concerns through the lifecycle of all our projects.

IDENTIFYING HOLCIM'S NATURE-RELATED IMPACTS AND DEPENDENCIES

In order to complement this bottom-up assessment, we leverage the latest technology for biodiversity and ecosystem mapping and anchor the nature risks and opportunities assessment as part of our climate and nature resilience and adaptation program, which also includes a detailed view of the nature-related impacts and dependencies of our operations.

Holcim's nature-related impacts and dependencies are assessed using the tool Exploring Natural Capital Opportunities, Risks and Exposure (ENCORE) and the SBTN Materiality screening tool to identify the impacts. Water use, land use including biodiversity, solid waste and greenhouse gas emissions have been identified as our most material nature-related impacts and dependencies.

Furthermore, the company uses the Integrated Biodiversity Assessment Tool (IBAT) to assess all extractive sites (within a five-kilometer buffer), identify priority locations with high biodiversity importance and help prioritize actions in these areas. All of the company's extractive sites are required to assess their importance in relation to biodiversity through an internal evaluation methodology, the Biodiversity Importance Category (BIC).

The IUCN-partnered methodology, Biodiversity Indicator and Reporting System (BIRS), assesses site-level biodiversity impacts, determines how habitats and ecosystems are affected, evaluates mitigation and rehabilitation measures and guides measurement and reporting of management activities. The BIRS biodiversity baselines for all managed land were established in 2024 and Holcim will use the same method to confirm the company's positive biodiversity impact by 2030.

Finally, Holcim validates all gathered information through stakeholder consultations, collecting quantitative inputs from almost 400 stakeholders, both internal and external, to define all material priorities (including environmental ones) for the company. It complements this quantitative analysis with stakeholder interviews to obtain a deeper qualitative understanding of their views.

Holcim's confirmed nature-related impacts and dependencies are then considered in the overall Enterprise Risk Management (ERM) process and integrated into the company strategy.

CLIMATE AND NATURE RISKS AND OPPORTUNITIES CONTINUED

NATURE OPPORTUNITY OPERATIONAL EFFICIENCY AND REDUCED DEPENDENCE ON NATURAL RESOURCES

Description

Any action toward greater resource efficiency (processes requiring fewer natural resources, substitution of natural resources by recycled, regenerative, renewable and/or ethically responsibly sourced organic inputs) has multiple benefits. For example, by using less natural resources such as freshwater we can also reduce costs and/or improve operational efficiency. This may result in a reduction in operational costs and enhanced profitability, while protecting our reputation.

Our response

Holcim’s commitment to reduce its nature impact involves numerous initiatives related to resource efficiency. Using our ECOCycle® circular technology, we have implemented circular solutions that allow us to reduce our dependence on raw materials and build new from old, using recycled materials in solutions that incorporate recycled construction demolition materials. Moreover, Holcim aims to reduce freshwater withdrawals with measurable targets by 2030 in its most material business segments, i.e. cement, aggregates, and ready-mix.. Holcim also implements energy efficiency projects to reduce fuel consumption and emissions by promoting the use of alternative fuels and resources, including biomass, waste-derived fuels and recycled materials.

NATURE OPPORTUNITY GROWING DEMAND FOR BIODIVERSITY AND NATURE-DRIVEN PRODUCTS AND SOLUTIONS

Description

Changing market dynamics include changes in consumer preferences. Any current and anticipated opportunities arising from, for example, consumers asking for more sustainable products with benefits in addition to low CO₂, such as cement with a lesser impact on biodiversity (quarry management), concrete using less freshwater, aggregates positively impacting biodiversity, have the potential to increase our market share in such product ranges. Hence we would benefit from a premium and create added value for the customer and the society.

Our response

Holcim is actively expanding its portfolio to meet the growing demand for products and solutions with less impact on biodiversity and nature through circularity initiatives that reduce our use of primary raw materials and natural resources. Holcim is also committed to rehabilitating its quarries to restore biodiversity and create valuable green spaces.

NATURE OPPORTUNITY REPUTATIONAL CAPITAL

Description

Activities that support the protection, regeneration or restoration of habitats and ecosystems, including areas both within and outside the organization’s direct control, drive positive changes in perception around Holcim’s nature impacts. Protection, regeneration or restoration of areas with high biodiversity value could increase revenue due to improved reputation as well as increase market valuation through resilience planning. Changes in Holcim’s brand value due to the reputational impact of nature-related issues could positively affect our relationships with communities, regulatory bodies and employees/potential employees.

Our response

Holcim publishes a detailed Climate Report and provides transparent information on our nature-related impacts and progress toward our nature-positive goals. This includes detailed information on our biodiversity conservation, water management and land restoration efforts. Holcim’s development of products and solutions based on processes aimed at resource savings and efficiency demonstrates our commitment to creating positive impact and contributing to a more sustainable built environment.

SCENARIO ANALYSIS

Holcim has developed two distinct and plausible climate change scenarios, including one aligned with the Paris Agreement, to test the resilience of the organization's strategy in light of different climate change futures.

In line with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, Holcim has continued to develop distinct and plausible climate change scenarios to test the resilience of the organization's strategy in light of different climate change futures. Two scenarios were considered to present Holcim's assessment of climate-related transitional and physical risks. A "Paris Agreement-aligned" scenario (aligned with 1.5°C) and an "Ineffective Collective Action Against Climate Change" scenario (aligned with 3–5°C).

The Paris Agreement-aligned scenario is favorable for Holcim, its shareholders and the global community. New market conditions will support growing demand for low-carbon products and solutions, increasing our market share in low-carbon cement and concrete as well as solutions to reduce the emissions of the built environment. Holcim's sustainability leadership brings strategic resilience to the Group, and Holcim is well positioned to build on its net-zero journey and help create a net-zero future that works for people and the planet.

A slower pace of transformation will lead to an "Ineffective Collective Action Against Climate Change" scenario, as the construction value chain continues to be fragmented and stimuli are not yet in place to decarbonize at the pace and scale required. While this is not Holcim's strategic direction, the Group will adapt to cover the market needs while continuing to drive circular and low-carbon construction and invest in less carbon-intensive production technologies.

In all cases, Holcim is well positioned for the future, with its leadership in ready-mix concrete and the expansion of its Solutions & Products segment. Concrete is versatile, affordable, insulating and infinitely recyclable. In addition, it is resilient, durable, fire and earthquake resistant, protecting our cities and infrastructure from natural disasters. For all these reasons, concrete is a must for climate change adaptation and there is currently no viable substitute at scale.

At the same time, Solutions & Products' technologies and innovations deliver sustainable and energy-efficient solutions for the built environment. These will be crucial in the coming decades, regardless of the climate change scenario.

This chapter aims to summarize the outcome of Holcim's climate-related scenario analysis. Holcim will continue to develop its climate scenarios analysis to understand emerging opportunities and mitigate potential risks associated with climate change.

Holcim considers the impact of each climate change scenario on our ambition to become a net-zero company by 2050 as well as a leader in sustainable and innovative construction materials and solutions, delivering profitable growth in a low-carbon economy. Depending on the particular risk or opportunity, our analysis is based on both quantitative and qualitative assessments. These scenarios do not constitute definitive outcomes for Holcim. The scenario analysis exercise relies on assumptions that may or may not materialize, and scenarios may be impacted by additional factors to the assumptions disclosed.

PARIS AGREEMENT-ALIGNED SCENARIO

In the Paris Agreement-aligned scenario, governments and industries are aligned to make carbon neutrality possible. The cement industry is making significant efforts toward net-zero development and innovation, while climate change mitigation and adaptation are growing in importance. Carbon capture, utilization and storage technologies are developing at a pace consistent with the industry's transition to net zero. Demand for low-carbon and material-efficient solutions, solutions that reduce the emissions of the built environment, and those that mitigate the impacts of climate change, is accelerating. Physical impacts of climate change are manageable without significant business or societal disruption. Holcim's sustainability leadership brings strategic resilience to the company. Holcim is well positioned to advance on its net-zero journey and build a net-zero future that works for people and the planet.

INEFFECTIVE COLLECTIVE ACTION AGAINST CLIMATE CHANGE SCENARIO

Ineffective collective action against climate change creates a misalignment between our efforts to reach net-zero emissions and the applicable regulations, resulting in a competitive disadvantage that a zero-carbon strategy imposes on our company in relation to other companies and sectors. Limited benefits would be drawn from the development of low-carbon and material and energy-efficient solutions. Physical impacts of climate change are severe, including water stress and extreme weather events. Holcim develops a strong response strategy to protect its assets and adapt to new market demand characteristics.

	PARIS AGREEMENT-ALIGNED SCENARIO	INEFFECTIVE COLLECTIVE ACTION AGAINST CLIMATE CHANGE
Temperature range by 2100	1.5°C	3°C – 5°C
Reference scenarios	IEA net-zero Emissions Scenario (NZE) Source: IEA World Energy Outlook 2024	IEA Stated Policies Scenario (STEPS) Source: IEA World Energy Outlook 2024 IEA Reference Technology Scenario (RTS) Source: IEA Technology Roadmap – Low-Carbon Transition in the Cement Industry (2019)
Carbon Emissions Pathway, IPCC 6th Assessment Report Used for physical risk assessment	Carbon Emissions Pathway: SSP1-2.6	Carbon Emissions Pathway: SSP5-8.5
Cement demand	Trend following NZE: Growth in emerging markets until 2030. From 2030–2050 demand decreases due to smart design	Trend following RTS until 2030: Growth in emerging markets until 2030. Marginal growth after 2030
CO ₂ price (USD/T CO ₂)	NZE: Advanced economies with net zero pledges: 2030: 140, 2050: 250 Selected emerging markets with net zero pledges: 2030: 90, 2050: 200 Selected emerging markets: 2030: 25, 2050: 180 Other emerging markets: 2030: 15, 2050: 55	STEPS: EU: 2030: 140; 2050: 158 Canada: 2030: 126; 2050: 126 Other selected markets: 2030: 21–56, 2050: 28–89

SCENARIO ANALYSIS

SCENARIO IMPACTS



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

● Opportunity improving the conditions for delivery of our strategy and with a positive business impact.

		PARIS AGREEMENT-ALIGNED SCENARIO		INEFFECTIVE COLLECTIVE ACTION	
		RISKS	OPPORTUNITIES	RISKS	OPPORTUNITIES
1. POLICY AND LEGAL					
1.1 CO ₂ prices and other climate policies	2030				
	2050				
2. MARKET					
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				
2.4 Demand for low-carbon building materials	2030				
	2050				
3. TECHNOLOGY					
3.1 Decarbonization of supply chain (energy and transportation)	2030				
	2050				
3.2 Deployment of breakthrough technologies on a large scale	2030				
	2050				
4. REPUTATION					
4.1 Impact on Group's stakeholders	2030				
	2050				
5. PHYSICAL					
5.1 Chronic – higher average temperatures and sea level rise	2030				
	2050				
5.2 Acute – extreme events (flooding and heat)	2030				
	2050				

	PARIS AGREEMENT-ALIGNED SCENARIO	INEFFECTIVE COLLECTIVE ACTION AGAINST CLIMATE CHANGE SCENARIO
1. POLICY AND LEGAL	Consistent with our net-zero strategy, reliable and stable carbon prices in all regions facilitates long-term investment decisions in low-carbon technologies and encourages significant changes across the building material and construction value chain. It will also support the collective effort to create a CO ₂ transportation and storage network at large scale, in line with the needs of other industries.	The limited number of CO ₂ pricing schemes hampers deployment of breakthrough technologies at the pace needed, making it more challenging for Holcim to deliver on its net-zero target. Also, with fragmented decarbonization efforts in the construction value chain, it is more difficult to benefit from the competitive advantage offered by a low-carbon footprint.
2. MARKET	While decarbonization of the construction value chain progresses, focus is on reducing operational emissions in the built environment, and circular construction is progressively endorsed by norms and regulations globally. This results in higher demand for low-carbon and circular building materials, and for our Solutions & Products segment. Simultaneously, as the steel and energy industries decarbonize, the availability of supplementary materials such as fly ash or slag decreases. Holcim mitigates this risk by securing sources of limestone, construction demolition materials or byproducts from other industries, but also by investing in calcined clay facilities and developing novel cements with new binders. With the progressive transition to decarbonized energy sources, Holcim's dependency on fossil fuel decreases.	As there are few regulatory incentives to use low-carbon products and to recycle, there is a limited increase in sales of our low-carbon cement and concrete. Demand for our circular materials and our products and solutions will be driven by urbanization, the need to protect natural resources and increased fossil fuel prices. By 2030, while the average clinker factor reduces moderately, the availability and cost of mineral components will remain virtually unchanged compared with today's levels. By 2050, the price of these materials modestly increases as some decarbonization of industries is underway, leading to a limited negative impact. However, with the slower transition to decarbonized energy sources, demand for fossil fuels remains strong.
3. TECHNOLOGY	Holcim will benefit from the overall decarbonization efforts in society thanks to: (1) Earlier readiness and affordability of breakthrough technologies, such as kiln electrification, hydrogen and – most importantly – CCUS. (2) Efforts in our own value chain/with suppliers, which will reduce our Scope 3 emissions. Additionally, we expect the production of supplementary cementitious material such as calcined clay to mature.	Holcim will need to make significant additional efforts to reach its Scope 1 targets, as governments are slow to implement the necessary policies to scale up breakthrough technologies, such as kiln electrification, hydrogen and CCUS and the associated networks and infrastructure. Scope 3 targets are challenged, as suppliers do not decarbonize at the necessary pace.
4. REPUTATION	In the short term, Holcim's cement production segment remains in the spotlight as a CO ₂ -intensive business, bringing reputational risks. However, as the net-zero roadmap is delivered and Holcim is seen as a keen contributor to climate change mitigation, its reputation, trust and credibility grow and the strategy is aligned with stakeholders' expectations.	The slow pace of the required regulatory incentives will pose additional challenges for Holcim's decarbonization journey, progressively increasing associated reputational risks.
5. PHYSICAL	Extreme precipitation and flooding impacting sites and supply chains in affected areas will require further protective measures and mitigation plans. Today, 26% of our sites are located in areas with medium to extremely high water stress, which explains why appropriate governance and management in water consumption, recycling and treatment are already required.	Extreme weather events such as torrential precipitation, flooding, drought and excessive heat days will increase significantly in frequency and intensity. In the long term, these may be considerably more intense, and mean that protection measures at existing locations are insufficient. This could have severe financial impacts on sites and supply chains and could potentially jeopardize the economic viability of some of our operations. Further risks, such as wildfire and windstorms, will increase and become significant threats. An opportunity is presented by the development of our Solutions & Products business segment, which offers integrated solutions and systems specifically designed to tackle climate change challenges -by increasing energy efficiency, providing cooling effects, extending the longevity of building materials and enhancing options to generate renewable energy.

NON-FINANCIAL PERFORMANCE INDICATORS

ART. 946B CONTENT REQUIREMENT

- 148** 2024 Sustainability performance report
- 162** Methodology and consolidation 2024
- 166** Assurance statement

2024 SUSTAINABILITY PERFORMANCE REPORT

Alpentherme Gastein in Bad Hofgastein, Austria, built using Holcim Elevate GeoGard EPDM membrane



IN THIS SECTION

- 150 Performance data tables
- 162 Methodology and consolidation 2024
- 166 Assurance statement

PERFORMANCE DATA TABLES

Holcim supplied Ductal® ultra high-performance concrete for the new Central Bank of Iraq skyscraper in Baghdad

PERFORMANCE AGAINST TARGETS

Unit key

NR – Not reported	Mt – million tons	Mm ³ – million cubic meters
kgCO ₂ /t – kilograms of carbon dioxide per ton	ton – metric ton	L/t – liters per ton
M GJ – million gigajoules	g – grams	L/m ³ – liters per cubic meter
MJ/t – million joules per ton	g/t – grams per ton	ha – hectares
CHF – Swiss francs	mg/t – milligrams per ton	km – kilometers
CHFm – million Swiss francs	# – number	% – percentage

	Unit	Base Year	Baseline	2023 Performance	2024 Performance	2024 vs. 2023	2030 Target	Achieved to Date
Specific CO ₂ emissions – Net (Scope 1) – cement only ¹	kgCO ₂ /t	2018	590	549	538	-2%	420	-9%
Specific CO ₂ emissions – Gross (Scope 1) – cement only ¹	kgCO ₂ /t	2018	623	591	582	-2%	-23 %	-7%
CO ₂ emissions – electricity (Scope 2) – cement only ¹	kgCO ₂ /t	2018	46	35	32	-8%	-65 %	-30%
CO ₂ indirect emissions from purchased fuels (Scope 3) ¹	kgCO ₂ e/t purchased	2020	286	285	285	–	-20 %	–
CO ₂ indirect emissions from purchased clinker and cement (Scope 3) ¹	kgCO ₂ e/t purchased	2020	710	709	705	-1%	-25 %	-1%
CO ₂ indirect emissions from downstream transportation (Scope 3) ¹	kgCO ₂ e/t transported	2020	11	9	9	3%	-24 %	-19%
Cement Specific freshwater withdrawal ¹	L/t	2018	377	301	277	-8%	-33 %	-27%
Aggregates Specific freshwater withdrawal	L/t	2018	225	192	184	-4%	-20 %	-18%
Ready-mix Specific freshwater withdrawal	L/m ³	2018	212	206	200	-3%	-15 %	-6%
Waste derived resources – all segments ¹	Mt	2018	n/a	35	38	8%	70	55%
Construction demolition materials (CDM)	Mt	2020	6.6	8.4	10.2	20%	20	54%
Recycling ratio – Cement (waste used / production volumes) ¹	%	2020	22	21	22	5%	30	1%
High ESG impact suppliers qualified (% spend)	%	2017	n/a	93	88	-5%	100 %	88%
Specific dust emissions	g/t	2018	121	64	38	-40%	75	-68%
Specific NO _x emissions	g/t	2016	1,513	1,189	1,154	-3%	1,100	-24%
Specific SO ₂ emissions	g/t	2016	357	230	235	2%	230	-34%
Cumulative contribution to create positive social impact	CHFm	2021	n/a	91	115	27%	350	33%

¹ 2023 data is restated as per 2024 Consolidation.

PERFORMANCE DATA TABLES

ENVIRONMENT

ENERGY¹

	Unit	2022	2023	2024
Total energy consumption	M GJ	435	425	419
Total energy consumption from fossil sources	M GJ	389	375	367
Total energy consumption from renewable sources	M GJ	47	50	52
Thermal energy consumption	M GJ	370	361	356
Thermal energy consumption fossil fuels – coal	M GJ	67	51	47
Thermal energy consumption fossil fuels – petcoke	M GJ	78	79	76
Thermal energy consumption fossil fuels – oil	M GJ	29	29	26
Thermal energy consumption fossil fuels – gas	M GJ	94	98	99
Thermal energy consumption fossil fuels – other traditional fossil fuels	M GJ	8	7	6
Thermal energy mix of clinker production – alternative fuels (ex biomass)	M GJ	60	61	63
Thermal energy mix of clinker production – biomass	M GJ	33	37	39
Electrical energy consumption	M GJ	65	64	63
Electrical energy consumption – renewable	M GJ	13	14	13
Electrical energy consumption – own generation – renewable	M GJ	1	1	1
Electrical energy consumption – renewable PPAs	M GJ	3	3	3
Electrical energy consumption – other renewable (grid)	M GJ	9	9	9
Electrical energy consumption – non-renewable	M GJ	52	50	49
Electrical energy consumption – own generation – non-renewable	M GJ	3	3	3
Electrical energy consumption – grid – non-renewable	M GJ	49	47	46

¹ 2022 and 2023 data is restated in line with 2024 Consolidation.

ENVIRONMENT

ABSOLUTE GHG EMISSIONS¹

	Unit	2022	2023	2024
Absolute Scope 1 emissions – gross	Mt	77	74	71
Percentage of Scope 1 GHG emissions from regulated emission trading schemes	%	29	28	29
Absolute Scope 2 emissions (market-based)	Mt	4	5	4
Percentage of electricity purchased with usage of bundled renewable energy attributes	%	NR	NR	7
Percentage of electricity purchased with usage of unbundled renewable energy attributes	%	NR	NR	6
Absolute Scope 3 emissions – total	Mt	48	46	42
Percentage of GHG Scope 3 calculated using primary data	%	49	51	48
Absolute S3 emissions – Cat 1 – Purchased goods and services	Mt	9.5	7.5	7.3
Absolute S3 emissions – Cat 2 – Capital goods	Mt	0.1	0.2	0.1
Absolute S3 emissions – Cat 3 – Fuel and energy-related activities	Mt	5.5	5.3	5.1
Absolute S3 emissions – Cat 4 – Upstream transportation and distribution	Mt	4.7	4.3	4.2
Absolute S3 emissions – Cat 5 – Waste generated in operations	Mt	0.1	0.1	0.1
Absolute S3 emissions – Cat 6 – Business travel	Mt	0.0	0.0	0.0
Absolute S3 emissions – Cat 7 – Employee commuting	Mt	0.1	0.1	0.1
Absolute S3 emissions – Cat 8 – Upstream leased assets ²	Mt	0.0	0.0	0.0
Absolute S3 emissions – Cat 9 – Downstream transportation and distribution	Mt	2.5	2.2	2.2
Absolute S3 emissions – Cat 10 – Processing of sold products	Mt	1.5	1.8	1.6
Absolute S3 emissions – Cat 11 – Use of sold products	Mt	0.0	0.0	0.0
Absolute S3 emissions – Cat 12 – End-of-life treatment of sold products	Mt	1.0	1.4	1.3
Absolute S3 emissions – Cat 13 – Downstream leased assets	Mt	0.0	0.0	0.0
Absolute S3 emissions – Cat 14 – Franchises	Mt	0.0	0.0	0.0
Absolute S3 emissions – Cat 15 – Investments	Mt	22.5	23.1	19.6
Absolute emissions (Scope 1, 2 & 3)	Mt	125	124	117

ABSOLUTE SCOPE 1 EMISSIONS BY SOURCE¹

	Unit	2022	2023	2024
CO ₂ emissions – Gross (Scope 1)	Mt	77	74	71
CO ₂ emissions from raw materials	Mt	50	48	47
CO ₂ emissions from fossil fuels	Mt	22	20	19
CO ₂ emissions from alternative fuels (non-biomass)	Mt	5	5	5
CO ₂ emissions from alternative fuels (biomass)	Mt	3	3	4

ABSOLUTE SCOPE 1 EMISSIONS BY REGION¹

	Unit	2022	2023	2024
CO ₂ emissions – Gross (Scope 1) – Asia, Middle East & Africa	Mt	28	27	26
CO ₂ emissions – Gross (Scope 1) – Europe	Mt	22	20	20
CO ₂ emissions – Gross (Scope 1) – LATAM	Mt	11	11	10
CO ₂ emissions – Gross (Scope 1) – North America	Mt	16	16	15

SPECIFIC SCOPE 3 EMISSIONS¹

	Unit	2022	2023	2024
CO ₂ indirect emissions from purchased fuels	kgCO ₂ e/t purchased	287	285	285
CO ₂ indirect emissions from purchased clinker and cement	kgCO ₂ e/t purchased	716	709	705
CO ₂ indirect emissions from downstream transportation	kgCO ₂ e/t transported	10	9	9

¹ 2022 and 2023 data is restated in line with 2024 consolidation.

² As per latest SBTi Guidelines, emissions from leased vehicles were reclassified as Scope 1 and leased spaces as Scope 2.

PERFORMANCE DATA TABLES CONTINUED

ENVIRONMENT

ENERGY & GHG (GCCA KPIs) – CEMENT PLANTS ONLY

	Unit	2022	2023	2024
Absolute Net Scope 1	Mt	71	67	65
Absolute Gross ³ Scope 1	Mt	76	72	70
Absolute Scope 2 – Market-based	Mt	4	4	4
Absolute Scope 2 – Location-based	Mt	4	4	4
Specific CO ₂ emissions – Net ⁴ (Scope 1) – as reported	kgCO ₂ /t	562	545	538
Specific CO ₂ emissions – Net (Scope 1) – 2024 consolidation	kgCO ₂ /t	567	549	538
Specific CO ₂ emissions – Gross ³ (Scope 1) – as reported	kgCO ₂ /t	602	587	582
Specific CO ₂ emissions – Gross (Scope 1) – 2024 consolidation	kgCO ₂ /t	607	591	582
Specific CO ₂ emissions – Electricity (Scope 2) – market-based – as reported	kgCO ₂ /t	37	36	32
Specific CO ₂ emissions – Electricity (Scope 2) – market-based – 2024 consolidation	kgCO ₂ /t	35	35	32
Specific heat consumption of clinker production – as reported	MJ/t	3,654	3,664	3,702
Specific heat consumption of clinker production – 2024 consolidation	MJ/t	3,647	3,663	3,702
Thermal Substitution Rate (TSR): alternative fuels plus biomass – as reported	%	28	30	32
Thermal Substitution Rate (TSR): alternative fuels plus biomass – 2024 consolidation	%	28	30	32
Thermal Substitution Rate (TSR): biomass – as reported	%	10	11	12
Thermal Substitution Rate (TSR): biomass – 2024 consolidation	%	10	11	12

³ Gross CO₂ emissions are the total emissions resulting from the calcination of limestone and the emissions resulting from the burning of fossil-based fuels and pre-treated waste-derived fuels. Compared with gross CO₂ emissions, net CO₂ emissions do not include CO₂ from alternative fuels.

⁴ Reported as kg/t cementitious material produced. See Note 11 for the definition of cementitious material.

ENVIRONMENT

WATER

	Unit	2022	2023	2024
Cement, aggregates and ready-mix				
Cement Specific freshwater withdrawal – as reported	L/t	304	298	277
Cement Specific freshwater withdrawal – 2024 consolidation	L/t	308	301	277
Aggregates Specific freshwater withdrawal	L/t	218	192	184
Ready-mix Specific freshwater withdrawal	L/m ³	202	206	200
Sites in water risk areas ⁵	%	24	28	26
Sites in water risk areas with recycling systems in place	%	76	76	77
Water-positive sites in water risk areas	%	4	4	6
Water discharge compliant with regulations	%	99	98	99
All segments (excluding captive power plants)				
Specific freshwater consumption (L/t of product)	L/t	141	129	118
Total water withdrawal	Mm ³	118	114	108
Total freshwater withdrawal	Mm ³	104	98	89
Total freshwater withdrawal from groundwater	Mm ³	34	32	29
Total freshwater withdrawal from surface water	Mm ³	45	41	42
Total freshwater withdrawal from municipal water supplies or third parties	Mm ³	11	12	10
Total freshwater withdrawal from quarries	Mm ³	14	14	9
Non-freshwater withdrawal	Mm ³	8	9	10
Rainwater harvested	Mm ³	6	7	9
Total water discharge	Mm ³	35	35	34
Water discharge to ground or soil infiltration	Mm ³	5	7	6
Water discharge to surface water	Mm ³	29	26	27
Water discharge to offsite treatment or third parties	Mm ³	0.8	0.9	0.8
Water discharge to seawater	Mm ³	0.3	1.7	0.8
Total water consumption	Mm ³	83	78	72
Total water consumption in areas at water risk, including areas of high water stress	Mm ³	NR	NR	23
Total water recycled and reused	Mm ³	NR	NR	135
Sites equipped with a water recycling system	#	1,331	1,347	1,391
Captive power plants				
Total water withdrawal	Mm ³	128	118	120
Total freshwater withdrawal	Mm ³	119	109	112
Total freshwater withdrawal from groundwater	Mm ³	0	0	0
Total freshwater withdrawal from surface water	Mm ³	119	109	112
Total freshwater withdrawal from municipal water supplies or third parties	Mm ³	0	0	0
Total freshwater withdrawal from quarries	Mm ³	0	0	0
Non-freshwater withdrawal	Mm ³	9	9	8
Rainwater harvested	Mm ³	0	0	0
Total water discharge	Mm ³	127	118	120
Water discharge to ground or soil infiltration	Mm ³	0	0	0
Water discharge to surface water	Mm ³	118	109	111
Water discharge to offsite treatment	Mm ³	0	0	0
Water discharge to seawater	Mm ³	9	9	8
Total water consumption	Mm ³	0	0	0
Total water consumption in areas at water risk, including areas of high-water stress	Mm ³	NR	NR	0
Total water recycled and reused	Mm ³	NR	NR	10
Sites equipped with a water recycling system	#	4	4	4

⁵ Figures calculated using the Aqueduct Water Risk tool. Reflects sites in risk categories: medium-high, high and extremely high.

PERFORMANCE DATA TABLES CONTINUED

ENVIRONMENT

BIODIVERSITY

	Unit	2022	2023	2024
Quarries assessed using BIRS methodology – active only ⁶	%	51	67	100
Quarries assessed using BIRS methodology – active and non-active ⁶	%	48	64	100
Quarries with rehabilitation plan in place ⁷	%	100	100	100
Quarries with biodiversity importance ⁸	#	256	294	277
Quarries with biodiversity importance with biodiversity management plans in place	%	100	100	100
Total rehabilitated area (active quarries)	ha	13,115	12,349	11,233
Total rehabilitated area (all areas) ⁹	ha	17,448	14,855	13,685
Financing effects (direct and indirect costs) of biodiversity offsets	CHFm	NR	NR	2

RECYCLING WASTE

	Unit	2022	2023	2024
Total materials consumed – excl. fuels	Mt	NR	NR	456
Raw materials consumed – excl. fuels and recycled materials	Mt	432	444	424
Reused or recycled materials consumed – excl. fuels	Mt	NR	NR	32
Percentage of materials used that are reused or recycled	%	NR	NR	7
Waste derived resources – all segments ¹⁰ – as reported	Mt	34	36	38
Waste derived resources – all segments – 2024 Consolidation	Mt	33	35	38
Alternative raw materials contained in cement	%	9	10	11
Alternative raw materials contained in concrete	%	3	4	5
Alternative raw materials contained in asphalt	%	19	20	20
Recycling ratio – cement (waste used / production volumes) – as reported	%	20	22	22
Recycling ratio – cement (waste used / production volumes) – 2024 consolidation	%	19	21	22
Recycling ratio – all segments (waste used / sales volumes)	%	7	7	8
Construction demolition materials (CDM)	Mt	6.8	8.4	10.2

INTERNAL WASTE (INCLUDING CAPTIVE POWER PLANTS)

	Unit	2022	2023	2024
Total waste generated	Mt	1.99	2.09	2.18
Total amount of hazardous waste	Mt	0.03	0.05	0.04
Internal hazardous waste recycled or recovered	Mt	0.01	0.03	0.03
Internal hazardous waste disposed	Mt	0.02	0.03	0.01
Total amount of non-hazardous waste	Mt	1.96	2.04	2.14
Internal non-hazardous waste recycled or recovered	Mt	0.92	1.16	1.21
Internal non-hazardous waste disposed	Mt	1.04	0.88	0.93
Non-recycled waste	Mt	1.05	0.91	0.94
Percentage of non-recycled waste	%	53	43	43

ENVIRONMENTAL MANAGEMENT SYSTEMS (EMS) AND COMPLIANCE

	Unit	2022	2023	2024
Cement sites with ISO 14001 certification	%	77	75	77
Cement sites with an EMS equivalent to ISO 14001	%	94	94	95
Aggregates sites with ISO 14001 certification	%	16	18	18
Aggregates sites with an EMS equivalent to ISO 14001	%	66	66	63
RMX sites with ISO 14001 certification	%	20	22	23
RMX sites with an EMS equivalent to ISO 14001	%	59	59	58
Number of countries reporting severe non-compliance cases	#	3	5	5
Fines and penalties paid	CHFm	0.6	0.5	1.1

⁶ Excluding quarries in process of divestment, such as all quarries in the U.S. and Canada.

⁷ This refers to the number of quarries with a quarry rehabilitation plan compliant with Holcim's internal requirements.

⁸ According to categorizations introduced in 2018 following Fauna & Flora International (FFI) recommendations, which we have been incrementally implementing.

⁹ The decrease in rehabilitated area is due to the change in ownership of several quarries.

¹⁰ Includes alternative raw material industrial mineral components (consumed and sold externally), alternative fuels, the volume of returned concrete recycled, secondary and/or recycled aggregates, and recycled asphalt.

ENVIRONMENT

AIR EMISSIONS

	Unit	2022	2023	2024
Clinker produced with continuous monitoring of dust, NO _x , and SO ₂ emissions	%	93	93	94
Clinker produced with monitoring of dust, NO _x , and SO ₂ emissions	%	99	100	99
Coverage				
Overall: production with comprehensive emission monitoring	%	79	92	91
Dust: production with dust measurement	%	99	100	99
NO _x : production with NO _x measurement	%	100	100	100
SO ₂ : production with SO ₂ measurement	%	100	100	100
VOC: production with VOC measurement	%	92	97	98
Mercury: production with mercury measurement	%	86	100	100
Dioxins/furans: production with dioxins/furans measurement	%	90	95	100
HM1: production with HM1 measurement	%	89	96	95
HM2: production with HM2 measurement	%	90	96	97
Emissions				
Total dust emissions	ton	6,706	5,824	3,338
Total NO _x emissions	ton	111,005	108,033	100,861
Total SO ₂ emissions	ton	21,870	20,875	20,500
Total VOC emissions	ton	4,096	4,208	3,353
Total mercury emissions	ton	1.1	1.6	1.3
Total dioxins/furans emissions	g	3.2	3.5	2.2
Total HM1 emissions	ton	1.0	1.6	1.4
Total HM2 emissions	ton	33.8	33.2	25.5
Specific emissions (clinker)				
Specific dust emissions	g/t	71	64	38
Specific NO _x emissions	g/t	1,177	1,189	1,154
Specific SO ₂ emissions	g/t	232	230	235
Specific VOC emissions	g/t	43	46	38
Specific mercury emissions	mg/t	12	18	15
Specific dioxins/furans emissions	mg/t	34	39	25
Specific HM1 emissions	mg/t	11	17	16
Specific HM2 emissions	mg/t	358	365	292

PRODUCTS AND SOLUTIONS

	Unit	2022	2023	2024
Clinker produced	Mt	94	91	87
Clinker consumed	Mt	90	87	83
Cement fillers consumed (limestone, gypsum, MIC, etc.)	Mt	31	31	31
Cement produced	Mt	121	118	114
Mineral components (slag, fly ash, etc) produced	Mt	3	3	2
Cementitious material produced ¹¹	Mt	128	125	120
Aggregates produced	Mt	252	265	252
Asphalt produced	Mt	10	10	9
RMX produced	Mm ³	45	44	41
Clinker factor (average % of clinker in cements) ¹²	%	73.0	71.8	71.7
Production clinker factor	%	74.8	73.5	72.9
Net sales of sustainable solutions ¹³	%	32	25	28

¹¹ Cementitious material is defined following the GCCA definition: Total clinker produced plus mineral components consumed for blending and production of cement substitutes, including clinker sold but excluding clinker bought.

¹² Cements is defined as total cements produced, excluding clinker sold, including clinker bought. It includes Portland, blended and slag cements and direct fly ash sales.

¹³ Net sales of sustainable solutions follows our financial reporting consolidation scope including acquisitions and divestments. The decrease in 2023 is due to the divestments of India and Brazil.

PERFORMANCE DATA TABLES CONTINUED

SOCIAL

PEOPLE: SOCIAL INITIATIVES

	Unit	2022	2023	2024
Total contribution to create positive social impact	CHFm	22.5	24.8	24.2
of which: contribution by partners to create positive social impact	%	8	8	6
Total contribution to:				
Housing and infrastructure	%	24	28	33
Community initiatives on health, education & skills and Other	%	57	55	48
Project management	%	19	17	19
Type of contribution:				
Social investment and inclusive business projects	%	78	79	78
Donations (cash and in kind)	%	22	21	22
Total number of beneficiaries ¹⁴	Million	3	2	3
Rural roads renovated or built as part of our social initiatives	km	328	481	330
Hospitals owned and managed by Holcim, open for dependents and community members	#	18	13	12
Schools owned and managed by Holcim, open for dependents and community members	#	19	19	18
Volunteering	Hours	32,666	47,750	67,609
Volunteering during paid working hours	%	73	84	83

PEOPLE: HUMAN RIGHTS

	Unit	2022	2023	2024
Human rights assessments conducted in the last three years – GRUs – cumulative ¹⁵	%	100	100	95
Human rights assessments conducted in the last three years – sites	%	98	100	97
Human rights assessment and action plan status signed off by country Exco during the reporting year	%	98	98	98
People receiving training on human rights topics	#	12,566	18,654	18,150
Stakeholder engagement plans available and reviewed in last three years – cement, grinding sites	%	92	95	96

¹⁴ A direct beneficiary is defined as a person who was directly involved in the project or benefited from its implementation. Whenever possible, we count the exact number of beneficiaries (number of community members trained). When precise measurement is not possible (e.g., beneficiaries of a new hospital or bridge built by Holcim), estimates are made based on scientific methods such as social research, expert interviews or the like.

¹⁵ The decrease is due to the postponement of self assessments for U.S. GRUs until 2025 after the spin-off in order to involve the new management.

SOCIAL

HEALTH & SAFETY

	Unit	2022	2023	2024
Fatalities (activities under our direct control)				
By location				
On site	#	8	2	2
Offsite	#	0	0	0
By personnel category				
Employees	#	1	2	2
Contractors	#	7	0	0
Lost time injury frequency rate (LTIFR)				
LTIFR employees (# of LTIs per million work hours)	#	0.58	0.56	0.40
LTIFR contractors (# of LTIs per million work hours)	#	0.45	0.24	0.38
LTIFR employees and contractors on site (# of LTIs per million work hours)	#	0.53	0.43	0.39
Total injury frequency rate (TIFR)				
Total recordable injuries – employees	#	NR	NR	504
Total recordable injuries – employees and contractors on site	#	NR	NR	716
TIFR employees (# of injuries per million work hours)	#	4.06	4.45	4.16
TIFR contractors (# of injuries per million work hours)	#	2.30	2.57	2.60
TIFR employees and contractors on site (# of injuries per million work hours)	#	3.32	3.68	3.53
Occupational illness frequency rate (OIFR)				
Total recordable occupational illnesses – employees	#	NR	NR	54
OIFR employees (# of occupational illness per million work hours)	#	0.23	0.47	0.45
OIFR contractors (# of occupational illness per million work hours)	#	0.07	0.13	0.15
OIFR employees and contractors on site (# of occupational illness per million work hours)	#	0.16	0.33	0.33
Total recordable incidents (injuries and occupational illnesses) – employees ¹⁶	#	NR	NR	558
Rate of recordable incidents employees (# of injuries and occupational illness per million work hours)	#	NR	NR	4.61
Other				
Percentage of employees and contractors on site covered by a health and safety management system that meets legal or recognized standards	%	NR	NR	100
On-site third-party fatalities (cement sites)	#	0	0	0
Workforce represented on health and safety committees	%	95	93	92
Number of employee fatalities per 10,000 directly employed	#	0.17	0.31	0.31
Number of Lost Time Injuries (LTIs) (directly employed)	#	68	68	48
Total number of LTIs – on site and off site	#	106	88	79
Cement sites with ISO 45001 certification	%	21	21	21
Cement sites with a management system equivalent to ISO 45001	%	36	37	37
Aggregates sites with ISO 45001 certification	%	14	17	14
Aggregates sites with a management system equivalent to ISO 45001	%	28	30	31
RMX sites with ISO 45001 certification	%	16	17	17
RMX sites with a management system equivalent to ISO 45001	%	34	34	39

¹⁶ Incidents fall under two management control categories: direct control and indirect control. Only incidents under direct control are publicly reported. Direct control incidents occur when Holcim has direct responsibility or supervision.

PERFORMANCE DATA TABLES CONTINUED

SOCIAL

EMPLOYEES BY EMPLOYMENT CONTRACT AND AGE

	Unit	2022	2023	2024
Total number of employees (FTE) ¹⁷	#	60,422	63,448	63,665
Total number of employees (headcount)	#	NR	NR	65,000
Full-time employees	%	98	98	98
Part-time employees	%	2	2	2
Permanent employees	%	94	94	94
Fixed-term contract employees	%	6	6	6
Number of employees at senior management level ¹⁸	#	NR	NR	1,338
Percentage of employees at senior management level ¹⁸	%	NR	NR	2
Employees under the age of 30	%	14	15	14
Employees between 30 and 50	%	56	55	54
Employees above 50	%	30	31	32
Gender diversity (headcount)				
Women at senior management level	%	20	21	21
Women at all management levels	%	25	26	27
Women at non-management level	%	13	14	14
Women in total workforce	%	17	18	18
Turnover (headcount)				
Overall employee turnover rate	%	17	16	18
Number of employees who have left undertaking	#	NR	NR	11,756
Voluntary employee turnover rate	%	9	8	9
Hirings	%	20	19	17
Development (headcount)				
Hours of training per employee (management level)	#	29	30	29
Hours of training per employee (non-management level)	#	18	21	21
Managers who had an annual performance review	%	87	84	89
Non-managers who had an annual performance review	%	45	38	37

EMPLOYEES BY CONTRACT TYPE AND REGION

	AMEA	Europe	LATAM	North America	Total
Number of employees (headcount)	11,817	24,285	10,747	18,151	65,000
Number of permanent employees	11,057	22,794	9,563	17,941	61,355
Number of temporary employees	760	1,491	1,184	210	3,645
Number of full-time employees	11,681	23,340	10,747	18,011	63,779
Number of part-time employees	136	945	0	140	1,221

EMPLOYEES BY GENDER

	Female	Male	Other ¹⁹	Not disclosed	Total
Number of employees (headcount)	11,681	53,319	0	0	65,000
Number of permanent employees	10,897	50,458	0	0	61,355
Number of temporary employees	784	2,861	0	0	3,645
Number of full-time employees	11,017	52,762	0	0	63,779
Number of part-time employees	664	557	0	0	1,221

TRAINING HOURS & ANNUAL PERFORMANCE REVIEW

	Female	Male	Other ¹⁹	Not disclosed	Total
Training hours (headcount)					
Total hours of training (management level)	142,746	437,780	0	0	580,527
Average training hours per employee (management level)	26	29	0	0	29
Total hours of training (non-management level)	145,775	791,144	0	0	936,918
Average training hours per employee (non-management level)	23	21	0	0	21
Total hours of training (total)	288,521	1,228,924			1,517,445
Average training hours per employee (total)	25	23			23
Annual performance review (headcount)					
Managers who had an annual performance review %	88	89	0	0	89
Non-managers who had an annual performance review %	53	34	0	0	37

¹⁷ Full-time equivalent (FTE) data covers all fully consolidated companies as of 31 December 2024.

¹⁸ Senior management level is defined as all employees in specific job bands (leadership), regardless of whether or not they have direct or indirect reports.

¹⁹ Other: Gender as specified by the employees themselves.

GOVERNANCE

BOARD

	Unit	2022	2023	2024
Number of executive members	#	1	1	0
Number of non-executive members	#	10	8	11
Percentage of women board members	%	36	44	45
Percentage of independent board members	%	91	89	91

SOCIAL, GOVERNMENT AND ECONOMIC RELATIONS

	Unit	2022	2023	2024
Social relations				
Entities with strike action of more than one week's duration	#	2	1	0
Entities where employees are covered by collective agreements	%	72	70	67
Employees covered by collective agreements	%	88	87	86
Government relations				
Political donations ²⁰	CHF	0	60,000	21,500
In-kind political contributions made	CHF	NR	NR	0
Countries making political donations	#	1	2	2
Total subsidies ²¹	CHFm	80	66	36
Entities receiving subsidies	#	15	13	11
Economic relations				
Membership of trade associations and chambers of commerce	CHFm	15	14	12

SUPPLY CHAIN DUE DILIGENCE

	Unit	2022	2023	2024
ESG risk identification				
Holcim GRUs with due diligence process in place ²²	%	100	95	98
Suppliers from national markets	%	91	90	92
Suppliers identified as having potential high ESG impact	%	35	36	39
Spend covered by suppliers with potential high ESG impact	%	58	60	68
Spend with "assessed" potential high ESG impact suppliers ²³	%	95	93	88
Suppliers non-compliant with Supplier Code of Conduct ²⁴	%	NR	1	14
ESG risk management				
Non-compliant suppliers with corrective action plans	%	NR	85	83
Non-compliant suppliers who have improved sustainability performance	%	NR	43	68
Non-compliant suppliers canceled due to non-compliance	%	NR	1	16

PRODUCING ASSETS INCLUDED IN EVALUATION

	Unit	2022	2023	2024
Cement producing sites including grinding and blending	#	147	148	143
Aggregates sites	#	474	499	504
Asphalt sites	#	86	83	87
Ready-mix sites	#	1,165	1,179	1,212
Quarries operated	#	647	648	641

²⁰ Figures exclude Holcim US Employees Political Action Committee (PAC) and Holcim US Michigan Employees PAC contributions in the U.S.. These amounted to USD 22,200 in 2024. In 2024, Holcim Switzerland donated CHF 21,500 to one national political party, the FDP.The Liberals.

²¹ Total subsidies do not include EU funding under the EU Innovation Fund which was awarded but not yet disbursed.

²² In 2024, only one new acquisition has yet to implement Holcim due diligence processes.

²³ In 2024, Holcim's risk profile was increased to comply with the latest regulations. Assessed high ESG impact suppliers increased by 7% on a like-for-like basis.

²⁴ In 2024, Holcim expanded the assessment questionnaire used to verify our suppliers in order to comply with the latest regulations.

Consolidation rules for non-financial KPIs.

Scope of consolidation

The consolidation scope for non-financial reporting is aligned with financial reporting and includes Holcim Ltd and its subsidiaries. The list of principal consolidated entities is presented in Note 2.4 to the Consolidated Financial Statements.

Divestments and acquisitions

The data for business(es) divested during the year is excluded for the entire year. The data for business(es) acquired during the year is included for the entire year. In the 2024 Sustainability Performance Report, the most significant changes to the consolidated group were the divestments of South Africa, Tanzania and Uganda. The divestment of Kenya has not been taken into account in the 2024 Sustainability Performance report, since it was fully consolidated for the majority of 2024 (until November 2024). The 2023 and 2022 figures are restated in line with the 2024 consolidation in the Energy and Absolute GHG emissions tables. Unless stated otherwise, all prior year figures for other indicators are “as published in the reporting year.” Key metrics are shown “as reported” and restated in line with “2024 consolidation” in separate lines.

When a new site is acquired by Holcim, its policies and procedures for non-financial reporting may not necessarily be consistent with Holcim’s standards. Accordingly, new sites have until the second reporting year following the acquisition to meet and report performance in line with Holcim’s standards.

Data collection methods and references to reporting protocols

Extrapolation

To accelerate the reporting process and align with the financial reporting timeline, some data is based on eleven months of data (as of 30 November) and extrapolated to estimate annual values. This includes:

- For employees, hours of training per employee
- For environmental data, including air emissions and non-cement CO₂ emissions

Other indicators are either based on 12 months of data or no extrapolation was required, as they do not necessarily change between November and December (for example, environmental certifications and hectares rehabilitated.)

Controls

Controls put in place to ensure data quality and robustness include:

- Principle sustainability KPIs, namely those relating to Holcim’s cement business (Scope 1 and 2 emissions from cement activities, freshwater withdrawal) and circular economy volumes (waste derived resources), are reported monthly through Holcim’s financial reporting process and are subject to a rigorous internal verification process. This includes an annual certification process to review the main action plans in progress and to confirm management’s responsibility for the quality of internal controls and financial reporting at each relevant level of the Group organization.
- The Axiom digital reporting and analytics platform, as well as the internally developed proprietary spreadsheet-based import questionnaire templates used in 2024, include built-in validation rules to ensure robustness of the reported data. This involves flagging when a value is outside an expected range or deviates significantly from previously reported data, requiring an explanatory comment.
- A robust workflow process is in place, requiring validation of the data and explanations to be provided by two managers for each questionnaire.
- Validation dashboards have been developed to allow entities and subject matter experts to identify values that are out of range.
- Data (such as production, contribution to social initiatives and number of employees, etc.) is checked against other reporting streams such as SAP and technical reports, as well as for consistency.
- Scope 3 KPIs are available on a quarterly basis, leveraging a data lake to automate extraction from underlying data sources and calculations for each of the Scope 3 categories. The report includes automated controls and sensitivity analysis and is subject to sign-off by the functions responsible for the underlying data.

Economic indicators

- In 2024, data on net sales of sustainable solutions was collected through Holcim's financial reporting process on a monthly basis. This was supplemented by a country-specific annual survey of sales associated with affordable housing and water.
- Supplier assessment data was collected through proprietary spreadsheet-based import questionnaire templates and the respective protocols: the Holcim sustainable procurement questionnaire. Data is gathered at country/Group reporting unit level and covers all business segments and their industrial production sites. The sustainable procurement questionnaire was conducted covering 62 entities, representing more than 99% of our total procurement spend.

Environmental indicators

Environmental performance indicators follow the reporting guidelines of the GCCA (previously the World Business Council for Sustainable Development – Cement Sustainability Initiative (WBCSD CSI)).

In 2024, environmental data was collected through the Axiom digital reporting and analytics tool as well as proprietary spreadsheet-based import templates. Reporting guidelines for environmental reporting were issued to ensure proper reporting, highlighting new and updated environmental indicators as well as changes in reporting scope as needed.

All sites that were active during the reporting year were considered eligible for inclusion in environmental reporting. The impacts of sites that were active for fewer than six months was estimated based on their production and Group averages. For environmental data, cement terminals are not considered material and can hence be excluded from the consolidation.

- **Scope 1, Scope 2 CO₂ emissions and energy:** We follow the Global Cement and Concrete Association (GCCA) Cement CO₂ and Energy Protocol version 3.1 for the monitoring and reporting of CO₂ emissions from cement manufacturing (previously the WBCSD CSI Cement CO₂ and Energy Protocol version 3.1) to calculate CO₂ emissions between the 1990 baseline and the reporting year. Wherever feasible, operations report site and/or material-specific emission factors. For Scope 2 emissions, we follow the GHG Protocol Scope 2 Guidance. Work to determine the most accurate available market-based emission factors is continuously under way. The reporting coverage for the CO₂ Scope 1 and 2 Topic data is 100%.
- **Electrical energy:** We utilize three types of contractual instruments for the purchase of renewable electrical energy.

Power purchase agreements (PPAs) – PPAs are particularly valuable for Holcim's operations in regions like Europe and North America, where regulatory frameworks and market conditions support the development of renewable energy projects.

Virtual power purchase agreements (VPPAs) – VPPAs offer flexibility and are particularly useful for Holcim's

global operations, enabling the company to support renewable projects in strategic locations even if its facilities do not directly consume the generated electricity.

Renewable energy certificates (RECs) and guarantees of origin (GOs). By purchasing and retiring RECs or GOs, Holcim can reduce Scope 2 CO₂ emissions associated with its use of electricity from the grid.

- **Scope 3 emissions:** We apply the GHG Protocol to estimate CO₂ emissions for all 15 categories. We select the GHG calculation methods that appropriately reflect the most material GHG emissions and support the decision-making process to achieve reduction targets. We apply the following criteria to select calculation methods: 1. Relative size of the emissions 2. Data availability 3. Data quality 4. Cost and effort required to apply each method.

Method per category:

Categories 1 and 3: We use the "average-data" method for the most material purchased goods and for all fuels, combining primary data from our operating systems (e.g., volumes purchased in each country) with emission factors extracted from the LCA database (GaBi).

Category 1 purchased clinker and cement: We use the "average-data" method, combining primary data from our operating systems (e.g., volumes purchased in each country) with emission factors extracted from the sector database GCCA-GNR, with national averages updated on an annual basis.

Category 3: We use the "average-data" method for electricity, combining primary data from our operating systems (e.g., volumes purchased in each country) with emission factors extracted from IEA for WTT and T&D linked to the country grid.

Category 4 and 9: We use the "distance-based method" for transportation, combining primary data from our operating systems (e.g., volumes transported, kilometers driven, vehicle types, payload) with HBEFA fuel models and emission factors extracted from the LCA database (GaBi).

Category 5: We use the "average-data" method, combining primary data (volumes of waste generated in our operations, classified by waste type) with emission factors extracted from LCA database (GaBi) in relation to the waste treatment process (according to each waste type).

Category 7: We estimate CO₂ from employee commuting, modeling fuel consumption based on the number of employees per country and the average kilometers traveled per year (including a percentage of home working), assuming the use of an average car, with an emission factor extracted from the LCA database (GaBi).

Category 10: We use the "site-specific" method, combining primary data (volumes sold) with Scopes 1 and 2 from specific sites (reference sites processing sold goods) in each country.

METHODOLOGY AND CONSOLIDATION 2024 CONTINUED

Category 12: We use the “average-data” method, combining primary data (volumes sold) with emission factors extracted from the LCA database (GaBi) in relation to end-of-life waste treatment processes (according to each waste type).

Category 14: We estimate CO₂ emissions from our retail franchises, modeling energy consumption in commercial buildings per m², per country.

Category 15: We use “primary data”, capturing Scope 1 and 2 emissions from our joint ventures and applying the percentage in relation to our equity ratio.

For all other categories (low impact), we use a “spend-based” method, combining primary data from spend for each category in each country and the kg CO₂ per Swiss franc extracted from a macroeconomic database (Exiobase).

Procurement spend and transportation volumes used for Scope 3 calculations are based on 12-month rolling data from November 2023 to October 2024.

- **Air Emissions:** We use the GCCA Sustainability Guidelines for the monitoring and reporting of emissions from cement manufacturing (previously the WBCSD CSI Guidelines for Emissions Monitoring and Reporting in the Cement Industry (2012)). Using annually calibrated sensors for continuously monitored pollutants and external laboratories for spot measurements, emission data is gathered locally. It is then consolidated and approved through a two-step process at country level. Finally, the data is validated and approved at both the kiln and country levels before being consolidated by the Group.

If an emission component was not measured in 2024 due to travel or other restrictions, the 2023 measurement was used to estimate performance at kiln level. If no measurement was available in 2023, the 2024 Group average was used to estimate the Group’s absolute impact.

- **Percentage of production covered by measurement:** The full production from a kiln is included in the coverage only when the emission of the respective pollutant(s) is monitored, otherwise the percentage of production from the kiln covered by measurement is considered zero. For the percentage of production with comprehensive emission monitoring, the full production from a kiln is included only when emissions of all pollutants (dust, NO_x, SO₂, VOC/THC, heavy metals (Hg, Cd, Tl, Sb, As, Pb, Cr, Co, Cu, Mn, Ni and V), PCDD/F) are monitored.
- **Water:** The GCCA Sustainability Guidelines for the monitoring and reporting of water in cement manufacturing (previously the CSI Protocol for Water Reporting) was used as a reference to measure the Group’s water performance. Holcim measures water withdrawal, consumption and discharge using one of the following three forms of water measurement: Firstly, the actual measurement of water, which involves directly measuring the water flow or volume at a specific point in time using instruments such as flow meters or gauges. Secondly, the quantification of water volume

based on flow at a specific point (e.g., channel or pipe cross-section), which measures the water flow rate as it passes through a cross-section of a channel, pipe or other water conduit, and the flow is gauged instantaneously. It uses flow measurement devices to assess the volume of water moving through the system at that moment. And thirdly, water volume estimation based on system capacity or empirical formulas, which involves calculating the water volume based on estimated or rated capacities of systems (e.g., pumps) or by using empirical formulas. Examples include multiplying the rated capacity of a pump by operational hours or estimating evaporation and infiltration rates to assess water volume indirectly. Data from captive power plants is reported separately.

The reporting coverage for water data is 100% of entities with production.

- **Water discharge:** As part of our water stewardship, water from our operations is filtered and treated to meet minimum threshold values in accordance with the Group water standard. Discharged water is analyzed quarterly, with any exceedances promptly reported and investigated. At each site, control measures are in place and monitored at corporate level to ensure full compliance with regulatory requirements.
- **Waste and recycling:** Waste comprises all forms of solid or liquid waste (excluding wastewater) and is defined as hazardous or non-hazardous based on the legislation of the country in which the site operates. Overburden from quarry activity is not classified as waste. Waste streams generated by Holcim’s operations are mainly dust from dedusting equipment, sludges from wastewater treatment, parts and disposable materials used during plant maintenance and unsellable material such as unused cement and concrete. Data on internal waste at country level is collected in accordance with internal standards. It is then consolidated and validated centrally on an annual basis, for internal reviews and external disclosures.
- **Waste derived resources:** Materials sourced from by-products or waste streams primarily include, but are not limited to: Alternative raw materials (AR) in clinker, which includes all types of raw materials consumed up to and including clinker production, including decarbonated sources such as “fines” from construction and demolition materials. Alternative fuels (AF), encompassing all types of AF consumed in all process steps in clinker (CLC) production. Industrial mineral components (iMIC) used in cement, which is the sum of all mineral components sourced from industrial sources, for example, blast furnace slags, industrial ashes (fly ash, beneficiated fly ash, bottom ash), silica fumes, burnt oil shale, mixed rubble, artificial gypsum and dust (cement kiln dust, by-pass dust). And, lastly, construction demolition materials (CDM) such as reclaimed rail ballast, concrete slurries, bricks, pavements, walls, roofing, structures and concrete sludge.

- **Biodiversity and quarries:** Quarries that have been assessed using Biodiversity Indicator Reporting System (BIRS) and those with rehabilitation plans in place are aligned with the Holcim Directive on Quarry Rehabilitation and Biodiversity. The key requirements go far beyond legal compliance and include measures respecting the mitigation hierarchy (avoid, minimize, restore and offset) and a biodiversity management plan for sites assessed as of high biodiversity value.

Health and safety (H&S)

H&S performance indicators follow the GCCA Sustainability Guidelines for the monitoring and reporting of safety in cement and concrete manufacturing, issued in March 2023.

H&S data is gathered at site level and further consolidated at Country/Group Reporting Unit level, and covers all business segments and their industrial production sites, including corporate and above country, regional and service entities.

In 2024, H&S data was collected through Holcim's reporting system: iCare | HSE Incident management module. Data are segregated according to on-site and offsite incidents, and cover employees, contractors and third parties. The hours worked that are used to calculate incident rates for employees and contractors are calculated and/or estimated locally by business units.

Incidents are classified as Direct Control or Indirect Control, with only Direct Control incidents – where Holcim has direct responsibility or supervision – being publicly reported. To ensure clarity, Holcim applies a detailed framework to define non-work-related cases, examples include events unrelated to work such as sporting events and certain medical conditions.

Human Resources indicators

In 2024, People data was primarily collected through the HR software platform Success Factors and complemented where necessary with additional indicators collected through the People questionnaire part of the annual Sustainability reporting campaign.

The 2024 human resources data are derived from a survey covering 72 entities representing 96% of the total Group workforce.

Human resources reporting involves a thorough validation process of Success Factors (SF) data. Group reporting units confirm and formally approve their data. Any discrepancies are individually addressed, requiring updates in SF or detailed explanations for mismatches.

Data is gathered at Country/Group reporting unit level and covers all business segments and their industrial production sites, including corporate and above country, regional and service entities.

People and Social Initiatives indicators

In 2024, social impact data was collected through Holcim's reporting system and respective protocol: the annual human rights and social impact questionnaire. Information about spending on social initiatives was reported through Holcim's financial reporting process on a quarterly basis, at the Country/Group Reporting Unit level, and covers all business segments and their industrial production sites.

The 2024 human rights and social impact data are derived from a survey covering 62 entities representing 87% of the total Group workforce and include majority-owned entities and managed assets. We collect information on, among other aspects, the entities' implementation of the human rights approach, human rights assessment and action plans, stakeholder engagement activities and community engagement structures, specific impact indicators of social initiatives, volunteering activities, political donations and subsidies.

The total contribution to create positive social impact is a cumulative KPI from 2021 to 2030. In 2024, it is calculated by including the total spend on the social initiatives made by Holcim to implement social impact projects and donations. It also includes third-party contributions, which are the resources received through external partnerships to implement social initiatives led by Holcim in the countries.

Holcim differentiates four categories for the social initiatives, which are:

- **Housing and Infrastructure:** Initiatives that facilitate access to housing and infrastructure for the community, such as affordable housing solutions, building or improving community facilities (emergency relief shelters, sanitation, parks, rural roads, etc.).
- **Health:** Health awareness campaigns, vaccination programs, general healthcare services and building or improving hospital infrastructure.
- **Education and Skills:** Road safety, lectures in partnership with schools and universities, livelihood and income-generation programs, professional training targeting the community and building or improving school infrastructure.
- **Other:** Environmental management and awareness, cultural, recreational or other initiatives to contribute to positive social impact.

Under Human Rights and Social Impact reporting, data such as number of community advisory panels, number of engagements with key stakeholders at site level, and complaints related to human rights, environmental impact and other potential risks are recorded. Furthermore, any conflicts with stakeholders that sites may have or expect in the future, and how such conflicts are addressed, are captured. Also, countries report on the latest version of their human rights assessments and the status of implementation of their human rights action plans.

Reporting cycle

The Holcim Group will continue to report annually.

ASSURANCE STATEMENT

Independent verifier's limited assurance report on a selection of non-financial information for the year ended 31 December 2024.

To the Executive Committee,

Further to your request and in our quality as an independent verifier, member of the network of one of the statutory auditors of the entity Holcim Ltd (hereafter, the "Entity"), we present our report on a selection of non-financial information consisting in selected consolidated environmental, health & safety, social and taxonomy indicators (hereafter, the "Sustainability Indicators") that the Entity has chosen to prepare in accordance with its protocols consisting in external standards elaborated by the Global Concrete and Cement Association (previously the World Business Council for Sustainable Development – Cement Sustainability Initiative (WBCSD-CSI)) completed with Entity-specific procedures (hereafter the "Guidelines"), for the year ended on 31 December 2024, presented in its Integrated Annual Report (hereafter, the "Report") and listed in Appendix 1.

Our Limited Assurance conclusion

Based on the procedures we have performed as described under the "Nature and scope of procedures" section and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Indicators, taken as a whole, are not prepared, in all material respects, in accordance with the Guidelines.

Understanding how Holcim Ltd has prepared the Sustainability Indicators

The absence of a commonly used generally accepted reporting framework or a significant body of established practice to draw on to evaluate and measure sustainability information allows for different, but acceptable, measurement techniques that can affect comparability between entities and over time.

Consequently, the Sustainability Indicators need to be read and understood together with the Guidelines and the basis of preparation set out in the "Methodology and consolidation 2024" section of the Sustainability Performance Report chapter of the Report (together, "the Criteria"), which the Entity has used to prepare the Sustainability Indicators.

The Entity's responsibility

Management of Holcim Ltd is responsible for:

- Selecting or establishing suitable criteria for preparing the Sustainability Indicators.
- Preparing the Sustainability Indicators in accordance with the Criteria.
- Designing, implementing and maintaining internal control, maintaining adequate records and making estimates that are relevant to the preparation of the Sustainability Indicators such that they are free from material misstatement, whether due to fraud or error.

Responsibility of the independent verifier

It is our role, in response to the Entity's request, based on our work, to:

- Plan and perform the engagement to obtain limited assurance about whether the Sustainability Indicators are free from material misstatement, whether due to fraud or error.
- Form an independent conclusion, based on the procedures we have performed and the evidence we have obtained.
- Report our conclusion to the Executive Committee of Holcim Ltd.

As we are engaged to form an independent conclusion on the Sustainability Indicators as prepared by management, we are not permitted to be involved in their preparation, as doing so may compromise our independence.

It is not our responsibility to report on the entire Report for the year ended 31 December 2024 or on the compliance with other applicable legal provisions.

Independence and quality management

Our independence is defined by the French Code of Ethics (Code de déontologie) of our profession and by the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants.

EY also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Means and resources

Our work engaged the skills of 12 people between November 2024 and February 2025 and took place on a total duration of intervention of about 18 weeks.

Nature and scope of procedures

We performed a limited assurance engagement in accordance with international standard ISAE 3000 (revised)¹ (International Standard on Assurance Engagements).

We undertook interviews with people responsible for the preparation of the Sustainability Indicators in the Sustainable Development, Health & Safety, Human Resources and EU Taxonomy Project Management Departments, in charge of the data collection process and, when applicable, the people responsible for internal control processes and risk management, in order to:

- Assess the suitability of the Guidelines for reporting, in relation to their relevance, completeness, reliability, neutrality and understandability.
- Assess the implementation of the process for the collection, compilation, processing and control for completeness and consistency of the Sustainability Indicators, and identify the procedures for internal control and risk management related to the preparation of the Sustainability Indicators.

We determined the nature and extent of our tests and inspections based on the nature and importance of the Sustainability Indicators, in relation to the characteristics of the Entity, its social and environmental issues and its strategy in relation to sustainable development.

- At the Entity level, we consulted documentary sources and conducted interviews to corroborate the qualitative information (organization, policies, actions, etc.), implemented analytical procedures on the quantitative information and verified, on a test basis, the calculations and the compilation of the information, and also assessed their coherence and consistency with the other information presented in the Report.
- At the level of the representative selection of sites and entities that we made, based on their activity, their contribution to the consolidated indicators, their location and a risk analysis, we undertook interviews to challenge the correct application of the procedures and undertook detailed tests on the basis of samples, consisting in verifying the calculations made and linking them with supporting documentation. The sites and entities selected represented on average 9% of the hours worked used for the calculation of safety indicators, 8% of the total number of employees (headcount), and between 8% and 17% of the environmental information.³

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Paris-La Défense

27 February 2025

The Independent Verifier

EY & Associés



Partner, Sustainable Development

Christophe Schmeitzky

¹ ISAE 3000 (revised): "Assurance Engagements other than audits or reviews of historical information".

² Four cement plants: Bath (Eastern Canada), Milaki (Greece), El-Sokhna (Egypt), Nobsa (Colombia), and 4 Group Reporting Units (GRU): Eastern Canada, Greece, Egypt and Colombia.

³ On average 13% of production (cement produced (10%), aggregates produced (16%), RMX produced (13%)), 12% of absolute Scope 1 emissions – Gross, 9% of absolute scope 2 emissions (market-based), 9% of waste derived resources, 17% of air emissions, and 8% of cement freshwater withdrawal.

APPENDIX 1: SELECTION OF NON-FINANCIAL INFORMATION

The Sustainability Indicators

<p>Products and solutions</p> <ul style="list-style-type: none"> • Clinker produced • Cement produced • Cementitious material produced • Aggregates produced • RMX produced • Clinker factor (average % of clinker in cements)
<p>Recycling waste and internal waste</p> <ul style="list-style-type: none"> • Total raw material consumed – excl. fuels • Waste derived resources • Construction and demolition materials (CDM) • Internal hazardous waste recycled or recovered • Internal hazardous waste disposed • Internal non-hazardous waste recycled or recovered • Internal non-hazardous waste disposed
<p>Energy and GHG emissions</p> <ul style="list-style-type: none"> • Energy consumption total • Thermal energy consumption • Electrical energy consumption • Absolute Scope 1 emissions – gross • Absolute Scope 2 emissions (market-based) • Absolute Scope 3 emissions – total • Absolute Scope 3 emissions per category of emissions (as defined by the GHG Protocol) <ul style="list-style-type: none"> – Category 1 – Purchased goods and services – Category 2 – Capital goods – Category 3 – Fuel and energy-related activities – Category 4 – Upstream transportation and distribution – Category 5 – Waste generated in operations – Category 6 – Business travel – Category 7 – Employee commuting – Category 8 – Upstream leased assets – Category 9 – Downstream transportation and distribution – Category 10 – Processing of sold products – Category 11 – Use of sold products – Category 12 – End-of-life treatment of sold products – Category 13 – Downstream leased assets – Category 14 – Franchises – Category 15 – Investments – Specific CO₂ emissions – net (Scope 1) – cement plants only – Specific CO₂ emissions – gross (Scope 1) – cement plants only – CO₂ emissions – electricity (Scope 2) – cement plants only – CO₂ indirect emissions from purchased fuels (Scope 3) – CO₂ indirect emissions from purchased clinker and cement (Scope 3) – CO₂ indirect emissions from downstream transportation (Scope 3)
<p>Water</p> <ul style="list-style-type: none"> • Cement Specific freshwater withdrawal • Aggregates Specific freshwater withdrawal • Ready-mix Specific freshwater withdrawal • Total water withdrawal

<p>Environmental management systems (EMS) and compliance</p> <ul style="list-style-type: none"> • Cement sites with ISO 14001 certification
<p>Biodiversity</p> <ul style="list-style-type: none"> • Quarries assessed using BIRS methodology – active only • Quarries with rehabilitation plan in place • Quarries with biodiversity importance • Quarries with biodiversity importance with biodiversity management plans in place
<p>Air emissions</p> <ul style="list-style-type: none"> • Clinker produced with continuous monitoring of dust, NO_x and SO₂ emissions • Clinker produced with monitoring of dust, NO_x and SO₂ emissions • Total dust, NO_x, SO₂, VOC, mercury, dioxin/furans emissions • Specific dust, NO_x, SO₂, VOC, mercury, dioxin/furans emissions
<p>People: Social initiatives</p> <ul style="list-style-type: none"> • Total contribution to create positive social impact
<p>Health and safety</p> <ul style="list-style-type: none"> • Fatalities (employees and contractors) • Lost time injury frequency rate (LTIFR) for employees on site • Lost time injury frequency rate (LTIFR) for contractors on site • Total injury frequency rate (TIFR) for employees and contractors on site
<p>Social</p> <ul style="list-style-type: none"> • Number of employees (headcount): total • Number of employees (headcount): by gender • Number of employees (headcount): by contract type (permanent & temporary) • Number of employees who have left undertaking • Overall employee turnover rate • Gender distribution in percentage of employees (headcount) at senior management level • Distribution of employees under the age of 30; between 30 and 50; above 50 years (in headcount percentage) • Gender distribution in percentage of employees who had an annual performance review • Average of training hours per employee and by gender
<p>EU Taxonomy</p> <ul style="list-style-type: none"> • EU Taxonomy-aligned turnover • EU Taxonomy-aligned CapEx • EU Taxonomy-aligned OpEx • EU Taxonomy-eligible turnover • EU Taxonomy-eligible CapEx • EU Taxonomy-eligible OpEx



About this document

This complete edition of the Holcim 2024 Integrated Annual Report (English only) is legally binding, and is available at [holcim.com/annual-report-2024](https://www.holcim.com/annual-report-2024). An extract of this Annual Report is also available in English and German.

ABOUT HOLCIM

Holcim is a global leader in innovative and sustainable building solutions with net sales of CHF 26.4 billion in 2024. Our 65,000 employees are driven by our purpose to build progress for people and the planet across our regions to improve living standards for all. We partner with our customers to offer the broadest range of advanced solutions, from sustainable building materials ECOPact and ECOPlanet, to our circularity technology ECOCycle®, all the way to Elevate's advanced roofing and insulation systems.

For more information visit:
holcim.com

INTEGRATED REPORTING

This report applies the principles of Integrated Reporting ([2024 Integrated Annual Report](#)) to show how we manage the company sustainably, as well as the financial and non-financial value we created in 2024.

PHOTO CREDITS

Cover: Gerardo Huitron Juarez
Page 1: Sarah Louise Photography
Page 4: Marcus Bredt
Page 6: Michael Wells
Page 6: Rachapant Sukrattanachaikul
Page 10: Atenor Poland
Page 19: Sublime Systems
Page 19: Paebbl
Page 19: Travertine
Page 19: Electrified Thermal Solutions
Page 26: Rachapant Sukrattanachaikul
Page 54: polaRYSE
Page 55: Mark Lloyd / Vendée Globe
Page 57: Bjarke Ingels Group
Page 58: Holcim Foundation for Sustainable Construction
Page 62: rrrreefs
Page 87: Norman Foster Foundation
Page 148: Alpentherme Gastein / Fotoatelier Wolkersdorfer
Page 150: Zaha Hadid Architects

IMPRINT

Concept/Design/Realization:
Created with Workiva platform
Linkgroup AG, Zurich/CH
linkgroup.ch



For TCFD-guided disclosures see page 126.



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

In 2022, the SBTi validated Holcim's 2030 targets as aligned with a 1.5°C scenario.

Holcim Ltd
Grafenauweg 10
6300 Zug
Switzerland

[holcim.com](https://www.holcim.com)