



# JUST TRANSITION

AT HOLCIM



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# OUR DECARBONIZATION JOURNEY

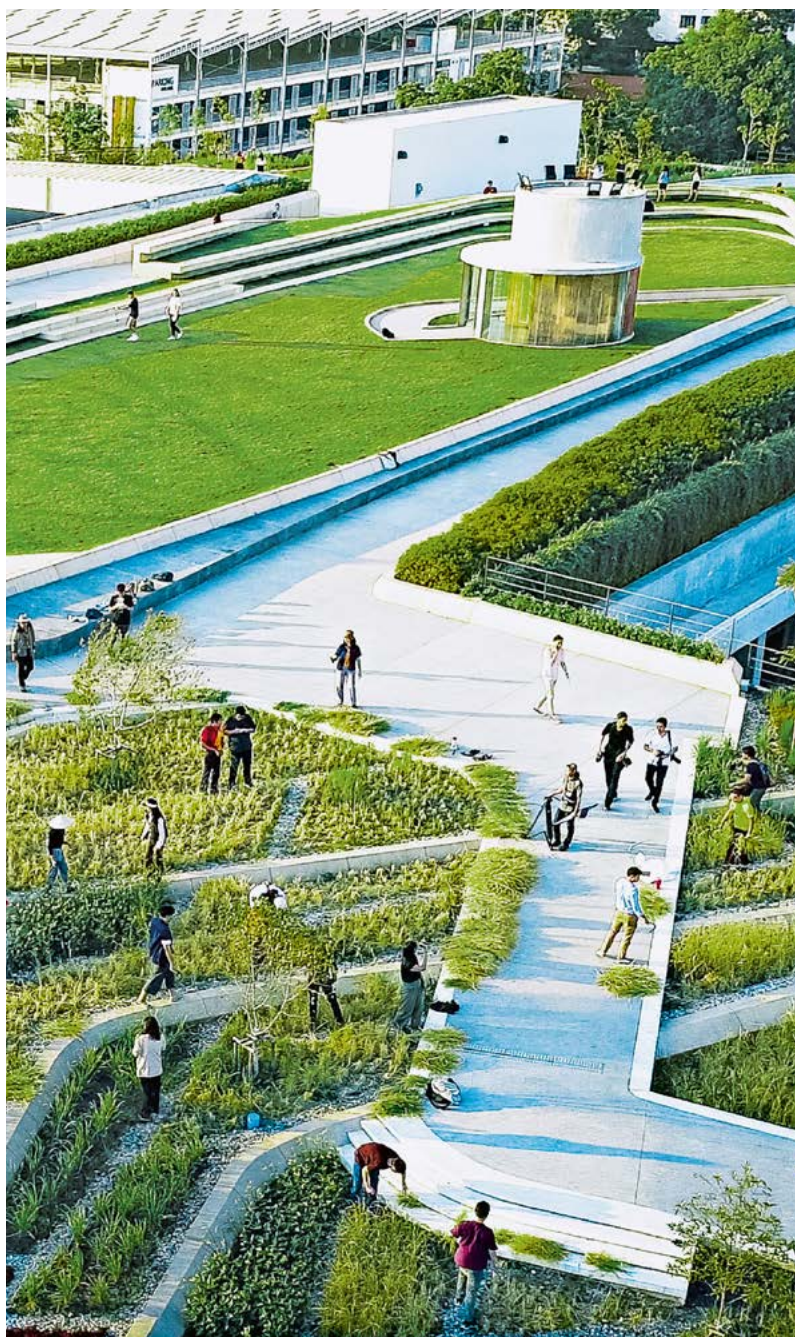
## FROM OUR OPERATIONS AND SOLUTIONS TO BUILDINGS IN USE

At Holcim, we are on a mission to decarbonize building across its entire value chain, from our operations to construction – making buildings more sustainable in use and driving circularity.

We take a science-driven approach to becoming a net-zero company with science-based targets and a clearly defined net-zero roadmap. Our 2030 and 2050 CO<sub>2</sub> reduction targets are aligned with limiting the 1.5°C scenario and validated by the Science Based Targets initiative (SBTi).

We have a clear pathway to net zero. With the broadest range of low-carbon materials from ECOPact to ECOPlanet, all the way to enabling smart design systems such as 3D printing, we are advancing the shift to more carbon-efficient construction. We are also decarbonizing our operations by reducing our clinker factor, using alternative fuels and raw materials, as well as increasing our renewable energy use. For the remaining emissions, we are scaling up advanced technologies such as carbon capture, utilization and storage (CCUS) to reach our net-zero targets post-2030. Six full-scale CCUS projects across Europe are planned to go live before 2030, allowing us to capture five million tons of CO<sub>2</sub> and deliver eight million tons of fully decarbonized cement per year.

➔ To learn more about the actions Holcim is taking to decarbonize, see [Holcim's Climate Report](#)



# OUR COMMITMENT TO A JUST TRANSITION

## DECARBONIZING IN LINE WITH THE JUST TRANSITION PRINCIPLES

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

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 commitment emphasizes not only addressing disparities and vulnerabilities but also building capabilities and support networks to enable individuals and communities to adapt, recover and thrive as part of our decarbonization journey.

A well-managed transition with people-centered initiatives contributes to addressing the human and economic impacts of climate change, fostering growth, generating new jobs and reducing inequality.

Our commitment is informed by various guidelines and initiatives, beginning with the International Labour Organization's (ILO's) Just Transition guidance, with its focus on workers, as well as the Paris Agreement's focus on communities and stakeholder engagement.

Holcim is committed to the United Nations (UN) Global Compact's "Forward Faster" initiative, accelerating private sector action to deliver on the Sustainable Development Goals (SDGs). Under the initiative, Holcim has committed to climate action, by supporting both the reduction of emissions and the management of social impacts, supporting a just transition.

We also considered:

- The Just Transition Dialogue Report by the Institute for Human Rights and Business (IHRB) and Wilton Park
- Key stakeholder groups identified as per the London School of Economics Grantham Research Institute on Climate Change and the Environment in its "Translating just transition ambitions into investor action" policy report
- Just Transition indicators presented by the World Benchmarking Alliance's Just Transition Methodology, considering ISO 26000 and UN Guiding Principles on Business and Human Rights

In 2023, we embedded the Just Transition principles into our Climate Policy and will continue integrating them further into our climate strategy as external guidelines advance.

## OUR COMMITMENT TO A JUST TRANSITION CONTINUED

### OUR JUST TRANSITION PLAN

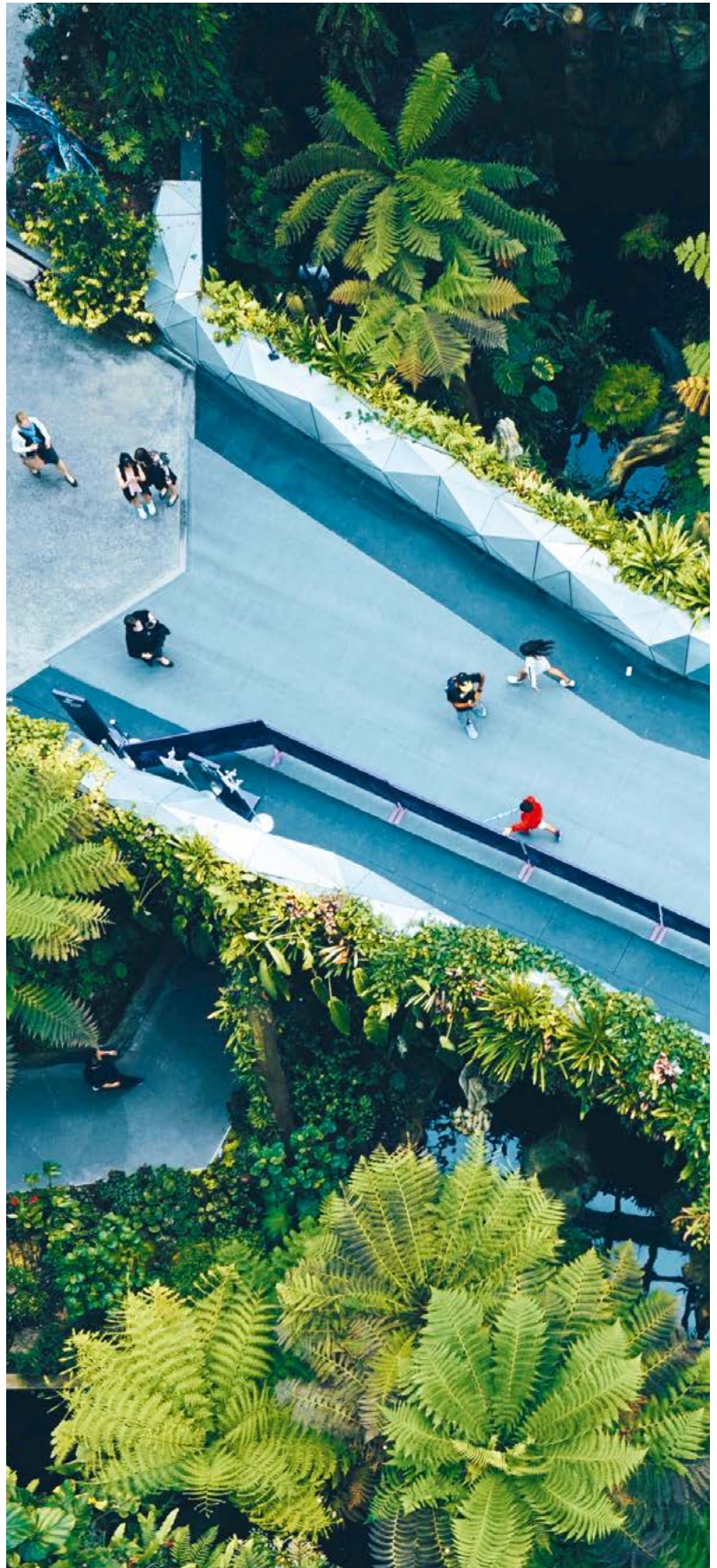
Our comprehensive Just Transition plan will represent our commitment to implement a series of concrete actions as we transition to a low-carbon economy.

These actions will be designed to support our stakeholders, such as employees, unions, communities, suppliers and customers, throughout our decarbonization projects.

Key elements of our Just Transition plan will include:

- Providing support programs for workers, potentially including job retention, training, reskilling and upskilling opportunities as part of our decarbonization journey
- Aligning with labor unions to protect workers' rights and interests during the transition period
- Engaging in transparent and regular dialogue with local communities to inform and consult them about our decarbonization initiatives, ensuring an inclusive transition
- Investing in community development projects to mitigate the potential social and economic impacts of decarbonization
- Collaborating with our suppliers and customers to reach their sustainability and transition goals toward a low-carbon economy

We will continuously review and update this plan to adapt to evolving circumstances and ensure its effectiveness in supporting the stakeholders on our decarbonization journey.



# OUR EMPLOYEES

## OUR COMMITMENT TO WORKFORCE DEVELOPMENT

At Holcim, 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 commit to support initiatives such as comprehensive training, reskilling and upskilling opportunities, redeployment options and fair compensation packages.

Proactive and transparent engagement with our employees and their representatives is fundamental to advancing our decarbonization roadmap, ensuring a fair and respectful transition, leaving no one behind.

Through collaboration with our partners, we design and implement programs that cultivate new technical and personal skills. We aim to enhance career progression opportunities, foster entrepreneurship and advance the local development of the communities where we operate.

We are committed to creating a high-performance culture of empowerment, as well as lifelong learning and development. We aim for all employees to develop their skills in a way that helps us to, simultaneously, achieve our decarbonization roadmap and their full professional potential.

Employment in cement production will continue and the embedded skills of our workforce will continue to be of significant value in reaching net zero. We anticipate expanding roles in replacing limestone with innovative mineral components such as calcined clay, construction demolition materials (CDM) and the pre- and co-processing of materials at the end of life for fuels and alternative raw materials.

We also expect our CCUS commitments to create high-value opportunities for our workforce. Making net-zero cement a reality, we aim to deliver eight million tons of fully decarbonized cement annually by 2030. Our CCUS projects involve investing CHF 2 billion and capturing over five million tons of CO<sub>2</sub> annually by 2030. We have identified 17 flagship projects worldwide, each well positioned to become a net-zero cement plant. Six CCUS projects, in execution in Germany, Belgium, France, Poland, Greece and Croatia, have been selected for grants from the European Union (EU) Innovation Fund and are planned to go live before 2030.

We commit to:

**Support**  
training, reskilling  
and upskilling our  
workforce



## OUR EMPLOYEES CONTINUED

### JUST TRANSITION IN PRACTICE PLANTS OF TOMORROW

We are future-proofing our cement manufacturing operations through Plants of Tomorrow to ensure safety, sustainability and performance.

Our development approach to these new technologies is grounded in the real world, ensuring that the technologies we bring to our operations benefit our people. We do this through collaborating with Holcim's plants and countries at all stages of our development journey.

Plants of Tomorrow is about setting a culture of innovation across our sites. We focus on ownership and collaboration at the plant level, where 17,000 of our people are piloting and enhancing our operational technologies. As part of this, we invest in upskilling and enabling our champions at the plant level, and promote their successes through the internal Plants of Tomorrow network. We have reskilled our people across methodology (e.g., digital transformation management) to site operation (drone piloting) and monitoring (machine learning).

We engage our people at every stage of our digital transformation journey, from strategy through delivery and into day-to-day operations. People in our plants lead the development of each business case to adopt our technology. This ensures that our people take ownership to drive the adoption of technologies that benefit their people and the plants' sustainability and performance.

As we continue to develop next-generation technologies, such as predictive maintenance and advanced process control that enhance decarbonization, we commit to continuing to upskill the people we have to use and develop these technologies. In areas such as data science and engineering, we are increasing our headcount to drive this new competency across Holcim. And as we collaborate further with industry partners and startups alike, we ensure that knowledge is captured and understood by our own people to ensure business continuity.

### UPSKILLING THE TALENTS OF TOMORROW

The Holcim Cement Industrial Academy offers development and upskilling opportunities to every person working in Holcim's cement plants.

We have a library of more than 400 e-learning modules (also available in local languages) that are accessible to anybody and cover all technical areas and topics, including quarry, quality, process and production, maintenance and equipment technologies. In addition, specific modules focus on decarbonization topics.

In addition to these online resources, we run 16 blended development programs every year, including face-to-face sessions and virtual classes, and we coach individual projects for leaders, managers, engineers, technicians and operators.

Regarding upskilling operators and technicians in our cement plants, we have established a certification scheme for maintenance inspectors and planners, control room operators, lab operators and quality control shift operators. New concepts linked to alternative raw materials and alternative fuel utilization, together with new digital solutions, are included with theoretical inputs and on-the-job assignments to enhance the learning experience.

For the numerous newcomers to our cement plants, the Be Ready induction program provides the opportunity to learn about our company vision and products, master the basics of the cement manufacturing process and ensure operational efficiency through an understanding of the roles in the plant and their contribution to accelerating green growth.

At the corporate level, we officially established a decarbonization team in early 2022. Over the past two years, we have expanded this team significantly, adding numerous new roles in critical areas such as CCUS, circularity, hydrogen, green power, process electrification, industrial IT (under the project name Plants of Tomorrow) and process innovation.

Many of the experts and leaders in our corporate decarbonization team have been upskilled on the job, transitioning from previous roles within Holcim to become specialists in decarbonization. This team of dedicated experts collaborates closely with other corporate functions and regional and country-specific colleagues to ensure a cohesive and comprehensive approach to our decarbonization goals.

The team's efforts are integrated across various functions, fostering innovation and driving forward our commitment to sustainability.

## OUR EMPLOYEES CONTINUED

### HOLCIM BUSINESS SCHOOL

Learning never stops at Holcim – even for our senior leaders. The Holcim Business School was launched in 2018 in collaboration with Canada's Ivey Business School. As of 2024, we are now partnering with INSEAD. Every year, our senior leaders come together for a module on leading green growth, including the transition to it, taught by external experts and our CEO. We are proud to have been recognized by the European Foundation for Management Development (EFMD) in 2020.

At our Business School for Emerging, Advanced and Senior Leaders, we have moved to purely virtual modular programs, which significantly reduces our ecological footprint and makes it accessible to everyone regardless of their geographic location.

### EARLY CAREER LEADERSHIP PROGRAM

This six-month leadership program enables our early career leaders to gain experience, improve their business skills, increase their exposure to senior management, build their global network and grow as leaders. It is fully online to make it accessible to as many Holcim colleagues as possible. It is structured around training sessions from renowned international experts integrating theoretical knowledge with practical skills and real-world applications in ways such as:

- **Innovation and entrepreneurship:** The Action Learning Project (ALP), a key part of the Early Career Leadership Program, fosters creativity and innovation among our early career leaders by encouraging entrepreneurial thinking and problem-solving skills. With the guidance of our experienced faculty and the support of our seasoned managers and experts, our early career leaders explore opportunities for sustainable business models and the development of low-carbon solutions and products related to the transition to a net-zero future.
- **Continuous learning and professional development:** During and after the program, our early career leaders are given access to resources, networks and mentorship/coaching opportunities that enable them to stay updated on emerging trends and best practices and effectively navigate the evolving challenges of transitioning to net zero.

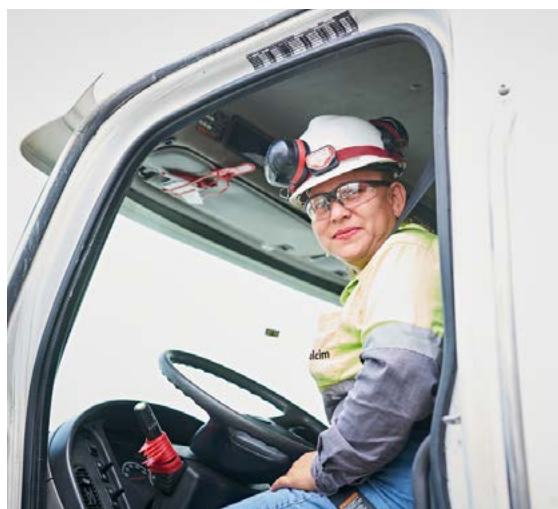
### FUNCTIONAL ACADEMIES AND TECHNICAL PROGRAMS

Our functional academies and technical programs address a variety of subject matters<sup>1</sup> aiming to upskill and educate our experts operating across our entire range of activities.

Capitalizing on internally available expertise or through partnerships with credible institutions and organizations, our Functional Academies and Technical Programs play a significant role not only in preserving but also in expanding our knowledge capital and, therefore, ensuring that the skills of our employees remain relevant – supporting our transition to net zero.

### OPEN AND TRANSPARENT DIALOGUE WITH UNION REPRESENTATIVES

From an employee perspective, ongoing engagement and open dialogue are particularly relevant, especially during our interactions with the European Works Council. In our six annual meetings, we take the time to address the concerns of our employees comprehensively. We ensure that sustainability and decarbonization are key topics on the agenda, dedicating specific time to discuss these issues in detail. Our focus is not only on the environmental aspects but also on how these initiatives impact our employees. By giving these topics their dedicated space, we aim to ensure that our workforce is well informed and their concerns are adequately addressed.



<sup>1</sup> Building sales teams for growth, Aggregates Manager course, Large Infrastructure Construction Project training, ROCK e-learning programs in mining and processing, Global Ready-Mix Managers course, health, safety, environment, sustainability and public affairs, logistics, accounting and reporting principles, security and resilience and compliance among others.



## OUR EMPLOYEES CONTINUED

### DIVERSITY, EQUITY AND INCLUSION: OUR GENDER EQUALITY INITIATIVES

Diversity is integral to Holcim's decarbonization journey as it fosters inclusive decision-making, brings diverse perspectives and ensures representation from all. By promoting gender diversity in STEM (science, technology, engineering and mathematics), organizations can access a broader talent pool and encourage innovative solutions to climate challenges. Gender-diverse teams are more resilient and adaptable, contributing to greater equity and social justice in decarbonization efforts. Embracing gender diversity is not only a matter of fairness but also a strategic imperative for achieving sustainable and inclusive solutions to tackle climate change.

At Holcim, we are committed to fostering an inclusive environment where everyone feels valued, respected and empowered to bring their authentic selves to work. People are treated fairly at Holcim regardless of any differences in gender, nationality, sexual orientation, physical abilities or age. Our dedication to diversity, equity and inclusion (DEI) is not just a vision but a tangible reality, reflected in our policies, directives and ongoing initiatives.

As part of our comprehensive approach to DEI, we uphold human rights and adhere to a robust Code of Business Conduct. We are also currently introducing an Anti-discrimination and Harassment Policy to ensure a workplace free from bias and prejudice.

In line with the EU Pay Transparency Directive, we actively monitor and address pay equity gaps within our organization. We are committed to ensuring that all employees, regardless of gender, receive fair and equitable compensation for their contributions.

In 2023 and 2024, we set a special focus on gender diversity, building the basis for our long-term strategic focus to be the best workplace. In that capacity, we have launched several targeted initiatives aimed at fostering gender diversity and promoting female empowerment across all levels of the company. These initiatives include:

- **The Right Mix:** Recognizing the importance of diversity in sales, operations and leadership, this initiative focuses on ensuring a balanced representation of gender at all management and decision-making levels within the company and aims to empower all females.
- **Women on Wheels:** A program designed to empower and bring more women behind the wheel and driving trucks. Since its inception in Uganda in 2018, it was rolled out as a global

initiative in 2021. In 2023, the Women on Wheels program grew from 404 in 2022 to 874 female drivers across the globe and has been rolled out in 13 countries. In 2023, Holcim Ecuador won a Gold Effie award in the Corporate Reputation category for this program.

- **Loma Alta:** What started as a vision to have a majority female-operated plant became a reality. The Loma Alta aggregates plant in Ecuador is gender balanced, with 52 percent female employees.
- **UN Women's Empowerment Principles (WEP):** Holcim has already been a WEP signatory for many years. In 2024, jointly with UN Women, we drove further change through industry-specific network calls, where Holcim was selected as one of three construction companies to present its actions toward an inclusive environment.
- **Career Catalyst and Stronger Together:** A group of three young, energetic Holcim employees created Career Catalyst, a place for mentoring and building connections between generations. In 2024, we launched Stronger Together, hosted on the same platform and also introduced our first female mentorship program.
- **Lean In Circles:** Jointly with the Lean In organization, we launched and held close to 40 Lean In Circles with 300 female employees in 32 countries. Circles are safe spaces for women to connect and exchange. During 2024, we are looking at launching Lean In Girls, a program that rejects limiting stereotypes about what girls can and can't do. It aims to equip girls to be self-assured, resilient and inclusive everyday leaders and inspire them to lead boldly. By partnering with Lean In Girls, we aim to foster the next generation of female leaders and position Holcim as the employer of choice for young girls who see a career in STEM.
- **Gender-balanced recruiting:** We are actively working to attract and retain top talent. By ensuring an unbiased and gender-neutral recruitment process, we aim to consider the complete talent pool, giving everyone a chance to be successful with Holcim.

Through these initiatives and more, we are striving to create a diverse and inclusive workplace and harness the full potential of our workforce. By embracing gender diversity and empowering women, we are enriching our company culture and driving innovation, creativity and sustainable growth. Together, we are building a brighter, more inclusive future for all.

# OUR SUPPLIERS

## OUR COMMITMENTS

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.

We aim to empower as many companies as possible to join us on the journey to net zero.

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.

As part of our net-zero strategy, we are committed to reducing indirect CO<sub>2</sub> emissions from our supply chain (Scope 3) and we take a rigorous and comprehensive approach to measuring and managing them.

We remain committed to building long-term partnerships with suppliers who share our goals of addressing climate change, driving circularity and improving living standards for all. We also remain committed to a Just Transition for all the suppliers we work with.

This commitment is framed across three main pillars:

- **Respecting human rights and protecting the environment:** We actively monitor and verify compliance with our Code of Business Conduct for Suppliers and carry out due diligence, according to our Sustainable Procurement and our Human Rights Directive, in every market where we operate to identify, prevent and address environmental, social and governance (ESG) breaches.
- **Promoting health and safety:** Our supplier due diligence process systematically approaches health and safety management within our supply chain, verifying compliance with applicable standards and regulations. Suppliers and contractors are selected based on their demonstrated qualifications in these areas. Ongoing training and performance monitoring enable effective health, safety and well-being management.
- **Collaborating with suppliers:** We partner with key suppliers to decarbonize our supply chain and to reduce the need for virgin materials. We enable multi-stakeholder platforms to accelerate the adoption of decarbonized technologies, such as electric trucks or low environmental impact technologies, such as recycled-paper packaging solutions.

We aim to:

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**Reduce**  
our scope 3 emissions by empowering as many companies as possible to join us on the journey to net zero

## SUPPLIERS CONTINUED

### JUST TRANSITION IN PRACTICE INVESTING IN FINANCIAL INITIATIVES TO PROVIDE SUPPLIERS WITH CREDIT SOLUTIONS

Holcim has ~ 70 percent of Scope 3 emissions from consolidated entities, concentrated in three categories: transportation, fuels and energy, and purchased clinker and cement. As part of our SBTi-verified 2050 net-zero targets, we have introduced multiple initiatives to support suppliers to decarbonize in the longer term.

One such initiative was built within our Latin American business, covering eight countries, aiming to decarbonize transportation in the region. Approximately 95 percent of Holcim transportation activities are conducted with third-party transportation companies. While in mature markets governments are increasingly offering financial incentives to replace diesel trucks for lower emission technologies, it is not the same case in less mature markets. Transportation companies need to rely on banking financial services, which are not easily accessible for all businesses. The regional project connects all key actors in an ecosystem to mobilize decarbonization actions. In this ecosystem, Holcim connects transportation companies with truck producers and banks with a presence in Latin America, enabling financing services to be accessible for all. By having access to affordable credit solutions, suppliers can increase their growth and have access to wider resources, with a focus on upgrading their fleet to meet decarbonization goals.

Holcim has committed to reducing the emissions of our transportation activities (CO<sub>2</sub> per ton transported) by 24 percent by 2030. This initiative contributes to that goal by enabling fleet optimization and decarbonization. Multi-stakeholder collaboration and engagement are key enablers for the success of this initiative.

### DECARBONIZING OUR VEHICLE FLEET: ELECTRIC FIRST MOVERS

Holcim is a founding member of the First Movers Coalition (FMC), established in November 2021 at COP26 in Glasgow. This initiative brings together like-minded companies with a net-zero ambition to use their procurement standards and practices to shift the system toward green solutions. By placing orders for emerging low-carbon technologies, coalition members build the demand that suppliers need to invest in scaling up the production of new and innovative green technology.

In May 2023, Holcim announced an agreement with Volvo to deploy up to 1,000 electric trucks by 2030 – Volvo's largest commercial order for these vehicles.

Replacing diesel trucks with electric ones will reduce our CO<sub>2</sub> emissions from road transport by up to 50 percent, and delivery of the first trucks began at the end of 2023. The agreement is part of a wider partnership between the two companies to deploy electric trucks across Holcim's European operations from now to 2030.

Holcim and Volvo are both founding members of the First Movers Coalition, a group of companies leveraging their purchasing power to create early markets for innovative clean technologies. Through such partnerships, companies like ours are leading the shift to sustainable solutions and accelerating green innovation and supply.



# OUR CUSTOMERS

## OUR COMMITMENTS

We are at the forefront of decarbonizing buildings throughout their life cycle to ensure a net-zero future, building progress for people and the planet and helping customers reach their sustainability goals.

Holcim is committed to leading the transition toward low-carbon and circular construction by developing and introducing low-carbon and/or recycled products and solutions worldwide.

With the world's rising population and urbanization, Holcim is building better with less to improve living standards and ensure a net-zero future. The key to decarbonizing construction is developing low-carbon materials and using smart design. Since concrete is versatile, resilient and infinitely recyclable, we are continually innovating to make low-carbon concrete the building material of choice for a net-zero future. Our ECOPact low-carbon concrete offers at least 30 percent CO<sub>2</sub> reductions without compromising on performance and is available in 31 markets.

Holcim solutions help decarbonize cities, from flooring and insulation to advanced mortars and green retrofitting. We are becoming a global leader in roofing with systems spanning cool, green and solar-enabling roofs. Using Holcim's research and development (R&D) engine, we drive cutting-edge innovation for customers, from 3D printing to ultra-high-strength concrete. The Holcim Academy, which launches in summer 2024, will contribute to expanding architects', engineers' and customers' knowledge of sustainable construction practices to accelerate the transition to net zero.

## JUST TRANSITION IN PRACTICE

### ACCELERATING DEMAND FOR LOW-CARBON CONCRETE

At COP27, the FMC launched its cement and concrete sector, with newly announced companies committing to purchasing at least 10 percent near-zero cement and concrete annually by 2030. As a founding member of FMC, Holcim is committed to driving the green demand to accelerate the transition to a net-zero future and welcomes all companies in joining as first movers for near-zero cement and concrete.

### HOLCIM INNOVATION HUB: ADVANCING NET-ZERO BUILDING

At Holcim, we are pushing the boundaries of innovation to shape the future of building to make it work for people and the planet.

Opened in September 2023, the Holcim Innovation Hub showcases Holcim's sustainable building solutions and serves as a co-creation lab to accelerate low-carbon, circular and energy-efficient building worldwide.

The Holcim Innovation Hub is where key stakeholders across the construction value chain gather to advance net-zero building. The hub offers working spaces to host startups and think tanks so that they can accelerate innovation together. It also serves as an urban dialogue platform to explore the future of sustainable cities and their construction via interactive exhibits and events.

## OUR CUSTOMERS CONTINUED

As an immersive experience, the hub showcases how Holcim's innovative and sustainable building solutions are decarbonizing buildings across their entire life cycle. These range from low-carbon materials such as ECOPact concrete and ECOPlanet cement, which help our customers build better with less, to roofing, insulation and facade systems that drive energy efficiency to make buildings sustainable in use.

In its first four months, the Innovation Hub welcomed more than 1,500 visitors, ranging from customers and journalists to startups and architects.

### OPEN INNOVATION ECOSYSTEM

Holcim's innovation engine helps drive profitable growth across the most attractive markets, as we accelerate value selling and build our brands.

We are constantly pushing the boundaries of our sector, developing disruptive solutions to decarbonize building through R&D, and fostering a unique open innovation ecosystem with over 500 startups worldwide.

Holcim organizes and participates in several hackathons every year, from the Zero Carbon Hack and 3D printing Hackathon organized by the Holcim Innovation Center to PropCON in Tel Aviv and HackZurich.

To spread innovation across our markets, our researchers collaborate closely with our global network of regional innovation hubs, from Mexico to Montreal. Together with our commercial teams, our researchers support our customers with all their building needs, from concept to creation.

Sustainability accounts for two-thirds of our current patent portfolio related to cement-based products: 45 percent is directly related to low-carbon solutions such as carbon capture and innovative low-emission raw materials, while another 20 percent is related to sustainability drivers such as 3D printing, an example of smart design that can reduce material use by up to 50 percent. Since 2021, 90 percent of new patent applications support our sustainability goals.



# OUR COMMUNITIES

## OUR COMMITMENTS

We remain fully committed to creating a positive social impact in the communities where we operate. We aim to decarbonize while providing high-value jobs, increased affordable housing and skills development.

At Holcim, we are on a journey to promote sustainable development through innovative building materials and solutions. We enable our communities to thrive in safe and resilient environments. We are building today for a positive tomorrow.

New projects, whether related to decarbonization or not, that might have an impact on communities are developed in consultation with those affected to ensure transparency and alignment.

Engagement with relevant stakeholders in the planning stage of a new development is mandatory (for example, a new quarry or extension or for the introduction of a new waste fuel or raw material). Engagement enables us to better understand stakeholder issues, address them and gain stakeholder trust in a new project. The stakeholder engagement is regulated by our Human Rights Directive.

Holcim is committed to respecting and promoting human and labor rights in our operations and in the communities where we work. Our Human Rights and Social Policy and Human Rights Directive outline our aims, methodology, processes and risks. These guidelines, developed after extensive consultation with global managers, staff, external human rights experts and civil society and community representatives, are aligned with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

Holcim actively engages with local communities, ensuring their voices are heard, concerns addressed and interests respected. We acknowledge the importance of transparent and inclusive processes,

especially for potentially affected stakeholders and when developing new projects associated with our decarbonization initiatives.

We are committed to providing detailed and transparent information on how we implement our key decarbonization projects, building trust, fostering collaboration and ensuring that our decarbonization efforts contribute positively to the well-being and prosperity of all stakeholders involved.

## JUST TRANSITION IN PRACTICE ONGOING STAKEHOLDER ENGAGEMENT

We regularly speak to a wide range of stakeholders, from the Group level to our sites, and from community members and employees to nongovernmental organizations (NGOs) and government representatives, to build trust, understand expectations, listen to grievances and concerns and explain company positions, including our positions on our transition to net zero.

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.

A Community Advisory Panel is mandatory for cement plants and grinding units and ensures regular exchanges with community representatives. In 2023, 116 cement sites had an active Community Advisory Panel, and 1,526 meetings were held with local stakeholders.

Engagement with relevant stakeholders from the planning stage of a new development, such as a new CCUS facility, allows us to better understand our stakeholders' perspectives and provides opportunities to co-create solutions that benefit all, ensuring that our climate strategy results in a just transition and leaves no one behind.

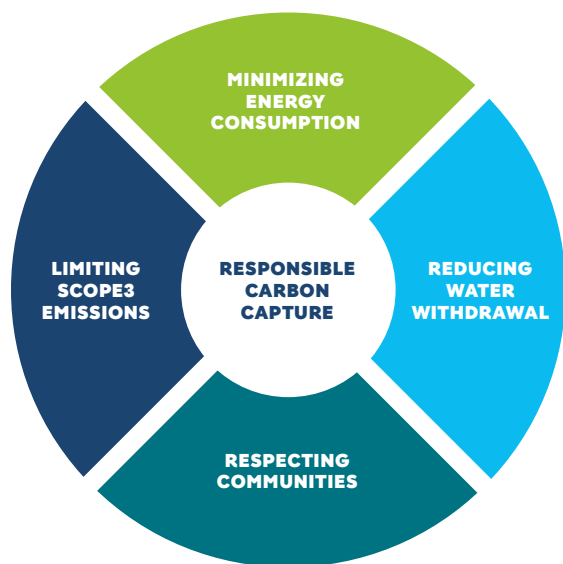
## OUR COMMUNITIES CONTINUED

### ADDRESSING POTENTIAL IMPACTS OF CCUS

Carbon capture, utilization and storage (CCUS) will play a key role in Holcim’s journey toward net zero. As such, Holcim is at the forefront of the development of these 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
- Impact on Holcim’s Scope 3 emissions



### CARBON CAPTURE AND STORAGE PROJECT IN CROATIA: SUPPORTING BOTH WORKERS AND COMMUNITIES TO ENSURE A JUST TRANSITION

Almost 100 years ago, a cement plant was built in Istria, the western part of Croatia. A few years after the plant was built, the first houses for employees were constructed, creating a village called Koromačno. Because the plant and the houses were created simultaneously and are so close to each other, the inclusion of the local community in the plant’s life became organic and natural.

In 1997, Holcim Croatia embarked on several projects to reduce the Koromačno plant’s carbon emissions. After several investments, in 2021 Holcim initiated one project to phase out fossil fuels and created the first vision of the second project: KODECO net zero for carbon capture and storage (CCS). Along with the complex technical preparations, a big emphasis was given to the social aspects. As with all other topics related to the plant’s activities, Holcim included the dialogue on the transition to the EU Green Deal in regular meetings with the neighboring communities called Citizens’ Hour.

There were a lot of questions regarding the impact the Green Deal would have on the jobs and lives of citizens, as well as risks associated with the transition. Despite these questions and initial concerns, the Koromačno residents showed clear support for embarking on the transition. Furthermore, dialogue with the workers’ union, universities and the regional development agency was held to agree on cooperation to determine re- and up-skilling needs. With Istria being a tourist destination, Holcim engaged with the hotel companies to develop green tourism offerings, securing their support. In total, Holcim received 42 letters of support from a whole spectrum of stakeholders to apply to the EU Innovation Fund.

In addition, Istria County, where Holcim’s cement plant is located, is a Just Transition region under the EU Just Transition Mechanism, making it even more crucial for Holcim to engage in discussions about the region’s future. Therefore, Holcim has (and will continue to do so in the future) participated in all other projects. For example in the regional policy dialogues within the BOLSTER project (Bridging Organizations and marginalized communities for Local Sustainability Transitions in EuRope) or in the dialogue organized by the Istria Energy Agency about local community needs for the development of an energy and climate plan.

The KODECO net-zero project aims to make Holcim’s Koromačno plant the first to produce net-zero cement in Croatia and the Mediterranean.

## OUR COMMUNITIES CONTINUED

It will establish a first-of-its-kind, end-to-end CCS value chain between the plant and storage under the Mediterranean. With an investment of EUR 237 million, the vision is to become the first net-zero cement producer in the region and is co-financed by the EU Innovation Fund. Given Holcim's commitment to this region until this day, the KODECO net-zero project will continue to contribute to Koromačno residents' livelihoods and employment, leaving no one behind.

### **GO4ZERO PROJECT: PROACTIVE COMMUNITY ENGAGEMENT AND APPROVAL**

The GO4ZERO CCS project in Obourg, Belgium embodies Holcim's ambition to produce carbon-neutral cement by the end of the decade and aligns with our overall strategy to decarbonize the construction sector by providing sustainable solutions and products.

Because GO4ZERO is one of our flagship CCUS projects and one that is highly complex, we need to ensure continuous communication with all the relevant stakeholders, as they are members of the local community, our customers, suppliers and public authorities.

Since the start of the project, Holcim Belgium has been committed to full transparency with regards to GO4ZERO and to listening carefully to all stakeholders. This open dialogue has been instrumental at every stage of the project's evolution, from conception to implementation, fostering mutual understanding and collaboration.

As part of our commitment to transparency and inclusiveness, we regularly hold preliminary information meetings (PIMs), as required by law. The PIM held on 14 December 2023, marked the first step of this permit process. Its purpose was to inform the local residents about the GO4ZERO project and to initiate the environmental impact study related to it.

Going beyond what is legally required, we are engaging directly with citizens to create an environment of an open and constructive dialogue. These gatherings serve as opportunities for the local community to ask questions and raise concerns, and, subsequently, receive thorough, well-documented responses. These gatherings demonstrate our commitment to transparency and cooperation.

These meetings are carefully planned to enable a fruitful exchange on any potential issues and their solutions. In addition, as part of our commitment to respecting and upholding the highest standards of human rights, we conducted a human rights impact assessment, including consultations with local rightsholders.

At every stage of the project planning, our colleagues in Belgium presented comprehensive project documentation, and the entire Holcim Belgium management team was mobilized to provide the necessary explanations, reaffirming our dedication to acting hand in hand with the local community to make this project a success.

Working closely with the local authorities, we took charge of the administrative procedures required to build and operate the new facilities. Thanks to continuous consultations, we established a climate of trust that is essential for addressing the challenges a project of such scale can pose together and ensuring that we will successfully adapt to any changes in circumstances.

The EU Green Deal is the bloc's ambitious framework to combat the climate crisis, with an emphasis on industrial activities. The EU Innovation Fund is one of the world's largest funding programs for the demonstration of innovative low-carbon technologies, with the goal of accelerating the EU's transition to climate-neutrality by decarbonizing European industry while fostering its competitiveness. Thanks to its innovative approach, highly scalable profile, mature technologies and advanced partnerships to advance the EU Green Deal, GO4ZERO secured unprecedented funding from the Innovation Fund in 2023.

The involvement and support of both federal and regional governments is crucial for the success of GO4ZERO. Continuing the successful collaboration with European authorities is instrumental in ensuring that, thanks to this project, Belgium remains a leader in industrial decarbonization, economic revitalization and reindustrialization. The plant's groundbreaking was held in May 2024 in the presence of Alexander De Croo, Prime Minister of Belgium and Wopke Hoekstra, European Commissioner for Climate Action.



## OUR COMMUNITIES CONTINUED

### UPSKILLING COMMUNITY MEMBERS: SUPPORTING ARGENTINA'S WOMEN IN CONSTRUCTION

Informal studies in Argentina suggest that women make up only five percent of the construction sector workforce. We launched the ConstruActoras (Women in Construction) initiative to highlight this issue and promote gender diversity.

The initiative was divided into three stages, the first of which was a webinar exercise to shed light on real stories from women in construction and to inspire action. Over 200 women took part in these discussions.

Stage two was a hackathon where women were invited to come together and generate projects and ideas that seek to make the construction sector more inclusive. This resulted in 26 projects, two of which received funding for their implementation. The first winning project was selected by a jury and the award went to Lola Mora for the project De Construyendo in Rosario, which proposed a theoretical and practical training program for women and minorities.

The second project was selected by the public, and the award went to Casa Mamá Construye in Buenos Aires, which proposed a dedicated space for teaching construction-related trades and giving training to vulnerable people so that they can learn by doing.

In 2023, we continued the ConstruActoras initiative by carrying out a study on women in construction – the first of its kind in Argentina – to promote inclusion in this industry. During 2024, we plan to start involving our partners in the initiative to involve more women.

### ADDRESSING THE VITAL NEED FOR HOUSING

Approximately 2.8 billion people experience some form of housing inadequacy. We partner with communities and governments worldwide to address this pressing issue, which is expected to become more urgent due to climate change. Our experts develop innovative low-carbon solutions that bridge the gap in affordable housing and infrastructure. We partner with organizations who share our goal of building affordable housing, such as Habitat for Humanity. We are a founding member of the Roof Over Our Heads campaign, which aims to improve the lives of two billion climate-vulnerable people living in informal settlements by 2050.

Our commitment to communities builds on a legacy of positive social impact. In the last five years, we have invested more than CHF 200 million in housing and infrastructure, health, education and skills development.

We aim to be a thought leader in sustainable, affordable and resilient housing and infrastructure solutions by 2030 and provide adequate and resilient housing solutions for people in underserved communities.

Our social impact strategy also focuses on community empowerment with initiatives to empower the talents of tomorrow.



## OUR COMMUNITIES CONTINUED

### 3D PRINTING

3D construction printing offers five key benefits: automation, speed, affordability, sustainability and design freedom. We use smart design with 3D printing to build better with less, reducing materials by up to 50 percent.

With 3D printing, we are creating high-value, technologically advanced jobs that are replacing some traditional construction roles. This automation is helping to mitigate critical labor shortages in mature markets such as Europe and North America. Technology advancements with 3D printing will ensure the construction industry can attract and retain the talent required to decarbonize building across the value chain.

The speed of 3D printing is also key to solving critical shortages, such as the lack of adequate housing and infrastructure for 1.6 billion people in the world today. These problems are most acute in emerging markets.

14Trees is a Holcim and British International Investment (BII) joint venture driving innovative, sustainable and affordable construction solutions. In February 2023, 14Trees completed the 3D concrete printing of 10 housing units in Kenya, making it the largest 3D-printed affordable housing project to date. The walls of a two-bedroom house were printed in 18 hours, while in a three-bedroom house the walls were completed after 28 hours of printing. Mvule Gardens is part of the Green Heart of Kenya's regenerative ecosystem, a model for inclusive and climate-resilient cities. 14Trees also supported the creation of highly skilled jobs, with local workers being trained as 3D machine assistants and specialists. For example, the two printer operators, Edward and Fredrick, came from different professions and were upskilled to operate the printer: Edward was a former carpenter and now he knows how to operate the pump system of the printer; Fredrick is a former maintenance specialist, now operating the printer. They are fully autonomous in operating the printer. The rest of the operating crew consists of three to five casual workers from the local communities, who are also learning new skills on the job.

These projects will sustain skilled job creation by hiring and upskilling local experts in dynamic roles such as 3D machine operators to material specialists working in partnership with local builders for carpentry, roofing, painting and beyond. 3D printing creates high-value jobs in emerging markets without competing with traditional construction methods, both will have a key role in filling the crucial infrastructure gaps.

### RESPECTING INDIGENOUS PEOPLES' RIGHTS

We work constructively with Indigenous communities for better engagement, and strive to build effective, long-term and mutually beneficial relationships. In areas with indigenous communities, we provide additional education and awareness training for our employees at all levels of our operations. Holcim seeks to ensure that Indigenous peoples' rights are respected and supported at our sites and in the communities where we operate.

To raise awareness proactively, Indigenous peoples' rights are included in our human rights assessments as one of the vulnerable groups consulted and in any subsequent action plan that may be required.

Furthermore, a Human Rights Impact Assessment must be conducted at the beginning of a Capex project (e.g., a new plant or a significant upgrade in a plant). This is to proactively identify any potential risks to people linked to the project, respecting the free, prior and informed consent (FPIC) principles and process.

In Canada, we are dedicated to making a meaningful difference, leaving a lasting legacy beyond individual projects. We take pride in our enduring commitment to indigenous communities, working hand in hand to create a sustainable and prosperous future together. We have been working with the Indigenous communities on skill training initiatives to give people access to local employment opportunities, including those related to our decarbonization projects.



## OUR COMMUNITIES CONTINUED

### **GEOCYCLE: OUR CONTRIBUTION TO SOCIETY STARTS FROM OUR LICENSES**

At Geocycle, we deliver large-scale and practical solutions by recovering and recycling waste to tackle the global waste challenge. As a global service provider, we rethink waste together with our partners to deliver local solutions that protect the environment, drive the local economy and improve the livelihoods of communities around the world.

All Geocycle facilities worldwide received licenses from local authorities before their operation. They are either inside our local Holcim plants or at our standalone facilities in separate locations for waste pre-treatment. All our operations in those standalone facilities, no matter if 100 percent owned by Geocycle or partnering with our local business partners, have full consent from local communities and permits from local authorities.

We strive for a cleaner and greener world. We promote better waste governance, applying best available technologies and setting industry-leading standards in our operations. By avoiding landfilling waste, we avoid air, water and soil contamination. Through our commitment to local solutions, we raise the knowledge and awareness of sustainable waste management in communities across the world. For example, during our annual Geocycle Week initiatives, our colleagues go to schools to teach children about sustainability in the neighborhoods, advocating waste recycling or cleaning up the beach with local communities.

We offer a low-cost solution for waste management by utilizing the local existing cement infrastructure, reducing the need for further investment. By transforming local waste into local resources, we drive the local economy. We generate employment in the region and reduce dependence on imported materials and energy, decreasing the risk of supply chain disruption and related financial risks.

We prioritize health, safety and the environment across our operations. Strict internal policies guide our decision-making to safeguard the human rights, health and well-being of our employees, their families and all our suppliers and stakeholders.



# OTHER RELEVANT PUBLICATIONS AND REPORTS

- [Climate Report 2023](#)
- [Integrated Annual Report 2023](#)
- [Climate Policy](#)
- [Climate Public Policy Positions](#)
- [Climate Action at Holcim](#)
- [Code of Business Conduct for Suppliers](#)
- [Sustainable Procurement Directive](#)
- [Sustainable Procurement Principles and Processes](#)
- [Human Rights and Social Policy](#)
- [Human Rights Directive](#)
- [Human Rights at Holcim - Governance and Case Studies](#)
- [People and Communities at Holcim](#)
- [Our Code of Business Conduct](#)

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