

TAX TRANSPARENCY REPORT 2023



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A NEW CHAPTER OF SUCCESS

With record results in 2023, Holcim is stronger than ever. As we start our new chapter of success I am honored to lead Holcim and to present the first Tax Transparency Report under my leadership.



At Holcim, sustainability is everyone's business. It is at the core of our strategy, and as such tax is too, since a responsible approach is directly linked to our positive impact on people and planet. We pay our taxes where we do business, and handle our tax affairs with a non-negotiable focus on compliance and transparency.

Being a responsible taxpayer, we understand the vital role that taxes play in supporting the functioning of governments and societies. Taxes are the bedrock upon which essential public services and infrastructure are built, from education and healthcare to transportation and security. As such, we recognize the importance of contributing our fair share and strive to do so with the utmost integrity.

Tax policy and other incentives are, on the other hand, key to how governments enable industry leaders such as Holcim to accelerate decarbonization at scale. With decarbonization and advanced technologies transforming how we build, there has never been a more exciting time for our sector. The European Union (EU) Innovation Fund has already supported six game-changing carbon capture, utilization and storage (CCUS) projects in execution. By 2030, we aim to capture five million tons of CO₂ and offer eight million tons of fully decarbonized cement each year.

By disclosing our tax practices openly, we strive to build trust with our stakeholders, including customers, investors, employees and the communities where we operate. Transparency fosters accountability and enables informed dialogue, empowering stakeholders to hold us accountable for our actions and decisions.

Our commitment to tax transparency also aligns seamlessly with our broader sustainability agenda. We recognize that sustainable development requires robust financial systems that promote fairness, integrity and inclusivity. Through transparent tax reporting, we demonstrate our contribution to a fairer and more equitable society, where everyone plays by the same rules and benefits from shared prosperity. We understand that sustainable business practices encompass not only environmental stewardship and social responsibility but also financial transparency and ethical governance.

Through our Tax Transparency Report, we seek to demonstrate our commitment to responsible corporate citizenship by openly disclosing our tax contributions and engaging in constructive dialogue with stakeholders on tax-related matters.

Miljan Gutovic
Chief Executive Officer

GLOBAL LEADER IN INNOVATIVE AND SUSTAINABLE BUILDING SOLUTIONS

Holcim has transformed to become a global leader in innovative and sustainable building solutions. We serve our customers with a broad range of advanced, branded solutions that offer higher strength, low carbon, circularity and energy efficiency. In parallel, we have made giant strides in tax transparency.

2020

FIRST TAX TRANSPARENCY REPORT PUBLISHED



ECOPACT LAUNCH
ECO Pact

2018

FIRST COUNTRY-BY-COUNTRY REPORT



2019

APPROACH TO TAX PUBLISHED



2023

SIX CCUS PROJECTS BACKED BY EU INNOVATION FUND

2022

HOLCIM'S FIRST CLIMATE REPORT

Supported by 90% of shareholders at AGM

2024

FIRST PUBLIC COUNTRY-BY-COUNTRY REPORT TO BE PUBLISHED



2021

ECOPLANET LAUNCH

ECOPlanet

REBRANDING INTO "HOLCIM"

LAUNCH NET-ZERO PLEDGE



HOLCIM AT A GLANCE

As a global leader in innovative and sustainable building solutions, we are working for our customers to build better with less, advancing our range of advanced solutions that offer higher strength, low-carbon, circularity and energy efficiency.

WHAT WE STRIVE FOR

At Holcim, we are leading the transition to sustainable building by decarbonizing construction as a driver of profitable growth. After achieving Strategy 2025 financial targets two years ahead of plan, we are driving growth with industry-leading margins, by delivering value over volume with our strong brands and advanced building solutions.

We have successfully shifted our focus to the most attractive markets, like North America, which represents 39 percent of net sales. We became a leader in advanced roofing and insulation systems with eleven acquisitions since 2021, and are leading the way in decarbonization in Europe to offer eight million tons of fully decarbonized cement per year by 2030. We invested for the future too in 2023, with 28 value-accretive acquisitions.

With sustainability at the core of everything we do, we create value for people and the planet. In 2023, we reduced CO₂ per net sales by 20 percent versus 2022, and we are accelerating this momentum with sustainable brands that generate billions in sales.

63,448

People (full-time equivalent)

WHAT WE OFFER



SOLUTIONS & PRODUCTS

In advanced roofing, insulation and specialty building solutions, our focus is on system selling, as well as repair and refurbishment to create superior value – making buildings more energy-efficient, resilient and long lasting.



AGGREGATES

We offer aggregates for the most demanding construction projects, from sustainably sourced materials to construction demolition materials.



READY-MIX CONCRETE

Concrete is the most used man-made material in the world, and it is at the core of decarbonizing construction at scale. From ECOPact to DYNAMax, our high-performance, innovative, sustainable solutions are designed to build better with less.



CEMENT

We are at the forefront of decarbonizing cement with ECOPlanet, the industry's broadest range of low-carbon cement, and are aiming to produce eight million tons of fully decarbonized cement per annum by 2030.

[Read more about *Holcim's building solutions* online](#)

60

Markets

HOLCIM AROUND THE WORLD

NORTH AMERICA

North America is Holcim's largest market with 39 percent of Group net sales. Since 2020, we have rapidly grown our business from USD 6 billion to USD 11 billion today. We continue to increase our market share, and expand our footprint via organic growth and acquisitions.

With leading positions across all business lines and a state-of-the-art operational footprint with more than 850 sites, we are uniquely positioned to accelerate growth. North America is one of the most attractive fast-growth construction markets in the world today, with a USD 175 billion addressable market for Holcim.

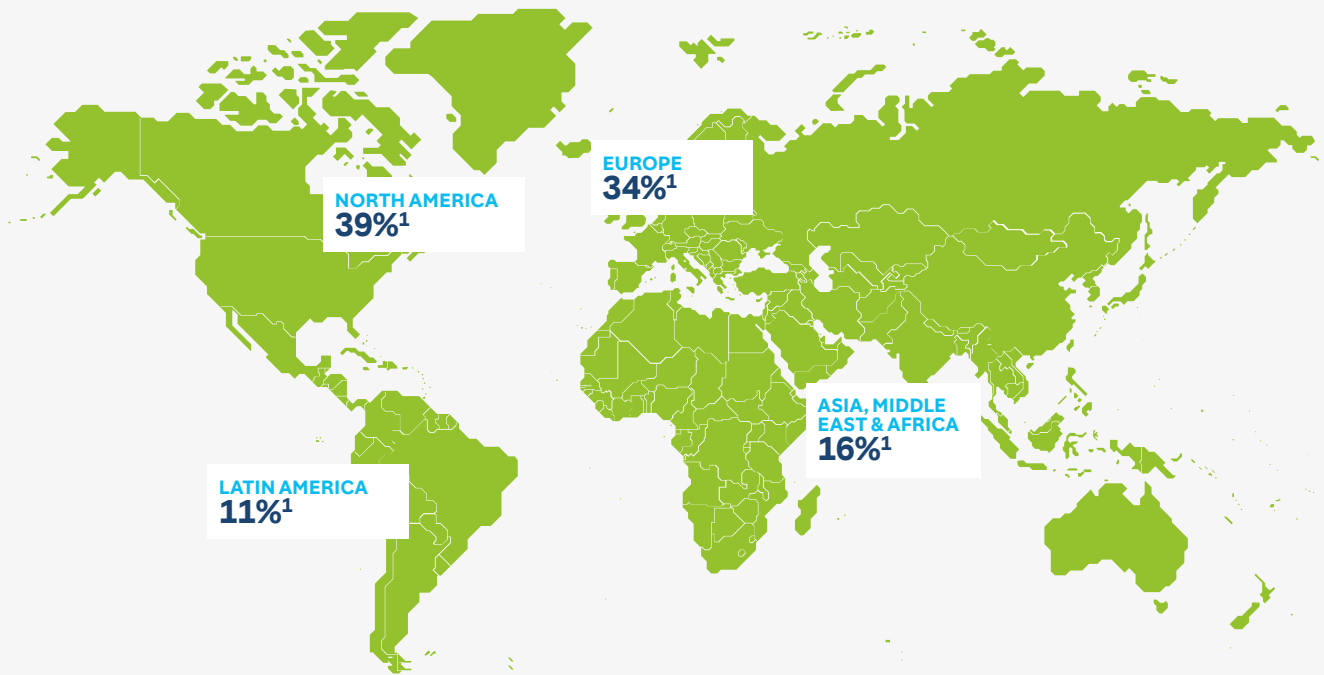
We are capitalizing on its construction boom and once-in-a-generation infrastructure investments, with over 100 infrastructure projects already secured for 2023–2026.

EUROPE

Europe is leading the shift to sustainable building, making decarbonization a driver of profitable growth, with the most ambitious targets in the industry. It is shifting from volume to value with its strong brands and range of advanced building solutions for low-carbon and circular construction.

We are ramping up CCUS with six full-scale projects in execution, selected for EU funding, to capture five million tons of CO₂ and offer eight million tons of fully decarbonized cement per annum by 2030.

Driving circular construction across all key metropolitan areas where we operate, we aim to recycle 20 million tons of construction demolition materials each year by 2030, operating over 150 recycling technology sites.



LATIN AMERICA

In Latin America, Holcim is positioned in the most high-value segments to support the region's dynamic modernization and infrastructure growth. In Mexico, we are at the core of signature projects from the Maya Train and the Libertad Dam in Monterrey to manufacturing facilities, booming with the nearshoring trend.

With its strong market positions and premium solutions, this region delivers the most profitable growth within Holcim. As an integrated construction company, Holcim is present in nine countries, with a broad range of advanced solutions, from cement and ready-mix to admixtures, mortars, roofing and waterproofing.

ASIA, MIDDLE EAST & AFRICA

In Asia, Middle East and Africa, we are delivering strong value creation with margin expansion, while sharpening our footprint with selective divestments, including divestments of our businesses in South Africa, Uganda and Tanzania. This region is focused on broad-based profitable organic growth in some of the fastest urbanizing markets.

Holcim is investing to further accelerate decarbonization, while we are launching and expanding sales of innovative low-carbon products, driven by the growing use of alternative fuels, as well as renewable energy and adoption of calcined clay.

¹ Percentages refer to share of net sales to external customers, excluding trading activities, by market

THE STRENGTH OF HOLCIM

Holcim's industry-leading earnings profile and record results position it to capitalize on growing demand and create stakeholder value for all.



ATTRACTIVE MARKETS

Accelerating growth in mature markets with our range of advanced building solutions.

- 39 percent of Group net sales in North America. With leading positions in all business lines, we are capitalizing on strong construction spend and infrastructure investments.
- 34 percent of net sales in Europe, with leadership in decarbonization and circularity driving profitable growth.
- Shifting from volume to value with our strong brands.
- 11 percent of net sales in Latin America, an emerging market with high margins and strong cash generation, with strong performance led by Mexico.
- 16 percent of net sales in Asia, Middle East & Africa. A focus on value, performance and margins for profitable growth; strong results led by Australia.

78%

Holcim's net sales in mature markets¹



HIGH-VALUE SOLUTIONS

Our portfolio of innovative and sustainable building solutions is driving profitable growth.

- Shifting from volume to value, we offer our customers innovative and sustainable building solutions, with multi-billion CHF brands from ECOPact and ECOPlanet, to Elevate and ECOCycle®.
- Solutions & Products is a leader in advanced roofing systems in North America, and has expanded its European footprint in precast, mortars and adhesives – with recent acquisitions including PRB Group. In Latin America, the segment is advancing its ambition with key acquisitions in roofing and waterproofing.
- Using Holcim's R&D engine, we drive cutting-edge innovation for customers, from 3D printing to ultra-high-strength concrete.

21%

Group net sales from Solutions & Products

¹ Mature markets comprise North America, Europe and Oceania (Australia & New Zealand)



LEADER IN SUSTAINABILITY

With sustainability at the core of our strategy, we offer advanced low-carbon, circular and energy-efficient solutions for a net-zero future.

- Holcim’s net-zero targets are validated by the Science Based Targets initiative (SBTi) for all scopes. In Europe, we have the industry’s most ambitious CO₂ reduction targets.
- Our innovative, sustainable solutions are now multi-billion brands delivering premium margins.
- We are decarbonizing our operations. With six full-scale CCUS projects across Europe selected for grants from the EU Innovation Fund, we aim to capture five million tons of CO₂ each year by 2030 and offer eight million tons of fully decarbonized cement per annum.

20%

Reduction in CO₂/net sales²



EMPOWERED LEADERSHIP

Holcim’s superior performance is driven by empowered leadership with a strong performance culture.

- Deeply embedded performance culture with more than 500 profit and loss (P&L) leaders empowered for customer-centric decision-making.
- Leadership and P&L owners are close to our markets, customers and communities, delivering value for all.
- World-class Gallup employee survey results with 90 percent participation rate.
- Well-established Business School, from early career to leadership development, with 85 percent internal promotion rate.

500+

P&L leaders empowered to deliver our targets



VALUE FOR ALL

In 2023, we supported the governments and communities where we operate with total taxes and governmental contributions of CHF 1.6 billion.

- The taxes and other governmental payments made by Holcim are a significant source of revenue for governments. They enable them to provide essential services to their citizens, invest in their communities for the future and achieve the UN Sustainable Development Goals (SDGs).
- The majority of our total tax contribution does not relate to the profits we make but includes people-related taxes and social contributions, property taxes, product taxes and others fees or royalties paid to governments.

1.6BN

CHF total taxes and governmental contributions

² 2023 Scope 1 + Scope 2 CO₂ emissions per million CHF of net sales compared to 2022

CREATING VALUE FOR ALL



CUSTOMERS

Our low-carbon and circular building solutions help our customers meet sustainability and performance goals and obtain valuable certifications, such as LEED®, BREEAM® and WELL®. Covering the full value chain, from circular aggregates and low-carbon cement to advanced roofing and insulation, our solutions suit new constructions, as well as repair and refurbishment projects, and can be used in all types of buildings and infrastructure, from roads and tunnels to offices and wind turbines.

➔ Read more on page 98 of our [Annual Report](#)

600

New products launched

19%

ECOPact share of total ready-mix net sales



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, in all markets where we are present.

Over 90 percent of our suppliers are from national markets and so our procurement spend is a key element to our contribution to the economic development of the communities in which we operate.

➔ Read more on page 146 of our [Annual Report](#)

19.8BN

CHF paid to our suppliers

93%

Of spend with qualified high-ESG-impact suppliers



PEOPLE

We are committed to attracting the best talent and fostering an inclusive, winning, high-performance culture based on continuous improvement. We promote diversity and empower young talent in strategic priority areas such as decarbonization and digitalization. Through annual employee surveys of our 63,448 people worldwide and our emphasis on continuous learning, we enable employees to realize their potential and accelerate green growth.

➔ Read more on page 132 of our [Annual Report](#)

90%

Participation in employee satisfaction survey

1,209

Holcim people participated in a global leadership program



PLANET

Holcim is becoming a net-zero company with 1.5°C targets validated by the Science Based Targets initiative (SBTi). We are on a mission to decarbonize building with circularity at the core of everything we do. At the same time, we are contributing to a nature-positive future through our science-based approach. This is focused on restoring and preserving biodiversity and freshwater ecosystems, while bringing more nature into cities.

→ Read more in our [Climate Report](#)

402M

Green CapEx invested
CHF

8.4M

Tons of construction demolition materials recycled



COMMUNITIES

At Holcim, we embed human rights across our businesses, and with our partners and suppliers. We empower communities and improve their well-being through local partnerships. These include Habitat for Humanity, which is accelerating access to affordable housing in Mexico and Nicaragua. Through our Houses of Tomorrow projects in seven countries, we are enabling sustainable construction at scale. With our Essential Homes Research Project with the Norman Foster Foundation, we are working to make sustainable building possible for all.

→ Read more on page 140 of our [Annual report](#)

24.8M

Contribution to social initiatives CHF

100%

Holcim cement sites covered by Human Rights Assessments



SHAREHOLDERS

In 2023, we delivered superior performance for our shareholders. Net sales, debt leverage and Return on Invested Capital were strong and we reached an industry-leading Recurring EBIT margin. Solutions & Products grew to represent 21 percent of net sales and we sharpened our geographic footprint in mature markets. With a 42 percent reduction in CO₂ per net sales since 2020, Holcim is showing how decarbonization can lead to profitable growth.

→ Read more on page 5 of our [Annual Report](#)

2.80

Proposed dividend per share CHF

5.42

Earnings per share (EPS)¹ CHF

¹ Before impairment and divestments

OUR VALUE CHAIN



<p>WHAT WE DO</p>	<ul style="list-style-type: none"> • Development of a new technology, process or product • Improve the performance, reliability, quality and cost efficiency of a technology or core product 	<ul style="list-style-type: none"> • Extraction and procurement of commodities used in Holcim products
<p>VALUE DRIVERS</p>	<ul style="list-style-type: none"> • Digital innovation • Process innovation • Product innovation • R&D 	<ul style="list-style-type: none"> • Access to raw materials (e.g., slag, gypsum) • Access to clinker and cement • Optimize energy supply (power fuels) • Benefit from global sourcing
<p>OUR CONTRIBUTION TO THE COMMUNITIES</p>	<ul style="list-style-type: none"> • Employment-related contributions (wages and taxes) • Indirect taxes • Property taxes 	<ul style="list-style-type: none"> • Corporate income taxes • Licenses, permits, fees paid to government • Royalties • Employment-related contributions (wages and taxes) • Payments to suppliers and contractors • Contribution to communities • Withholding taxes on payments to suppliers and contractors • Indirect and property taxes

Our success and growth are shared fairly at each step of our value chain and we generate considerable value – both financial and social – for the communities where we operate.



MANUFACTURING

- Manufacture of products in dedicated facilities located in the market
- Significant investment in people and infrastructure

- Reduce energy cost and CO₂ emissions
- Run production facilities efficiently
- Reduce clinker factor
- Efficient engineering and debottlenecking
- Reduce mean time between failures

- Corporate income taxes
- Employment-related contributions (wages and taxes)
- Indirect taxes
- Payments to suppliers and contractors
- Withholding taxes on payments to suppliers and contractors
- Property taxes



SALES/MARKETING

- Sales are generated by marketing, advertising and promotional activities in the local markets

- Develop a market-oriented approach
- Build brand equity
- Develop alternative models (e.g., digitalization)
- Deliver value through commercial performance

- Corporate income taxes
- Employment-related contributions (wages and taxes)
- Indirect taxes



LOGISTICS

- Logistics not only affects outbound transportation; it is also embedded in the rest of the value chain, such as transportation of raw or semi-finished product

- Optimize supply chain
- Reduce CO₂ emissions
- Optimize logistics costs

- Corporate income taxes
- Employment-related contributions (wages and taxes)
- Indirect taxes
- Payments to suppliers and contractors
- Withholding taxes on payments to suppliers and contractors

TOTAL ECONOMIC CONTRIBUTION

In 2023, Holcim contributed more than CHF 27.6 billion to communities across the world.



EMPLOYEES¹

Employee expenses for salary, wages and incentives

CHF 4.1BN



PROCUREMENT¹

Payments made to our suppliers for the purchase of utilities, goods and services

CHF 19.8BN



PAYMENTS TO GOVERNMENTS²

Total taxes paid plus governmental fees and infrastructure improvements

CHF 1.6BN



SHAREHOLDERS, LENDERS AND INVESTORS²

Dividend and interest payments

CHF 2.1BN

TOTAL
**CHF
27.6BN**

[+](#) Learn more on [holcim.com](https://www.holcim.com)

Figures are rounded to the nearest one hundred million

¹ Calculated on an accrual basis

² Calculated on a cash basis

For more details on how we define these terms please see page 44.



GROWING GLOBAL BRANDS IN LOCAL MARKETS

Shifting from volume to value, Holcim reached 30 percent of net sales from its global brands in 2023. We are constantly innovating to expand our range of advanced building solutions, to offer superior performance benefits to customers.

ECOPlanet low-carbon cement is playing an important role in decarbonizing construction across 34 markets worldwide, thanks to Holcim's formulation expertise and a decarbonized production process.

Three years ago, we introduced ECOPact globally. Offering the world's broadest range of low-carbon concrete, it has been launched in 31 markets, and reduces the embodied carbon of concrete by at least 30 percent without offsets.

The newest member of our brand family, ECOCycle® is a proprietary technology platform that enables us to recycle construction demolition materials into sustainable building solutions, and build cities from cities.

OneCem® is the leading cement brand in the U.S. and accounted for 82 percent of Group net sales in North America in 2023.

Complementing our building materials, Elevate is our most advanced roofing systems brand in North America. It is central to our Solutions & Products segment, which is growing globally.



OUR BRANDS THAT ARE BREAKING THE BILLION+ MARK



ECOPLANET

2+BN

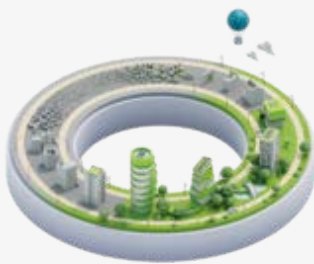
Low-carbon brand with 19% of cement net sales CHF



ECOPACT

1+BN

Low-carbon brand with 19% of ready-mix net sales CHF



ECOCYCLE

24%

Increase in recycling of construction demolition materials to lead in circular construction¹



ONECEM

2+BN

Leading cement brand in the U.S. CHF



ELEVATE

2BN

Most advanced system selling roofing brand in North America CHF



¹ Compared to 2022

INNOVATION IS INTEGRAL TO HOLCIM



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 around the world.

R&D at Holcim

We have the largest R&D organization in the building industry, with over 300 researchers at our research facility in Holderbank, Switzerland supported by our Holcim Innovation Center in Lyon.

To spread innovation across our markets, our researchers work in close collaboration 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.

Our experts span all building fields, from masons and engineers to material scientists, experts in artificial intelligence and data mining. They drive cutting-edge research in over 15 areas, from ultra-high-strength concrete to 3D printing. Harnessing their expertise, we launched 600 new products in 2023.

We draw on 330 patent families. Sustainability accounts for two-thirds of the 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.

Centralized approach to innovation

Holcim Technology Ltd is the owner of the portfolio of industrial intellectual property (IP) rights in Holcim, including the patented and unpatented technology, know-how, technical software, tools and any new IP created in the global R&D and innovation process. Therefore, Holcim Technology Ltd drives the innovation and technology strategy across Holcim and aims to develop, promote and exploit new solutions along the entire global value chain by collaborating with worldwide customers, suppliers, startups and other stakeholders.



THE PLANTS OF TOMORROW

One of the examples of innovation developed by Holcim Technology Ltd is Plants of Tomorrow. Plants of Tomorrow targets a global network of over 148 integrated cement plants and grinding stations across more than 50 countries.

The Plants of Tomorrow initiative brings together a range of innovations aimed at improving performance, circularity and carbon neutrality. We aim to accelerate the adoption of new technologies and solutions across our entire value chain, from quarry to lorry. Across our product range we are driving solutions such as sensors in concrete and cement to monitor and increase their performance, while also reducing unnecessary product waste for an optimized footprint. To date, we have deployed 800 applications across 180 plants, utilizing technologies from automation and robotics to artificial intelligence and digital twins. By 2025, we will reach more than 5,000 deployments.

Furthermore, the Holcim Technology Ltd team is working on solutions for the decarbonization of the building industry. Hence, CemQ technology was developed. CemQ forecasts the future strength of cement during the production process, using historic production data and machine learning. This helps us produce less waste, identify problems early, lower CO₂ emissions and achieve energy savings. CemQ has saved eight percent CO₂ (13,000 tons annually) in the Volos plant, Greece.



DIGITALIZING OUR PLANTS

139

Sites (cement plants)

4,200

Users worldwide

2,022

Deployments to date

42

Proprietary solutions¹

17,000

Innovators²

¹ Reduced due to consolidation of the portfolio into fewer solutions

² Reduced due to divestment of sites around the world vs. 2023

TAX LANDSCAPE

As a global leader in innovative and sustainable building solutions, we are working for our customers to build better with less, advancing our range of advanced solutions that offer higher strength, low carbon, circularity and energy efficiency.

We operate in 60 markets globally and acknowledge the global shift toward transparency and addressing tax challenges in an increasingly digitalized and globalized economy complemented with tax policies that encourage sustainability and decarbonization. We recognize the importance of contributing a fair share of taxes to the countries where we operate while ensuring alignment with global tax regulations and standards. Holcim's tax strategy emphasizes compliance with local tax laws, treaties and regulations, as well as the principles outlined by international organizations such as the Organisation for Economic Co-operation and Development (OECD).



OECD/G20 INCLUSIVE FRAMEWORK ON BASE EROSION AND PROFIT SHIFTING

Base Erosion and Profit Shifting (BEPS) 2.0 has been continuously evolving to develop an agreement on a two-pillar approach to help address tax avoidance, and ensure coherence of international tax rules and, ultimately, more transparency in relation to tax. Today, BEPS 2.0 focuses on the challenges arising from an increasingly digitalized and globalized economy.

Pillar One focuses on reallocating taxing rights to jurisdictions where multinational enterprises (MNEs) have significant consumer or user bases, regardless of their physical presence. This pillar aims to ensure a fairer distribution of profits and taxation for businesses operating across borders. We do not expect Pillar One to have a significant impact on our business model.

Pillar Two aims to establish a minimum level of taxation for MNEs, thereby preventing profit shifting to low-tax jurisdictions and ensuring that all businesses contribute their fair share of taxes.

Together, the approach taken by the BEPS framework seeks to modernize international tax rules, enhance tax certainty and promote a more equitable and sustainable global tax framework.

Holcim supports the aims of Pillar Two ensuring that income is taxed at an appropriate rate and is in scope of the Pillar Two legislation, however, does not expect it to have a significant exposure.

TAX POLICY AS A LEVER TO DECARBONIZE

Holcim has set the industry's most ambitious targets in Europe to leverage the favorable regulatory environment, namely the EU Emission Trading Scheme (ETS), and make decarbonization a driver of profitable growth. We are committed to capturing five million tons of CO₂ annually by 2030 and to making net-zero cement a reality at scale in this decade, offering eight million tons of fully decarbonized cement per annum by 2030. We are scaling up our CCUS technologies with six projects in execution that have been selected for grants from the EU Innovation Fund.

The EU's Carbon Border Adjustment Mechanism (CBAM) aims to ensure that the carbon price of imports is equivalent to the carbon price of domestic production subject to the phasing out of free EU ETS allowances. The EU ETS and CBAM carbon levies deter carbon emissions while tax authorities also encourage decarbonization through tax credits or accelerated tax depreciation. A low-carbon future, and the pace at which it needs to be delivered, means that proportionate and targeted government support is a key element of the acceleration of green growth to a net-zero future. There are key examples below of how local tax policy is assisting decarbonization as a driver for profitable growth:



Holcim Croatia – KODECO net zero

The KODECO net-zero project aims to make Holcim's Koromačno plant the first to produce net-zero cement in Croatia and the Mediterranean. It will establish a first-of-its-kind, end-to-end carbon capture and storage value chain between the plant and storage under the Mediterranean. With a vision for the Koromačno plant to be net zero by 2028, the project aims to capture and store around 366,000 tons of CO₂ per year. Tax credits have been granted to support the investments to date that have focused on substituting traditional fossil fuels. This circular and low-carbon approach aims to replace fossil fuels with pre-treated non-recyclable and biomass waste fuels.



Holcim Poland – Małogoszcz modernization

Holcim invested over EUR 100 million in the modernization and reconstruction of the Małogoszcz Cement Plant in Poland. The investments replaced three existing kilns with one state-of-the-art kiln and an alternative fuel line. The modernization enabled an increase in the technical efficiency of the plant and minimized the impact on the environment by reducing CO₂ emissions by approximately 20 percent and reducing energy consumption by 33 percent. Tax credits have been granted to support the modernization investments in this "Polish Investment Zone" and deliver the decarbonization aims.



Holcim US – Ste. Genevieve (Missouri)

Capital improvements at Ste. Genevieve (Missouri), North America's largest cement-producing facility, will reduce net CO₂ emissions, increase circularity and accelerate decarbonization across the built environment. Holcim invested USD 100 million in the expansion to increase production capacity by more than 600,000 tons of cement. Tax credits will support this investment. In addition, plants across our U.S. footprint have benefited from tax incentives to reduce their dependence on traditional fuels, by developing the needed infrastructure to achieve higher alternative fuel thermal substitution rates.

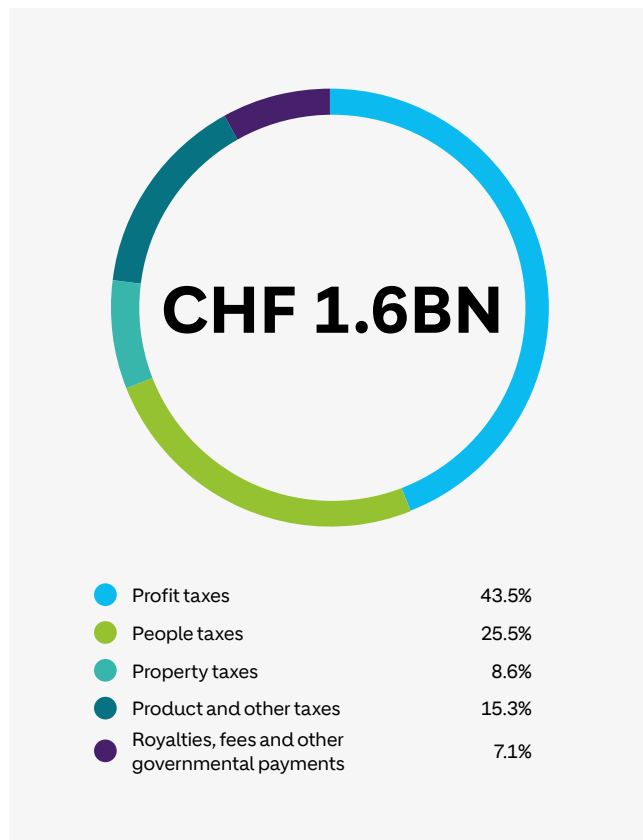
THE TAXES WE PAY

In 2023, total taxes and governmental contributions paid by Holcim were CHF 1.6 billion.

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

Much focus is often placed on the taxes we pay on our profits, but these taxes represent only 44 percent of our total tax contribution.

[+](#) See page 44 for more detail on how we define our taxes



PROFIT TAXES

CHF 702M

include taxes on company income, profits and capital gains

PEOPLE TAXES

CHF 410M

include all taxes and compulsory social contributions borne by Holcim in relation to the employment of staff

PROPERTY TAXES

CHF 138M

include taxes levied on the ownership or use of land or property

PRODUCT AND OTHER TAXES

CHF 247M

include taxes and duties borne by Holcim on the production, sale or use of goods and services, including taxes and duties on international trade and transactions

Other taxes include other contributions levied on the supply, use or consumption of goods or services borne by Holcim

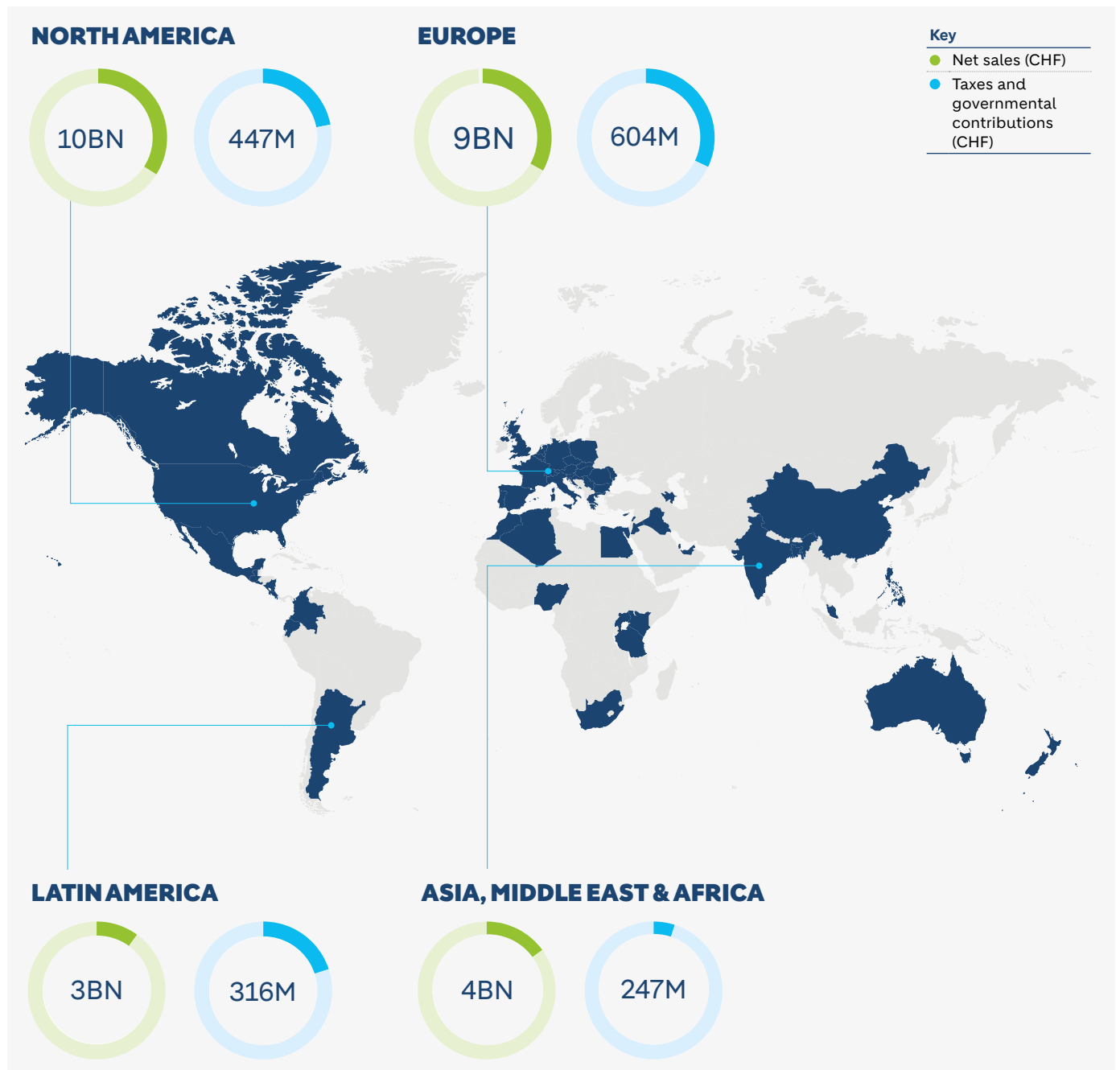
ROYALTIES, FEES AND OTHER GOVERNMENTAL PAYMENTS

CHF 115M

include royalties, governmental fees, infrastructure contributions and other payments made to government

WE CONTRIBUTE WHERE WE DO BUSINESS

85 percent of the CHF 1.6 billion paid to governments was located where 90 percent of sales occur.



OUR LARGEST COUNTRIES

We have included below an overview of the countries that account for the majority of the taxes and other governmental payments.

These are ordered by revenue with the largest countries shown first, and represent over 85 percent of the total amounts paid to governments across the globe. On the following pages, we provide additional analysis on these countries.

Country	Revenues	Government payments
1. United States of America	CHF 7,912 million	CHF 294 million
2. Canada	CHF 2,591 million	CHF 153 million
3. France	CHF 2,197 million	CHF 150 million
4. United Kingdom	CHF 1,811 million	CHF 119 million
5. Mexico	CHF 1,803 million	CHF 167 million
6. Australia	CHF 1,264 million	CHF 36 million
7. Switzerland	CHF 852 million	CHF 83 million
8. Germany	CHF 825 million	CHF 32 million
9. Poland	CHF 652 million	CHF 30 million
10. Romania	CHF 549 million	CHF 24 million
11. Belgium	CHF 513 million	CHF 37 million
12. Nigeria	CHF 417 million	CHF 6 million
13. Spain	CHF 405 million	CHF 1 million
14. Philippines	CHF 375 million	CHF 15 million
15. Greece	CHF 332 million	CHF 29 million
16. Ecuador	CHF 320 million	CHF 46 million
17. Iraq	CHF 300 million	CHF 18 million
18. Algeria	CHF 281 million	CHF 40 million
19. China	CHF 246 million	CHF 38 million
20. Bangladesh	CHF 236 million	CHF 29 million



◀ Gateway in Washington D.C. built using Holcim ultra-high performance concrete.

KEY COUNTRY HIGHLIGHTS¹



1. UNITED STATES OF AMERICA

510 SITES **9,000** EMPLOYEES

Holcim is the number one building materials and solutions provider in the world and the leading cement producer in the US. Holcim Solutions & Products offer the most comprehensive line of advanced roofing systems through 30 production facilities and five R&D centers across the US.

Holcim is investing into two CCUS projects for the plants located in Portland, Colorado and Ste. Genevieve.



2. CANADA

440 SITES **7,000** EMPLOYEES

As part of the Holcim Group, Lafarge is Canada's largest provider of sustainable and innovative building solutions including aggregates, cement, ready-mix and precast concrete, asphalt and paving, and road and civil construction.

Holcim is investing into the CCUS project in Exshaw, Canada.

TOTAL PAYMENTS TO GOVERNMENT CHF 294 MILLION



INCOME TAXES



PROPERTY TAXES



PEOPLE TAXES



PRODUCT AND OTHER TAXES



ROYALTIES, FEES AND OTHER GOVERNMENTAL PAYMENTS

+ Learn more at holcim.us/about-us

TOTAL PAYMENTS TO GOVERNMENT CHF 153 MILLION



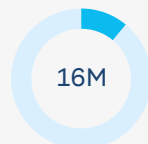
INCOME TAXES



PROPERTY TAXES



PEOPLE TAXES



PRODUCT AND OTHER TAXES



ROYALTIES, FEES AND OTHER GOVERNMENTAL PAYMENTS

+ Learn more at lafarge.ca/en/future-isnt-written-its-built

¹ Due to rounding, the breakdown of payments to governments may not add up to the total reported for a country

3. FRANCE

470 SITES **5,600** EMPLOYEES

As part of the Holcim Group, Lafarge produces cement, aggregates and ready-mix concrete for use in buildings ranging from affordable housing in small local projects to complex infrastructure projects.

The eM-Rhône project uses renewable hydrogen production and CO₂ captured from Holcim’s cement plant in Le Teil to be the first large-scale plant in France to produce e-methanol. The plant’s goal is to capture 100% of CO₂ emitted – around 200,000 tons – annually, by 2028. In 2023, it received a grant from the EU Innovation Fund.

4. UNITED KINGDOM

200 SITES **4,000** EMPLOYEES

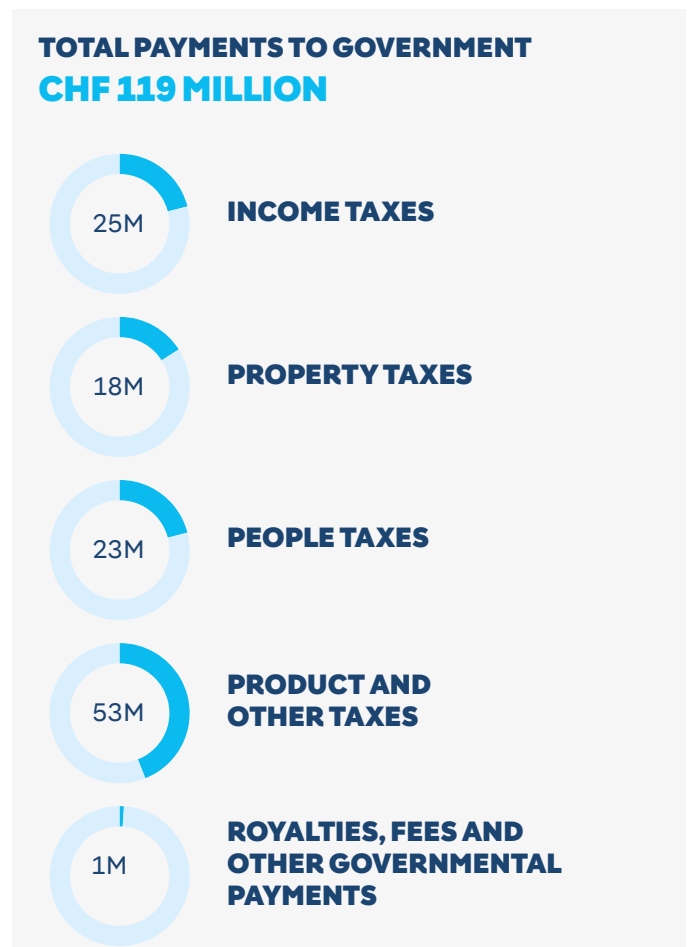
As part of the Holcim Group, Aggregate Industries is one of the leading building materials suppliers and aims to be the UK leader in innovative and sustainable building solutions. It is committed to grounding sustainability in the future of the construction industry.

It is transforming the business and driving growth through sustainable thinking. It is dedicated to decarbonising the operations and driving decarbonisation across the sector, as well as playing a significant role in enabling the UK to transition to net zero.

With 200 sites, Aggregate Industries offers a full range of construction products to help partners to work sustainably, safely, professionally and profitably.



[+ Learn more at lafarge.fr/groupe-holcim-en-france](https://lafarge.fr/groupe-holcim-en-france)



[+ Learn more at aggregate.com/about-us](https://aggregate.com/about-us)



5. MEXICO

160 SITES **5,000** EMPLOYEES

Holcim has been present in Mexico since 1964 and produces cement, ready-mix concrete, waterproofing chemicals and other products.

Holcim México has an installed capacity of 13.3 million tons for cement production, with seven cement plants and one grinding plant in the country, from classic masonry cement to high-performance products designed for special environments. Holcim also operates PASA®, delivering roofing solutions; INDAR, a wholesale hardware vendor known for its fast turnaround rate; and Disensa retail network, offering high-quality hardware products.



6. AUSTRALIA

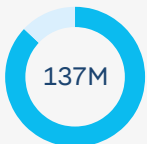
250 SITES **2,500** EMPLOYEES

Holcim's proud history began in Australia in 1901, and now it is shaping a world that is greener, and at the forefront of sustainable building materials. Holcim was the first in Australia to publish an Environmental Product Declaration (EPD) for concrete, and its Humes Pipes EPD was the world-first for reinforced concrete pipes.

Holcim thrives to be a solution provider, supporting customers to be leaders in the sustainable infrastructure and building industry.

Holcim employs people directly and indirectly and partners with customers on projects that range from small and local to the biggest, most technically challenging infrastructure endeavors to build the homes, towns and cities.

TOTAL PAYMENTS TO GOVERNMENT CHF 167 MILLION



INCOME TAXES



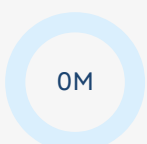
PROPERTY TAXES



PEOPLE TAXES



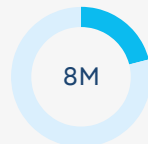
PRODUCT AND OTHER TAXES



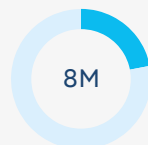
ROYALTIES, FEES AND OTHER GOVERNMENTAL PAYMENTS

+ Learn more at holcim.com.mx/quienes-somos

TOTAL PAYMENTS TO GOVERNMENT CHF 36 MILLION



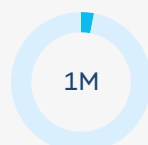
INCOME TAXES



PROPERTY TAXES



PEOPLE TAXES



PRODUCT AND OTHER TAXES



ROYALTIES, FEES AND OTHER GOVERNMENTAL PAYMENTS

+ Learn more at holcim.com.au/about-us

7. SWITZERLAND

55 SITES **1,700 EMPLOYEES**

Holcim Switzerland is one of Switzerland’s leading providers of innovative and sustainable construction solutions in the areas of building construction, civil engineering and infrastructure. At 55 locations across Switzerland, the company produces concrete, gravel and cement and recycled demolition materials into resource-saving products. Sustainability is at the heart of its business activities with the goal of producing climate-neutral and fully recyclable building materials by 2050. Holcim Switzerland employs around 1,700 people in three cement plants, 19 gravel plants, 34 concrete plants and several recycling centers.

8. GERMANY

150 SITES **2,600 EMPLOYEES**

Holcim Germany is one of the leading companies in Germany for innovative, sustainable and digital construction products and solutions. As pioneers in sustainable construction, Holcim develops tailor-made solutions with a clear focus on climate protection and the circular economy. The Carbon2Business project at our cement plant in Lägerdorf, Germany aims to capture more than 1.2 million tons of CO₂ emissions annually. The captured CO₂ is to be processed as a raw material for other industries. The carbon-neutral cement plant is scheduled to start operations in 2028. In 2023, we received a grant from the EU Innovation Fund to advance the Carbon2Business project.

TOTAL PAYMENTS TO GOVERNMENT CHF 83 MILLION



[+ Learn more at www.holcim.ch/de](http://www.holcim.ch/de)

TOTAL PAYMENTS TO GOVERNMENT CHF 32 MILLION



[+ Learn more at holcim.de/de/ueber-uns/auf-einen-blick](http://holcim.de/de/ueber-uns/auf-einen-blick)



9. POLAND

65 SITES **1,900 EMPLOYEES**

The Holcim Group has been operating in Poland since 1995 and currently operates six business lines: cement, concrete, aggregates, pre-cast, dry mortars and insulation. The Go4ECOPlanet project in Kujawy, Poland aims to capture around 1.2 million tons of CO₂ per year and become one of the first net-zero cement plants in Europe. The Go4ECOPlanet project contributes to meeting the European Green Deal objectives and aligns with EU regulations targeting climate neutrality by 2050. The project was awarded a EUR 228 million grant from the EU Investment Fund in 2022.



10. ROMANIA

50 SITES **1,900 EMPLOYEES**

Holcim Romania is active in the production of high-performance construction materials, with the main objective of transitioning to a completely sustainable business. We make cities greener, support society by building for the future, driving circular economy to build more with less and work to improve living standards for all.

All our projects work in synergy for the responsible consumption of natural resources, the use of energy-efficient technologies and acceleration of green growth through innovation and digitization. We are committed to providing better solutions to build people's dreams and the future of the planet.

TOTAL PAYMENTS TO GOVERNMENT CHF 30 MILLION



+ Learn more at lafarge.pl/lafarge-w-polsce

TOTAL PAYMENTS TO GOVERNMENT CHF 24 MILLION



+ Learn more at holcim.ro/ro/despre-noi



11. BELGIUM

30 SITES **1,000 EMPLOYEES**

Holcim Belgium offers a complete range of solutions for the construction of residential and non-residential buildings, engineering structures and road works. In 2022, Holcim Belgium acquired Compaktuna and Cantillana to further expand its Solutions & Products offering. The CCUS project in Belgium, GO4ZERO, will deploy an innovative air-oxyfuel switchable kiln with carbon purification technology. CO₂ will then be sequestered under the North Sea. The project aims to be operational by 2029 and store around 1.1 million tons of CO₂ per year. In 2023, the project was selected for a grant from the EU Innovation Fund.



12. NIGERIA

10 SITES **2,200 EMPLOYEES**

Lafarge Africa is 'Building Progress for People and the Planet', to continually create environmental, economic and social impact in communities while advancing the Nigerian society. It is committed to assure positive footprints for various stakeholders, creating opportunities for partnerships and building up responsibly for the greater good of all. Through various interventions, it is reinventing how the world builds for today, for tomorrow and for the future.

With four plants in Nigeria spread across Sagamu and Ewekoro, Ogun State (South-West), Ashaka, Gombe State (North-East) and Mfamosing, Cross River State (South-South), Lafarge Africa currently has an installed cement production capacity of 10.5 million tons per annum.

TOTAL PAYMENTS TO GOVERNMENT CHF 37 MILLION



+ Learn more at holcim.be/fr/holcim-belgique

TOTAL PAYMENTS TO GOVERNMENT CHF 6 MILLION



+ Learn more at lafarge.com.ng/lafarge-nigeria



13. SPAIN

40 SITES **1,100 EMPLOYEES**

Holcim Spain has an industrial operation of five cement factories, 22 concrete plants, a mortar plant, a waste management and treatment plant, four loading terminals, three centers distribution and two laboratories dedicated to innovation and research. It is the first and only company in the sector to obtain the double seal “Calculo y Reduzco” from MITECO and is immersed in the implementation of what will be the first CO₂ capture plant in a cement factory in Spain.



14. PHILIPPINES

6 SITES **1,000 EMPLOYEES**

Holcim Philippines is one of the leading building solution companies in the country. The Company has a deep portfolio of sustainable and innovative solutions fostered by a full range of products from structural to finishing applications that can help local builders execute with high performance and efficiency for a wide range of projects from massive infrastructure to simple home repairs.

With cement manufacturing facilities in La Union, Bulacan, Batangas, Misamis Oriental and Davao, as well as a dry mortar production plant, aggregates supply and technical support facilities for building solutions, Holcim Philippines is a reliable partner of builders in the country.

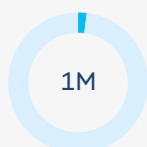
Holcim Philippines is also committed to the highest standards of sustainable operations and manufacturing excellence.

TOTAL PAYMENTS TO GOVERNMENT CHF 1 MILLION



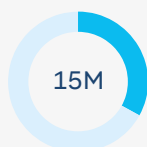
INCOME TAXES¹

-22M



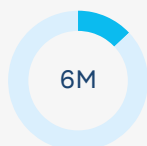
PROPERTY TAXES

1M



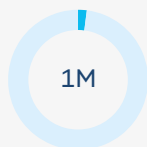
PEOPLE TAXES

15M



PRODUCT AND OTHER TAXES

6M

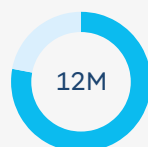


ROYALTIES, FEES AND OTHER GOVERNMENTAL PAYMENTS

1M

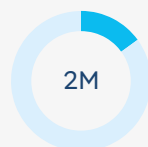
+ Learn more at lafargeholcim.es/lafargeholcim-en-espana

TOTAL PAYMENTS TO GOVERNMENT CHF 15 MILLION



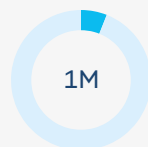
INCOME TAXES

12M



PROPERTY TAXES

2M



PEOPLE TAXES

1M



PRODUCT AND OTHER TAXES

0M



ROYALTIES, FEES AND OTHER GOVERNMENTAL PAYMENTS

0M

+ Learn more at holcim.ph/about-us

¹ Refund of income taxes paid in 2022 in relation to the sale of subsidiary on Brazil.



15. GREECE

60 SITES **1,100 EMPLOYEES**

HERACLES Group, a member of Holcim, holds a leading position in the Greek building materials industry.

For over a century, we have a strong priority; to be the preferred partner of our customers, foretelling and covering their every need in cement, concrete, aggregates and industrial minerals.

OLYMPUS is a flagship project at our cement plant in Milaki, Greece. It will lead to the development of storage capacity in southern Europe. It uses a highly innovative technology combination that merges OxyCalciner & Cryocap™ Oxy. With a target operational date of 2028, the project aims to capture and store 1 million tons of CO₂ annually. In 2023, the project was selected for a grant from the EU Innovation Fund.



16. ECUADOR

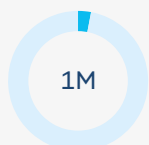
15 SITES **1,000 EMPLOYEES**

Holcim Ecuador has more than 100 years of experience in the country producing cement, concrete, aggregates and solutions for the construction market. With its subsidiary company, Geocycle it reinforces the commitment to the circular economy through the co-processing of waste. Holcim Ecuador has extensive coverage in the national territory, with an integrated cement plant in Guayaquil, a cement grinding plant in Latacunga, ten fixed concrete plants in Guayaquil, Quito, Cuenca, Quevedo, Manta, Machala and Ambato, mobile equipment of concrete, 2 aggregates plants in Pifo and in Daule, the latter, Loma Alta, being the first plant with 50% women in its operations.

TOTAL PAYMENTS TO GOVERNMENT CHF 29 MILLION



INCOME TAXES



PROPERTY TAXES



PEOPLE TAXES



PRODUCT AND OTHER TAXES



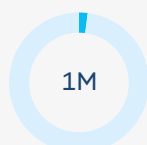
ROYALTIES, FEES AND OTHER GOVERNMENTAL PAYMENTS

+ Learn more at lafarge.gr/en/Holcim

TOTAL PAYMENTS TO GOVERNMENT CHF 46 MILLION



INCOME TAXES



PROPERTY TAXES



PEOPLE TAXES



PRODUCT AND OTHER TAXES



ROYALTIES, FEES AND OTHER GOVERNMENTAL PAYMENTS

+ Learn more at holcim.com.ec/



17. IRAQ

7 SITES 1,300 EMPLOYEES

Lafarge Iraq takes pride in being a member of the Holcim Group and offers an extensive range of building and construction products and solutions catering to diverse housing and infrastructure needs, ranging from small-scale projects to large-scale construction endeavors.

Lafarge Iraq is dedicated to operating its business with integrity and in compliance with all relevant laws and regulations. It strives to maintain a safe and healthy working environment for all employees and stakeholders, while also minimizing the impact of operations on the environment. It believes in fostering a culture of continuous improvement, innovation, and sustainability, and is committed to achieving excellence in everything they do.



18. ALGERIA

15 SITES 1,600 EMPLOYEES

Algeria is a strategic market for the Holcim Group. The construction sector has been growing since 2000, with significant needs for construction materials and constructive solutions.

Lafarge Algeria is present across the entire value chain of construction materials “cements, road binders, special cements for hydrocarbon wells, mortars, aggregates, concrete, plasters, bags and distribution” through different business models.

Lafarge Algeria is strongly committed to the economic, social and environmental development of the country and is a proud contributor to the country’s national strategy of increasing non-hydrocarbon export revenues.

TOTAL PAYMENTS TO GOVERNMENT CHF 18 MILLION



+ Learn more at lafarge-iraq.com/en/3-AboutUs

TOTAL PAYMENTS TO GOVERNMENT CHF 40 MILLION



+ Learn more at lafarge.dz



19. CHINA

2 SITES **800 EMPLOYEES**

Holcim first entered China in 1994 and in more than 20 years since entering China, has made great progress in the field of green building materials.

Holcim’s operations in China are mainly through Holcim Sichuan. The Holcim businesses cover cement, aggregates, and new building materials.

Holcim China adheres to the sustainable development strategy, takes green, low-carbon and circularity as the main pillars, and always considers high-quality development to help the industry achieve the goals of carbon neutrality.



20. BANGLADESH

4 SITES **1,200 EMPLOYEES**

LafargeHolcim Bangladesh Ltd has been operating for almost two decades, with one fully integrated cement plant and three grinding plants. With state-of-the art technology, the company produces world class cement to meet the growing demand generated by massive infrastructure development programs and improved socio economic conditions.

As a good corporate citizen, LafargeHolcim Bangladesh is engaged in activities which are helping the society as well as the environment. The company has extensive welfare programs for the local community around its plants in Bangladesh and Meghalaya. These programs have been benefitting thousands of people to eject out from the cycle of poverty and run decent lives with opportunities for education, empowerment and health-care.

TOTAL PAYMENTS TO GOVERNMENT CHF 38 MILLION



+ Learn more at holcim.com.cn/

TOTAL PAYMENTS TO GOVERNMENT CHF 29 MILLION



+ Learn more at lafargeholcim.com.bd

The remaining countries represent less than 15 percent of all taxes and other governmental payments made. We have included below a summary of these countries.

Country	Total payments to government ¹	Country	Total payments to government ¹
El Salvador	36,449	Czech Republic	4,931
Colombia	22,956	Croatia	3,204
Argentina	20,527	United Arab Emirates	2,960
Egypt	17,721	Morocco	2,232
Hungary	15,409	South Africa	1,939
Netherlands	15,097	Lebanon	1,834
Cyprus	14,721	Republic of Moldova	1,601
Uganda	13,609	Tanzania	1,401
Costa Rica	13,156	Slovakia	1,128
India	11,835	Singapore	975
Serbia	10,221	Jordan	650
Kenya	9,495	Guatemala	199
Nicaragua	9,022	Slovenia	184
Bulgaria	6,967	New Zealand	88
Luxembourg	6,721	Portugal	77
Austria	6,214	Qatar	42
Italy	6,106	Mauritius	31
Azerbaijan	5,795	Malaysia	2

¹ All figures are CHF '000

OUR APPROACH TO TAX

We operate according to the world's highest governance standards. We recognize that taxes are a vital source of revenues and are intricately linked to the pursuit of environmental, social and governance (ESG) principles for governments to achieve the Sustainable Development Goals (SDGs).



PILLAR 1: ALIGNMENT WITH OUR BUSINESS STRATEGY

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



PILLAR 2: TAX GOVERNANCE

We apply diligent care and judgment to ensure all decisions are well-considered and documented.



PILLAR 3: TAX TRANSPARENCY

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



PILLAR 4: TAX RISK MANAGEMENT

We implement processes and controls to limit financial risks for Holcim.



PILLAR 5: TAX ADVOCACY

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

We pay our taxes where we do business, and handle our tax affairs with a non-negotiable focus on compliance and transparency, while leveraging governments' strategic use of tax policy to incentivize investment while driving progress toward both ESG and SDG objectives simultaneously.

All companies within the Holcim Group are expected to comply with our approach to tax and we also instruct external organizations we work with to comply with these principles.

“As Head of Group Tax, I am proud to share our Tax Transparency Report and Approach to Tax, which highlights our diligent efforts to ensure compliance, transparency and ethical tax governance across our operations.”

KARINE UZAN MERCIE,
Group Head of Tax

PILLAR 1

ALIGNMENT WITH OUR BUSINESS STRATEGY

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

OUR STRATEGIC PRIORITIES:

To ensure alignment with our business strategy and reasonable expectations of our stakeholders.

To align adopted tax positions with commercial and economic reality.

To comply in good faith with applicable tax laws and obligations in all countries where we operate.

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

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

Where appropriate, to pre-align within a relationship of “cooperative compliance” (e.g., an advance tax agreement) before taking a filing position.

To not adopt a position that is contrary to the documented intention of the law and/or case law at the highest level.

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

To follow the terms of the applicable double taxation treaties and relevant guidance from local authorities, the Organisation for Economic Co-operation and Development (OECD), EU and United Nations (UN).

PILLAR 2

TAX GOVERNANCE

We apply diligent care and judgment to ensure all decisions are well-considered and documented.

When the business seeks tax advice and where alternative legitimate options exist to achieve the same commercial result, the most tax-efficient approach is recommended.

As tax laws are not always clear, getting this right requires careful judgment and we recognize that the tax authorities may not always agree with the judgments we make.

TO REDUCE POTENTIAL AREAS OF DISAGREEMENT:

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

We consider the reputational consequences of each filing position.

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

We ensure that intercompany transactions are set in accordance with the OECD transfer pricing guidelines and arm's length principle.

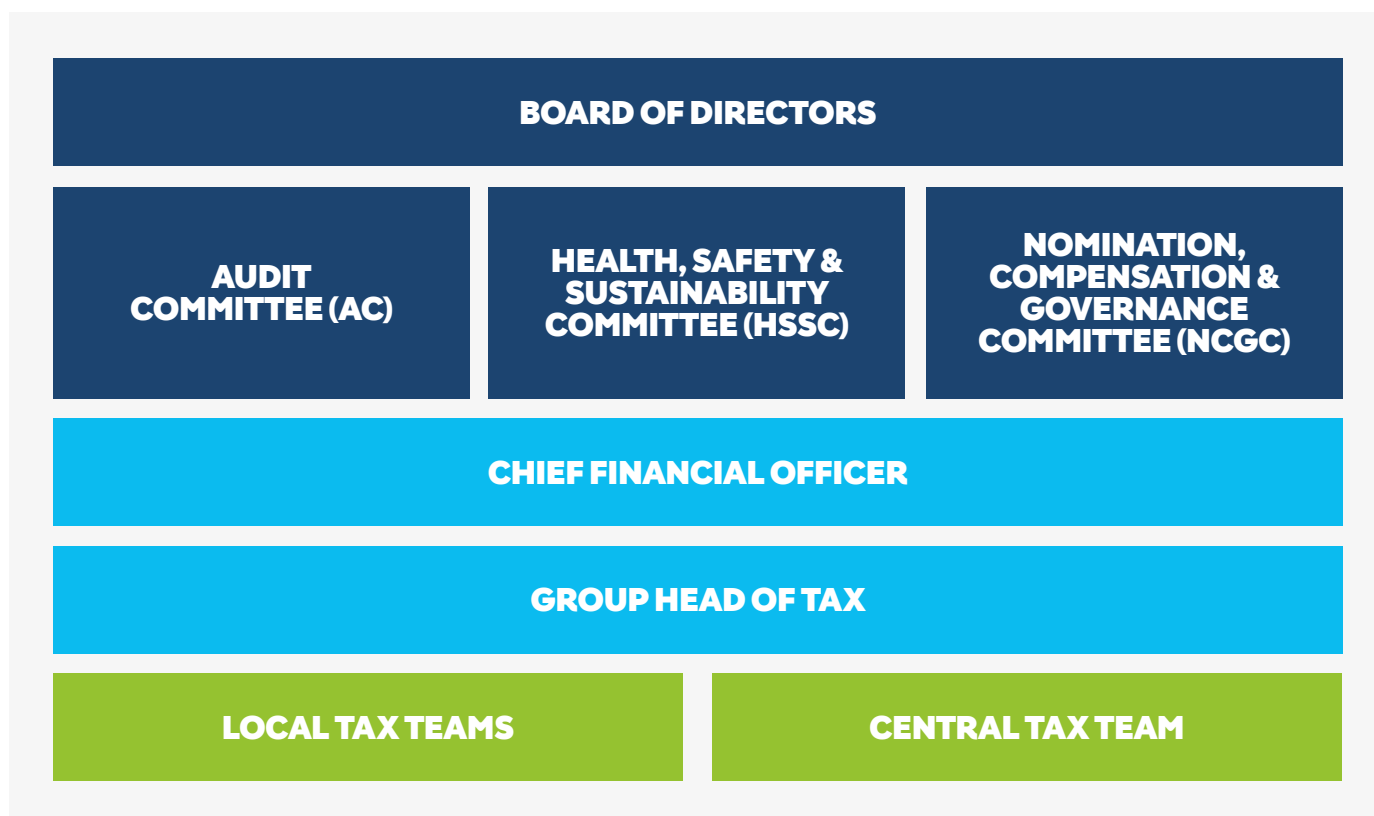
All national, federal, state, provincial and local tax audits are conducted and settled under the direction of the tax team.

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

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

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

Adherence to the tax governance framework is verified by our statutory auditors.

**Board of Directors (BoD)**

Ultimate responsibility for strategy and overall governance of the company, including Holcim's tax strategy. Through the Audit Committee, the Board oversees Holcim's risk management and Internal Control Process.

Audit Committee (AC)

Assists and advises the Board of Directors in conducting its supervisory duties with respect to the internal control systems, including those relating to taxes. It examines the reporting for the attention of the Board of Directors, evaluates the Group's external and internal audit procedures, reviews the risk management systems of the Group and assesses financing issues.

Chief Financial Officer (CFO)

Responsible for all financial matters of the company, including Tax, Accounting, Internal Audit, Treasury, Pension and Financial Planning & Analysis (FP&A) amongst others.

Group Head of Tax

Responsible for developing the tax strategy of the Group and managing the associated tax policies and internal controls relating to income tax matters of the Group.

Central Tax Team

Cross-disciplinary team overseeing the implementation of the tax strategy at a regional level and key subject matter tax experts in areas such as transfer pricing, financing, reporting and global tax initiatives, such as the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS).

Local Tax Teams

Primarily responsible for the implementation of tax strategy and policies, managing local tax processes and risk management in relation to direct taxes.

PILLAR 3

TAX TRANSPARENCY

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

We have an important role in society and take responsibility for acting in a fair and transparent manner toward all external stakeholders. Relationships between Holcim and

tax authorities in all countries where we operate should be transparent and based on mutual trust. We support efforts to increase public trust in tax systems.

WE ARE COMMITTED:

To be open and transparent with the tax authorities about tax matters and provide the relevant, reasonably requested information within a reasonable timeframe.

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

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

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

To explain to the public and any relevant stakeholders Holcim's approach to tax, economic contribution and taxes paid via appropriate disclosures.



We recognize stakeholders' expectation of transparency on tax matters, including those defined by the Global Reporting Initiative (GRI) and the World Economic Forum (WEF) report, Measuring Stakeholder Capitalism. Our continued enhancements of our tax transparency reporting are fully aligned with the intentions of these initiatives. Holcim intends to fully comply with the EU Public Country-by-Country Reporting (CbCR) Directive as a piece of landmark legislation aimed at enhancing transparency in taxation and will be fully aligned with the requirements in 2024. Our industry-leading disclosures on tax transparency demonstrates our commitment to transparency, ethical business conduct and corporate responsibility.

EU list of non-cooperative jurisdictions

In 2023, Holcim operated businesses in Costa Rica, Jordan and Qatar, which the EU considers non-cooperative jurisdictions.

- Our business in Jordan owns two cement plants – one in Fuheis and another in Rashadiyah – and eight ready-mix concrete sites serving customers across Jordan.
- Holcim Costa Rica has a cement manufacturing plant, a waste co-processing plant, quarries for the extraction of raw materials and almost 100 franchised hardware stores that operate under the Disensa brand.
- In Qatar, we operate a cement plant in Mesaieed as well as a ready-mix concrete joint venture, which was established in 1977 and currently operates 14 production facilities in nine different locations across the country.

In addition, we own legal entities in the Bahamas, Panama, the British Virgin Islands, Hong Kong and Malaysia, which are also considered non-cooperative by the EU. These entities play no role in reducing the taxes payable by the Group and are often as a result of prior acquisitions where Holcim has inherited the legal structure of the seller. In the future, these entities are intended to be liquidated.

PILLAR 4

TAX RISK MANAGEMENT

We implement processes and controls to limit financial risks for Holcim.

We put relevant processes and controls in place to limit financial risks. On a quarterly basis, the head of group tax reports tax risks to the CFO and the legal counsel.

Holcim has put in place rigorous internal controls to ensure adherence to our tax policies and directives.

WE FOCUS ON THE FOLLOWING RISK AREAS:

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

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

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

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

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

People risk – Risks associated with ensuring Holcim employees have the right technical skills to handle tax matters in all countries where we operate. This includes identifying skill gaps and succession planning.

PILLAR 5

TAX ADVOCACY

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

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

OUR ADVOCACY MEANS:

We regularly share knowledge and best practice through participation in industry and professional associations. These include the OECD and SwissHoldings, an industry body representing leading multinational Swiss corporations.

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

We support pro-growth tax policies and harmonized, transparent incentive regimes throughout the world.

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

In 2023, Holcim participated directly and indirectly in a number of working groups and/or consultations. In general, Holcim typically participates via industry or business bodies but may respond directly to consultations where Holcim has specific insight, offering a valuable perspective. In 2023, this included:

- the OECD's Business Advisory Group (BAG) in respect of the international tax topics, primarily the implementation including BEPS Pillar Two
- the Business and Industry Advisory Committee to the OECD (BIAC) advocating for policies that enable the private sector to pursue economic growth, development and societal prosperity
- the OECD's Forum on Tax Administration TA 3.0 Working Group project on enhancing the trustworthy use of artificial intelligence in tax administration
- SwissHoldings securing optimal framework conditions and a liberal environment for multinational companies registered in Switzerland, with a significant focus on BEPS Pillar Two
- indirect engagement with the European Commission through the industry body Cembureau to ensure watertight implementation of the Carbon Border Adjustment Mechanism (CBAM), with necessary measures being in place to close possible circumvention routes and the risks of fraud

BASIS OF THIS REPORT

This Report is prepared from data recorded in our financial systems – the same data and financial systems used to prepare our financial statements.

Taxes, royalties and other payments to governments are presented in this Report on a cash paid basis for the year ended 31 December 2023.

For our controlled entities, amounts included are 100 percent of the taxes paid to governments. For entities classified as “held for sale” and investments in joint ventures and associates that are equity accounted by Holcim, no amounts have been included.

TOTAL ECONOMIC CONTRIBUTION

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

1. PROCUREMENT

The largest contribution occurs due to the economic value we add to society through our procurement activities, deriving CHF 19.8 billion gross value added. For further details please see our [2023 Integrated Profit & Loss Statement](#).

2. EMPLOYEES

This is the Group’s total personnel expenses in accordance with note 15.3 of the [2023 Annual Report](#), less social security contributions which have been included under Total Taxes Paid (see item 4).

3. SHAREHOLDERS, LENDERS AND INVESTORS

This is the Group’s total interest paid, pay-out on ordinary shares and dividends paid to non-controlling interests in accordance with the consolidated statement of cash flows – see page 290 of the [2023 Annual Report](#).

4. PAYMENTS TO GOVERNMENT

This includes:

Total Taxes Paid

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

Profit taxes and income taxes

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

Property taxes

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

Social security contributions

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



Non-recoverable sales tax and VAT

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

Customs and excise duty

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

Other taxes

Payments to governments under other legislated tax rules.

Royalties

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

Government fees

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

Payments for infrastructure improvements

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

Where source documentation or invoices are unavailable, we have made best efforts to estimate the total amounts paid using financial accounting records.

EXCLUDED AMOUNTS

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

Employee taxes collected

tax payments made to governments on behalf of our employees.

Indirect taxes

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

Penalties and interest

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

Other

tax payments, whether made as a single payment or as a series of related payments, where the amount is immaterial.

REPORTING CURRENCY

All payments have been reported in CHF. Payments denominated in currencies other than CHF are translated for this report using the average exchange rate for the year ended 31 December 2023.

COMPANY

This term refers to Holcim Ltd and its affiliates.

OTHER CLARIFICATIONS

WHY IS THE TAX EXPENSE IN YOUR FINANCIAL STATEMENTS DIFFERENT FROM THE AMOUNT OF TAX PAID YOU DISCLOSE IN THIS REPORT?

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

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

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

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

In addition to income tax, we also pay other taxes including:

- **Property tax** – taxes levied on the real estate we own or lease and which are utilized in our commercial activities.
- **Social contributions** – we must pay social contributions calculated by reference to our employee wage payments. These contributions can be borne by Holcim and not deducted from employee wages.

- **Excise duty** – an indirect tax on manufacturers due at the point of production rather than sale, which generally forms part of the cost of the product.
- **Customs duty** – an indirect tax imposed on goods as they either enter or leave a country.
- **Value-added tax (VAT)** – indirect tax due on goods and services, typically as a percentage of the sales price. These are normally borne by customers but in some circumstances, Holcim may bare these costs where the VAT is irrecoverable.

WHAT ARE CONTROLLED FOREIGN COMPANY RULES AND HOW DO THEY IMPACT HOLCIM?

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

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

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

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

TAX TRANSPARENCY REPORT ASSURANCE STATEMENT

To the Executive Committee of
Holcim Ltd, Zug
Zurich, 21 May 2024

INDEPENDENT ASSURANCE REPORT ON TAX AND GOVERNMENTAL CONTRIBUTIONS DISCLOSED WITHIN THE TAX TRANSPARENCY REPORT

SCOPE

We have been engaged by the Executive Committee of Holcim to perform a 'limited assurance engagement', as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on Holcim's Tax and Governmental Contributions (the "Subject Matter") disclosed on pages 22 to 35 of the Holcim's Tax Transparency Report (hereafter the "Report") which has been prepared for the period ending 31 December 2023.

CRITERIA APPLIED BY HOLCIM

In preparing the Tax and Governmental Contributions, Holcim applied the criteria described in the "Basis of this report" section of the Report (Criteria).

HOLCIM'S RESPONSIBILITIES

Holcim's Executive Committee is responsible for selecting the Criteria, and for presenting the Tax and Governmental Contributions in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation relevant to the preparation of the Tax and Governmental Contributions, such that it is free from material misstatement, whether due to fraud or error.

EY'S RESPONSIBILITIES

Our responsibility is to express a conclusion about the Tax and Governmental Contributions based on the evidence we have obtained.

We conducted our limited assurance engagement in accordance with the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ISAE 3000 (Revised)'), and the terms

of reference for this engagement as agreed with Holcim on 12 April 2024. That standard requires that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made the Tax and Governmental Contributions have been prepared in accordance with the criteria described in the "Basis of this report", and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

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

OUR INDEPENDENCE AND QUALITY MANAGEMENT

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and have the required competencies and experience to conduct this assurance engagement.

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.

DESCRIPTION OF PROCEDURES PERFORMED

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 a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information, and applying analytical and other appropriate procedures.

Our procedures included, amongst others:

- Assessing the suitability of the criteria described in the “Basis of this report” section of the Report in terms of their relevance, comprehensiveness, reliability, neutrality and understandability and their consistent application
- Reviewing of the non-financial reporting processes related to preparing the Tax and Governmental Contributions disclosures on pages 22 to 35
- Reviewing the Report regarding plausibility and consistency of the Tax and Governmental Contributions disclosures on pages 22 to 35 with the other information in the Report
- Undertaking interviews with the people responsible for the collection and preparation of the Tax and Governmental Contributions information at the headquarters of Holcim Ltd, Switzerland and at the country level for a selection of entities, in order to:
 - Assess the suitability of the data collection templates (and accompanying instructions) and other data sources
 - Understand the implementation of the process for the collection and compilation of the Tax and Governmental Contributions
 - Assess the suitability of the Tax and Governmental Contributions information collected for reporting against the basis of preparation
- Performing detailed testing procedures on a selection of the information disclosed in relation to the Tax and Governmental Contributions:
 - Selecting a sample representing no less than 20% of the total Tax and Governmental Contributions
 - Interviewing data owners to understand the application of the procedures and detailed tests on the basis of samples, consisting of checking the application of the definitions and procedures and reconciling the data with the supporting documents

We also performed such other procedures as we considered necessary in the circumstances.

CONCLUSION

Based on our procedures and the evidence obtained, we are not aware of any material modifications that need to be made to the Tax and Governmental Contributions disclosed on pages 22 to 35 of the Holcim's Tax Transparency Report for the period ending 31 December 2023, in order for it to be in accordance with (or based on) the criteria described in the “Basis of this report” section in the Tax Transparency Report.

Ernst & Young Ltd

Jacques Pierres
Licensed audit expert
(Auditor in charge)

Daniel Zaugg
Licensed audit expert

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