2023 INTEGRATED ANNUAL REPORT

HOLCIM

In 2023, Holcim delivered record results, achieving our Strategy 2025 financial targets ahead of plan.

BUILDING FOR net zero PEOPLE & PLANET

RECORD RESULTS

27.0
Net sales
CHF BN

4.8
Recurring EBIT
CHF BN

3.7
Free Cash Flow
CHF BN

20%
Reduction in CO_2/net sales[1]

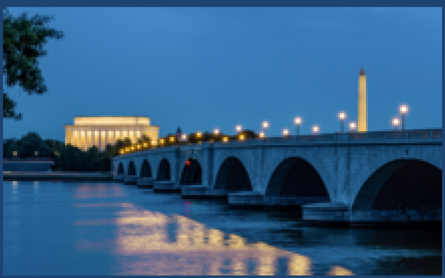
17.6%
Recurring EBIT margin

10.6%
Return on Invested Capital

5.42
Earnings per share[2]
CHF

1.2×
Leverage ratio

[1] 2023 Scope 1 + Scope 2 CO_2 emissions per million of net sales compared to 2022
[2] Before impairment and divestments



DELIVERING RECORD RESULTS

→ P16

GROWING IN THE MOST ATTRACTIVE MARKETS

→ P34

LEADING IN SUSTAINABILITY

→ P54

Cover Image:
Little Island park in New York City, with a view of One World Trade Center – built with 150,000 m^3 of a specially-designed Holcim concrete, manufactured with recycled materials

CONTENTS

Art. 964b Swiss Code of Obligations

Read more on pages 434–435

CLIMATE REPORT 2023

Holcim's Climate Report 2023 is fully integrated in the Annual Report 2023, based on Holcim's commitment to transparency and environmental responsibility.

Learn more on page 64

RECORD RESULTS IN 2023

2023 was a year of record results for Holcim. We reached a new level of financial performance based on our superior earnings profile, with industry-leading margins and a strong balance sheet.

INDUSTRY-LEADING EARNINGS PROFILE

NET SALES CHF

27.0BN

2022: CHF 29.2BN

RECURRING EBIT CHF

4.8BN

2022: CHF 4.8BN

RECURRING EBIT MARGIN

17.6%

2022: 16.3%

GROWING IN THE MOST ATTRACTIVE MARKETS

MATURE MARKETS[1]

78%

Share of net sales
2022: 69%

SOLUTIONS & PRODUCTS

21%

Share of net sales
2022: 19%

M&A TRANSACTIONS

28

2022: 23

LEADING IN SUSTAINABILITY

CO_2 REDUCTION

20%

CO_2/net sales[2]

CIRCULAR CONSTRUCTION

+24%

Recycling of construction demolition materials[3]

CCUS PROJECTS

6

CCUS projects in execution

[1] Mature markets comprise North America, Europe and Oceania (Australia & New Zealand)
[2] 2023 Scope 1 + Scope 2 CO_2 emissions per million of net sales compared to 2022
[3] Compared to 2022

RECORD RESULTS IN 2023

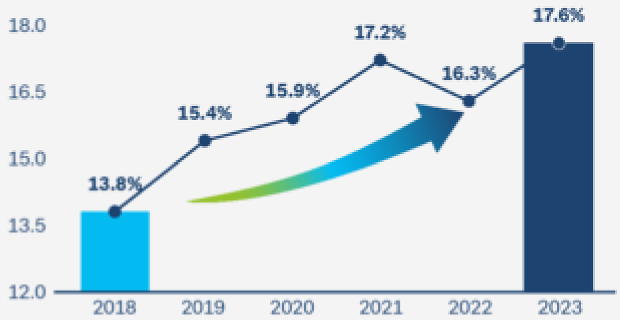
RECURRING EBIT CHF BN

4.760BN

+14.7% organic growth

RECURRING EBIT MARGIN %

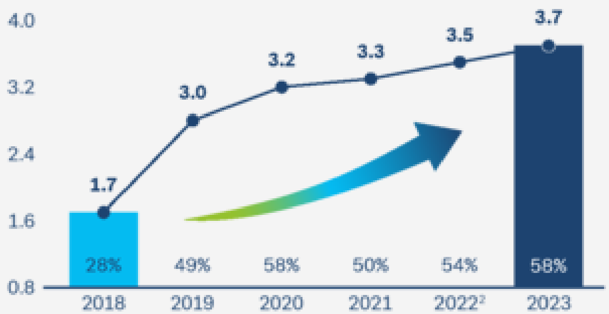
17.6%



FREE CASH FLOW AFTER LEASES AND CASH CONVERSION CHF BN

3.705BN

Cash conversion 58%



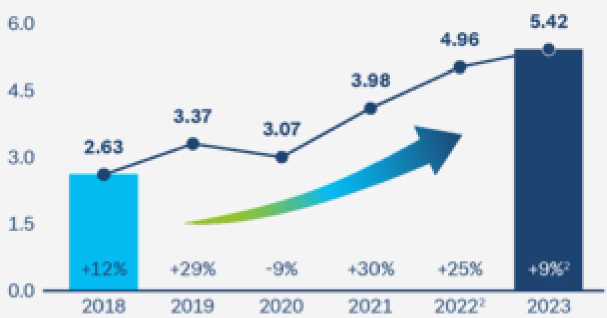
LEVERAGE RATIO AND NET FINANCIAL DEBT CHF BN

1.2×

EPS[1] CHF

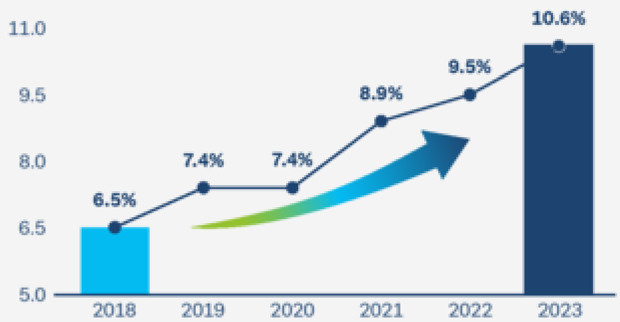
5.42

EPS growth: 9.2%[2]



ROIC %

10.6%



All 2018 figures on pre-IFRS 16 basis

[1] Before impairment and divestments

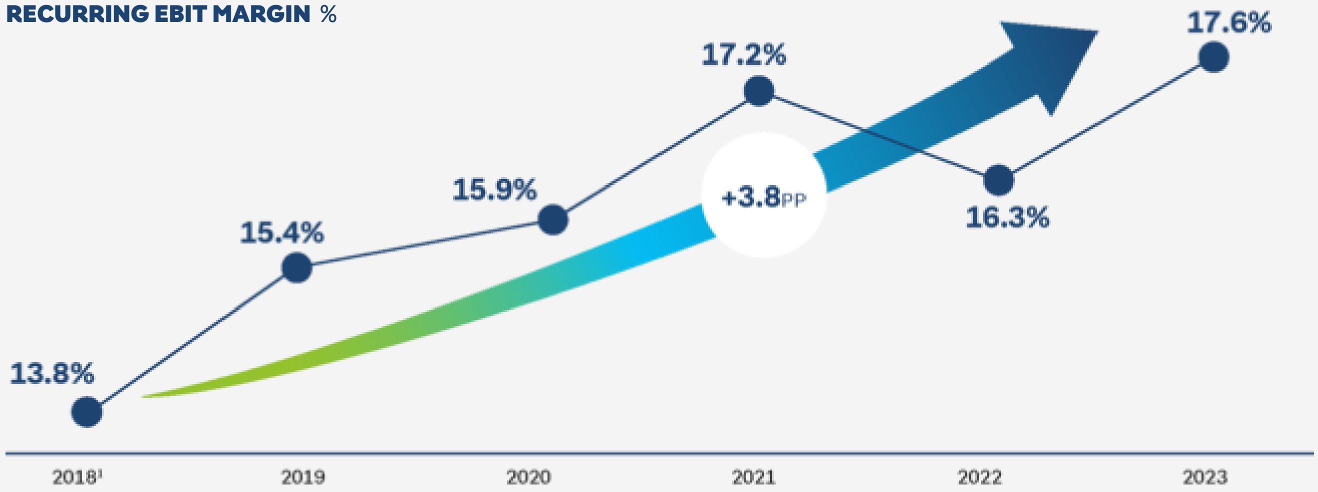
[2] Before resolution with U.S. Department of Justice (DOJ)

RECORD RESULTS IN 2023

Our superior earnings profile includes an industry-leading margin, record free cash flow and strong balance sheet, to deliver attractive shareholder returns.

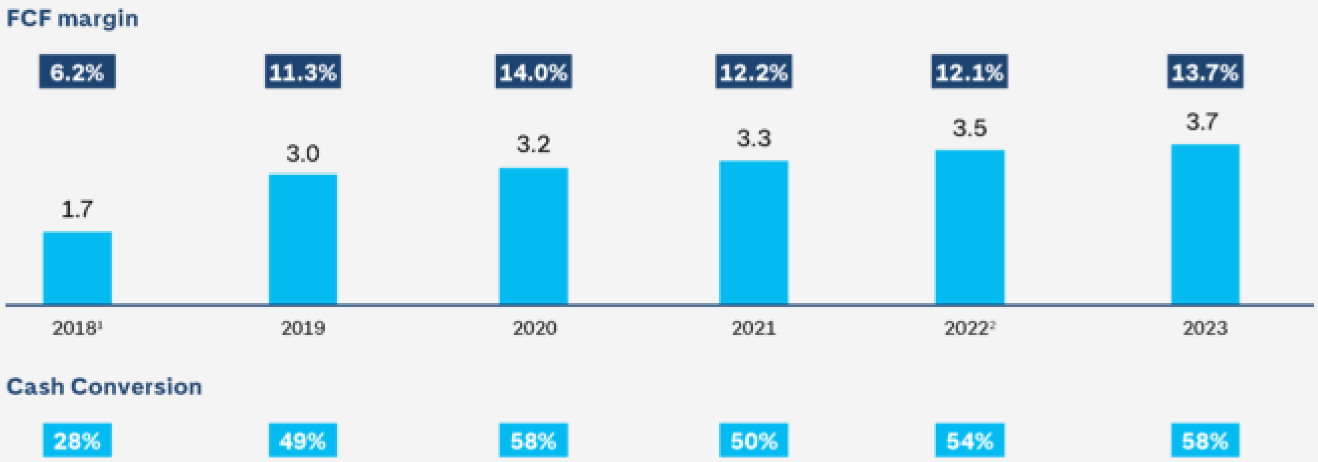
INDUSTRY-LEADING EBIT MARGIN OF 17.6%

RECURRING EBIT MARGIN %



RECORD FREE CASH FLOW (FCF) GENERATION AND CASH CONVERSION

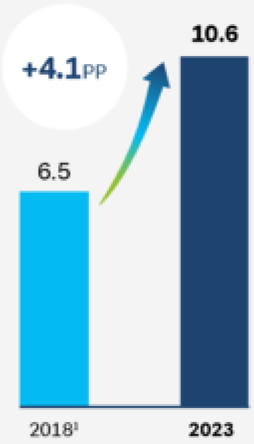
FCF AFTER LEASES IN CHF BN



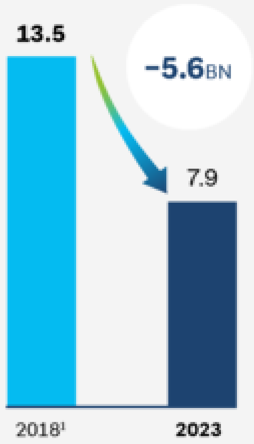
1 Pre-IFRS-16
2 Before resolution with the U.S. Department of Justice (DOJ)

FINANCIAL STRENGTH FROM BALANCE SHEET TO CREDIT RATING

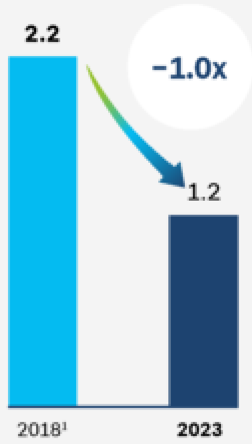
ROIC %



NET DEBT CHF BN



DEBT LEVERAGE
Net debt/Recurring EBITDA



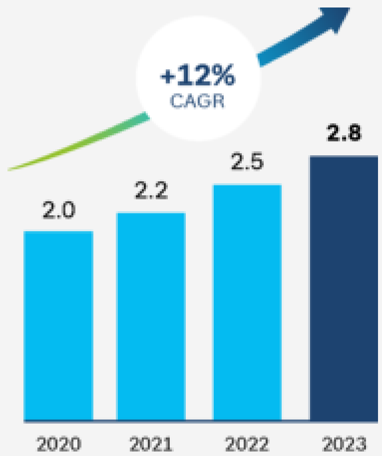
CREDIT RATING

2023
BBB+ | Baa1
Outlook stable

2018
BBB | Baa2
Outlook negative

DELIVERING SUPERIOR SHAREHOLDER RETURNS

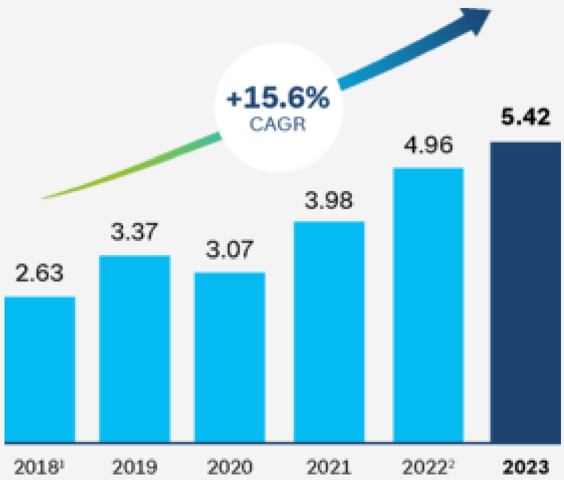
DIVIDEND PER SHARE CHF



- **12 percent increase in dividend** to **CHF 2.80 per share** will be proposed at AGM on 8 May 2024
- Dividend to be paid out of foreign capital contribution reserves and is **not subject to Swiss withholding tax**

OUTSTANDING GROWTH IN EARNINGS

EARNINGS PER SHARE CHF
before impairment and divestments



[1] Pre-IFRS-16
[2] Before resolution with the U.S. Department of Justice (DOJ)

GROWING IN THE MOST ATTRACTIVE MARKETS

FAST GROWTH IN MATURE MARKETS[1]

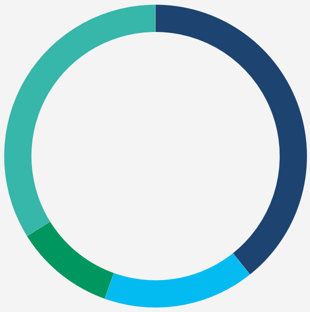
NET SALES BY MARKET[2] %

MATURE MARKETS

55%

2018

North America	22%
Asia, Middle East & Africa	39%
Latin America	11%
Europe	28%



MATURE MARKETS

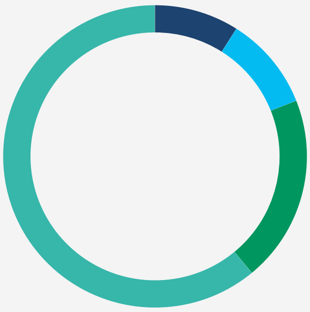
78%

2023

North America	39%
Asia, Middle East & Africa	16%
Latin America	11%
Europe	34%

RAPID EXPANSION IN SOLUTIONS & PRODUCTS[3]

NET SALES BY PRODUCT PORTFOLIO %

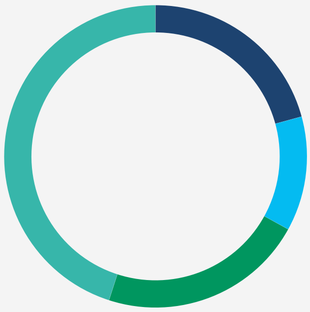


SOLUTIONS & PRODUCTS

9%

2018

Solutions & Products	**9%**
Aggregates	10%
Ready-mix	20%
Cement	61%



SOLUTIONS & PRODUCTS

21%

2023

Solutions & Products	**21%**
Aggregates	12%
Ready-mix	22%
Cement	45%

1 Mature markets comprise North America, Europe and Oceania (Australia & New Zealand)
2 Net sales to external customers, excluding trading activities
3 Net sales to external customers

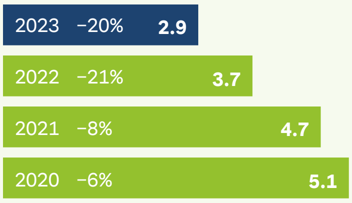
LEADING IN SUSTAINABILITY

ACCELERATING GREEN GROWTH

CO_2 REDUCTION

20%

CO_2/net sales[1]



RECOGNIZED LEADER

ENERGY TRANSITION CHANGEMAKER
COP 28 AWARDS
MISSION INNOVATION NET ZERO

ADVANCING CIRCULAR CONSTRUCTION

8.4M

Tons of construction demolition materials recycled
2022: 6.8MT

+24%

Recycling of Construction Demolition Materials[2]

ECOCycle
The Circular Technology

LEADING IN CARBON CAPTURE, UTILIZATION AND STORAGE (CCUS)

6

CCUS projects in execution

5M

Tons of CO_2 to be captured per annum by 2030

8M

Tons of net-zero cement produced per annum by 2030

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

BUILDING A NATURE-POSITIVE FUTURE

FRESHWATER

298

Specific freshwater withdrawal
L/ton of cementitious material
2022: 304 L/ton

BIODIVERSITY

64%

Active and non-active quarries assessed using BIRS[3]
2022: 48%

PARTNERING FOR IMPACT

SCIENCE BASED TARGETS NETWORK
GLOBAL COMMONS ALLIANCE

IUCN

TNFD Taskforce on Nature-related Financial Disclosures

[1] 2023 Scope 1 + Scope 2 CO_2 emissions per million of net sales compared to 2022
[2] Compared to 2022
[3] Biodiversity Indicator and Reporting System (BIRS)

HOLCIM STRONGER THAN EVER WITH RECORD RESULTS IN 2023

In 2023, we delivered record results and achieved our Strategy 2025 financial targets two years ahead of plan, while growing in the most attractive markets and leading in sustainability.

Dear shareholders,
With record results in 2023, Holcim is stronger than ever. We delivered record results and a superior earnings profile, with industry-leading margins and a strong balance sheet, enabled by our empowered and accountable performance culture. We launched "Strategy 2025 – Accelerating Green Growth" in 2021, and have achieved our financial targets two years ahead of plan.

Moving our business from volume to value, we have successfully shifted to the most attractive markets as well as businesses with strong growth drivers and margins led by our advanced building solutions and brands. We accelerated our leadership in sustainability, making decarbonization a driver of profitable growth.

2023 was a year of record results
With our empowered performance culture, our 63,448 colleagues worldwide delivered record results. They went above and beyond to deliver advanced building solutions for our customers, with our leading brands from ECOPact and Elevate to Fuerte representing 30 percent of our net sales. Thanks to our broad-based, profitable organic growth, we achieved a superior earnings profile, with an industry-leading Recurring EBIT margin of 17.6 percent, as well as record Free Cash Flow of CHF 3.7 billion, while reducing our CO_2 per net sales by 20 percent compared to 2022.

"With record results in 2023, Holcim is stronger than ever. We achieved our Strategy 2025 financial targets two years ahead of plan."

RECORD RESULTS IN 2023

27.0BN
Net sales
CHF

4.8BN
Recurring EBIT
CHF

17.6%
Recurring EBIT margin

3.7BN
Free Cash Flow after leases
CHF

21%
Net sales from Solutions & Products

20%
Reduction in CO_2/net sales[1]

[1] 2023 Scope 1 + Scope 2 CO_2 emissions per million of net sales compared to 2022

Growing in the most attractive markets

We continued our fast-paced growth in the most attractive markets, increasing our share of net sales in mature markets from 55 percent in 2018 to 78 percent in 2023, while expanding rapidly in Solutions & Products, up from 9 percent to 21 percent of net sales over the same period.

In North America, we almost doubled net sales from USD 6 billion to more than USD 11 billion in three years. The region now represents 39 percent of our net sales. As a standalone entity, our North American business is ideally positioned to play a key role in the region's reindustrialization, accelerated by infrastructure investments - from data centers enabling the AI economy and logistics platforms for e-commerce, to battery factories supporting the transition to electric vehicles.

In Europe, we made decarbonization a driver of profitable growth and launched our sector's most ambitious net zero targets this year. Making net-zero cement a reality at scale in this decade, we aim to offer eight million tons of fully decarbonized cement per annum by 2030, as we scale up our carbon capture, utilization and storage (CCUS) technologies. We have six projects in execution that have been selected for grants from the European Union (EU) Innovation Fund to capture five million tons of CO_2 a year by 2030.

With our strong market positions in Latin America, we delivered leading profitable growth, playing an essential role in the region's infrastructure growth and modernization with our advanced building solutions. For example, in Mexico we are at the core of signature infrastructure projects including the Maya Train, which is connecting the main cities of the Yucatán Peninsula, and the Libertad Dam in Monterrey with ECOPact inside, which will be the longest dam in Latin America.

In Asia, Middle East and Africa, we achieved strong value creation and margin expansion, while sharpening our geographic footprint. We delivered broad-based profitable growth in some of the world's fastest urbanizing markets and led strong performance in its most attractive markets like Australia.

We continued to expand Solutions & Products, with 11 strategic value-accretive acquisitions, from the iconic roofing brand Duro-Last in the U.S. to FDT Flachdach Technologie in Germany, becoming a global leader in advanced roofing and insulation systems. With our state-of-the art operations and R&D centers, we are delivering 80 percent of sales in system selling in commercial roofing, to offer superior customer value. Making this business a resilient engine of profitable growth, we are focusing on the repair and refurbishment market – with 70 percent of net sales in re-roofing – while expanding our range of advanced mortars for the renovation market in Europe.

The Essential Homes Research Project by Holcim and the Norman Foster Foundation was inaugurated by Jan Jenisch and Norman Foster at the Venice Biennale of Architecture 2023

Leading in sustainability

We advanced our leadership in sustainability, reducing our CO_2 per net sales by 42 percent versus 2020. Leading the transition to sustainable building with innovative solutions, we accelerated green growth with our billion Swiss-franc sustainable brands. ECOPlanet low-carbon cement reached CHF 2.2 billion in net sales, while ECOPact low-carbon concrete delivered CHF 1.1 billion in net sales. To drive circular construction in every metropolitan area where we operate, we launched our ECOCycle® technology platform, and increased recycling of construction demolition materials by 24 percent year-on-year to build new from old.

Changes in leadership

Beat Hess decided to stand down as Chairman at last year's Annual General Meeting. The Board of Directors and I sincerely thank Beat for his outstanding leadership as Chairman over the past seven years, during which he played an instrumental role in ensuring the company's successful transformation while overseeing the development of the Board of Directors. Our record results in 2023 show that Beat left Holcim in a state which is stronger than ever.

I am honored to stand for re-election as Chairman at the AGM this year, and am very pleased that the Board has appointed Miljan Gutovic as Holcim's next CEO, who will follow in my footsteps on 1 May 2024.

Since joining Holcim in 2018, Miljan has successfully led two of Holcim's regions, firstly as Head of Region Middle East and Africa, and then in his current role as Head of Europe and Operational Excellence.

A highly qualified successor, Miljan has played a central role in Holcim's successful transformation to become the leader in innovative and sustainable building solutions. Making decarbonization a driver of profitable growth, he strengthened our business with record profitability in Europe, while closing strategic transactions and building winning teams.

2.80

Proposed dividend per share for 2023 CHF

Intention to list our North American business in the U.S.

On the back of our record performance in 2023, we began the new year by announcing our intent to list our North American business in the U.S., to unlock our next level of growth and value creation. We have the strength and scale to create two regional champions to fully capitalize on our markets' growth opportunities.

Our rock star North American business will become the leading pure-play building solutions company in North America. Holcim, post-U.S. listing, will aim to strengthen its position as the leader in innovative and sustainable building solutions.

With their market-leading positions, both champions will deliver superior value with their market-specific strategies, focused capital allocation, and fully dedicated leadership teams. They will play to win in their markets, to be the preferred partner for our customers with the most advanced solutions, while generating superior returns for their shareholders.

Our people make this possible

We owe Holcim's record results to the passion and expertise of our people with their unstoppable winning spirit. They bring our purpose – to build progress for people and the planet – to life across all our markets every day.

A safe and healthy working environment is of the utmost importance to all of us, and I commend the important work our colleagues have done this year to further improve our Health & Safety performance. More remains to be done to reach our goal of zero harm, and we will strive for this in 2024.

"I sincerely thank all our colleagues for going above and beyond to make Holcim the great company it is today."

Watch video online here

To all our colleagues, I sincerely thank you for going above and beyond to make Holcim the great company it is today, as we lead the transition to sustainable building. I hope that reading about our teams' achievements in this report will inspire you as much as it inspires me.

As we move forward in 2024, we are committed to another year of record results and value creation for all of our stakeholders. Thank you, dear shareholders, for the trust that you continue to place in us as we build progress together.

JAN JENISCH
Chairman & CEO

In September 2023, Washington, D.C. hosted Holcim's Senior Leaders Meeting, where colleagues from around the globe met to exchange best practices and explore progress towards shared goals

HOLCIM READY FOR NEXT LEVEL OF GROWTH AND VALUE CREATION

On 28 January 2024, we announced our intent to list our North American business in the U.S. with a full capital market separation, to create the leading pure-play building solutions company in the region.

Creating the leading pure-play building solutions company in North America

Our North American business has a proven track record of outstanding profitable growth.

With its leading geographic footprint, it is ideally positioned to be the partner of choice for North American customers and capitalize on the strong construction spend and once-in-a-generation infrastructure investments across the region.

It will be committed to driving long-term growth and unlocking value for all its stakeholders. The transaction is expected to complete in the first half of 2025.

Populus Hotel in Denver, Colorado (U.S.), built with ECOPact low-carbon concrete, takes inspiration from Colorado's native aspen trees, with its windows mimicking the pattern of tree trunks

Holcim to strengthen its leadership in innovative and sustainable building solutions

Post the U.S. listing of North America, Holcim will advance its leadership in innovative and sustainable building solutions.

Maximizing value creation with its leading market positions across Europe, Latin America, Asia, Middle East & Africa, it will accelerate decarbonization and circularity as drivers of profitable growth.

The business aims to deliver industry-leading margins, cash generation and attractive shareholder returns, and is expected to remain in the Swiss Market Index.

The city of Vienna, Austria, has set ambitious goals to implement a circular economy in construction – with the aim of reducing resource and emissions consumption by 2030

> "This next step of growth and value creation is possible thanks to the outstanding leadership of our empowered teams around the world, delivering record results year after year."

JAN JENISCH
Chairman and CEO

OUR EXECUTIVE COMMITTEE

Holcim's dedicated leadership team is delivering on our strategy worldwide and decarbonizing building for a net-zero future.

Back row, left to right

MATHIAS GAERTNER
Head Legal and Compliance

MILJAN GUTOVIC
Region Head Europe and Chief Executive Officer Designate

TOUFIC TABBARA
Region Head North America

STEFFEN KINDLER
Chief Financial Officer

OLIVER OSSWALD
Region Head Latin America

MARTIN KRIEGNER
Region Head Asia, Middle East & Africa

Front row, left to right

JAMIE M. GENTOSO
Global Head Solutions & Products Business Unit

JAN JENISCH
Chairman and Chief Executive Officer

NOLLAIG FORREST
Chief Sustainability Officer

FELICIANO GONZÁLEZ MUÑOZ
Head Human Resources

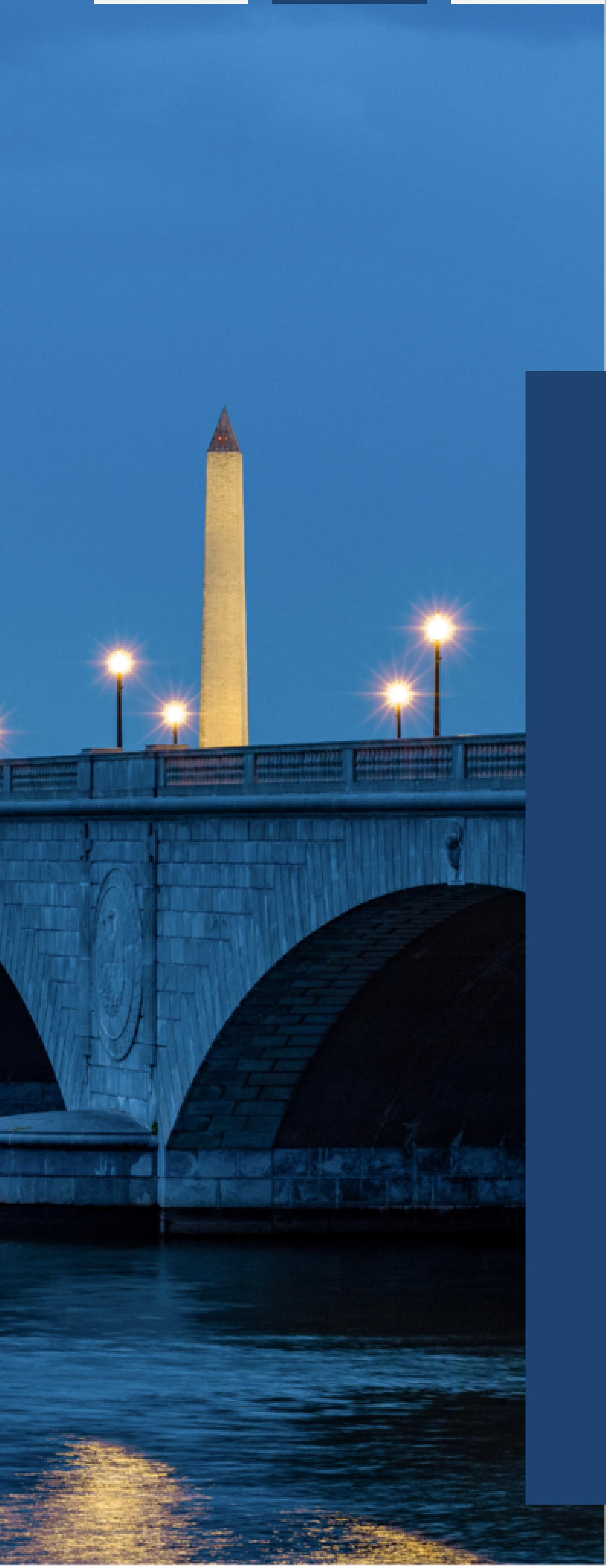
Learn more about our leadership team

See page 186

DELIVERING RECORD RESULTS

We achieved our Strategy 2025 financial targets ahead of plan. By accelerating growth, expanding Solutions & Products and leading in sustainability and innovation, we are transforming and delivering superior performance.

Washington, D.C. is the world's first LEED® Platinum city with the full spectrum of Holcim's sustainable building solutions inside



IN THIS SECTION

ACHIEVING STRATEGY 2025

Delivering record results

When Holcim launched "Strategy 2025 – Accelerating Green Growth" in 2021, our aim was to transform the company to become the global leader in innovative and sustainable building solutions. Today, we are achieving our financial targets two years ahead of plan.

We have moved our business from volume to value, and successfully shifted to the most attractive markets, as well as segments with strong growth drivers and high margins, such as North America.

At the same time, we have invested in innovation to develop low-carbon, circular and energy-efficient building solutions and grow our leading brands.

Throughout this journey, we have put sustainability at the core of our business, rethinking our operations from end-to-end and positioning ourselves as a first mover on net zero, circularity and nature.

The result is record performance. Holcim has delivered strong net sales and Recurring EBIT growth, while focusing on high value creation. The value we have created benefits all of our stakeholders – investors and customers, our people, communities and the planet.

Learn more on our website

"In 2023, we delivered on our strategy, and shifted to the most attractive markets."

JAN JENISCH
Chairman & CEO

ACHIEVING STRATEGY 2025

In 2023, Holcim achieved the financial targets of “Strategy 2025 – Accelerating Green Growth” two years ahead of plan.

STRATEGY 2025	
NET SALES GROWTH	3–5% ORGANIC P.A.
RECURRING EBIT GROWTH	OVER-PROPORTIONAL TO NET SALES GROWTH ANNUALLY
ACCELERATE GROWTH IN SOLUTIONS & PRODUCTS	30% OF GROUP NET SALES
CASH CONVERSION	45%
ROIC	10%
NET FINANCIAL DEBT TO EBITDA	<1.5×

> "Holcim's new level of financial performance is driven by its superior earnings profile, which is based on industry-leading margins and a strong balance sheet, to deliver attractive shareholder returns."

JAN JENISCH
Chairman & CEO

2023 RESULTS

+6.1%	ORGANIC	✓
+14.7%	ORGANIC	✓
21%		ON TRACK
58%		✓
10.6%		✓
1.2×		✓

ACHIEVING STRATEGY 2025 FINANCIAL TARGETS TWO YEARS AHEAD OF PLAN

ACHIEVING STRATEGY 2025 FINANCIAL TARGETS TWO YEARS AHEAD OF PLAN

ACCELERATING GROWTH

STRATEGIC AIM

Holcim is capitalizing on megatrends and specific regional growth drivers to achieve profitable above-market growth. By investing in innovative and sustainable building solutions, we offer high-value benefits to our customers, helping to address their sustainability challenges.

2023 Highlights

- Record Recurring EBIT of CHF 4.8 billion driven by low-carbon products
- 28 acquisitions in high-value markets
- Rebalanced portfolio with mature markets[1] representing 78 percent of net sales

2023 Related KPIs

- +6.1 percent organic net sales growth
- +14.7 percent organic growth in Recurring EBIT
- 17.6 percent Recurring EBIT margin
- 58 percent cash conversion

2023 PROGRESS

Holcim continued to drive growth through acquisitions, investing in innovation and sharpening our portfolio towards high-value end markets and attractive regions.

We acquired 28 businesses: 17 bolt-on acquisitions in cement, aggregates and ready-mix, and 11 acquisitions in Solutions & Products. Leveraging regional growth drivers in 2023, we enhanced value creation and saw strong performance across all regions.

In the North America region, increased demand led to record net sales of CHF 6.7 billion and profitability of 21.7 percent Recurring EBIT margin.

A strong increase in profitability in Europe (15.8 percent Recurring EBIT margin), was driven by decarbonization.

Latin America saw continued profitable growth with 15.4 percent organic growth in Recurring EBIT due to near-shoring and infrastructure projects. In AMEA, organic growth of 5.8 percent net sales was broad based, despite softness in China.

Holcim contributed to the Arlington Memorial Bridge's first rehabilitation since its opening in 1932 – one of the largest infrastructure projects in the U.S. National Park Service's history

2024 PRIORITIES

- Invest in decarbonization and circular construction to drive profitable growth in Europe
- Pursue further value-accretive acquisitions
- Continue our expansion in the attractive North American market
- Accelerate growth in advanced roofing and insulation systems
- Maintain focus on deal execution and value for shareholders, including profitable growth and shareholder returns

→ Read how we are Growing in the Most Attractive Markets on page 34

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

EXPANDING SOLUTIONS & PRODUCTS

STRATEGIC AIM

Holcim aims to capture the high profitability and attractive growth potential offered by our advanced roofing and insulation systems, which are benefiting from strong underlying demand, favorable government incentives and resilient demand from the repair and refurbishment market.

2023 Highlights

- Acquisition of roofing brand Duro-Last in North America
- Six acquisitions in Europe in roofing, precast and Specialty Building Products
- Four acquisitions in Latin America in roofing and Specialty Building Products

2023 Related KPIs

- CHF 5.6 billion net sales
- 21 percent of Group net sales
- 80 percent of sales from advanced system selling in commercial roofing

2023 PROGRESS

We continued to expand Solutions & Products, becoming a global leader in advanced roofing and insulation systems.

Roofing acquisitions included Duro-Last advanced roofing systems in North America.

In Latin America, we acquired Indar and PASA in Mexico, Quimexur in Argentina and Minerales y Agregados in Guatemala.

In Europe, Holcim acquired FDT Flachdach Technologie and Cooper Standard Technical Rubber in Germany, HM Factory in Poland, Besblock and Eco-Readymix in the UK and Artepref in Spain.

Net sales growth in Solutions & Products for the full year was 8.6 percent lower on an organic basis. Despite a strong underlying market demand, growth was dampened due to customers building up roofing inventory during the first half of 2022, followed by a severe destocking starting in the fourth quarter of 2022 and ending mid-year of 2023. With destocking now complete, we returned to a positive net sales growth in the fourth quarter of 2023.

2024 PRIORITIES

- Pursue value-accretive acquisitions, expand into other regions
- Continue to invest in acquired businesses to further strengthen margins
- Increase production capacity to take advantage of market growth
- Drive system selling – from full roof design and insulation to installation

Read more about Solutions & Products on page 44

Our roofing products range from pitched residential roofs to flat commercial roofing

LEADING IN SUSTAINABILITY

STRATEGIC AIM

Sustainability is at the core of our growth strategy. We are decarbonizing construction with innovative low-carbon and circular solutions. By engaging with partners across our value chain, we are accelerating demand and capturing above-market profitable growth.

2023 Highlights

- Launch of Europe's first calcined clay low-carbon cement operation
- Launch of ECOCycle® circular technology recycling platform
- Six CCUS projects selected for grants from the European Union Innovation Fund

2023 Related KPIs

- 3 percent CO_2 net/ton cementitious material reduction[1]
- 20 percent CO_2/net sales reduction[2]
- 8.4 million tons of construction demolition materials (CDM) recycled
- CHF 241 million of CapEx is taxonomy-aligned

2023 PROGRESS

To reduce the clinker factor and decarbonize cement, we are replacing limestone with innovative mineral components, e.g. calcined clay and construction demolition materials (CDM).

In 2023, we launched Europe's first calcined clay low-carbon cement operation in France, enabling us to deliver ECOPlanet low-carbon cement with 50 percent lower CO_2.

We also launched ECOCycle®, a proprietary platform to drive circular construction at scale across key metropolitan areas.

We continued to decarbonize our plants with Geocycle, replacing fossil fuels with alternatives for clinker production. In Europe, we already substitute over 80 percent of fossil fuels at 11 of our plants.

CCUS will help us achieve our net-zero roadmap, and six full-scale CCUS projects across Europe have been selected for grants from the European Union (EU) Innovation Fund that are planned to go live before 2030, allowing us to capture five million tons of CO_2 and deliver eight million tons of fully decarbonized cement a year.

Built using Holcim's low-carbon cement, Campus Aspern Seestadt in Vienna, Austria, covers 90 percent of its energy needs thanks to a geothermal energy process optimized by thermal concrete activation

2024 PRIORITIES

- Lead decarbonization of the built environment by promoting the value of sustainability to customers and industry partners
- Achieve double-digit growth in CDM
- Reduce CO_2 net/ton of cementitious material 2-4 percent versus 2023 in line with 2025 goal
- Advance 17 flagship CCUS projects under development worldwide

Read how we are Leading in Sustainability on page 54

1 Compared to 2022
2 2023 Scope 1 + Scope 2 CO_2 emissions per million of net sales compared to 2022

STRATEGY 2025 IN ACTION

ACCELERATING GROWTH MILAN METRO

Projects like this one in Milan, Italy, show how we are putting our solutions to work to decarbonize construction in cities and improve quality of life.

Authorities in the city chose our low-carbon, circular solutions to expand the metro. In July 2023, Milan opened San Babila, the latest station on the new M4 line. Once finished, the line will connect the east and west of the city in under 30 minutes, and will be able to transport over 85 million people each year.

Holcim played a key role in the construction, supplying concrete made with low-carbon pozzolanic cement and half a million tons of excavation materials sourced onsite from the project.

Taken together, these solutions reduced CO_2 emissions by at least 30 percent, while significantly reducing the amount of virgin aggregates needed.

For more about our decarbonized solutions see page 74

The city of Milan, Italy, chose Holcim's low-carbon, circular concrete for its new M4 metro line

EXPANDING SOLUTIONS & PRODUCTS DURO-LAST

By acquiring Duro-Last in 2023, we bolstered our roofing offer in North America and positioned ourselves to meet growing demand for re-roofing.

When Crothersville Junior/Senior High School in Indiana, U.S., needed a new roof to improve energy efficiency and waterproofing, as well as install solar panels, school officials turned to Duro-Last.

The company removed and recycled the old roof via its “Recycle Your Roof” program, to create new roofing and flooring materials. A new solar-enabling roof system was installed, including Duro-Last Membrane and Duro-Guard®, Duro-Last’s range of thermal roofing insulation systems to improve energy and heat loss. More drains were also added to direct water off the roof and away from solar panels.

For more on Solutions & Products see page 44

LEADING IN SUSTAINABILITY ADVANCED CRUSHING

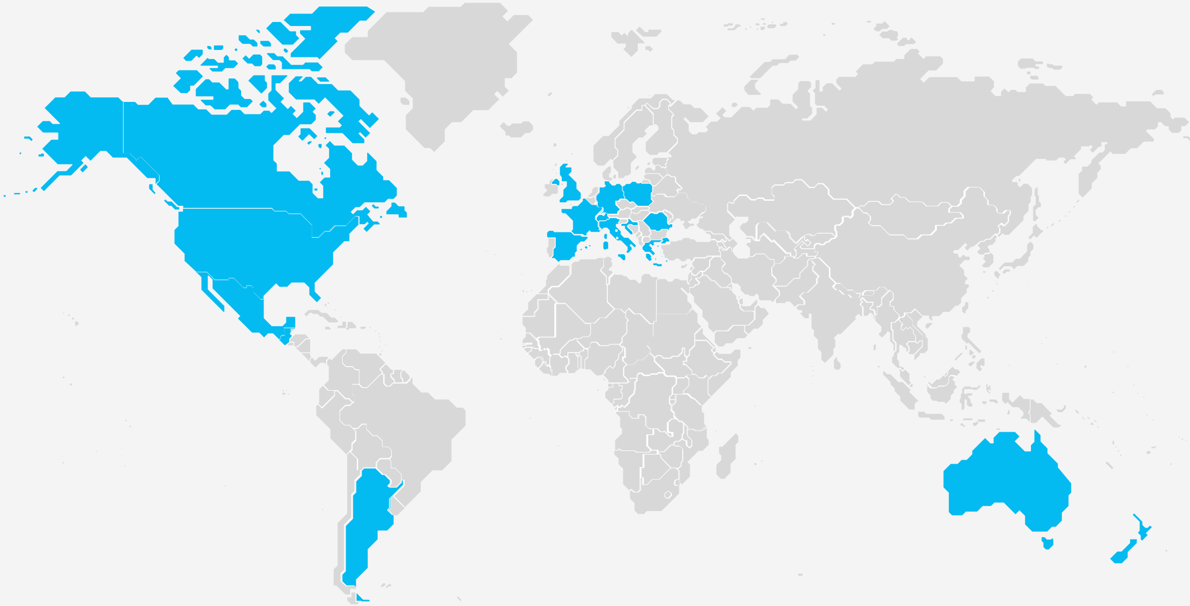
We launched our new advanced crushing system to scale-up our ECOCycle® circular technology platform. Using this technology, we can recycle 100 percent of concrete-based construction demolition materials (CDM) into new building solutions.

Our new facility at Saint-Laurent de Mure near Lyon, France, receives, processes and upcycles CDM from the city’s metropolitan area into new environmentally advanced building solutions.

Using ECOCycle®, we can produce superior quality recycled construction aggregates for high-end applications. Additionally, this technology allows us to produce cement-rich fractions that we can use to replace limestone in cement making, which helps to decarbonize its manufacture.

For more on Circular Construction see page 102

28 ACQUISITIONS IN 2023



SOLUTIONS & PRODUCTS

ROOFING

Quimexur
Argentina | Roofing & waterproofing

Cooper Standard Technical Rubber
Germany | Roofing systems

FDT Flachdach Technologie
Germany | Roofing systems

Indar
Mexico | Roofing & retail offering

PASA®
Mexico | Roofing & waterproofing

Duro-Last
U.S. | Roofing systems

SPECIALTY BUILDING SOLUTIONS

Minerales y Agregados
Guatemala | Mortars & adhesives

Eco-Readymix
UK | Mortars, AGG, RMX

PRECAST

HM Factory
Poland

Artepref
Spain

Besblock
UK

CEMENT, AGGREGATES AND READY-MIX

U.S.

Pioneer Landscape Centers
AGG

Tezak Heavy Equipment
AGG

CANADA

Westridge Quarries
AGG

AUSTRALIA

Vic Mix
RMX

NEW ZEALAND

AML[1]
RMX

EUROPE

Beton Zdrug D.o.o.
Croatia | AGG

Chrono Chape
France | RMX

Klaus Heinz Group
Germany | AGG, RMX, CDM

Larsinos
Greece | AGG, RMX

W.A.T.T. Recycling
Greece | CDM, Recycling

Nicem
Italy | AGG

Ol-Trans
Poland | RMX

Stones Business Development
Romania | AGG

Elite Cements S.L.
Spain | Cement

Fanger Kies und Beton
Switzerland | AGG, RMX

Sivyer Logistics
UK | CDM, AGG, RMX

OCL Regeneration
UK | CDM

[1] Ready-mix operations acquired from AML Ltd

The acquisition of Duro-Last in 2023 enhances our integrated roofing offer, as seen here at Crothersville High School in Indiana, U.S.

Through our disciplined M&A approach for superior value creation, Holcim has delivered 97 value-accretive transactions since 2018, with six major acquisitions in Solutions & Products, 72 bolt-on acquisitions and 19 divestments including India, Indonesia, Brazil and Malaysia.

In 2023, we continued the fast-paced execution of our transformation with 28 value-accretive acquisitions, expanding in Solutions & Products while strengthening our aggregates and ready-mix segments in core markets.

Solutions & Products acquired the iconic Duro-Last brand in the U.S., a leader in commercial roofing systems, with a track record of double-digit growth in North America's highly profitable roofing market, which is worth over USD 40 billion.

Building on our growth in North America, we also accelerated the expansion of our roofing platform in Europe and Latin America.

In Europe, we acquired FDT Flachdach Technologies and Cooper Standard Technical Rubber in Germany, bringing strengths in thermoplastic roofs, as well as highly durable and technical products used for roofing systems.

We expanded our European business in precast, advanced mortars and adhesives too, acquiring Eco-Readymix and Besblock in the UK, HM Factory in Poland, and Artepref in Spain.

In Latin America, we advanced our ambition to become a leader in roofing and waterproofing systems, expanding our position by acquiring Quimexur in Argentina and PASA in Mexico. By acquiring Indar, a leading hardware wholesaler in that country, we added more than 10,000 products to our Disensa retail network.

97 VALUE-ACCRETIVE TRANSACTIONS 2018–2023

6

Solutions & Products major acquisitions
- Firestone Building Products
- Malarkey Roofing Products
- Duro-Last
- Polymers Sealants North America (PSNA)
- SES Foam LLC
- PRB Group

72

Bolt-on acquisitions in attractive markets
- 41 in Europe
- 22 in North America
- 5 in Latin America
- 4 in Asia Pacific

19

Divestments
including India, Indonesia, Brazil, Malaysia

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 11 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 CO_2 per net sales by 20 percent versus 2022, and we are accelerating this momentum with sustainable brands that generate billions in sales.

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

63,448
People (full-time equivalent)

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.

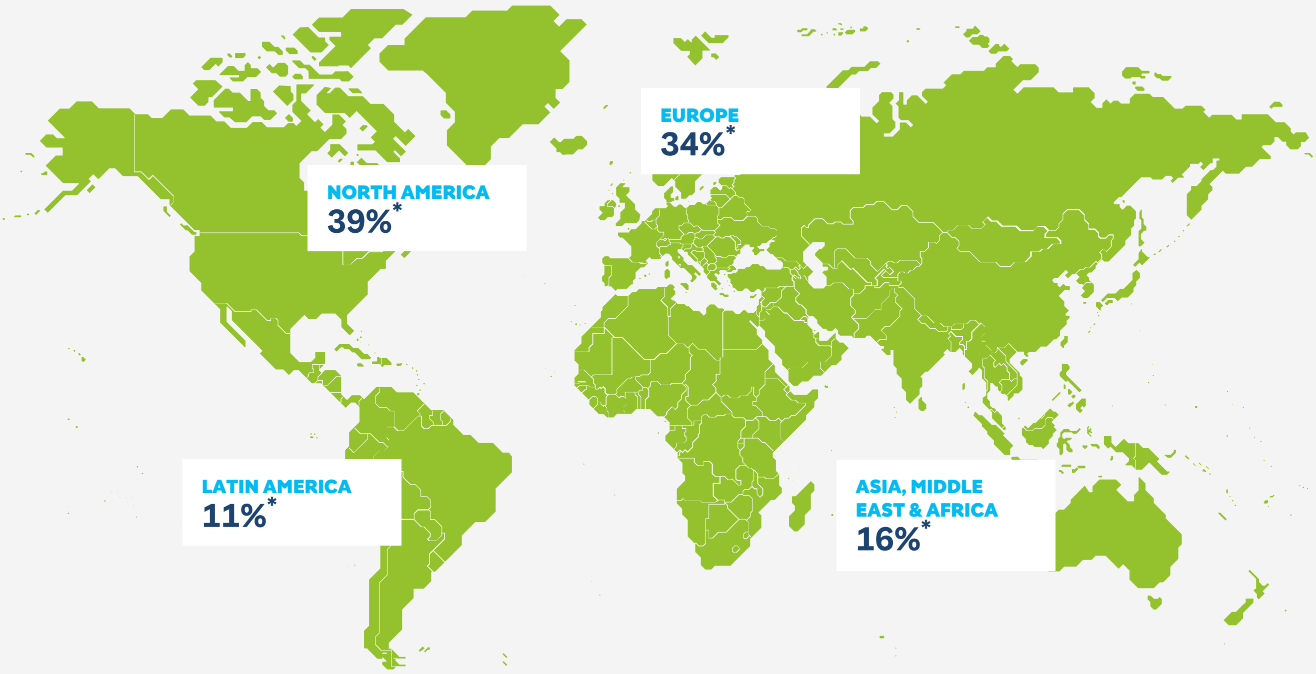
We are capitalizing on its construction boom and once-in-a-generation infrastructure investments, with over 100 infrastructure projects already secured for 2023–2026.

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 carbon capture, utilization and storage (CCUS) with six full-scale projects in execution, selected for EU funding, to capture five million tons of CO_2 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 the signed 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.

* 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.

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 markets[1]

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

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 CO_2 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 CO_2 each year by 2030 and offer eight million tons of fully decarbonized cement per annum.

20%

Reduction in CO_2/net sales[2]

1 Mature markets comprise North America, Europe and Oceania (Australia & New Zealand)
2 2023 Scope 1 + Scope 2 CO_2 emissions per million of net sales compared to 2022

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.
- Transparent and accountable performance management with a focus on Group targets.
- Embedded disciplined and value-focused acquisition framework, from valuation and due diligence to transaction closing, integration and synergies delivery.
- 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

SUPERIOR EARNINGS

We have the strongest earnings profile in our sector with industry-leading margins and Free Cash Flow generation.

- This is driven by our value over volume strategy, Holcim's innovative and sustainable solutions and our leadership in advanced roofing systems.
- Average growth of +0.8pp per annum in Group Recurring EBIT margin since 2018, with over-proportional growth in organic Recurring EBIT as part of our Strategy 2025.
- For the fifth consecutive year, Holcim generated more than CHF 3 billion of Free Cash Flow (FCF) after leases[1], reaching an industry-leading FCF margin of >12 percent.
- Record FCF after leases of CHF 3.7 billion in 2023.

3.7BN

CHF generated in Free Cash Flow after leases in 2023

SHAREHOLDER VALUE

We deliver above-market returns and shareholder value with profitable growth, industry-leading margins and strong cash flow.

- Strong Return on Invested Capital (ROIC) of 10.6 percent with 4.1 percentage points improvement since 2018.
- Sharpened geographic footprint in most attractive mature markets, led by superior returns, growth and leading technology and sustainability.
- Strong shareholder returns: CHF 8.8 billion cash returned to shareholders since 2018.

61%

Average dividend payout ratio over the past six years

[1] Before resolution with U.S. Department of Justice (DOJ)

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

600

New products launched

19%

ECOPact share of total ready-mix net sales

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

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 on page 64

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

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 CO_2 per net sales since 2020, Holcim is showing how decarbonization can lead to profitable growth.

Read more on page 5

2.80

Proposed dividend per share
CHF

5.42

Earnings per share (EPS)[1]
CHF

OUR MATERIAL IMPACTS AND PRIORITIES

Materiality provides an essential lens through which we determine our approach to building long-term value for all our stakeholders.

Read more on page 222

[1] Before impairment and divestments

GLOBAL MEGATRENDS

As the backbone of urbanization, the building sector is essential for society to thrive. With our world's population rising and becoming increasingly urban, people aspire to better living standards. Taking housing alone, we will need to accommodate 2.5 billion more city dwellers by 2050[1].

At Holcim, we are leading the way to sustainable building by addressing global megatrends and improving lives. We want to build circular cities, driven by:

- Sustainable buildings: from low-carbon construction to energy efficiency in use
- Smart infrastructure: connecting people with green mobility and empowering renewable energy
- Recycling: to keep materials in use, especially construction demolition materials
- Nature inside: from green roofs to buildings serving as vertical forests

With our advanced, low-carbon, circular, energy-efficient and nature-friendly solutions, we are accelerating the transition to build a future that works for people and the planet. By transforming how the world builds, we can transform lives.

"There has never been a more exciting time for the building sector. To make our world's urbanization and infrastructure boom work for all, we are accelerating sustainable construction."

JAN JENISCH
Chairman & CEO

Spanning five kilometers across the Hudson River, the Mario M. Cuomo Bridge was built with Holcim high-performance concrete

BUILDING NET ZERO WITH CONCRETE

At Holcim, decarbonizing building starts with concrete, the most used man-made material in the world. As the backbone of urbanization, it has a central role to play in decarbonizing construction. As an essential building material, it offers unrivaled durability, affordability and performance, while being 100 percent recyclable. It offers strong net-zero potential too.

Concrete acts as a carbon sink, reabsorbing more than 20 percent of the CO_2 emitted in its production throughout its lifespan[2]. Additionally, changes to its production process – from the use of alternative materials and energy sources to carefully managed use of water – can radically improve concrete's sustainability profile.

Since one ingredient in concrete is cement – which accounts for seven percent of the world's CO_2 emissions[3] – decarbonizing it is a priority for a net-zero future. Holcim is innovating to offer eight million tons of fully decarbonized cement per year by 2030, which has the potential to enable net-zero concrete as a sustainable building material of choice.

1 World urbanization prospects 2018 report, United Nations
2 Carbon uptake data, Global Cement and Concrete Association
3 Decarbonizing cement and concrete value chains, McKinsey & Co. 2023 article

CLIMATE AND NATURAL RESOURCES

Climate change and adaptation, resource scarcity and the need to transition to net zero are driving demand for sustainable construction solutions.

POPULATION GROWTH

The world's population is expected to grow from 8 billion today to 9.7 billion by 2050[1], with increasing pressure on resources and rising demand for housing and infrastructure.

BETTER LIVING STANDARDS

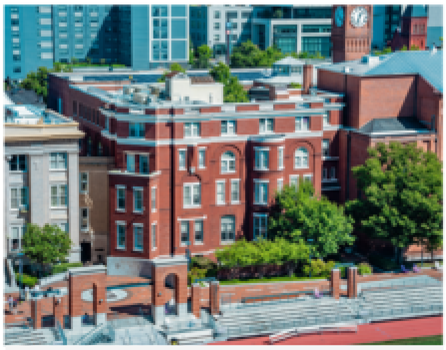
The world demands better living standards and more efficient infrastructure. Construction is essential to improve people's quality of life.

URBANIZATION AND MEGACITIES

Around 2.5 billion more people are expected to live in cities by 2050[2], creating pressure on resources and infrastructure. As the backbone of urbanization, cement and concrete enable essential urban infrastructure.

INNOVATION-DRIVEN BUILDING

Innovation-driven building technologies are in greater demand than ever before, especially light and modular construction solutions and smart building technologies.



REPAIR AND REFURBISHMENT

An estimated 80 percent of today's buildings will still be in use by 2050[3]. Property owners are increasingly looking to repair and refurbish buildings to make them more sustainable in use.

80%
Of Europe's building stock will still be in use in 2050[3]

6.7BN
Urban population by 2050[2]

9.7BN
World population by 2050[1]

1 United Nations population data
2 World urbanization prospects 2018 report, United Nations
3 Accelerating the decarbonization of buildings, World Economic Forum briefing paper, 2022

GROWING IN THE MOST ATTRACTIVE MARKETS

In 2023, we focused on profitable growth in the most attractive, high-value markets and segments.

Boston's Winthrop Center: The largest Passive House-certified office building in the world, made possible with Holcim Elevate roofing and insulation systems

IN THIS SECTION

Growing profitably in attractive markets

Throughout 2023, we continued to expand in North America, with record net sales and Recurring EBIT. Holcim is well-positioned to target growth here thanks to strong underlying demand and favorable government programs.

Europe posted record performance in 2023, with record net sales and organic Recurring EBIT growth driven by a shift from volume to value – with strong demand for low-carbon building solutions underpinned by positive regulations and policies.

Here, we advanced decarbonization and circular construction as drivers of growth, shifting from volume to value with advanced solutions, from ECOPact low-carbon concrete to ECOCycle circular technology.

Latin America had a year of record profitability, with record net sales and Recurring EBIT in 2023 leading to a margin of 34 percent, while Asia, Middle East and Africa saw strong value creation with margin expansion.

Solutions & Products became a global leader in advanced roofing systems and furthered its ambition from advanced mortars to waterproofing in 2023.

Holcim's powerful R&D engine underpins all of our innovative and sustainable building solutions, as we innovate to shape the future of building.

"In 2023, we shifted from volume to value, and demonstrated how decarbonization can be a driver of profitable growth."

JAN JENISCH
Chairman and CEO

REGION NORTH AMERICA

Holcim's profitable growth story continues in North America, driven by its state-of-the-art operational footprint and the market's construction boom.

Having achieved record net sales of CHF 6.7 billion[1] in 2023, Holcim has increased its market share in North America. With a record Recurring EBIT of CHF 1.5 billion, the region achieved a margin of 21.7 percent.

In 2023, Holcim had a strong performance across all markets and segments and is uniquely positioned to capture strong structural demand in an addressable market of over USD 175 billion, fueled by the onshoring of manufacturing and once-in-a-generation infrastructure investments.

Targeting new growth opportunities from the Infrastructure Investment and Jobs Act, the Inflation Reduction Act and investments in the energy sector, we have secured over 100 infrastructure projects for 2023-2026, which are expected to generate around five percent additional organic growth per year.

As a leader in the cement market, we have the best distribution network across the U.S. and Canada, with 18 plants and 148 terminals that allow us to reach all major metropolitan areas by rail or water with ease.

In January 2024, Holcim announced its intent to list North American business in the U.S. with a full capital market separation – to unlock the next level of growth and value creation.

Read more on page 12


Holcim was part of the restoration of the Lincoln Memorial Reflecting Pool


With close to 50 million vehicles crossing it every year, the Arlington Memorial Bridge is a vital roadway in the U.S. capital. Holcim materials enabled its first rehabilitation since it opened in 1932

[1] Not including net sales in Solutions & Products segment

SUSTAINABLE SOLUTIONS FOR ICONIC LANDMARKS

WASHINGTON, D.C.

As the seat of the U.S. federal government, Washington, D.C. is home to many of the nation's most iconic buildings and sites at the core of America's heritage. We are proud to have contributed to many of them, to help cement Washington's status as the world's first LEED® Platinum city.

One example is Washington's most photographed landmark and one that needs maximum security: the home of the U.S. President. Holcim's concrete is used for the more than 1,000 meters of fencing that protect the 18-acre White House Grounds. And 5,000 tons of Holcim asphalt pave the 82-acre President's Park that surrounds the White House.

Crossing the Potomac River, nearly 50 million vehicles use the Arlington Memorial Bridge to travel between Washington and Arlington, Virginia each year. Holcim contributed to the bridge's first rehabilitation since its opening in 1932 – one of the largest infrastructure projects in the U.S. National Park Service's history.

Some of the most iconic events in American history have taken place on the steps of the nearby Lincoln Memorial. Using ECOPact low-carbon concrete and Elevate Enverge™ Spray Foam, the undercroft beneath the Lincoln Memorial will soon be transformed into an immersive museum dedicated to the monument and its significance in advancing civil rights.

Dating back to 1927, the Lincoln Memorial Reflecting Pool is the largest reflecting pool in the world. Holcim was part of the restoration of the landmark, from paving new paths to enabling the new and sustainable water conservation system.

In addition to our building materials being used in landmarks across the U.S. capital, we also produce many of our products in the surrounding area. With local production, we help close the transport loop and promote circularity.

With iconic projects and operations that represents the full spectrum of Holcim's innovative and sustainable building solutions, Washington inspires us in our commitment to accelerate green growth and decarbonize building.

Read more online

Using ECOPact low-carbon concrete and Enverge Spray Foam, Holcim is transforming the undercroft beneath the Lincoln Memorial into an immersive museum

REGION EUROPE

With the industry's most ambitious targets, we are making decarbonization a driver of profitable growth in Europe.

Leveraging a favorable regulatory environment, Holcim has set the industry's most ambitious targets to make decarbonization a driver of profitable growth in Europe.

With net sales of CHF 7.3 billion and Recurring EBIT of CHF 1.2 billion in 2023, Europe delivered record performance.

To achieve our decarbonization roadmap in Europe, we are focusing on four areas: low-carbon formulation, decarbonized energy sources, circular construction and leading in carbon capture, utilization and storage (CCUS).

To meet customers' sustainability needs, Holcim is expanding its ECOPact and ECOPlanet brands and delivering premium margins. Making circularity a driver of profitable growth, we are increasing our ECOCycle® circular technology platform to 150 sites in Europe by 2030, to recycle 20 million tons of construction demolition materials per annum. We are accelerating CCUS too, with six full-scale projects in execution selected for grants from the European Union Innovation Fund.

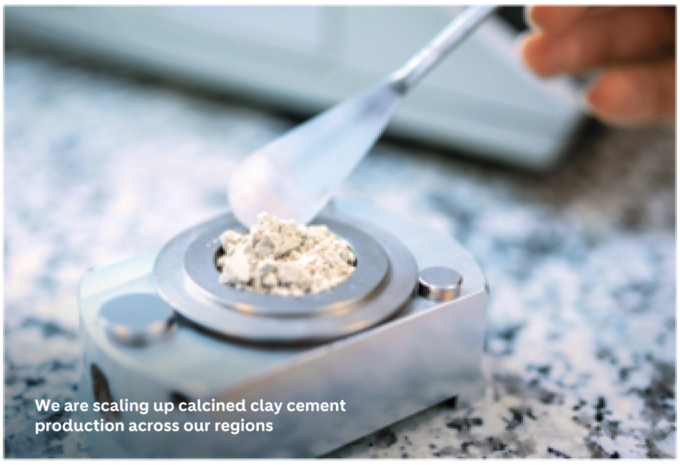
Leveraging advanced regulations

The European Union Emissions Trading System (EU ETS) is the first major carbon market created to reduce greenhouse gas emissions at the lowest possible economic cost. The Carbon Border Adjustment Mechanism (CBAM) serves to place a fair tariff on carbon-intensive products, including cement, entering the EU.

These instruments incentivize investments in decarbonization technologies and are coupled with breakthrough technologies in Europe, including recycling and CCUS. Funding from governments, the EU Innovation Fund and the EU Green Deal make Europe even more attractive to invest in.

Around 70 percent of Holcim's total CapEx in Europe from 2023-2030 will be aligned with the EU Taxonomy, which defines environmentally sustainable economic activities and facilitates sustainable investment.

Elevate UltraPly™ TPO enables a green and solar roof at Nike's European Logistics Campus in Antwerp, Belgium


We are scaling up calcined clay cement production across our regions

Low-carbon formulation

We offer the industry's broadest range of alternative materials thanks to our formulation expertise. We use innovative low-emission raw materials, from calcined clay to construction demolition materials, to decarbonize our concrete and cement mixes.

Launched in 2023 as Europe's first calcined clay cement production operation, our plant in France produces ECOPlanet cement with 50 percent less CO_2, thanks to Holcim's ProximA Tech proprietary technology.

Read more on page 77


We are decarbonizing our energy mix with Geocycle alternative fuels

Alternative energy

We power our plants with our Geocycle alternative fuels, using materials at the end of their lifecycle from biomass to municipal waste. We also use renewable energy wherever we can across our sites, from solar, wind and hydro sources, to waste heat recovery systems.

In 2023, more than three million tons of alternative fuels were processed in Europe, with 11 of our plants operating on over 80 percent alternative fuels. By 2030, we aim to increase this to 90 percent for our plants in Europe.

Read more on page 78


The SQUARE Learning Center at the University of St. Gallen, built with ECOCycle®, enables new, future-oriented forms of learning and teaching.

Circular construction

We are making circularity a driver of profitable growth as our operations in Europe lead the shift towards circular construction and build new from the old. We aim to increase our ECOCycle® circular technology to 150 sites in Europe by 2030, to recycle 20 million tons of construction demolition materials (CDM) per annum.

In 2023, we acquired Sivyer Logistics, a leading UK producer of recycled CDM that handles over 500,000 tons of material each year, using advanced technologies to recover and recycle aggregates and manufactured soils.

Read more on page 100

With six CCUS projects backed by the EU, we are comitted to selling 8 million tons per year of ECOPlanet Zero fully decarbonized cement by 2030

Advancing CCUS

Across Europe, we are accelerating carbon capture, utilization and storage, with six full-scale projects selected for grants from the European Union Innovation Fund. By 2030, we aim to capture five million tons of CO_2 annually while producing eight million tons of fully decarbonized cement each year.

Our European CCUS portfolio includes eight additional high-return projects in development.

Read more on page 90

REGION LATIN AMERICA

We are playing an essential role in modernizing Latin America's infrastructure and building stock, with leading profitability across all our markets.

With a year of record profitability, Latin America generated net sales of CHF 2.9 billion and Recurring EBIT of CHF 1.0 billion in 2023, with strong performance in Mexico driven by large-scale infrastructure projects.

In Latin America, Holcim is a large-scale integrated building solutions company present in nine countries, with leading positions from cement, ready-mix and aggregates to a growing range of solutions – from admixtures and mortars to roofing and weatherproofing.

We run the leading construction materials retail franchise in Latin America, Disensa, which offers customers a network of over 2,200 building materials stores.

Putting decarbonization at the core of this growth momentum, we have more than 150 projects underway to offer the broadest range of low-carbon solutions, from calcined clay to recycling construction demolition materials.

NEARSHORING GROWTH

MEXICO

Major corporations are investing millions to move manufacturing capacity closer to the U.S. and strengthen their supply chains, a trend known as 'nearshoring'. Mexico could be the Latin American nation that benefits the most, with the potential to attract up to USD 35 billion in new investment.

Mexico shares a border of over 3,000 kilometers with the U.S. and benefits from policies such as the U.S.-Mexico-Canada Agreement (USMCA), which are increasing trade flows in North America.

Accelerated by nearshoring, Mexico is experiencing a construction boom. From water and transport infrastructure, to warehousing and industrial facilities and homes. Holcim stands ready to help the nation build to meet this demand sustainably.

The landmark Libertad Dam is being built to supply Mexico's second-largest city, Monterrey, and other regional cities. The longest dam in Latin America, it is built exclusively using Holcim concrete, of which 90 percent (1.1 million m^3) is ECOPact concrete – saving some 80,000 tons of CO_2, which is equivalent to the emissions from 10,000 homes in one year.

The 1,500-kilometer Tren Maya railway, built with ECOPlanet cement, is bringing vital transportation infrastructure to Mexico's Yucatan Peninsula.

The Libertad Dam in Mexico is built with Holcim's low-carbon ECOPact concrete, saving 80,000 tons of CO_2

"As growth in Mexico accelerates through nearshoring, Holcim is playing a central role in building the essential infrastructure that the nation needs, with our value-added, low-carbon building solutions."

OLIVER OSSWALD
Region Head Latin America

Across Latin America (LATAM), we are decarbonizing to meet the urbanization trend. To help our customers build better with less, we offer low-carbon materials, smart design and digital construction solutions.

Driving performance with DYNAMax
DYNAMax, our ultimate high-strength concrete, optimizes the material used in every new building to unlock more usable space. In Tijuana, Mexico, DYNAMax was chosen to build the Cosmopolitan Skyline tower. It covers 25,770 m^2 of space and spans 25 floors and two basement levels.

Cosmopolitan Skyline is just one example of how we are using smart design to enable building better with less.

In 2023, the Moranta Tower in Monterrey became Mexico's first fully ECOPact project, lowering CO_2 emissions by 30 percent while delivering 100 percent performance. The project was built using SMARTCast digital technology, which accelerated the construction process by up to four days per floor for the high-rise building while enhancing its environmental performance.

Digital solutions for smart construction
Digitalizing construction helps us to deliver structures that can be built faster, last longer and contribute to a more sustainable built environment. With our suite of digital solutions, we are helping to accelerate smart construction, for buildings like the Moranta Tower in Monterrey, and across Latin America and the world.

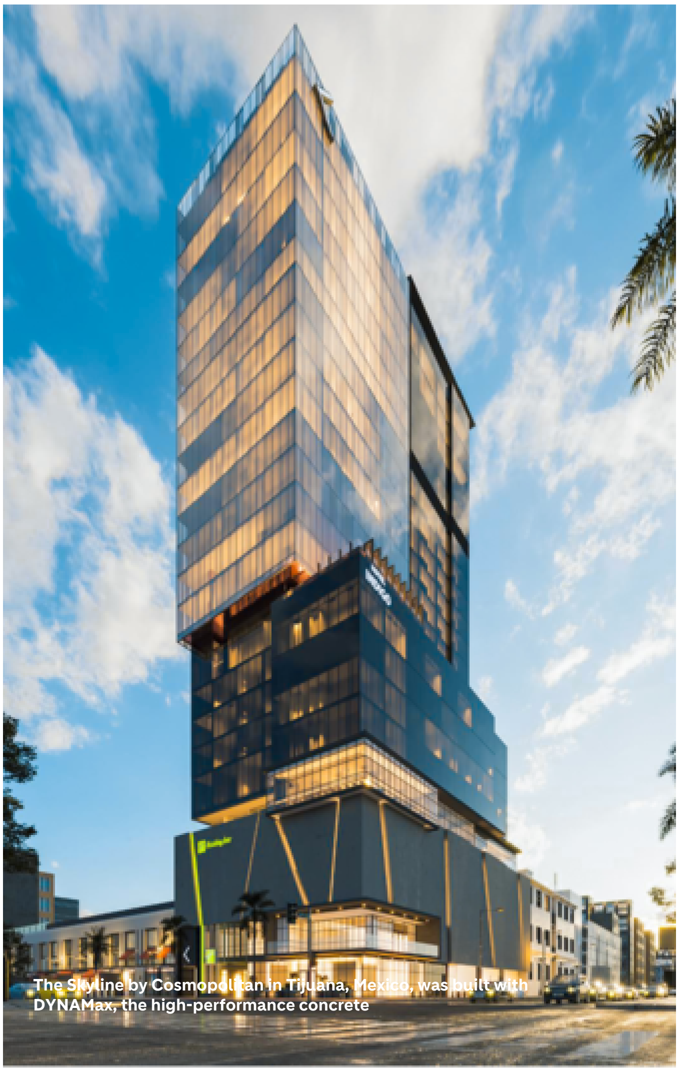
In 2023, we launched Holcim Digital Concrete Services globally to offer:

- **Holcim SMARTCast** provides digital monitoring of concrete strength and temperature for on-site optimization.
- **Holcim SMARTFlow** uses digital simulation to measure concrete flowability and match it to the appropriate pump for use in the field.
- **Holcim SMARTherm** simulates concrete temperature evolution for mass elements to ensure reliable thermal development without defects.

Around the world, Holcim's online concrete ordering solution, ConcreteDirect, is the industry's leading ready-mix management platform for more efficient, safer, and environmentally friendly concrete use at every jobsite.

Offering real-time data on truck location and status, e-tickets, delivery and product performance, as well as Environmental Product Declarations, the platform enables increased transparency and efficiency and reduces waste and material use.

In 2023, ConcreteDirect expanded from seven to 15 countries worldwide, leveraging order and logistics data from over 250,000 jobsites and 200 million kilometers of deliveries to enable machine learning models at scale.


The Skyline by Cosmopolitan in Tijuana, Mexico, was built with DYNAMax, the high-performance concrete


The Moranta Tower is the first fully-ECOPact project in Mexico, reducing the carbon footprint of the entire structure by 30 percent

REGION ASIA, MIDDLE EAST AND AFRICA

In Asia, Middle East & Africa, we are focusing on the most attractive markets to deliver shareholder value.

We are delivering strong value creation and margin expansion across all segments in Asia, Middle East & Africa by advancing our leadership in core markets, while sharpening our footprint for impact. This diverse region is focused on broad-based profitable organic growth in some of the world's fastest urbanizing markets.

Holcim is scaling up decarbonization in Asia, Middle East & Africa with sales of low-carbon solutions increasing across the region. This trend is driven by our growing use of alternative fuels, as well as renewable energy and the adoption of calcined clay.

"With solutions like ECOPlanet and 3D printing, Holcim is providing innovative and sustainable ways to build the affordable housing and infrastructure that our rapidly urbanizing region needs."

MARTIN KRIEGNER
Region Head Asia, Middle East & Africa

AFRICA'S TALLEST TOWER HAS ECOPLANET INSIDE

EGYPT

Deploying our low-carbon solutions to build greener and smarter cities is one of our top priorities. This is especially important in complex urbanization projects, such as the New Administrative Capital of Egypt, where ECOPlanet cement enabled Africa's tallest tower.

Located just outside Cairo, the Iconic Tower shows that low-carbon construction is possible at scale.

The building aligns with the Egyptian government's Go Green initiative, which aims to change behaviors and spread environmental awareness across the country. ECOPlanet solutions are already in use in buildings across Egypt, such as the Alamein Towers in Giza and metro stations in Cairo.

Inspired by the shape of an Egyptian obelisk, the Iconic Tower outside of Cairo is Africa's tallest building


Mvule Gardens was enabled by TectorPrint, Holcim's innovative concrete ink

DELIVERING THE LARGEST 3D-PRINTED AFFORDABLE HOUSING PROJECT

KENYA

In 2023, 14Trees, our award-winning joint venture with British International Investment, delivered the largest 3D-printed affordable housing project to date.

The Mvule Gardens 52-house complex in Kenya was made possible by TectorPrint, Holcim's innovative 3D printing ink. TectorPrint can be tailored to a range of complex applications, from residential buildings to infrastructure.

Smart design enables us to build better with less. By leveraging technologies like 3D printing, builders can reduce material use by up to 50 percent. Our proprietary technologies – such as 3D concrete printing ink, TectorPrint – empower smart design to use minimum materials for maximum strength.

Thanks to its advanced sustainability profile, Mvule Gardens achieved an EDGE Advanced sustainable design certification from the International Finance Corporation (IFC), the World Bank's development finance institution. This certification recognizes resource-efficient buildings with the potential to be zero carbon. It was the first time a 3D-printed housing project had attained this certification.


Our 3D printing ink, TectorPrint, was used to 'print' Mvule Gardens, an affordable housing project in Kenya

SOLUTIONS & PRODUCTS

In 2023, Solutions & Products became a global leader in advanced roofing systems and furthered its ambition from advanced mortars to waterproofing.

A rapidly expanding business segment, Solutions & Products offers advanced roofing and insulation systems, as well as tile adhesives, facades and innovative mortars. Leading innovation to meet demand for sustainable and energy-efficient solutions, Solutions & Products rapidly expanded to account for 21 percent of Group net sales or CHF 5.6 billion in 2023.

In 2023, the business made 11 acquisitions, including the iconic Duro-Last brand in the U.S., which strengthened our integrated roofing offer by expanding our reach in the high-value premium PVC membrane market.

Holcim Elevate's ISOGARD insulation helps Boston's Winthrop Center deliver 40 percent better thermal performance

North American leader in advanced roofing systems
In just over two years, Solutions & Products has become a major player in the USD 40 billion North America roofing market. As the number three in U.S. commercial flat roofing and number five in U.S. residential roofing, the business is well positioned to capture further value by delivering superior value to customers.

We are continuing to invest in North America by building and upgrading production facilities and through acquisitions. In September 2023, Holcim announced its roofing ambition, to reach above USD 6 billion in net sales and above USD 1.3 billion in Recurring EBIT by 2026.

In the years to come, above-market growth and over-proportional increase in profitability will be driven by industry-leading technologies, with 80 percent of sales in system selling in commercial roofing, 70 percent of sales in re-roofing and advanced solutions produced in over 40 state-of-the-art production facilities.

OUR ADVANCED ROOFING SYSTEMS STRATEGY

DRIVERS OF OVER-PROPORTIONAL GROWTH

Most comprehensive line of **Advanced Roofing Systems** with iconic brands and **high level of customer loyalty**

State of the art supply chain with **over 40 production facilities**

High-value system selling – from **full roof design** and **insulation** to **installation systems** – represents **80% of our commercial roofing activity**

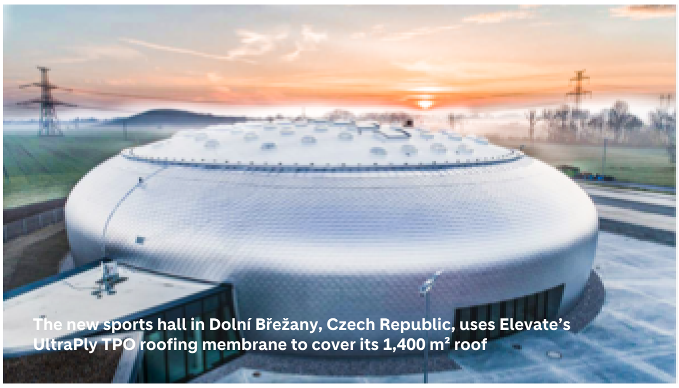
Strong focus on the **resilient repair & refurbishment** market, with **70% of sales from re-roofing**

Leading **innovation** to meet the demand for the most **sustainable, labor & energy-efficient building solutions**

"With iconic brands from Elevate and Malarkey to Duro-Last, Holcim offers the most comprehensive line of advanced roofing technologies from commercial to residential."

JAMIE M. GENTOSO
Global Head Solutions & Products Business Unit

La Confluence, in Namur, Belgium, has transformed the district of Le Grognon. The building's roof was sealed using an Elevate RubberGard™ EPDM roofing membrane



The new sports hall in Dolní Břežany, Czech Republic, uses Elevate's UltraPly TPO roofing membrane to cover its 1,400 m² roof

BD Bacatá in Bogotá, Colombia is the tallest building in Colombia, and is built with Holcim inside

Fuelling growth in Europe through acquisitions

In Europe, a fast-growing market where we are the number three in single-ply membrane roofing, Elevate is highly regarded and the only brand to offer the full range of membrane solutions.

With six acquisitions in Europe in 2023, Solutions & Products continued the accelerated expansion of our roofing platform by acquiring FDT Flachdach Technologies and Cooper Standard Technical Rubber in Germany, bringing strengths in thermoplastic roofs, as well as highly durable and technical rubber products used for roofing systems.

We expanded our European business in precast, mortars and adhesives too, acquiring Eco-Readymix and Besblock in the UK, HM Factory in Poland, and Artepref in Spain.

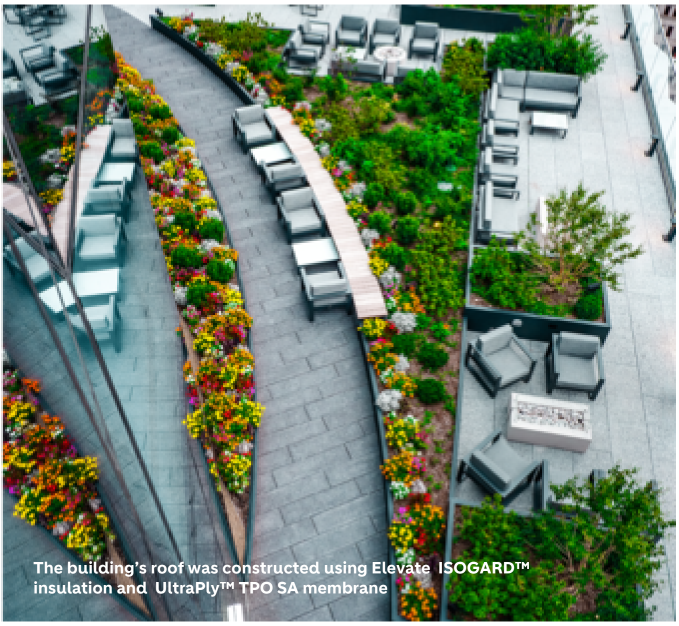
Expanding roofing and waterproofing in LATAM

In Latin America, Solutions & Products is achieving above market growth. Our Elevate brand is the number one in single-ply roofing, and Holcim is the only company to offer a full range of advanced technologies.

In Bogota, Colombia, a new facility to manufacture liquid applied membranes will start production in the first quarter of 2024, while Holcim advanced its ambition to become a leader in roofing and waterproofing systems in Latin America – expanding our position with the acquisitions of Quimexur in Argentina and PASA in Mexico.

By acquiring Indar, a leading hardware wholesaler in Mexico, we added more than 10,000 products to our Disensa retail network, strengthening its value proposition.

The Winthrop Center is expected to use 65 percent less energy than the average Boston office building



The building's roof was constructed using Elevate ISOGARD™ insulation and UltraPly™ TPO SA membrane

ELEVATING THE WORLD'S LARGEST PASSIVE HOUSE OFFICE BUILDING

WINTHROP CENTER, BOSTON

In 2023, our Elevate roofing and insulation systems were used in the construction of the world's largest Passive House-certified office building: the Winthrop Center in Boston, U.S.

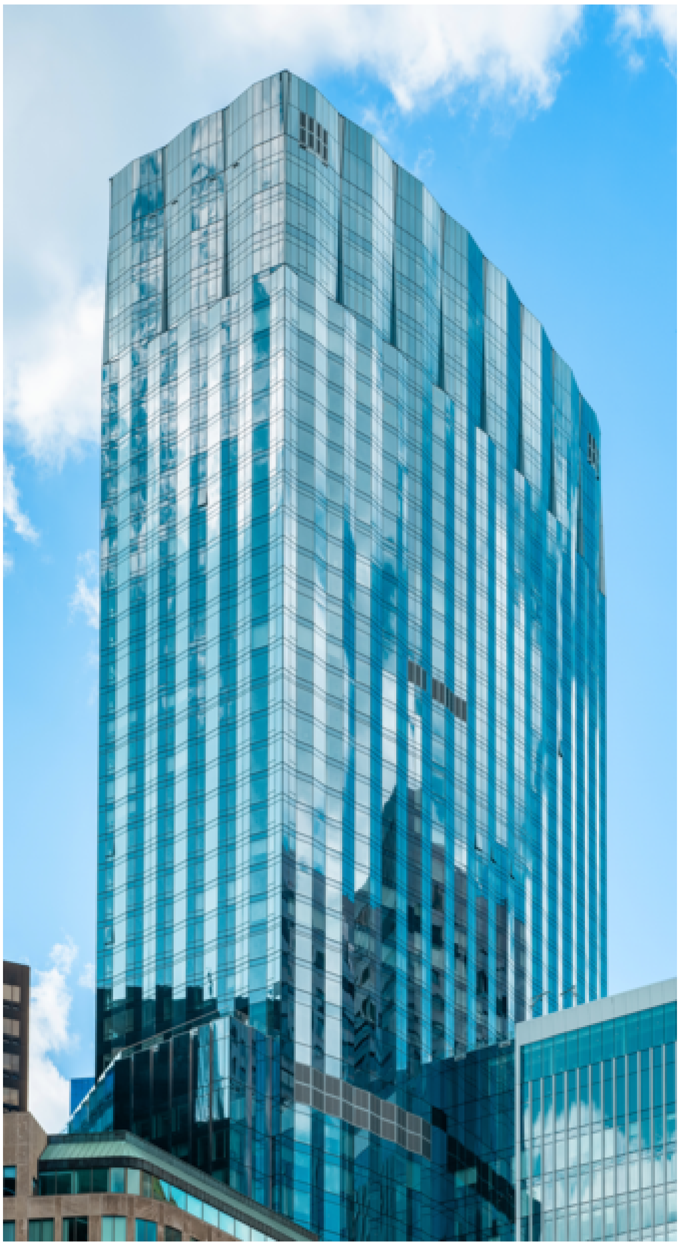
The Winthrop Center is the most energy-efficient large-scale office building ever built in a cold climate. It is expected to use 65 percent less energy than the average Boston office building.

The Passive House concept is an internationally recognized energy efficiency standard in construction. It encompasses the performance of various aspects of a building – from walls and roofs to windows, ventilation and heat exchange systems.

In low temperatures, the thermal performance of polyiso insulation usually decreases. Elevate ISOGARD™, however, is the only polyiso formulation that performs even better as the temperature drops.

In addition, Elevate UltraPly™ TPO SA membrane was installed to provide a protective, waterproof barrier from rain and moisture – and it can be recycled at end of use to live a second life.

Watch video online here



GROWING MULTI-BILLION SWISS FRANC BRANDS

Shifting from volume to value, Holcim reached 30 percent of net sales from its multi-billion Swiss franc brands in 2023, from ECOPlanet and Elevate to Fuerte. We are constantly innovating to expand our range of advanced building solutions, to offer superior performance benefits to customers.

ECOPlanet low-carbon cement has become a CHF 2+ billion brand in two years, and 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, and it became a CHF 1+ billion brand in 2023. 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 (CDM) into sustainable building solutions, and build cities from cities.

Fuerte and Apasco cements are flagship brands for Holcim in Latin America, offering superior performance to support our customers' complex construction needs.

With CHF 2+ billion in net sales, 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. With net sales of CHF 2 billion, it is central to our Solutions & Products segment, which is growing globally.

Holcim: Winner of the Circular Transition award at the 14th Responsible Business Awards, hosted by Reuters Events

AWARD-WINNING INNOVATIONS IN 2023

Innovation underpins the growth of our sustainable brands and business. In 2023, Holcim won a number of high-profile accolades, including:

- **Reuters Responsible Business Awards: Circular Transition Award:** Holcim received this for four world-first innovations, including the world's first recycled cement for use in a custom concrete, and Recygénie – the world's first fully recycled concrete building, built with this custom concrete.
- **COP28 Presidency Energy Transition Changemaker Award:** for our Carbon2Business carbon capture project in Lägerdorf, Germany.
- **Rethinking the Future Awards:** Winner in Architectural Innovation of the Year for our Essential Homes Research Project in collaboration with the Norman Foster Foundation.
- **Fast Company 2023, 100 Best Workplaces for Innovators:** Holcim was first in Sustainability and a finalist in the Early Career Innovators category.

ECOPLANET

2+BN

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

ECOPlanet

ECOPACT

1+BN

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

ECOPact

ECOCYCLE

24%

Increase in recycling of CDM to lead in circular construction[1]

ECOCycle

FUERTE AND APASCO

1+BN

Flagship brands in Latin America[2] CHF

FUERTE

APASCO

HOLCIM

OneCem®

Type IL Portland Limestone Cement

ONECEM

2+BN

Leading cement brand in the U.S. CHF

OneCem®

ELEVATE

2BN

Most advanced system selling roofing brand in North America CHF

ELEVATE

[1] Compared to 2022
[2] Fuerte and Apasco are part of ECOPlanet

INNOVATION

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 Research and Development (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 and 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.

Our Holcim Innovation Center in Lyon, France, is part of the largest R&D organization in the building industry

BUILDING EPD ROADMAPS

MEETING LOW-CARBON DEMAND

To transparently show the environmental profile of our solutions, we provide accurate, third-party verified information on CO_2 savings with Environmental Product Declarations (EPDs). All our countries are building EPD roadmaps so that our customers can generate EPDs on demand, using plant and product-specific data to verify their low-carbon benefits.

We are partnering with the startup Climate Earth to expand EPDs worldwide. The collaboration builds on the success of Climate Earth's EPD Generator digital platform certifying our ECOPact low-carbon concrete across North America. In 2023, we launched the first on-demand EPD generators for concrete and cement in Europe.

As an independent verification system validating the environmental profile of a product, EPDs are key to accelerating low-carbon demand to decarbonize building. We have released nearly 3,000 to date.

In the UK, we have created Your Carbon Report, the first carbon-reporting tool of its kind that gives accurate product information from across our product ranges, split down by project, customer account and manufacturing planet – to give robust carbon data from "cradle to site".

HOLCIM INNOVATION HUB

ADVANCING NET-ZERO BUILDING

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 a place 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.

As an immersive experience, the hub showcases how Holcim's innovative and sustainable building solutions are decarbonizing building across its entire lifecycle.

These range from low-carbon materials such as ECOPact concrete and ECOPlanet cement that 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.

The Eight Gardens neighborhood in London is recycling old concrete into new, using ECOPact with 64 percent less CO_2 inside

The Holcim Innovation Hub shows visitors how Holcim's solutions can accelerate the shift to sustainable building

HOLCIM MAQER VENTURES

In 2023, we launched Holcim MAQER Ventures, our corporate venture capital and open innovation unit.

Through venture capital, venture clienting and an accelerator program, we partner with construction sector startups to reinvent how the world builds.

Holcim MAQER Ventures predominantly invests in companies at an early stage that have a relationship with Holcim, and where we can move the needle for growth. Our three investment verticals are sustainable building, efficient building and transformative building.

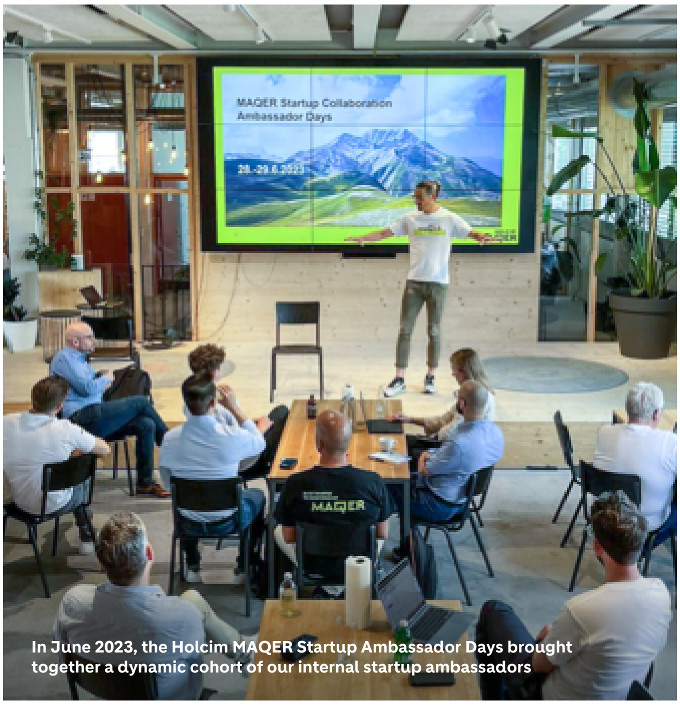
Our 2023 investments included:
- Neustark, a leading provider of carbon removal solutions
- NanoLike, offering digital solutions to optimize supply chain logistics
- Coomtech, a cleantech startup offering a low-emission kinetic drying technology for raw materials
- Suffolk Technologies, a USD 110 million venture capital fund supporting startups at the forefront of disruptive innovation in the building industry
- Greentown Labs, the largest incubator of climate tech startups in North America

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

For startups looking to develop their early product, the six-month Holcim MAQER Ventures accelerator program provides real market and technical feedback from Holcim and other corporate partners.

"With our open innovation ecosystem, we empower disruptive startups across the built environment to scale their impact with us."

NOLLAIG FORREST
Chief Sustainability Officer



In June 2023, the Holcim MAQER Startup Ambassador Days brought together a dynamic cohort of our internal startup ambassadors

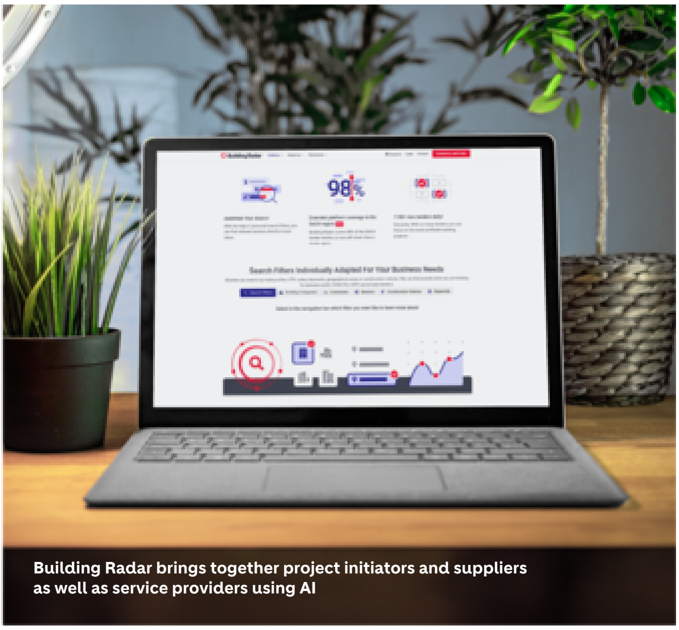
GREENTOWN LABS

Holcim has partnered with Greentown Labs, the largest incubator of climate tech startups in North America, to accelerate open innovation for the decarbonization of the built environment.

The partnership gives Holcim prime access to promising startups focused on innovative and sustainable building solutions. Through it, Holcim aims to become an early adopter of cutting-edge technologies to decarbonize building, and will take part in targeted engagements with innovative startups and exclusive building-sector pitch days.

As part of the partnership, Holcim has also joined Greentown's Industry Leadership Council, which gives strategic guidance to Greentown on reducing tech-to-market lead times.

Neustark technology captures CO_2 and binds it within construction demolition materials



Building Radar brings together project initiators and suppliers as well as service providers using AI

NEUSTARK: CAPTURING CO_2 IN RECYCLED CDM

In 2023, we invested in neustark, a pioneer in CO_2 mineralization for permanent carbon removal. The cleantech startup offers innovative technology to capture and mineralize CO_2 within construction demolition materials, thereby removing and permanently storing CO_2 from the atmosphere.

The neustark technology involves capturing CO_2, liquifying it and then binding it within construction demolition materials during the concrete recycling process, enabling building solutions that are both circular and low-carbon. By combining neustark's state-of-the-art carbon storage technology with recycled concrete, we are harnessing CO_2 to craft building materials that are not only more robust and resilient but also significantly greener.

Holcim Switzerland applied this technology to the forward-looking Zephyr Ost construction project, saving 71 tons of CO_2 – equivalent to the annual carbon absorption of 3,500 trees – using 4,200 cubic meters of ECOPact Recarb, an advanced recycled concrete.

Neustark's goal of removing one million tons of CO_2 from the atmosphere by 2030 advances Holcim's mission to decarbonize building and drive circular construction.

This collaboration builds on Holcim's commitment to putting clean technologies to work for a net-zero future, from carbon capture, storage and utilization to carbon dioxide removal.

USING AI TO SUPPORT SPECIFICATION SELLING

When it comes to specification selling and identifying opportunities to sell green solutions, it can be time-consuming to find the best projects to tender for. Traditionally, leads have come from many sources and are managed manually in a decentralized manner. It can take a lot of work to find the right contact in an organization, then contact this person using a personalized approach.

Step forward Building Radar, a startup that has worked with Holcim MAQER Ventures to run a pilot with our Holcim UK sales managers. Building Radar's platform uses web crawlers, intelligent algorithms, and self-learning neural networks to identify sustainable construction projects at an early stage, giving a potential 1–2 year head start to win projects.

By connecting to an inhouse Customer Relationship Management (CRM) system, Salesforce for example, or using public information on platforms such as LinkedIn, Building Radar then helps our teams to find the relevant contact to approach. Based on all the information it has, including whether the person is, for example, an architect or a general contractor, the platform then uses artificial intelligence to write an initial contact email.

After a successful pilot, the UK business is adopting the solution for its teams, and other Holcim businesses are leveraging the learnings.

LEADING IN SUSTAINABILITY

With the building sector at the core of urbanization, Holcim is playing a central role in building a future that works for people and the planet.

Campus Aspern Seestadt in Vienna, Austria, one of the city's most energy-efficient buildings, is built using Holcim low-carbon materials

IN THIS SECTION

CASE STUDY

Building the sustainable schools of the future

This school in Vienna, Campus Aspern Seestadt, serves as a showcase for how smart design and the use of Holcim's range of low-carbon solutions can play a major role in decarbonizing cities around the world.

One of the most energy-efficient schools in Vienna, the building is able to cover 90 percent of its own energy needs thanks to a geothermal energy process that is optimized by concrete's thermal activation properties. Holcim provided low-carbon cement to ensure that the concrete used for thermal activation was produced as sustainably as possible.

The school is a pioneering project in energy-efficient architecture solutions and building services engineering. During the winter, ground source heat exchangers with heat pumps take warmth from the ground. In the summer, excess heat can be fed back into the exchanger pipes. That creates a heat reservoir for all seasons. The heat pumps are powered by solar panels, making the energy production system self-sufficient.

This sophisticated energy concept provides a virtually maintenance-free system with zero operating costs. Today, the Campus Aspern Seestadt is an almost energy-autonomous building thanks to solar, wind and geothermal energy as well as storage mass.

Learn more on our website

LEADING THE TRANSITION TO SUSTAINABLE BUILDING

At Holcim, sustainability is everyone's business. It is at the core of our strategy, as we lead the shift to low-carbon, circular, energy-efficient and nature-friendly building solutions.

Cities are where more than half of us live, and where 80 percent of greenhouse gas emissions occur. With the building sector as the backbone of urbanization, Holcim is playing a central role in creating a future that works for people and the planet.

Taking a rigorous science-driven approach, from climate to nature, we are accelerating the shift to circular cities. In this decade of action to 2030, we are executing our net-zero 1.5°C-aligned targets with speed and scale to decarbonize building across its lifecycle.

Making progress on our decarbonization targets

In 2023, we accelerated progress across all our decarbonization targets, reducing CO_2 per net sales by 20 percent compared to 2022. At the forefront of our net-zero journey, Region Europe launched our industry's most ambitious targets, to reach 285 kg CO_2 net per ton of cementitious by 2030, a 45 percent reduction versus 2020.

Making net-zero cement a reality in this decade, we aim to deliver eight million tons of fully decarbonized cement per annum by 2030. We owe this breakthrough to six carbon capture, utilization and storage (CCUS) projects that we are executing, to capture five million tons of CO_2 per annum by 2030.

CCUS complements our other decarbonization levers. Expanding our low-carbon formulation, we advanced the use of innovative raw materials like calcined clay, which reduces the carbon footprint of cement by up to 50 percent, from Europe to Latin America.

Accelerating our shift to decarbonized energy, we continued to expand our use of alternative fuels based on end-of-life materials like biomass, while advancing our share of renewable electricity globally.

Scaling circularity and energy self-sufficiency

Driving circular construction across key metropolitan areas in 2023, we launched ECOCycle®, our proprietary circular technology platform. Using ECOCycle®, we are accelerating urban mining, and we increased recycling of construction demolition materials into new building solutions by 24 percent.

Recognizing our global leadership in this area, we won the Circular Transition Award at the Reuters Responsible Business Awards in London, and received the Lighthouse Award for circularity at the World Economic Forum in Davos. Taking our leadership further, we signed a Network Partnership with the Ellen MacArthur Foundation to accelerate circularity in the built environment, collaborating on a series of ambitious initiatives.

Thriving with our communities

At Holcim, everything we build, we build for people, and we have an unwavering commitment to both our employees and communities across the world. Respect for human rights is at the core of everything we do, a non-negotiable value for Holcim and our business partners.

This is at the core of the “Essential Home”, which we launched with the Norman Foster Foundation at this year’s Biennale of Architecture in Venice, to help make sustainable building accessible to all, even our world’s most vulnerable populations.

We are proud to have actively participated in the United Nations Global Compact for two decades, a commitment that was recognized by the Corporate Human Rights Benchmark, which once again ranked Holcim as the number one company in the building materials industry.

Holcim aims to create a positive social impact in the communities where we operate. In 2023, we invested CHF 24.8 million across a range of areas, from housing and infrastructure to health, education, skills and development.

Building a nature-positive future

With nature as our most effective carbon sink, capturing over 50 percent of emissions resulting from human activities, it is at the core of our sustainability strategy.

To make a measurable positive impact on nature, we accelerated biodiversity action in 2023. We completed baseline assessments at 64 percent of our quarries using our Biodiversity Indicator Reporting System (BIRS), up 34 percent versus 2022, and reduced our freshwater footprint.

Bringing more nature into cities, from green roofs to permeable concrete, we are committed to improving urban living standards, while making cities more resilient. Our nature-friendly systems contribute to reducing urban heat island effects, improving air quality, improving water management and ultimately enabling more green public spaces for all to enjoy.

Advancing our Nature Strategy in 2023, we renewed our strategic partnership with International Union for Conservation of Nature (IUCN), to support us in advancing our measurable biodiversity and water targets as well as to bring more nature-friendly solutions into our cities.

As a result of our work, Holcim was selected as one of only 17 companies worldwide to pilot the world’s first science-based targets for nature with the Science-Based Targets Network (SBTN).

Achieving new levels of disclosure and transparency

As an early adopter, we are implementing the final recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD). Through this process we are committed to transparently measuring, disclosing and tracking progress as we achieve our nature targets.

Recognizing that sustainability is inseparable from our business activities, we are reaching a new level of disclosure this year, integrating our Climate Report within our Annual Report for the first time, sharing our EU Taxonomy results, and aligning with the non-financial reporting requirements of the Swiss Code of Obligations (page 434).

I sincerely thank our diverse teams, from Health & Safety through to Sustainability and Innovation, who make the magic happen. Your efforts won us accolades in 2023 from the likes of the National Safety Council in the U.S., the COP28 Presidency initiative for CCUS in Dubai, and Fast Company, which ranked Holcim as the best workplace for sustainability innovators.

This is such an exciting time for our sector, with breakthrough innovations unlocking sustainable solutions at scale. At Holcim, we are transforming the way we build for a regenerative future.

NOLLAIG FORREST
Chief Sustainability Officer

CLIMATE REPORT 2023

→ Climate report 2023
Read more on page 64

ADVANCING SUSTAINABLE BUILDING

As a global leader in innovative and sustainable building solutions, we are on a mission to decarbonize building across its value chain.

GREEN OPERATIONS

DECARBONIZING HOLCIM

We are decarbonizing our own operations to become a net-zero company. Holcim is doing so by switching to alternative energy sources, developing new low-carbon formulations, adopting green mobility and using advanced technologies such as carbon capture, utilization and storage (CCUS).

Read more on page 70

CIRCULAR CONSTRUCTION

BUILDING NEW FROM OLD

We drive circular construction with solutions to reduce, recycle and reuse materials. We recycle millions of tons of construction demolition materials (CDM) using our circular technology platform, ECOCycle®, and convert plastics and minerals into new materials or energy sources.

Read more on page 100

Leading in sustainability

CLIMATE

CIRCULARITY

NATURE

PEOPLE

Partnering for impact

CUSTOMERS & SUPPLIERS

PUBLIC AUTHORITIES & CITIES

ARCHITECTS & ENGINEERS

STARTUPS & ACADEMIA

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

BUSINESS AMBITION FOR 1.5°C

OUR ONLY FUTURE

BUILDING BETTER WITH LESS

DECARBONIZING CONSTRUCTION

We are scaling low-carbon construction using innovative brands such as ECOPact low-carbon concrete and ECOPlanet low-carbon cement. Our smart-design systems such as 3D concrete printing with TectorPrint and prefabricated solutions can reduce material use by up to 50 percent.

Read more on page 96

MAKING BUILDINGS SUSTAINABLE

DECARBONIZING CITIES

Our advanced roofing, insulation and specialty building solutions improve energy efficiency for buildings in use, reducing their operational emissions while enabling their repair and refurbishment. We bring nature into cities with products such as green roofs and Hydromedia permeable concrete to reduce temperatures and improve air quality.

Read more on page 128

Sustainability is embedded throughout our operations, centered on four key pillars.

Read more on page 60

See how we create value for all.

Read more on page 30

DELIVERED THROUGH STRATEGY 2025:

ACCELERATING GREEN GROWTH

We are accelerating growth across all our markets with industry-leading profitability and cash flow

EXPANDING SOLUTIONS & PRODUCTS

Holcim will reach 30 percent of Group net sales in Solutions & Products by 2025

LEADING IN SUSTAINABILITY

Sustainability is at the core of our strategy, with 2030 and 2050 net-zero targets validated by SBTi for all scopes

Read more about “Strategy 2025 – Accelerating Green Growth” on page 18.

OUR APPROACH

Sustainability is at the core of our strategy, and our approach is oriented around four key pillars: climate, circularity, nature and people.

CLIMATE

At Holcim, we are taking a science-driven approach to becoming a net-zero company. We have taken a leadership role in our industry by following science-based targets and a clearly defined net-zero roadmap.

→ Read our Climate Report on page 64

Material issues

- Climate change and GHG
- Scaling sustainable product innovation
- Meeting customers' product quality and decarbonization expectations
- Energy consumption

Key initiatives

- Decarbonizing our operations
- Decarbonizing our energy mix
- Decarbonizing our mobility
- Scaling up low-carbon materials
- Accelerating CCUS
- Advocacy and leadership

→ Our science-based targets. Read more on page 70
→ Low-carbon formulation. Read more on page 74
→ Decarbonized energy. Read more on page 78
→ CCUS. Read more on page 90

CIRCULARITY

Holcim is driving circular construction at scale across key metropolitan areas. ECOCycle® is our new, proprietary circular technology platform to recycle construction demolition materials into new building solutions.

→ Read how we are Driving Circularity on page 102

Material issues

- Internal waste management
- Raw materials
- Waste-derived resources and circular economy

Key initiatives

- Circular construction
- Circular cities
- Building resilient cities
- Circular Living
- GO CIRCULAR

→ Circular construction. Read more on page 100
→ Building resilient cities. Read more on page 128
→ Circular living. Read more on page 104
→ GO CIRCULAR. Read more on page 106

LEADING IN ESG DISCLOSURES & TRANSPARENCY

- Art. 964b Swiss Code of Obligations. Read page 434
- EU Taxonomy. Read page 266
- TCFD. Read page 238
- TNFD. Read page 238

CLIMATE REPORT 2023 net zero

NATURE

Nature absorbs half of the world's carbon emissions and is the foundation of our economies and lives. Our Nature Strategy focuses on restoring and preserving biodiversity and freshwater, as well as bringing nature into cities.

Read more on page 124

Material issues

- Land use including biodiversity management and quarry rehabilitation
- Freshwater use

Key initiatives

- Strategic partnerships
- Piloting world's first science-based targets for nature
- Progressive transformative rehabilitation of quarries
- Optimizing freshwater use at our sites
- Replenishment of freshwater in water-risk areas

- A nature-positive future. Read more on page 124
- Partnerships for Nature. Read more on page 125
- Progress on BIRS training. Read more on page 126
- Bringing nature into cities. Read more on page 128

PEOPLE

Our 63,448 Holcim people worldwide are driven to reach their full potential and make a positive difference. We are committed to upholding human rights, ensuring health and safety and empowering people, communities and all partners in our supply chain.

Read more on page 132

Material issues

- Talent attraction, development and retention
- Employee, diversity, inclusion and non-discrimination
- Labor relations
- Health & Safety
- Human Rights
- Local community engagements

Key initiatives

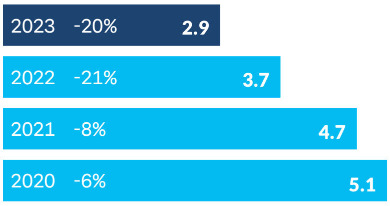
- Early career leaders
- Employee engagement
- Mental health awareness
- Critical risk management
- Human Rights Impact Assessment
- Social Impact initiatives

- Holcim People. Read more on page 132
- Health, safety & environment. Read more on page 138
- Respecting human rights. Read more on page 140
- Just Transition. Read more on page 116

SUSTAINABILITY PERFORMANCE HIGHLIGHTS 2023

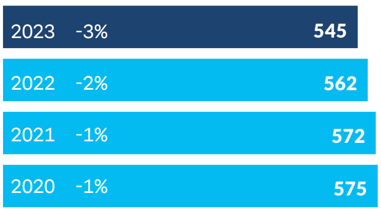
We further reduced our carbon intensity, accelerated CCUS, and scaled up circular construction, while delivering on our nature and people targets.

REDUCTION OF CO_2 PER NET SALES %



- Continues to decrease, down 20 percent from full year 2022.

REDUCTION OF CO_2 NET PER TON OF CEMENTITIOUS KG



- Picking up momentum towards net zero, Holcim accelerates CO_2 reduction to 3 percent with solid progress across all decarbonization levers.

DECARBONIZATION

CO_2 REDUCTION

20%

CO_2/net sales[1]

CO_2 NET PER TON OF CEMENTITIOUS

3%

Reduction in 2023[2]

SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

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

1 2023 Scope 1 + Scope 2 CO_2 emissions per million of net sales, compared to 2022
2 Compared to 2022

CCUS AMBITION

PROJECTS

6

CCUS projects in execution

CO_2 CAPTURED

5M

Tons per annum by 2030

COP 28 AWARDS

'Energy Transition Changemaker' and 'Mission Innovation Net Zero' Awards

CIRCULARITY

RECYCLED

8.4M

Tons of construction demolition materials (CDM)

CIRCULAR CONSTRUCTION

+24%

Recycling of CDM compared with 2022

'Circularity Lighthouse Award' for our ECOCycle technology

NATURE

FRESHWATER WITHDRAWAL

298

Specific freshwater withdrawal
L/ton of cementitious material
2022: 304 L/ton

BIODIVERSITY

64%

Biodiversity baselines assessed using BIRS[1] methodology
(+33% versus 2022)

Official Taskforce member and early adopter in 2023

[1] Biodiversity Indicator Reporting System

PEOPLE

EMPLOYEES

78%

Level of engagement Engagement Survey

DIVERSITY

21%

Women in Senior Management
(+1% since 2022)

First place in Fast Company's Sustainability ranking

CLIMATE REPORT 2023

“In 2023, we accelerated climate action, making progress across all of our decarbonization levers to lead the transition to sustainable building.”

NOLLAIG FORREST
Chief Sustainability Officer

New York City's iconic One World Trade Center was built with 150,000 m^3 of a specially-designed Holcim concrete, manufactured with recycled materials

CONTENTS

DECARBONIZING BUILDING FOR A NET-ZERO FUTURE

CLIMATE REPORTING

LEADING IN ESG DISCLOSURES & TRANSPARENCY

- Art. 964b Swiss Code of Obligations read on page 434
- EU Taxonomy read on page 266
- TCFD read on page 238
- TNFD read on page 238

CLIMATE HIGHLIGHTS 2023

20%
Reduction in CO_2/net sales[1]

5M
Tons of CO_2/annum captured by 2030

3%
Reduction in CO_2 net/ton of cementitious material[2]

8.4M
Tons of CDM recycled

6
CCUS projects in execution

+24%
Recycling of CDM[2]

[1] 2023 Scope 1 + Scope 2 CO_2 emissions per million of net sales compared to 2022
[2] Compared to 2022

CLIMATE LEADERSHIP

We are decarbonizing Holcim for people and the planet, from our operations and solutions through to buildings in use.

CASE STUDY

Decarbonization in Europe

Leveraging an advanced regulatory environment, we have set the industry's most ambitious targets to make decarbonization a profitable growth driver in Europe.

Meeting customers' sustainability needs, Holcim is expanding its multi-billion brands delivering premium margins. By 2030 we aim to grow our low-carbon cement ECOPlanet to reach more than 50 percent of cement net sales, and produce eight million tons of fully decarbonized cement each year.

Making circularity a driver of profitable growth, we want to increase our ECOCycle® circular technology platform to 150 sites in Europe by 2030, to recycle 20 million tons of construction demolition materials per annum.

We are accelerating CCUS too. Six full-scale projects have been selected for EU funding to capture five million tons of CO_2 annually by 2030, while delivering high returns, with eight additional high-return projects in development.

Learn more on our website

net zero CLIMATE REPORT 2023

CityLife in Milan, Italy, is one of the most important urban redevelopment projects in Europe. Two iconic skyscrapers set in a new park, a brand new shopping district and a new metro line have all been built with Holcim products

CLIMATE

MAKING PROGRESS ACROSS ALL DECARBONIZATION LEVERS

ACCELERATING GREEN GROWTH IMPACT DASHBOARD	**2023 IMPACT**	
ECOPACT READY-MIX NET SALES	19%	ON TRACK
TONS OF CONSTRUCTION DEMOLITION MATERIALS RECYCLED	8.4M	ON TRACK
GREEN CAPEX CHF	402M	ON TRACK
SUSTAINABLE FINANCE	40%	✓
REDUCTION CO_2 NET/T CEM YEAR-ON-YEAR	3%	✓

RECOGNIZED CLIMATE AND NATURE LEADERSHIP

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

First in sector with SBTi-validated net-zero targets

SCIENCE BASED TARGETS NETWORK
GLOBAL COMMONS ALLIANCE

Piloting science-based targets for nature

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Signatory since 2017 with aligned reporting

TNFD Taskforce on Nature-related Financial Disclosures

Taskforce member and early adopter

2025 IMPACT

25%

10M

500M

40%

2%–4%

BY 2030

AMBITIONS FOR A 1.5°C FUTURE

5M

Tons of CO_2 captured each year in Europe using CCUS

2BN

Investment in CCUS CHF

8M

Tons of net-zero cement per annum

BUSINESS AMBITION FOR 1.5°C OUR ONLY FUTURE

COP 28 AWARDS

'Energy Transition Changemaker'

WORLD ECONOMIC FORUM

'Circularity Lighthouse Award'

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

Six CCUS projects selected for EU grants

CLIMATE

DECARBONIZING HOLCIM TO BECOME NET-ZERO

At Holcim, we take a science-driven approach to becoming a net-zero company. In 2023, we made strong progress towards our targets, which are in line with the 1.5°C framework.

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

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

Read more about climate and nature-related risks and opportunities on page 236–251

What is new?

We have further updated our 2030 and 2050 targets by:

- Upgrading our combined Scope 1 & 2 2030 targets to meet the latest SBTi validation criteria
- Extending our 2050 target coverage to include all 15 categories of Scope 3 emissions

FOR YEARS, HOLCIM HAS BEEN AT THE FOREFRONT OF CLIMATE ACTION:

2020

In 2020, Holcim was the first global building solutions company to sign the United Nations Global Compact's 'Business Ambition for 1.5°C' initiative, with intermediate 2030 targets approved by SBTi.

2020 / 2021

In 2020, we launched ECOPact concrete, and followed that in 2021 with the launch of ECOPlanet cement, to offer the broadest range of low-carbon solutions.

2021 / 2022

In 2021, Holcim was first in its sector with SBTi-validated 2030 and 2050 net-zero targets. In 2022, we upgraded our 2030 targets to align with our sector's new 1.5°C science-based framework.

2023

In 2023, Holcim was selected for funding from the European Union (EU) Innovation Fund for six of its breakthrough carbon capture, utilization and storage (CCUS) projects in Germany, Poland, Greece, France, Croatia and Belgium.

2023

Holcim commits to producing 8 million tons of fully decarbonized cement per annum by 2030, thanks to the six CCUS projects in Europe that are planned to go live before 2030. One of the projects, Lägerdorf in Germany, won two awards at COP28.

OUR SBTi TARGETS ALIGNED WITH 1.5°C

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

Near-term targets

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

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

In addition, Holcim commits to reduce Scope 3 GHG emissions from fuel and energy-related activities by 20 percent per ton of purchased fuels and Scope 3 GHG emissions from downstream transport and distribution by 24.3 percent per ton of materials transported by 2030.[2]

Long-term targets

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

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

From climate to nature

Leveraging our rigorous science-driven approach from climate to nature, Holcim was selected as one of only 17 companies to pilot our world's first science-based targets for nature. This builds on Holcim's industry-first measurable approach to nature, developed with the International Union for Conservation of Nature (IUCN), the Biodiversity Indicator Reporting System (BIRS), to enable a nature-positive future.

Read more on page 125

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

BUSINESS AMBITION FOR 1.5°C OUR ONLY FUTURE

	Target Base Year 2018	2023	2030	2050
SCOPE 1 KG CO_2 / T cementitious	623	587	−23.3%[4]	−95% net zero
	590 net	545 net	420 net	
SCOPE 2 KG CO_2 / T cementitious	46	36	−65%[4]	
SCOPE 3	2020			
PURCHASED CLINKER AND CEMENT KG CO_2 / T cementitious	710	702	−25.1%	−90% net zero
PURCHASED FUELS KG CO_2 / T cementitious	286	283	−20%	
DOWNSTREAM TRANSPORTATION KG CO_2 / T cementitious	11	9	−24.3%	

1 The target boundary includes land-related emissions and removals from bioenergy feedstocks
2 These targets were validated by SBTi in alignment with a 2°C scenario
3 Target boundary includes 95 percent of Scope 1 and 2 emissions and 90 percent of Scope 3 emissions, per SBTi standard
4 Equivalent to the SBTi validated combined Scope 1 and 2 ambition of -26.2 percent

CLIMATE

OUR CO_2 FOOTPRINT AND PATHWAY TO NET ZERO

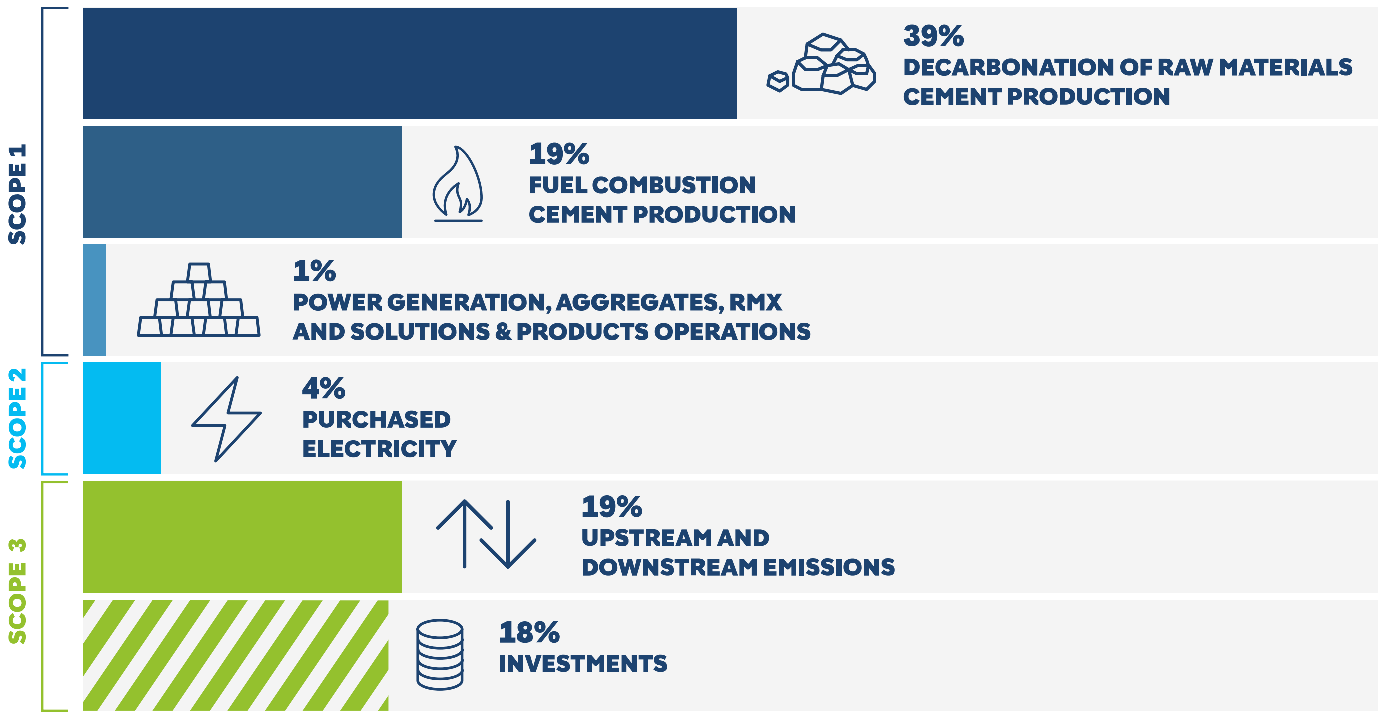
Holcim is committed to reducing its carbon footprint across its operations and value chain (Scopes 1, 2 and 3), to become a net-zero company by 2050.

Scope 1
Scope 1 emissions account for 59 percent of our footprint and are at the core of our emissions reduction strategy. Scope 1 includes all emissions released directly from our operations. Most come from cement production. Thirty-nine percent of our emissions are generated by the raw materials we use to produce clinker. Fuel combustion necessary to heat cement kilns is another significant emissions source. A small share of Scope 1 emissions come from Solutions & Products, Aggregates and Ready-mix operations.

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

Scope 3
Scope 3 emissions account for 37 percent of our carbon footprint. Scope 3 includes all other indirect emissions generated in our value chain, such as for transportation and the extraction and production of purchased materials and fuels. Scope 3 also includes direct emissions from non-consolidated companies and investments.

For more on our Scope 3 emissions, see page 84

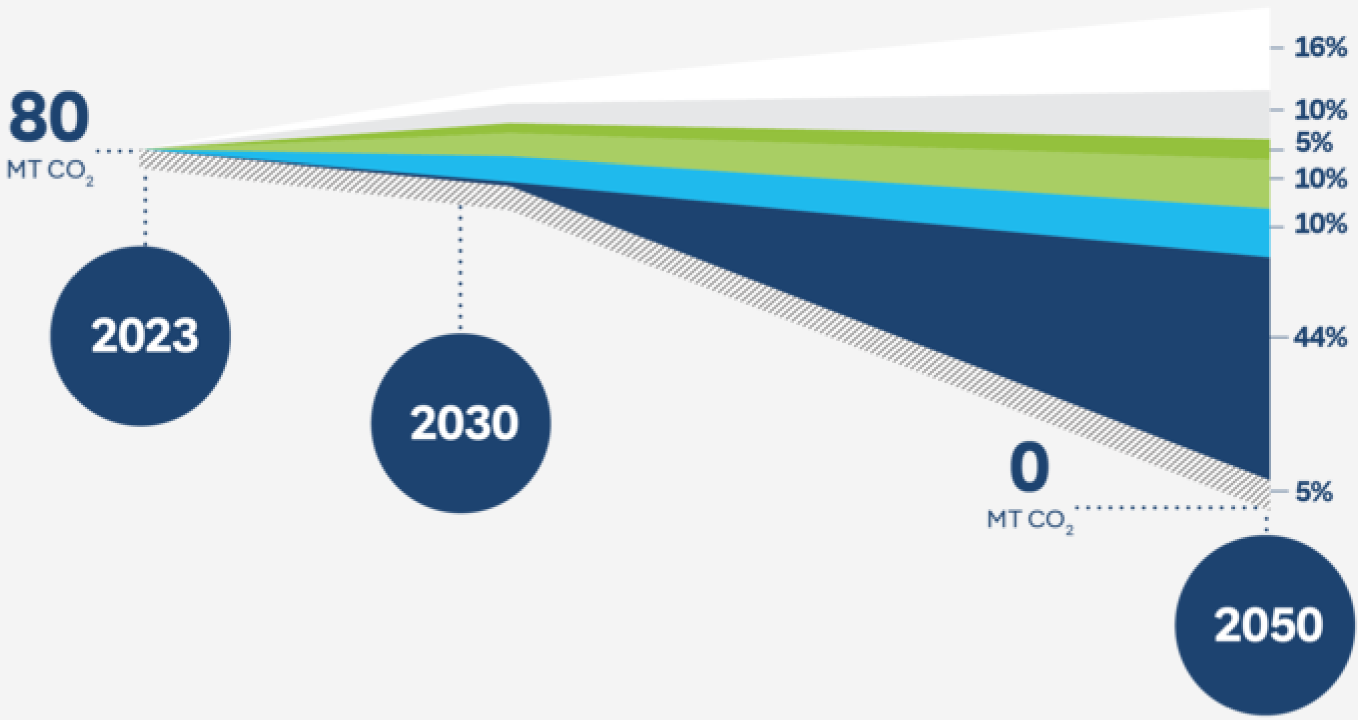


HOLCIM'S PATHWAY TO NET ZERO

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

We will scale up breakthrough technologies such as Carbon Capture, Utilization and Storage (CCUS), which will make an increased contribution in terms of reaching our targets post 2030. Our pathway to net zero does not rely on offsets.

OUR ABSOLUTE SCOPE 1 + SCOPE 2 EMISSIONS PATHWAY



Efficiency gains in design & construction	Leveraging smart design and low-carbon formulation of concrete, as an increased focus on upfront carbon per m^2 moves the market to more carbon-efficient construction
Efficiency gains in concrete	
Decarbonized electricity	Increasing the share of decarbonized electricity by leveraging power purchase agreements and onsite renewable electricity, together with decarbonization of the electrical grid
Less clinker in cement	Replacing clinker in our final cement products with mineral components, such as calcined clay and novel binders, we aim to reduce our clinker factor from 72 percent in 2023 to 68 percent in 2030
Less CO_2 in clinker	Producing clinker with decarbonized raw materials, increasing energy efficiency and transitioning to alternative fuels. Our thermal substitution rate will increase to 50 percent in 2030 and 70 percent in 2050
CCUS and other advanced technologies	With advanced technologies such as carbon capture, utilization and storage (CCUS) and other breakthrough process innovations, we aim to capture five million tons of CO_2 and produce eight million tons of fully decarbonized cement per year by 2030
Passive recarbonation	Natural reabsorption of CO_2 during the lifetime of concrete products

CLIMATE

DECARBONIZING OUR SOLUTIONS

We offer a broad range of sustainable building solutions and use our formulation expertise to decarbonize our concrete and cement.

ECOPact and ECOPlanet both offer CO_2 reductions of at least 30 percent compared to standard (CEM I/OPC) local concrete and cement, respectively.

Alternative raw materials
The majority of emissions from the cement production process results from the calcination of limestone into clinker. This part of the process is our largest source of CO_2 emissions, accounting for 39 percent of our total carbon footprint.

Decarbonized materials reduce emissions in two ways: they emit less CO_2 and require less heat than conventional materials.

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

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

"Ste. Genevieve underscores Holcim's commitment to the U.S. Department of Energy's Better Climate Challenge, to reduce net CO_2 emissions in the U.S. by at least 25 percent by 2033."

TOUFIC TABBARA
Region Head North America

Ste. Genevieve is North America's largest cement-producing facility

DECARBONIZING CEMENT IN NORTH AMERICA

We are investing USD 100 million to expand our Ste. Genevieve cement plant in Missouri, U.S., and increase finished cement production capacity by over 600,000 tons to meet strong industry demand.

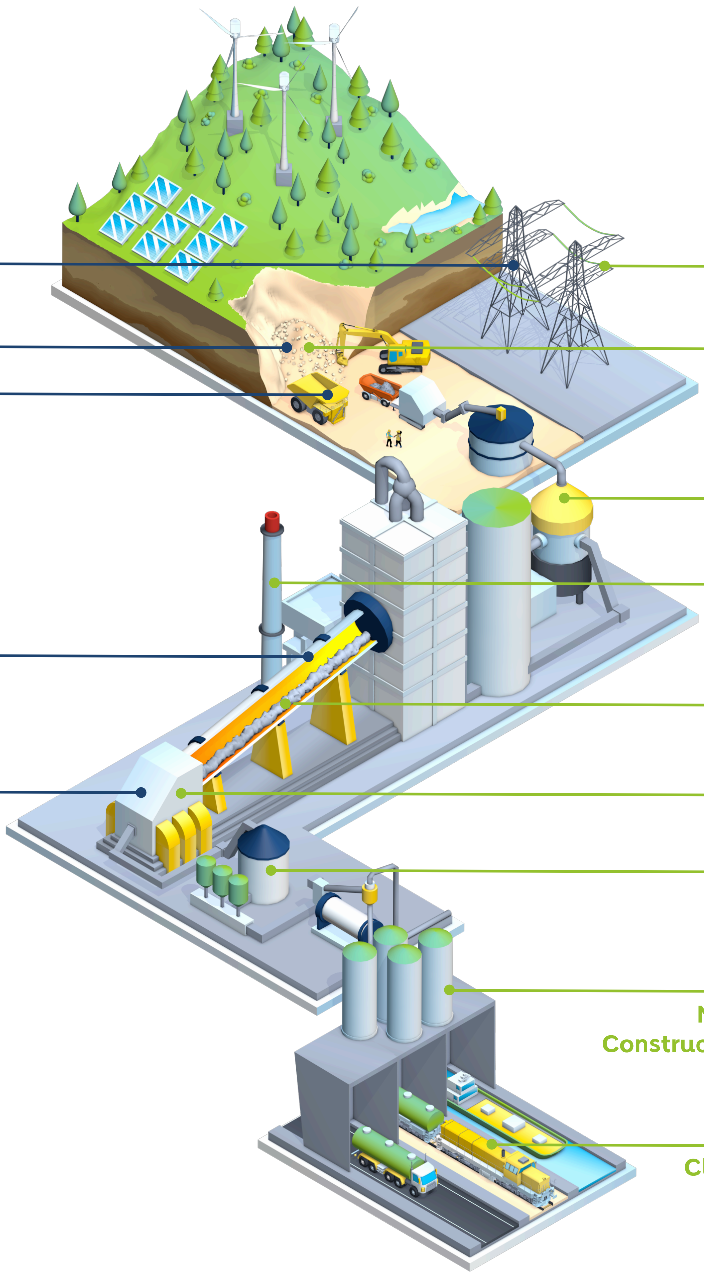
The project will enhance processing and allow cement production capacity to increase while reducing net CO_2 emissions by more than 400,000 tons per year.

Work is due to be finished in late 2025, and the capital investment will increase circularity and accelerate decarbonization across the built environment.

This action further underscores Holcim's commitment to the U.S. Department of Energy's (DOE) Better Climate Challenge to reduce net CO_2 emissions in the U.S. by at least 25 percent by 2033. The Better Climate Challenge is intended to drive real-world action that reduces carbon emissions and saves energy.

HOW WE ARE DECARBONIZING HOLCIM

From our products to our process



	Base Year 2018	2023	Target 2025	Target 2030	Target 2050
SCOPE 1 KG CO_2 net/T cementitious	590	545	520	420	net zero
SCOPE 2 KG CO_2/T cementitious	46	36	–	16	

LEADING IN SUSTAINABILITY CONTINUED

Mineral components to reduce clinker factor

Our Scope 1 emissions pathway aims to reduce both the level of CO_2 in clinker and the clinker factor of our cement. We aim to decrease our clinker content from 72 percent currently to below 68 percent by 2030 and reduce it further by 2050.

Beyond recycling clinker, replacing it in our final cement products with mineral components significantly reduces the carbon intensity of the cement product.

At Holcim, we use four major categories of mineral components to reduce emissions from our cement and concrete mixes:

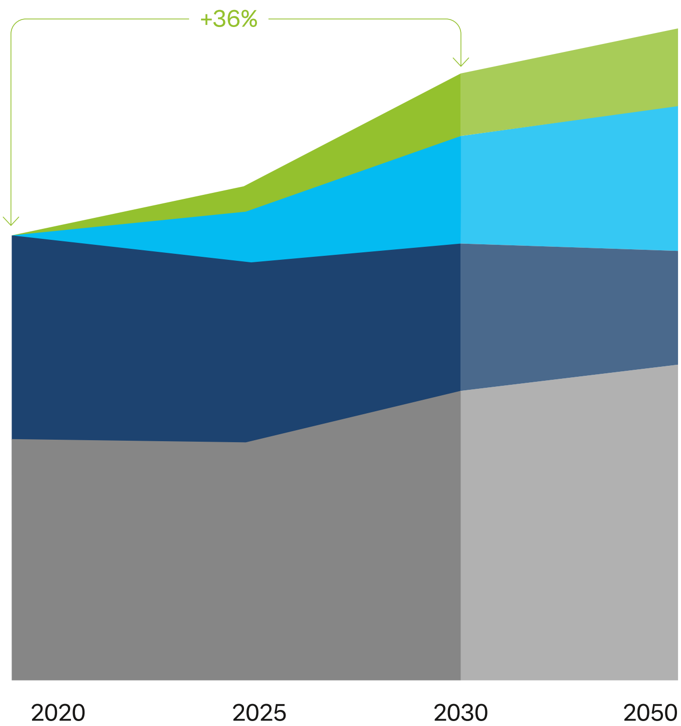
- Recycled cement paste from construction demolition materials (CDM)
- Innovative mineral components like calcined clay, pozzolana and reclaimed ashes
- Waste from other industries, including slag and fly ash, to replace virgin limestone and avoid landfill
- Traditional mineral components like limestone and gypsum

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

To this end, we are investing in advanced crushing and processing technology to fully recycle CDM. Our most advanced ECOCycle® circular solution in Europe can reduce the CO_2 footprint of cement by up to 40 percent based on recycling cement paste from CDM.

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

MINERAL COMPONENTS IN EUROPE (M TONS)



GROWTH ENABLERS

Construction demolition materials
Recycling fines as cementitious material in low-carbon cement.

Innovative mineral components
Calcined clay, pozzolana, reclaimed ashes will gain in significance as a component of cement in the future.

Slag and fly ash
After 2025, the supply of slag and fly ash is expected to decrease due to lower production of underlying related materials (steel/coal). Lower volumes on the market will mean a cost increase.

Traditional mineral components
Limestones and gypsum (mainly) are and will continue to be a significant share of mineral components due to high availability and lower cost versus clinker.

We are scaling up calcined clay cement production across our regions

Replacing limestone-based clinker
Calcined clay is a mineral powder obtained through the calcination of natural clays at a relatively low temperature. It acts as a replacement for limestone-based clinker in the final cement, allowing us to produce cement with up to 50 percent less CO_2 than standard cement. Globally, clay is one of the most abundant natural resources, and is therefore a highly scalable solution to produce low-carbon building materials.

At Holcim, we are increasing use of calcined clay in our formulations. Our plant in Macuspana, Mexico, was the first Holcim site in Latin America to produce cement with calcined clay. This formulation reduces the clinker factor by up to 55 percent and enables the plant to deliver ECOPlanet low-carbon cement with an up to 50 percent lower CO_2 footprint versus ordinary cement (CEM I).

Our plants in Apaxco and Tecomán in Mexico now use calcined clay too, with the same planned for our Malagueño plant in Argentina in 2024.

Scaling calcined clay across Europe
As part of our European roadmap to decarbonize construction, we launched Europe's first calcined clay low-carbon cement operation at our Saint-Pierre-la-Cour plant in France in 2023.

The plant aims to deliver ECOPlanet low-carbon cement with an up to 50 percent lower CO_2 footprint compared to ordinary cement (CEM I). This advanced production line, a world first, runs on our 'proximA Tech' proprietary technology, and will produce both clinker and calcined clay, to deliver up to 500,000 tons of low-carbon cement per year.

Operations onsite are powered using 100 percent alternative fuels coupled with waste-heat recovery systems.

The project received financial support from the French government as part of the "France Relance" plan to invest in large-scale decarbonization and energy efficiency projects in France.

Opening the first calcined clay cement production line in Europe is a milestone to decarbonize building. We aim to scale up our calcined clay cements in Austria, Bulgaria, Czech Republic, Germany, Romania, Spain and Switzerland.

More broadly, we will continue to advance our ECOPlanet range of low-carbon cements across all regions by 2025.

50%

Potential CO_2 reduction using calcined clay

72%

Clinker factor in 2023
(73% in 2022)

10.2%

Alternative raw materials in cement
(9.3% in 2022)

CLIMATE

DECARBONIZING OUR ENERGY MIX

At Holcim, we are shifting to alternative energy across our value chain from alternative fuels and renewable electricity to waste-heat recovery systems.

Optimizing our energy use
We are investing to modernize our kilns and lower our CO_2 emissions. For example, at our plant in Obourg, Belgium, we are installing an innovative oxyfuel cement kiln that significantly reduces CO_2 emissions. In combination with CCUS (see page 90), this will allow the plant to produce fully decarbonized cement from 2028.

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

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

With waste volumes increasing globally, our Geocycle business (see page 80), offers us a safe and ecological solution in line with international standards. Taking a circular approach, we are reducing the carbon intensity of our cement by using pre-treated non-recyclable and biomass waste fuels in place of fossil fuels.

Waste sources include biomass, sewage sludge, shredded waste, fluff, solvents, waste oils and tires, all of which can be used to generate energy.


Near-infrared spectroscopy enables maximizing the use of alternative fuels and therefore the reduction of CO_2 emissions at our 'Plants of Tomorrow'

Increasing biomass content
Our focus is on innovation to further reduce carbon emissions by increasing the biomass content in the fuels we use. To optimize alternative fuel use, we deploy near-infrared spectroscopy technology to analyze alternative fuel properties during kiln feeding. This enables us to eliminate quality variations and use an optimal fuel mix and reduce CO_2 emissions.

"In Europe, our plants aim to operate with 90 percent alternative fuels by 2030. Today, 11 sites already run with over 80 percent."

MILJAN GUTOVIC
Region Head Europe and CEO Designate


We are decarbonizing our energy mix using Geocycle alternative fuels

In 2023, 30.1 percent of Holcim's thermal energy demand for clinker production came from alternative fuels. By investing in co-processing facilities and process improvements, we aim to increase this thermal substitution rate to 50 percent by 2030 and over 70 percent by 2050.

Currently, 11 of our facilities in Europe already run on more than 80 percent of their energy from alternative fuels, offering a high-yield source of energy for heat production.

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

Leveraging waste-heat recovery

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

We presently have eight operational waste-heat recovery units, producing 318 gigawatt hours of zero-carbon electricity. This translates to a carbon reduction of 165,000 tons annually. Our goal is to triple the number of waste-heat recovery units by 2030.

30.1%

Of our thermal energy sourced from alternative sources

11

Plants in Europe running on over 80% alternative fuels

>3M

Tons of alternative fuels processed in Europe in 2023

Driving profitable decarbonization and circularity
Our Geocycle business transforms waste into resources to support our sustainability ambition. Geocycle maximizes resource value: recycling when possible, while valorizing non-recyclable materials.

Geocycle materials reduce our carbon footprint, enhance circularity and preserve natural resources. Our global network of advanced pre-treatment platforms provides scientifically proven and environmentally friendly solutions in countries with Holcim cement operations. Geocycle sets and promotes industry-leading standards and provides sustainable resources management solutions to multinationals and municipalities worldwide.

In 2023, Geocycle supported Holcim's decarbonization and circularity targets by recycling 13.9 million tons of waste and byproducts for use as decarbonized energy or in raw materials.

"We wanted to combine the ecological leadership, culture, and way of life on Galapagos, with the mission of turning Santa Cruz Island waste-free."

LUIS RIVAS
Head of Geocycle at Holcim Ecuador

Watch video online here

ADVANCING A RECYCLING CULTURE IN THE "ENCHANTED ISLANDS"

Known as the "Enchanted Islands", the Galapagos archipelago is home to many unique species and is a UNESCO Natural World Heritage Site.

For years, proper waste management was one of the greatest concerns for residents and the authorities. To solve this issue and preserve the precious natural state of the islands, Holcim and Geocycle Ecuador are working to enable a waste recovery revolution on Santa Cruz Island.

Together with the island's residents, we have recovered 59 percent of waste since 2022, and processed 50 tons of non-recyclable waste into alternative fuels to power our plants in Ecuador.

A team of journalists recently traveled to Santa Cruz to learn first-hand how residents are embracing this recycling culture to preserve the island's beauty and ensure that biodiversity continues to thrive.

Watch their documentary film using the link below.

59%
Recovery of waste on Santa Cruz

50
Tons of non-recyclable waste transformed into resources each year


New solar arrays at our ready-mix concrete plant at Fort Totten, Washington, D.C. (U.S.)

Shifting to renewable electricity
Electricity makes up a significant portion of our energy use. To decarbonize electricity, we are shifting to renewable energy sources like solar, hydro and wind power wherever possible.

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

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

Where renewable electricity sources are not readily available, we install energy facilities on our own sites.

Generating solar energy in the U.S.

By installing new solar arrays at our ready-mix concrete plant at Fort Totten, Washington D.C., we have reduced our dependency on fossil fuels. The silo rooftop solar modules and a separate carport with solar modules aims to generate 1,300 to 1,500 megawatt hours per year of renewable energy – to cover around 90 percent of site operations.

Harnessing solar power
We continue to make progress in rolling out solar power across our operations in Europe and the Americas:

- In Belgium, we plan to operate our first floating photovoltaic installation from 2024. It aims to supply 15 percent of our Obourg plant's electricity.
- In the U.S., we generate 10 megawatts of solar energy at our Hagerstown plant in Maryland, reducing CO_2 emissions by over 12,000 tons.
- In Nicaragua, at our Nagarote plant, up to 35 percent of electricity to power operations will be sourced from a new solar park we are building.

LEADING IN SUSTAINABILITY CONTINUED


Our operations in Lägerdorf, Germany, meet 80 percent of their electricity needs through onshore wind power

Building with blades

Holcim is a proud member of the consortium that launched the EU-funded BLADES2BUILD project. The innovative project aims to transform used wind turbine blades into circular construction materials, enabled by our ECOCycle® technology platform.

Our collaboration with other partners on this project helps to further our commitment to building new from the old, promoting a circular economy.

Funded by
the European Union

Generating our own renewable energy
Through collaboration with our partners in the wind energy sector, we are installing and operating wind farms on our sites to generate our own renewable energy. For example, three wind turbines at our plant in Paulding, U.S., provide around 20 percent of the site's electricity, reducing CO_2 emissions by 9,000 tons per year.

Winds of change in Germany
Our plants in Germany are at the forefront of harnessing wind energy to power our operations.

Thanks to their advantageous geographical positions, our Lägerdorf (Schleswig-Holstein) and Höver (Lower Saxony) plants met 80 percent and 52 percent of their electricity needs respectively through onshore wind power in 2023.

In total, Holcim's operations in Germany procured 59 percent of electricity for cement production from green sources, a 15 percent increase compared to 2022. Wind power contributed to a 100 percent share of this and saved 86,000 tons of CO_2 emissions in 2023.

Leveraging renewable power purchase agreements
We are growing our renewable energy portfolio through partnerships with power producers. Power purchase agreements (PPAs) are long-term contracts for electricity supply between Holcim, as a corporate buyer, and renewable power suppliers. They typically specify pricing, electricity quantities and renewable sources.

In 2023, we signed our largest green energy contract to date with Iberdrola, a global leader in renewable energy. Iberdrola will supply 250 gigawatt hours of wind energy per year to power our operations in Germany. We also signed a memorandum of understanding to investigate the possibility of more clean energy projects across Europe. This includes evaluating Holcim plants to identify opportunities to install renewable energy facilities onsite – from solar to green hydrogen.

We are rolling out renewable energy PPAs around the world:

- In Europe, we secured additional long-term power supply from renewable sources in Poland, Spain and Belgium. We also signed agreements to offtake renewable power from new solar facilities in Romania and the Czech Republic.
- In North America, Holcim signed two new PPAs to supply solar power and services for our plants in Portland and Alpena and a new virtual power purchase agreement for our Exshaw plant in Canada.
- In Latin America, we secured additional power supply from renewable sources in Argentina and finalized a number of rooftop solar projects in Mexico.

250GWh

Amount of renewable energy to power our operations in Germany each year from 2023

Supporting the energy transition
In addition to using renewable energies and alternative fuels to sustain our own operations, we have a responsibility to facilitate essential infrastructure for the wider energy transition.

Renewable energy adoption is rapidly expanding, with the International Energy Agency estimating that there was an extra 500 gigawatts of renewable generation capacity in 2023. Our low-carbon building solutions offer dependable, cost-efficient and high-performance infrastructure for all solutions – from dams to wind farms.

In 2023, Sabowind, a full-service wind energy provider, initiated operations at a new wind farm in Markowice, Poland. This project used 4,200m^3 of ECOPact concrete, leading to a 31 percent reduction in emissions during construction. The wind farm will generate 300 gigawatt hours (GWh) of electricity annually, serve approximately 75,000 homes and mitigate 100,000 tons of CO_2 emissions.

"By providing low-carbon construction materials for renewable energy infrastructure, like windmills, we are helping to accelerate the energy transition."

NOLLAIG FORREST
Chief Sustainability Officer

HOLCIM'S VALUE CHAIN: SCOPE 3 EMISSIONS

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

Our Scope 3 accounting gives us a basis to mobilize our full organization, driving purchasing decisions to deliver on our decarbonization commitments. It also helps us engage other companies across the value chain in building a net-zero future.

Fuels and energy
"Cradle-to-gate" emissions from purchased fuels and energy account for 11 percent of our total Scope 3 emissions. To reduce emissions in this category, we are replacing traditional fossil fuels with locally sourced, alternative and non-extractive fuels.

Downstream transportation
The CO_2 emissions from transporting our materials to customers, between factories and distribution terminals, account for 11 percent of our total Scope 3 emissions. We are reducing these by optimizing routes and loads, moving volumes from road to waterways or rail and deploying fleets powered by electricity and more eco-friendly fuels.

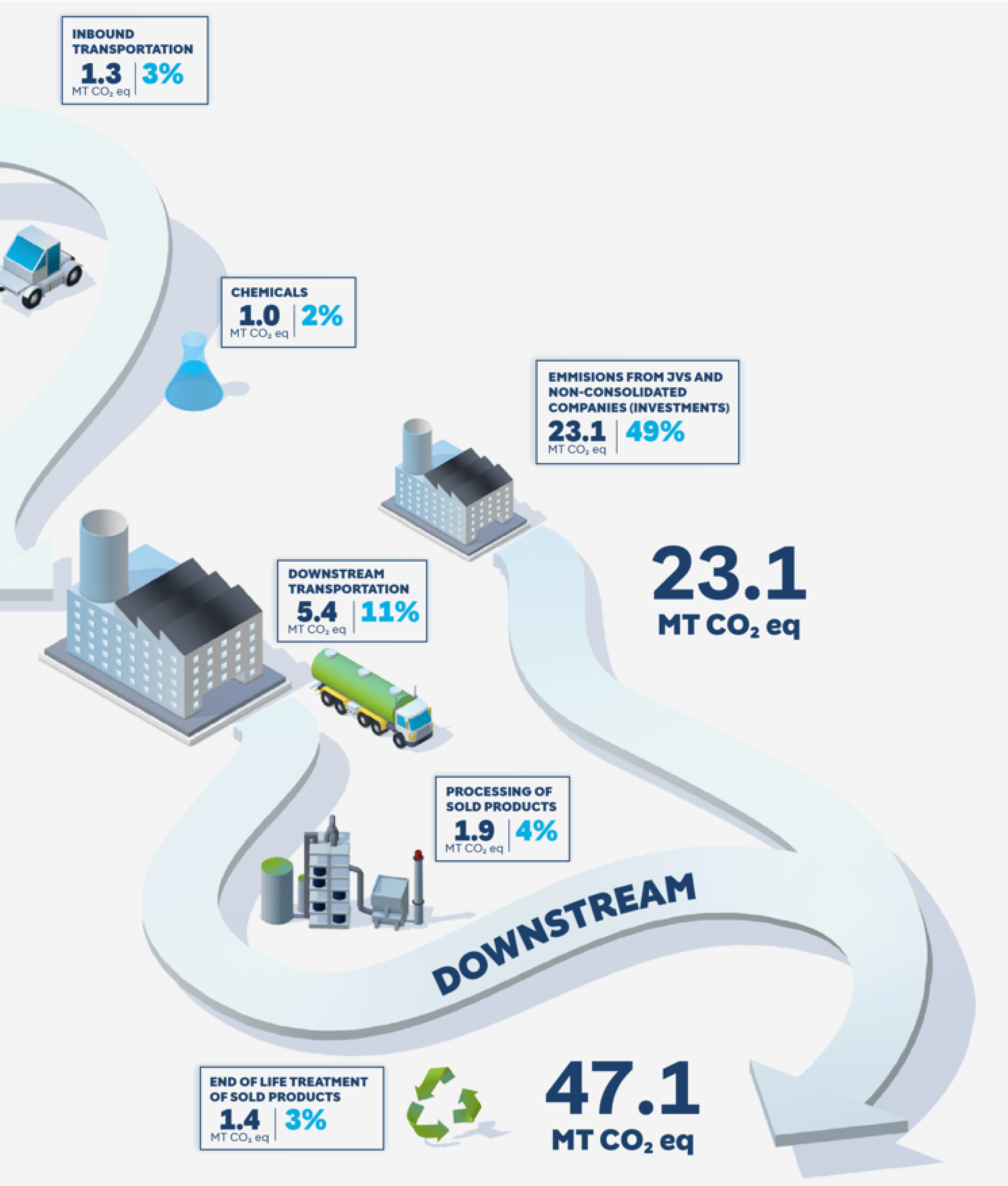
Purchased clinker and cement
Purchased clinker and cement account for eight percent of our total Scope 3 emissions. We are introducing a requirement that our clinker and cement suppliers provide the CO_2 information related to their products, for example, through Environmental Product Declarations (EPDs), to accelerate the purchase of low-carbon products.

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

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

Other products and services purchased
All other products and services purchased account for approximately 21 percent of our total Scope 3 emissions. We expect reductions from including CO_2 requirements in the tendering process and integrating CO_2 as a parameter in the "Total Cost of Ownership" models used to drive purchasing decisions.

We also expect CO_2 reductions from innovation and partnerships with suppliers of global categories.


INBOUND TRANSPORTATION
1.3 MT CO_2 eq | 3%
CHEMICALS
1.0 MT CO_2 eq | 2%
EMMISIONS FROM JVS AND NON-CONSOLIDATED COMPANIES (INVESTMENTS)
23.1 MT CO_2 eq | 49%
23.1
MT CO_2 eq
DOWNSTREAM TRANSPORTATION
5.4 MT CO_2 eq | 11%
PROCESSING OF SOLD PRODUCTS
1.9 MT CO_2 eq | 4%
DOWNSTREAM
END OF LIFE TREATMENT OF SOLD PRODUCTS
1.4 MT CO_2 eq | 3%
47.1
MT CO_2 eq

CLIMATE

DECARBONIZING OUR MOBILITY

We are transitioning to low-carbon mobility from quarry to city by adopting more sustainable and efficient transport options, using low-emissions trucks as well as rail and waterways.

Downstream transportation currently accounts for 11 percent of our total Scope 3 carbon emissions. To reduce these emissions, we are leveraging four pillars:

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

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

Decarbonizing our vehicle fleet

We are deploying electric fleets where possible across our operations: from autonomous electric vehicles in quarries, to heavy-duty electric trucks to distribute materials. Our goal is to reach 30 percent of zero-emission heavy-duty truck purchases or contracts by 2030.

We use a range of electric mobility options across aggregates, ready-mix and cement in Europe, North America and Latin America. In Europe, Colombia and Mexico, we are piloting electric ready-mix concrete trucks that can reduce carbon emissions by 60–80 percent “well-to-wheel” compared to conventional models.

Digitalizing to optimize logistics

We are pushing the boundaries of digitalization across our business, starting with transport and logistics. The Transport Analytics Center (TAC) is our proprietary digital technology platform that optimizes load and route efficiency, safety and carbon footprint. It delivers state-of-the-art logistics and record performance with demonstrated sustainability results. TAC is active across 51 countries worldwide. In 2023, it covered 1.23 billion kilometers, with tracking systems in more than 47,000 trucks.

We use a range of electric vehicles across our operations and aim to reach 30% of zero-emission heavy-duty truck purchases or contracts by 2023

Collaborating to drive industry forward

In 2023, we joined the Smart Freight Centre, a global non-profit organization founded to make the global freight sector more efficient and environmentally sustainable. We are the first construction and building materials company to become a member of the platform under the Global Logistics Emissions Council (GLEC). In collaboration with other industry leaders, we will share best practices and insights into sustainable logistics strategies and work to promote the adoption of low-carbon freight solutions.

Creating demand for emerging clean technologies

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

HOLCIM AND VOLVO: ELECTRIC FIRST MOVERS

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_2 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.

"Partnership is the new leadership. I am very proud of the partnership we have developed with Holcim, and the results we are achieving together to make big CO_2 reductions."

MARTIN LUNDSTEDT
President and CEO of Volvo Group

First Movers Coalition

12.5%

Reduction in our Scope 3 emissions from downstream transportation
(compared to 2022)

Next-generation autonomous electric haulers
Holcim Switzerland is collaborating with Volvo Autonomous Solutions to jointly test and further develop the use of autonomous electric haulers in its operations. Testing is being carried out at Holcim's Siggenthal quarry in Switzerland, with the vehicles already proving quieter, more sustainable and safer than conventional haulers. When operating at full scale, autonomous electric haulers can reduce quarry CO_2 emissions by up to 85 percent.

Jan Jenisch, Chairman and CEO of Holcim, with Martin Lundstedt, President and CEO of Volvo Group, in front of one of our electric trucks

CLIMATE

DRIVING ADVANCED TECHNOLOGIES

We are focusing on advanced technologies as we progress towards net zero, innovating in electrification, hydrogen and carbon capture, utilization and storage (CCUS).

Clean electricity to reduce fossil fuel use
We are exploring the electrification of our processes to decrease our dependency on fossil fuels by substituting them for clean electricity. Complete process electrification could also be part of our carbon capture solution for net-zero cement plants.

While we are examining and testing new technologies to bolster our electrification portfolio, we are also collaborating with global leaders in electricity production to secure clean electricity supply for our projects.

Exploring the potential of hydrogen
Hydrogen is increasingly being explored as an alternative fuel to accelerate the energy transition. At Holcim, we are advancing research and development into the application of hydrogen to help decarbonize the building sector.

Low-carbon hydrogen produced using clean energy has the potential to be an alternative to the fossil fuels powering our transportation and cement kilns. It also enables us to increase the amount of alternative fuels we use, particularly biogenic fuels, which often have lower calorific value or are harder to ignite.

Equally, hydrogen has a role to play in our CCUS strategy. Clean hydrogen can be reacted with captured CO_2 to produce low-carbon fuels or chemicals and plastics.

Read more about CCUS on pages 90–95


Our Carbon2Business CCUS project in Lägerdorf, Germany will transform cement into a net-zero building material

Holcim is exploring the use of green hydrogen as an alternative to fossil fuels at our plant in La Malle, France

TRIALING HYDROGEN AS AN ALTERNATIVE FUEL

In 2023, we conducted a milestone hydrogen test at our plant in La Malle, France. The aim of the test was to replace the fossil fuel used to power the cement kiln with hydrogen – a process called fuel switching. At La Malle, we trialed a hydrogen-injection rate of more than 50 percent, with the remaining fuel coming from biogenic sources.

We also tested hydrogen in a process called "boosting", which involves feeding a small amount of hydrogen (around one percent of total feedstock) into the kiln. This small amount of hydrogen acts as a catalyst to optimize the combustion process and increase the use of alternative and biogenic fuels.

CLIMATE

ADVANCING CARBON CAPTURE, UTILIZATION AND STORAGE TECHNOLOGY

Harnessing advanced technologies such as carbon capture, utilization and storage (CCUS) is a game-changer to meet long-term climate goals. Our advanced CCUS roadmap positions us as the right partner to scale up net-zero cement around the world.

Decarbonizing cement production

Decarbonizing cement and concrete is at the core of Holcim's decarbonization journey. To achieve our goal, the first step is to decarbonize our formulations and energy mix (see page 74).

We are decarbonizing our product formulation with low-emission raw materials from calcined clay to construction demolition materials (CDM). At the same time, we are decarbonizing our energy mix using Geocycle alternative fuels, such as biomass, and using renewable electricity generated by wind and solar.

For the remaining CO_2 emissions, we are advancing CCUS technologies to become net-zero.

Using CCUS technologies, we can capture CO_2 emissions before they are released into the atmosphere. The captured CO_2 can then be used in various applications, such as the production of low-carbon fuels or materials. Alternatively, we can store it safely underground in deep geological formations.

CCUS enables us to reduce greenhouse gas emissions from our operations, offering a viable pathway toward global climate goals and the transition to a net-zero economy.

Carbon capture technologies

We are developing and assessing several mature carbon capture technologies for cement production to offer us maximum flexibility across our global footprint. They fall into two categories:

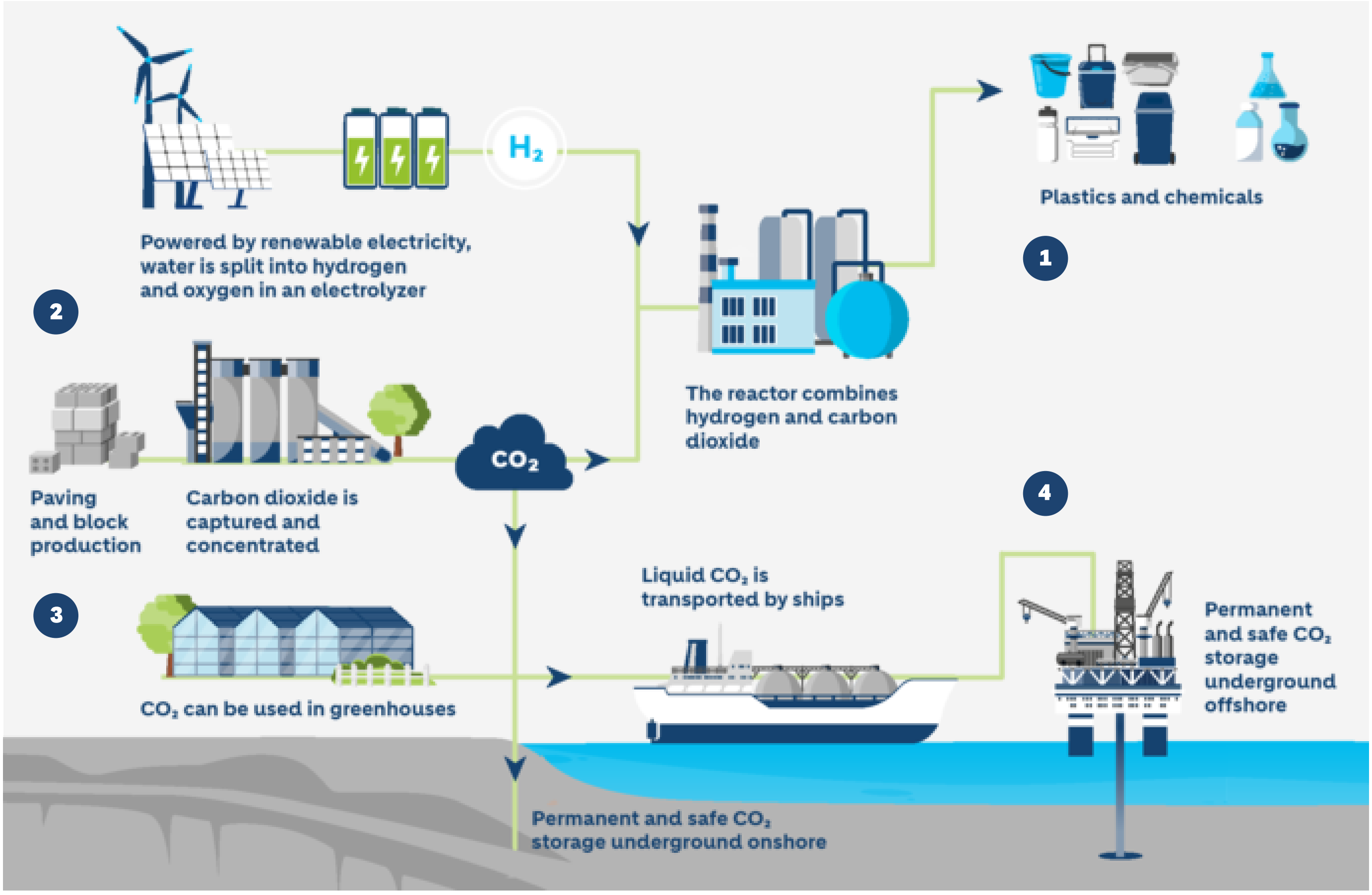
Post-combustion technologies
These solutions capture CO_2 in the exhaust gas of a traditional kiln system. The most advanced use solvents to absorb CO_2, creating a liquid that is sent to a regenerator where concentrated CO_2 can be released. Other post-combustion approaches include CO_2 separation by membranes and adsorption processes.

Integrated processes
We are also exploring various integrated processes such as oxyfuel, the electrification of clinker manufacturing and the calcination of raw materials. The oxyfuel approach replaces air with oxygen in cement manufacturing, avoiding nitrogen in the system and creating a concentrated CO_2 exhaust stream.


Carbon2Business aims to capture and utilize CO_2 from our plant in Lägerdorf, Germany

HOLCIM'S CCUS PATHWAYS

Our projects span four CCUS pathways.



1 CONVERSION UTILIZATION

CO_2 can be repurposed by reaction with green hydrogen to produce fuels that can decarbonize the aviation and maritime sectors, or can be used to produce chemicals and plastics.

2 MINERALIZATION

CO_2 is reacted with minerals to form carbonates, storing the CO_2. In the cement sector, this reaction provides a way of capturing CO_2 as a raw material to produce new building materials.

3 MARKET UTILIZATION

Captured CO_2 can be used for greenhouse plants as a crop growth enhancer or in the food and beverage industries, to carbonate soft drinks, for example.

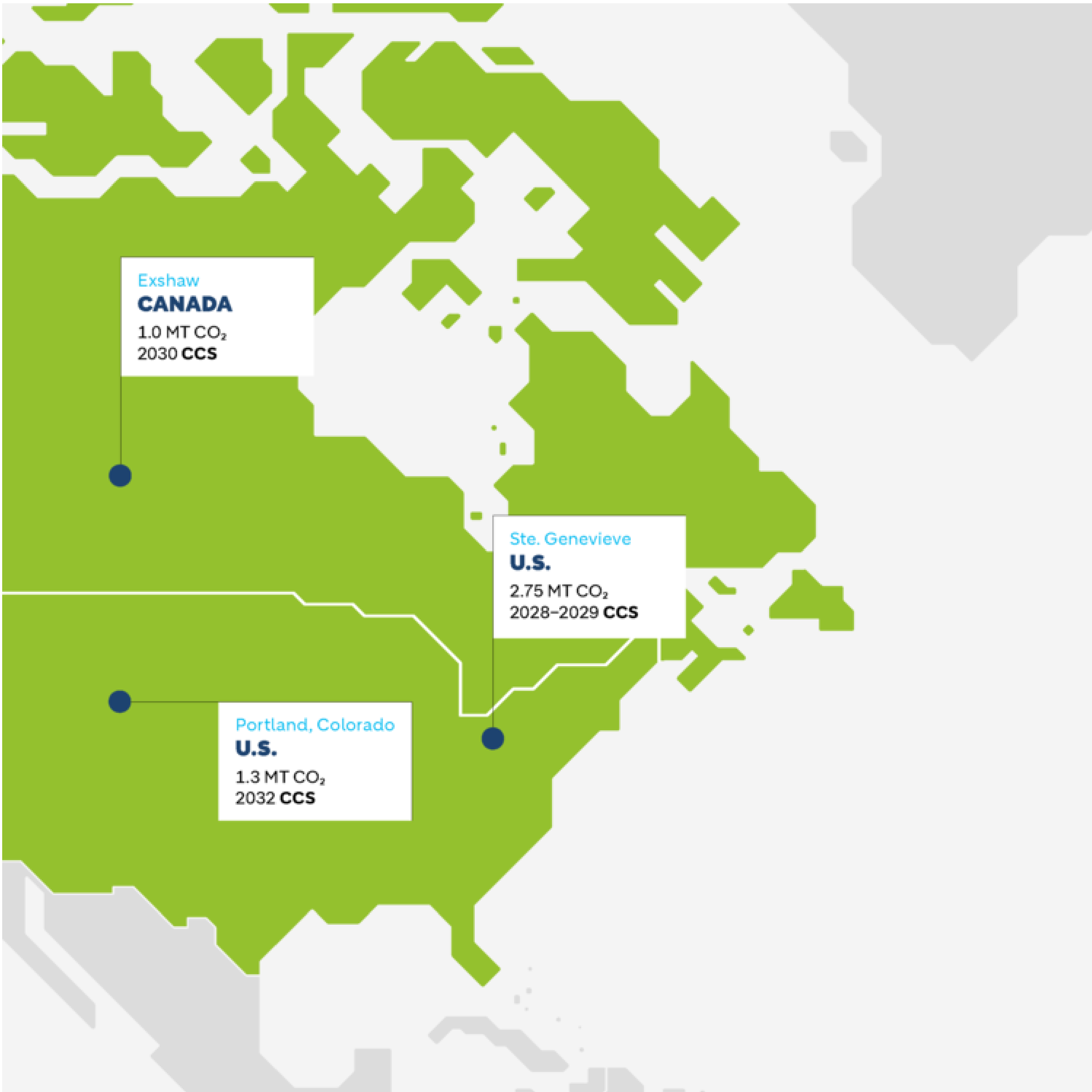
4 STORAGE

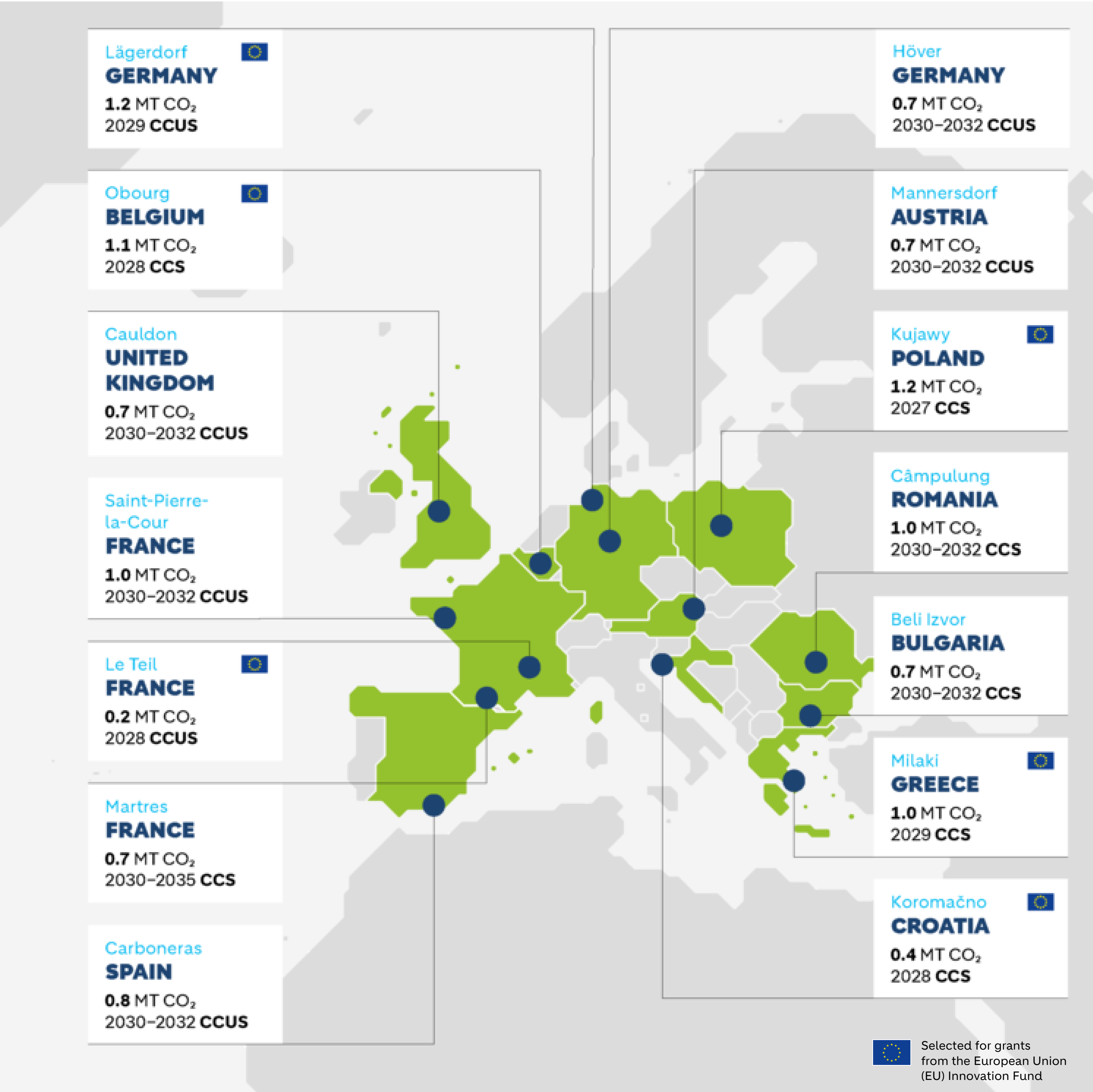
CO_2 is captured from a facility and transported to a location via pipelines, trains, ships or trucks. It is then safely stored underground either onshore or offshore, in abandoned oil and gas reservoirs or dedicated saline aquifers.

OUR AMBITIOUS CCUS ROADMAP

By 2030, we aim to reach significant milestones in our CCUS journey. We have committed to invest CHF 2 billion into CCUS projects, net of public funding, to capture five million tons of CO_2 annually and produce eight million tons of fully decarbonized cement each year.

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




Lägerdorf
GERMANY
1.2 MT CO_2
2029 CCUS
Obourg
BELGIUM
1.1 MT CO_2
2028 CCS
Cauldon
UNITED KINGDOM
0.7 MT CO_2
2030–2032 CCUS
Saint-Pierre-la-Cour
FRANCE
1.0 MT CO_2
2030–2032 CCUS
Le Teil
FRANCE
0.2 MT CO_2
2028 CCUS
Martres
FRANCE
0.7 MT CO_2
2030–2035 CCS
Carboneras
SPAIN
0.8 MT CO_2
2030–2032 CCUS
Höver
GERMANY
0.7 MT CO_2
2030–2032 CCUS
Mannersdorf
AUSTRIA
0.7 MT CO_2
2030–2032 CCUS
Kujawy
POLAND
1.2 MT CO_2
2027 CCS
Câmpulung
ROMANIA
1.0 MT CO_2
2030–2032 CCS
Beli Izvor
BULGARIA
0.7 MT CO_2
2030–2032 CCS
Milaki
GREECE
1.0 MT CO_2
2029 CCS
Koromačno
CROATIA
0.4 MT CO_2
2028 CCS
Selected for grants from the European Union (EU) Innovation Fund

LEADING IN SUSTAINABILITY CONTINUED

Robust partnerships and value chains
Close collaboration among public authorities, private companies, local stakeholders and other value chain partners is essential to secure the development of technologies that will unlock the business case for CCUS and enable a net-zero future.

Several factors impact the value chain including available CO_2 infrastructure, proximity to ports, renewable power and water supply, nearby chemical or plastics industries and the feasibility of on- or offshore CO_2 storage.

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

"CCUS is a game-changer on our journey to net zero. Holcim has the broadest range of projects and technologies to make net-zero cement a reality at scale. By 2030, we aim to offer eight million tons of fully decarbonized cement each year."

MILJAN GUTOVIC
Region Head Europe and
Chief Executive Officer Designate

Addressing potential impacts of CCUS

Carbon capture and storage will play a key role in Holcim's journey towards 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 or the communities where we operate throughout the full value chain:

- Energy and water consumption of CCUS installations
- Potential impacts on communities in regards to onshore storage solutions
- Impact on Holcim's Scope 3 emissions

→ Read about our climate and nature risks and opportunities on page 236

5M

Tons of CO_2 captured annually by 2030 from six CCUS projects selected for EU Innovation Fund grants

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

Carbon2Business - Lägerdorf, Germany

GO4ECOPlanet - Kujawy, Poland

CARBON2BUSINESS

Launched in partnership with Thyssenkrupp Industrial Solutions AG and Linde Engineering, Holcim's Carbon2Business project at our cement plant in Lägerdorf, Germany, aims to capture 1.2 million tons of CO_2 emissions annually.

The captured CO_2 can be processed into e-methanol or as a raw material for industry, to produce plastics, for example. We are developing new value chains and technologies to enable the decarbonization of industrial companies beyond the cement industry, by repurposing unavoidable emissions from the cement sector.

Holcim has concluded long-term supply contracts with green electricity providers and also operates its own wind farm. Schleswig-Holstein offers ideal site conditions for the project: there is more green electricity available than is consumed locally.

For industry to use the CO_2 as a raw material, a pipeline needs to be built, and is being realized with various industry partners. With a capacity of at least 1.2 million tons of CO_2 per year, the pipeline is designed to transport the captured and processed CO_2 safely and economically.

In terms of local benefits, the project aims to attract business to the region and preserve and create jobs.

1.2M

Tons of CO_2 potentially captured annually

GO4ECOPLANET

From 2027, Kujawy cement plant in Poland will operate a unique installation that aims to capture close to 100 percent of Scope 1 CO_2 emissions. Holcim's GO4ECOPlanet project is large-scale, one of the most cutting-edge solutions for the construction industry in Europe.

The CO_2 emissions captured will be transported to CO_2 sequestration storage areas. The carbon capture installation is designed to remove other oxides from flue gas such as NOx, SOx and dust, producing 99.9 percent pure CO_2 and with positive impacts on air quality.

Fully powered by low-carbon electricity, the installation aims to eliminate more than 10 million tons of CO_2 over ten years along the supply chain. This includes 400 kilotons of CO_2 related to the transportation process, representing less than five percent of the liquid CO_2 captured over the same period. The plant has the potential to capture 1.2 million tons of CO_2 each year, representing ten percent of annual emissions in Poland's entire cement sector. It will also contribute to pushing forward the national infrastructure and legislation development to accelerate decarbonization. To minimize its impact, the project will incorporate a closed loop water cooling system to reduce freshwater withdrawals.

An estimated 40 new jobs will be created at Holcim Polska S.A., with around 200 additional positions created in companies along the carbon capture and storage value chain.

1.2M

Tons of CO_2 potentially captured annually

SUSTAINABLE CONSTRUCTION: BUILDING BETTER WITH LESS

At Holcim we are building better with less to decarbonize construction. We combine low-carbon building solutions with smart design to use less material, which reduces upfront carbon compared to conventional materials.

Smart design

Buildings account for 37 percent of the world's energy-related CO_2 emissions today, with 10 percent generated at the construction phase and 27 percent linked to buildings in use. The construction phase, known as upfront carbon, plays a key role in decarbonizing building.

We are leveraging our strategic partnerships with leading academic institutions including the Massachusetts Institute of Technology (MIT) under the MIT Climate & Sustainability Consortium, and the Swiss Federal Institute of Technology (ETH) to develop smart design building solutions that aim to significantly reduce upfront carbon.

One of the most effective levers available to reduce upfront carbon is the concept of smart design to build better with less. When the most efficient design is combined with the correct materials, in the right location of a structure, the result can achieve significant savings in CO_2. A smart design approach in the early stage of projects can reduce mass, which reduces vertical loads, which can reduce mass further. This is known as the "virtuous circle of design improvement", and embraces the Define, Measure, Analyze, Improve and Control model to achieve the optimal design for a specific structure.

We are embracing novel, 'smart design' construction solutions, with systems that can reduce upfront carbon at scale in the built environment. Smart design, plus efficiency gains in the construction phase and concrete industrialization process, will contribute to a 26 percent reduction in our absolute Scope 1 emissions by 2050.

Learn more about Holcim's pathway to net zero on page 73

Holcim and ETH contributed to the HiLo (High Performance, Low Emissions) research and innovation unit at NEST (Next Evolution in Sustainable Building Technologies) in Dübendorf, Switzerland

PIXELFRAME

The world builds the equivalent of New York City every month, driven by rising population and urbanization. Over 40 billion tons of virgin materials are extracted from the planet every year in order to build, so making construction circular is essential to staying within our planet's boundaries while we improve living standards for all.

What if we could reuse structural elements to extend the life of buildings by dismantling and rebuilding them multiple times to serve different purposes, so that 50 years of life could become 200?

“PixelFrame” is a system we are collaborating on with Caitlin Mueller, Associate Professor of Civil and Environmental Engineering and Architecture at MIT’s Civil and Environmental Department, and her team of world-class researchers. The system harnesses design and computation strategies that give the concrete building elements an optimized geometry which is strengthened through post-tensioning. The system is completely modular and designed for disassembly and reuse several times. This reduces the carbon footprint of the structural system by around 60 percent compared to a conventional reinforced concrete design.

The PixelFrame system separates the reinforcement and concrete components, allowing the Pixel segments to have a longer design and be reused multiple times. Embracing a circular construction approach allows the standardized modules to be reused in flexible configurations. Every time they can be reused reduces the need for new materials and reduces emissions in the system’s second life.

MCSC MIT Climate & Sustainability Consortium

RIPPMANN FLOOR SYSTEM

In conventional multi-storey buildings, floors account for around 40 percent of the total weight, which means that smartly designed systems that reduce the mass of structural floors can deliver a compounding reduction in embodied emissions.

The Rippmann Floor System® (RFS®) is a lightweight rib-stiffened funicular floor invented by the Block Research Group, led by Dr Philippe Block, Professor of Architecture and Structures at ETH Zurich, and developed by the ETH Zurich spin-off VAULTED AG. Holcim developed a special ECOPact concrete mix for the prefab solution.

The RFS can reduce up to 70 percent of concrete and 90 percent of reinforcement steel by transferring the loads to the supports predominantly through compression. This is achieved through their vaulted geometry, similar to the centuries-old principles used to build the stunning Gothic cathedral ceilings in masonry that still stand today.

More than 6,500m^2 of Rippmann Floor System is now being implemented in the CreaTower I project in Zug, Switzerland, using smart design to place the right material, concrete, only where it is structurally needed in the building's floor. Combining the resulting volume reduction with the low-carbon concrete supplied by Holcim, the carbon footprint of the project is significantly reduced.

REINVENTING CONCRETE FOR A SUSTAINABLE FUTURE

At Holcim, we are reinventing concrete to make it net-zero. Shifting from volume to value, we are making this vital urban building block low-carbon, circular, energy-efficient, nature-friendly and more.

HIGH-STRENGTH DYNAMAX

DYNAMax, Holcim's ultimate high performance concrete, enables our customers to build better with less. One example is Seven Gardens Oak House in Wiesbaden, Germany. Recognized by the German Sustainable Building Council, the use of DYNAMax ensured high strength, outstanding durability, superior rigidity and a reduced carbon footprint by lowering material demand.

40

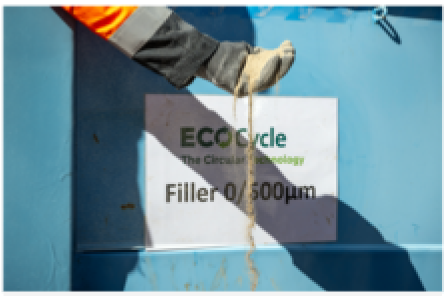
Gigapascal (GPa) minimum elastic modulus for rigidity

LOW-CARBON ECOPACT

ECOPact low-carbon concrete delivers 100 percent performance with at least 30 percent lower CO_2 than the market standard. Making low-carbon construction happen at scale it represents 19 percent of our ready-mix sales and is a CHF 1+ billion brand.

30%

Lower CO_2 emissions compared to standard (CEM I) concrete



CIRCULAR ECOCYCLE®

ECOCycle® makes concrete up to 100 percent recyclable, allowing our customers to build new from old and cities from cities. Holcim has 135 recycling centers around the world, and is driving circular construction in every metropolitan area where we operate, recycling construction demolition materials into new building solutions.

135

Recycling centers

WATER-PERMEABLE HYDROMEDIA

Hydromedia permeable concrete allows water to flow through to recharge ground soil, enabling urban forests and gardens. By bringing more nature into cities, we can reduce the heat island effect, improve air quality and optimize water flows to contain flooding, while offering green public spaces for people to enjoy.

500

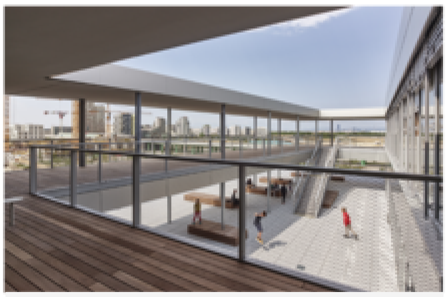
L/min/m^2 drainage rate

SMART TECTORPRINT

TectorPrint, Holcim's proprietary 3D concrete printing ink, empowers smart design, using concrete at its best with the minimal amount of material for maximum strength. Achieving strength through geometry, from 3D printing to smart design applications like the Rippmann Floor Systems, can reduce material use by up to 50 percent with no compromise in performance.

50%

Reduction in material use



ENERGY-EFFICIENT CONCRETE

Thermal activation in concrete enables buildings to be passive and self-sufficient, accelerating our world's energy transition. This school in Vienna, Campus Aspern Seestadt, generates all its renewable energy onsite from geothermal heat pumps and solar panels. Its concrete slabs are essential for optimizing its energy efficiency.

90%

Of school's energy from geothermal energy optimized by concrete

DRIVING CIRCULARITY

Circular construction can accelerate the decarbonization of building, by reducing, reusing and recycling materials across the lifecycle.

CASE STUDY

Striatus: Circular by design

Since the composition of materials used in a building is a major factor in its lifecycle environmental impact, what if you could reduce overall material use by optimizing building size and methods, to ensure minimum material use and maximum strength?

We did precisely this with Striatus, the first-of-its-kind, award-winning 3D-printed concrete bridge that Holcim presented during the 2021 Venice Biennale of Architecture with our partners.

Striatus' digital and circular design showcases concrete at its best. The footbridge holds together solely through compression with no reinforcements, while the structure's concrete blocks are designed to be infinitely disassembled and reused, and can be easily recycled.

This footbridge set a blueprint for future building using advanced technologies from computational design to 3D concrete printing,

In 2023, we took this innovation to the next level with Phoenix (see page 103).

Watch video online here

Striatus, the first-of-its-kind 3D-printed concrete bridge, as installed at the Venice Biennale of Architecture in 2021

CIRCULARITY

DRIVING CIRCULARITY TO BUILD NEW FROM OLD

Holcim is driving circular construction in all key metropolitan areas where it operates, recycling construction demolition materials with its ECOCycle® circular technology platform to build new from old.

Scaling up circular construction

At Holcim, we are scaling up circular construction in all metropolitan areas where we operate. In 2023, we recycled 36.3 million tons of materials across our business, from recycling construction demolition materials into new building solutions to converting non-recyclable plastics and minerals into new alternative materials. We also take materials at the end of their life, such as biomass and municipal waste, and turn them into alternative energy sources.

Building new from old

In 2023, we recycled 8.4 million tons of construction demolition materials (CDM), up 24 percent compared to 2022, and are on track to reach our target of ten million tons by 2025. We currently operate 135 recycling centers with the ambition to raise this to 150 in Europe alone by 2030.

We launched ECOCycle®, our proprietary circular technology platform, to recycle CDM into new building solutions. Using this platform we can recycle from 10 percent to 100 percent of CDM across a broad range of applications, from decarbonized raw materials in low-carbon cement formulation to aggregates in concrete and fillers in road construction.

ECOCycle®
The Circular Technology

CIRCULARITY HIGHLIGHTS 2023

CIRCULAR CONSTRUCTION

8.4M

Tons of construction demolition materials recycled

RECYCLING OF CDM

+24%

Compared to 2022

RECOGNIZED LEADERSHIP

WORLD ECONOMIC FORUM

'Circularity Lighthouse' award for ECOCycle®

PHOENIX RISES FROM STRIATUS

Building on the innovations of Striatus
Located at Holcim's Innovation Hub in Europe, Phoenix is a first-of-its-kind 3D-printed concrete masonry bridge built with 10 tons of recycled materials.

Completed in 2023, Phoenix represents the evolution of Striatus (see page 100), using aggregates recycled from its predecessor's concrete blocks.

The stunning structure uses an optimized low-carbon formulation that has a 40 percent lower CO_2 footprint compared to the original Striatus, and Phoenix's overall carbon footprint is 25 percent lower.

Together with our partners, we are now exploring how Phoenix could be scaled up to provide more generalized sustainable infrastructure solutions.

Developing a custom concrete ink
Using our proprietary ECOCycle® circular technology, we developed the custom concrete ink for Phoenix, integrating recycled construction demolition materials with a 100 percent recycled ECOPlanet cement.

Circular construction, using computational design and 3D printing, allows for a reduction of up to 50 percent of the materials used with no compromise in performance. Circular by design, Phoenix stands solely through compression without reinforcement, with blocks that can be easily disassembled and recycled.

Partnering to drive innovation
Phoenix is a testament to the importance of advancing partnerships for a low-carbon and circular built environment.

Beyond the core collaboration with Block Research Group at ETH Zurich, Zaha Hadid Architects Computation and Design Group and incremental3D, Phoenix was created with contributions from: AMODIS, DEKRA, Groupe Noel and Bürgin Creations.

The project demonstrates Holcim's commitment to decarbonization: building better with less using low-carbon materials, smart design and 3D printing, as well as driving circular construction to build new from old, using recycled materials and preserving natural resources.

"Phoenix is a significant milestone in technology readiness. It showcases the maturation of integrated design to construction technologies that were initiated with Striatus."

SHAJAY BHOOSHAN
Head of Computation and Design Group, Zaha Hadid Architects

Phoenix was built at the Holcim Innovation Center in Lyon by recycling aggregates from the original blocks of Striatus

CIRCULAR LIVING

Let's build circular cities together! Holcim is helping to empower them with sustainable buildings, renewable energy, green mobility, recycling centers and nature inside.

At today's rate of resource demand, we are set to consume 2.3 planets by 2040[1]. To stay within our planet's boundaries, we need to fundamentally change the way we build. That is why we are going beyond circular construction with a call for action to drive circular living.

Empowering circular cities

With 70 percent of the world's population expected to live in cities by 2050, cities can play a vital role in helping us shift from a linear take-make-waste economy to a circular reduce-regenerate-recycle one. The Circular Cities Hub is a dynamic platform to raise global awareness and fast track the shift to circular living and building.

As part of the Circular Cities Hub, the Circular Cities Barometer measures how fast 30 global cities are transitioning from a linear to a circular economy. The Barometer gives us unique insights into what the most innovative circular cities around the world are doing.

Through solutions such as ECOPact low-carbon concrete we enable smart, sustainable buildings. We contribute to infrastructure enabling green mobility, from metros and railways to bicycle and pedestrian alleys, and even roads that can charge electric vehicles.

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

We are helping to drive the transition to renewable energy too, for example with solar-enabling roofs. In partnership with General Electric, we are 3D-printing higher, more powerful wind turbines and, as part of the Blades2Build consortium, recycling the blades at the end of their service lives.

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

Our new proprietary ECOCycle® circular technology platform can recycle from 10 percent to 100 percent of construction demolition materials across a broad range of applications, from decarbonized raw materials in low-carbon cement, through to aggregates and concrete.

"In partnership with Bloomberg Media, Holcim scores global cities on sustainability. Because building smarter and more sustainably goes hand-in-hand with growing local economies, reducing carbon emissions and improving public health."

MICHAEL R. BLOOMBERG
Founder, Bloomberg LP

[1] World Business Council for Sustainable Development

The Ellinikon, built on the site of the former Athens airport, is the largest urban regeneration project in Europe. It is using Holcim's ECOPact and Hydromedia, as well as recycling concrete from the former runways

EUROPE'S LARGEST URBAN REGENERATION PROJECT

Holcim is providing ECOPact low-carbon concrete and Hydromedia permeable concrete for the largest urban regeneration project in Europe. The Ellinikon, located outside of Athens, Greece, will recycle the materials of the city's abandoned international airport and increase the amount of green space per resident in the metropolitan area by 44 percent.

Nearly 28,000 m^2 of concrete and tarmac from old runways will be reused for benches and paving. One of three airports in the world designed by renowned architect Eero Saarinen, the 1960s terminal hall will be repurposed into an event space.

Holcim's ECOPact will reduce the development's concrete carbon footprint by at least 30 percent, while Hydromedia will enable smart rainwater management. Construction is underway with the first phase of project due to be completed in 2026.

"Environmental protection, sustainable development and the benefits for the country and its citizens are the core pillars on which The Ellinikon is being developed. Our cooperation with Holcim is another pioneering step towards the creation of a future green city."

DIMITRIS KITSIOS
Chief Infrastructure & Controls Officer
at Lambda Development

6.2M
Square meters of abandoned airport regenerated

44%
Increase in green space in Athens metropolitan area

"FROM SEA TO CITY!" SPREADING OUR GO CIRCULAR MESSAGE

With GO CIRCULAR, Team Holcim-PRB is sailing the world with our call to action, to accelerate circular building and living from sea to city.

The Ocean Race is one of the toughest team events in sport and one of the few global climate-positive sports events. It was a challenge that our team eagerly accepted in 2023, joining the regatta to promote circular living from sea to city and building for a net-zero future.

During the race, they gathered scientific data as part of the largest ever marine science program during a sports event, with over four million pieces of data collected.

The Holcim-PRB team collected water and air samples from edges of the world where few people go, and shared it with the World Meteorological Organization.

- They measured microplastic pollution
- Gathered information about the impact of climate change on our oceans
- Collected data to improve global weather forecasting

Above all, The Ocean Race was also a vehicle to mobilize everyone in Holcim, as well as our stakeholders, behind our mission to decarbonize building and GO CIRCULAR.

Taking the message from sea to city, we want to unite people behind our call to action, with Team Holcim-PRB showcasing Holcim's unstoppable, winning and pioneering spirit.

"It's a true honor and dream come true for me to sail for Team Holcim-PRB. With GO CIRCULAR, we are fully committed to helping preserve our oceans and planet."

NICOLAS LUNVEN
Skipper, Team Holcim-PRB

4

Continents visited by GO CIRCULAR in 2023 during The Ocean Race

Team Holcim-PRB is sailing the world to preserve our oceans

Team Holcim-PRB kicked off the 2023 edition of The Ocean Race in Alicante, Spain

In September 2023 we welcomed two new skippers, Nicolas Lunven and Rosalin Kuiper, who will take the helm of the 60-foot Open monohull and keep the GO CIRCULAR spirit going with the same passion. With Team Holcim-PRB, they will spread our circularity message through on-site engagements and activations, partnering with relevant organizations to continue making a positive impact on our oceans.

After successfully completing the Retour à La Base, a race that forms part of the IMOCA Globe Series Championship, Nicolas Lunven got one step closer to qualifying Team Holcim-PRB for the Vendée Globe 2024-25. The race boat will continue carrying its message into the world's premiere round-the-world sailing races, Vendée Globe 2024 and The Ocean Race Europe 2025.

"Sailing with a clear purpose to GO CIRCULAR from sea to city means a lot to me. It's a great opportunity for me to add my voice to our shared vision of a more circular, sustainable and inclusive world."

ROSALIN KUIPER
Skipper, Team Holcim-PRB

Skippers Nicolas Lunven (second from left) and Rosalin Kuiper (right) visiting the Holcim Innovation Hub in Lyon

ADVOCACY & ENGAGEMENT

At Holcim we support public policy frameworks that help us to decarbonize building and build progress for people and the planet.

CASE STUDY

Decarbonizing cities at COP28

At COP28, Holcim engaged with key partners across the building value chain, so we can decarbonize cities faster together. From city mayors and urban planners to engineers, architects and civil society, Holcim stands ready to partner with them to help shape the cities of the future with our sustainable building solutions.

Nature topped our agenda too, as we urged more companies to join us in taking a transparent and measurable approach, for a nature-positive future. Holcim's Nature Strategy focuses on preserving biodiversity and bringing more nature into cities.

During COP28, Holcim announced an expanded commitment to circularity as well, by joining the Sustainable Markets Initiative's (SMI) Task Force, to fast-track the shift to circular construction.

We also won two awards for our global carbon capture leadership. The COP Presidency initiative named us as an "Energy Transition Changemaker" for our Carbon2Business project in Lägerdorf, Germany. The same project was selected as Germany's "outstanding project" in the Mission Innovation Net-Zero Industries Awards.

Read more about our Nature Strategy on pages 124–127

Watch our CSO at COP28 on how Holcim is engaging to decarbonize cities

La Confluence in Namur, Belgium, is built with Holcim Elevate RubberGard™ EPDM, at the junction of the Sambre and Meuse rivers. After half a century of neglect, the area has been reborn into a vibrant space featuring a pedestrian-friendly esplanade, green zones, and a versatile multipurpose building

ADVOCACY POSITIONS AND TRANSPARENCY

Holcim is committed to advocating for public policy frameworks anchored in the principles of circular economy, that are fully aligned with the Paris Agreement's objective to limit the temperature increase to 1.5°C, and that enable innovative and competitive green growth.

Our "Strategy 2025 – Accelerating Green Growth" is fully aligned with the objectives of decoupling economic growth from carbon emissions and resource use:

- We take a rigorous science-driven approach to becoming a net-zero company, ensuring that our targets and actions are in line with the 1.5°C framework.
- We put decarbonization at the heart of our industrial and commercial strategy through the deployment, at scale, of advanced technologies such as Carbon Capture Utilization and Storage (CCUS) and the introduction of low-carbon solutions such as low-carbon ECOPact concrete[1] on construction markets globally.
- We drive circular construction to build better with less (e.g. by recycling CDM in our products and processes, and using innovative technology such as 3D printing that reduces the use of materials by up to 50 percent).
- We develop solutions to make cities greener from foundation to rooftop and empower society with smarter infrastructure.

This journey requires radical collaboration with our entire value chain and with policy makers. In particular, we advocate for regulatory frameworks that:

- Enable the development of reasonable business cases to invest at scale in decarbonized technologies (e.g. competitive access to decarbonized energy, facilitated access to funding, and transparent regulatory frameworks for the use, storage and transportation of unavoidable CO_2 emissions).
- Create market demand for decarbonized and circular solutions (e.g. through harmonized product standards, and public procurement frameworks that drive innovation by being technology and material-neutral, based on building lifecycle performance).
- Enable industry to remain competitive on the global stage (e.g. through an international level playing field on carbon costs, fair state aid rules for energy-intensive sectors, and dynamic carbon pricing).

Climate policy positions
Holcim advocates for climate policy positions that enable:

1. Carbon Capture, Utilization and Storage (CCUS)
One decarbonization lever that is fundamental to the sector's transition is CCUS. The regulatory frameworks that are currently being developed will play fundamental roles in enabling the CCUS value chain to become the necessary engine of the low-carbon and circular transition. No single solution will be perfectly scalable everywhere as different environments present different conditions (e.g. technological, geological and legislative) that favor one solution or another. This requires a flexible yet unequivocal regulatory framework:

- Recognizing carbon use as an integral part of the transition to net zero is a necessity, as is avoiding the design of restrictive regulatory frameworks that prevent the scale-up of industrial carbon capture projects. Policies under development (e.g. on synthetic fuels in the EU) cast serious doubts on the future of CO_2 utilization from industrial sources, without any serious impact assessment.
- A dynamic, accessible and competitive value chain for CO_2 transport and storage. Europe must focus on securing accessible infrastructure for carbon capture, transport and storage. The current monopolistic environment threatens the viability of many projects that would otherwise be implemented before 2030 (and which require planning, permitting and financing now).

[1] ECOPact low-carbon concrete offers at least 30 percent lower CO_2 emissions compared to standard local (CEM I) concrete, without offsets

2. Demand for low-carbon products and solutions

Holcim is committed to leading the transition toward low-carbon and circular construction by developing and introducing green products and solutions worldwide. In most cases, introducing them to the market generally requires an adapted product standard and its use must be facilitated by building codes and (public) procurement practices in order to create market demand.

Integrating sustainability performance in building codes, public procurement, and product standards, alongside traditional criteria (safety, performance, durability and affordability) will lead to faster market uptake of low-carbon solutions.

- Create market demand through a dynamic standardization and public procurement framework.
  Having standards in place and implemented swiftly is fundamental to start building supply-demand momentum in the value chain that can be supported by (public) procurement practices and building codes.
- Use of harmonized product standards remains the most appropriate approach.
  In Europe, our experience with the cement standard EN 197-6 for the use of recycled concrete fines in cement shows that a non-harmonized approach hampers effectiveness, speed of deployment and cross-country optimization within the single market. All difficulties encountered nowadays to make applicable harmonized standards should be solved in close cooperation with industry as soon as possible, without unnecessary legal complexity or multiplication of regulations.

In the U.S., we fully support the administration's establishment of lower emission standards through Executive Orders such as the Federal Buy Clean Initiative. Our products can help them reach their targets with our industry-leading green building solutions.

Carbon border adjustment mechanism (CBAM)

Fast and watertight implementation is key to its success. A swift implementation of the CBAM will provide the necessary foundations for large-scale investments in the decarbonization of our activities and products across the EU. It requires close collaboration with the sectors concerned in order to make sure that adequate (existing) standards are used (e.g. on greenhouse gas measurement, monitoring and reporting) and all potential circumvention routes are effectively closed. This process is fundamental to ensuring effective CO_2 cost equalization.

3. Lifecycle performance: a basis for the future of construction

Decarbonizing construction and making the value chain truly circular does not rely on a single technology or sub-sector. All materials and all technologies are part of the solution.

A policy framework and vision is needed that is based on technology neutrality and lifecycle performance. Defining the lifecycle performance that needs to be achieved to be aligned with 1.5°C will lead to a dynamic market based on innovation and performance.

4. Competitive and decarbonized energy

Access to competitive decarbonized energy is a critical enabler for the decarbonization of the industry:

- A well-functioning and interconnected electricity market with access to decarbonized energy at scale and at competitive prices is the cornerstone for the decarbonization of European industry and its short- and long-term competitiveness.
- Investments in renewable energy assets should be facilitated through faster permitting procedures, including for the development of renewable assets in industrial contexts.
- Industry also requires continued access to non-fossil sources of energy such as non-recyclable waste and biomass waste. These resources currently supply a large proportion of the cement sector's fuel needs, allowing it to become less dependent on imported fossil fuels while decarbonizing our processes.

At COP28 in Dubai, Holcim advocated for an acceleration of cross-sectoral collaboration to decarbonize materials and the built environment

LEADING IN SUSTAINABILITY CONTINUED

5. Funding for decarbonized industrial growth

To build strong business cases and ensure the deployment of low-carbon technologies, industry requires access to combined sources of funding. This can be facilitated through:

- A simplified application and approval process to funding sources, allowing transparent and easy access. A shift to direct funding of CCUS for the cement industry can accelerate the construction phase of CCUS projects and, hence, decarbonization in regions such as the U.S. and Europe.
- In Europe, a swift deployment of Carbon Contracts for Difference (CCFDs) at EU and national level to allow for a de-risking of projects based on access criteria that are simple and fast in execution.

For a review of Holcim's climate policy positions, see Holcim's Climate Public Policy Positions Report

"We have a huge challenge ahead but we have all the assets in hand. Belgium is going there with Belgian solutions, our industries, offshore wind turbines, [and] Holcim, which wants to make completely carbon-neutral cement."

ALEXANDER DE CROO
Prime Minister of Belgium

Trade Associations Climate Review

Our commitment to climate-related reporting is transparent and rigorous and we take the same approach in our advocacy positions.

Aligned with our net-zero pledge, Holcim is committed to ensuring that our direct and indirect lobbying through trade associations is aligned with the Paris Agreement and Holcim's positions outlined below.

- Support for the Paris Agreement's climate targets and net-zero agenda
- Support for the use of carbon-pricing mechanisms
- Development of industry roadmap to net-zero by 2050
- Acknowledgement of the need of advanced technologies, including CCUS, to further decarbonize (mainly for cement industry associations)
- Support of need to introduce low-carbon products

We selected the most significant organizations, ensuring a balanced geographical distribution and including global, regional and national organizations. The organizations were assessed by reviewing their public positions using their websites, media releases, publications, social media, questionnaires and, when needed, discussions with the local public affairs teams.


At COP28 in Dubai, Holcim gathered climate circularity leaders at our Goals House event, titled 'Circular cities: Housing for resilient urban communities'

The Circular Explorer is a recycling catamaran, powered by 100 percent renewable energy, on a mission to preserve our ocean, putting the circular economy to work. Built in partnership with One Earth – One Ocean, Circular Explorer recovers plastic from our rivers and oceans, so it can be recycled and reused

We recognize that the journey to net zero requires radical collaboration across our entire value chain and with regulators, investors, NGOs, civil societies and employees. We are committed to working with these stakeholders and our trade associations to accelerate that journey. Where any selected organizations has material misalignment or diverging views with Holcim's policy positions and cannot be considered to be part of the acceleration to net zero, we commit to dissociate ourself from the trade association and related activities or, in extreme cases, renounce our mandates within the organization and/or our membership.

After our review, we pursued our work with all the organizations included in the scope to close the gaps and push for more alignment with our positions and commitments on climate policies. As a result, seven out of ten organizations that had not developed net-zero roadmaps three years ago, have now issued and published their roadmaps[1]. Two organizations that did not formally declare their support for the Paris Agreement have formalized their positions since. Holcim commits to continually assessing the climate policy positions of our trade association and memberships on a periodic basis.

Holcim's public policy positions and its climate advocacy activities are systematically underpinned by the Group SBTi's 1.5°C roadmap and associated targets, which are externally verified and fully aligned with the Paris Agreement. Review of the climate policy positions of trade associations and industry bodies entails a review of our own policy position and confirms their alignment to the Paris Agreement and net-zero agenda.

[1] Calculation is excluding three associations that are no longer associated with Holcim

LEADING IN SUSTAINABILITY CONTINUED

Mandatory human rights and environmental due diligence
Holcim supports the implementation of regulatory frameworks that require mandatory human rights and environmental due diligence. A common legal requirement, such as that proposed at the European Union level, contributes to bringing companies to the same standard. It also ensures that efforts made by companies to respect people and the planet are not undermined by the lack of uniform standards. Such regulatory frameworks increase legal certainty and ensure a competitive level playing field, to the benefit of the environment and of local communities.

Climate-related advocacy in 2023
Throughout 2023, we were actively involved in the work of recognized and leading global organizations on sustainable construction, industrial decarbonization and the decarbonization of the built environment. This includes the World Business Council for Sustainable Development (WBCSD), the World Green Building Council (WGBC), UNIDO's Industrial Deep Decarbonization Initiative (IDDI), the First Movers Coalition (FMC) and the Leadership Group for Industrial Decarbonization (LeadIT). The collaboration with the aforementioned organizations forms the core of our advocacy at a global level, which is anchored wholly on advancing the principles of the circular economy and achieving the Paris Agreement's objective to limit the temperature increase to 1.5°C.

In 2023, as part of its activities to advocate global emissions reductions and the reaching of the Paris Agreement, and the aforementioned climate policy positions, Holcim mobilized its leadership to attend milestone global moments (such as COP28 and Climate Week NYC). Here, we advocated for an acceleration of cross-sectoral collaboration for decarbonizing materials and the built environment, and making cities a global decarbonization lever across all economies, while advancing a nature-positive future. Holcim's calls for action referred above are fully aligned to the Paris Agreement and the net-zero agenda.

In parallel, Holcim is driving decarbonization discussions in Industry Trade Associations such as Cembureau in Europe and Global Cement and Concrete Association (GCCA) at a global level. We are actively engaged in the development of an ambitious climate policy framework globally, at regional levels (e.g. in Europe) and national levels (e.g. in the U.S.).

As outlined in the previous section on public policy enablers, some of the topics that Holcim engages on include regulatory frameworks linked to CCUS, carbon pricing schemes, the development of competitive decarbonized energy networks, and the achievement of common definitions and standards of low-carbon cement and concrete.


Holcim engages on regulatory frameworks linked to Carbon Capture, Utilization and Storage (CCUS)

SUMMARY OF ORGANIZATIONS AND POSITIONS

	Supports Paris Agreement and net-zero agenda	Supports carbon pricing mechanisms	Existence of a net-zero roadmap	Recognizes the need of advanced technologies, including CCUS	Supports introduction of low-carbon and/or net-zero products
WORLDWIDE GCCA	Yes	Yes	Yes	Yes	Yes
EU CEMBUREAU	Yes	Yes	Yes	Yes	Yes
SWITZERLAND CEMSUISSE	Yes	Yes	Yes	Yes	Yes
SWITZERLAND ECONOMIESUISSE	Yes	Yes	No formal roadmap but net-zero commitment to 2050	Yes	Yes
UK MPA	Yes	Yes	Yes	Yes	Yes
BELGIUM FEBELCEM	Yes	Yes	Yes	Yes	Yes
SPAIN OFICEMEN	Yes	Yes	Yes	Yes	Yes
FRANCE SFIC	Yes	Yes	Yes	Yes	Yes
FRANCE UNICEM	Yes	Yes	Work in progress	N/A	Yes
GERMANY VDZ	Yes	Yes	Yes	Yes	Yes
POLAND SPC	Yes	Yes	Yes	Yes	Yes
AUSTRIA VÖZ	Yes	Yes	Yes	Yes	Yes
US NRMCA	Yes	Yes	Yes	Yes	Yes
CANADA CAC	Yes	Yes	Yes	Yes	Yes
AUSTRALIA CCAA	Yes	No formal position given policy context	Yes	Yes	Yes
NEW ZEALAND CONCRETE NZ	Yes	Yes	Yes	Yes	Yes
PHILIPPINES CEMAP	Yes	No formal position	No	No formal position	Yes

JUST TRANSITION

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

We are committed to decarbonization in line with the Just Transition principles. In the absence of a universal framework for a just transition, we have developed a framework to assess the impacts of our journey to net zero on four key stakeholder groups: our people, our suppliers, our communities and our customers.

HOLCIM FRAMEWORK FOR A JUST TRANSITION

The framework is informed by various guidelines and initiatives, beginning with the International Labor 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. 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 their '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 United Nations Guiding Principles on Business and Human Rights

In 2023, we embedded the principals of our Just Transition framework into our Climate Policy and will continue to further integrate it into our climate strategy as external guidelines advance.

Planting mangroves with communities at the Holcim plant in Cilacap, Indonesia

Our people

We are committed to creating a high-performance culture of empowerment, lifelong learning and development. We aim for all employees to develop their skills in a way that helps us achieve our green growth ambitions while they continue to thrive.

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, or construction demolition materials (CDM), as well as the pre- and co-processing of materials at end of life for fuels and alternative raw materials.

We also expect our carbon capture, utilization and storage (CCUS) commitments, which involve investing CHF 2 billion and capturing over five million tons of CO_2 annually by 2030, to create high-value opportunities for our workforce. We have identified 17 flagship projects, with each one well positioned to become a net-zero cement plant.

Our suppliers

Our supply chain will change as a result of our transition to net zero. For example, our needs for raw materials will shift toward alternatives such as construction and demolition materials. We will also expand into new business lines, such as roofing and insulation. We remain committed to a just transition for all the suppliers we work with. This commitment is framed across three main pillars:

- Respecting human rights: by actively monitoring and verifying compliance with our Supplier Code of Conduct and carrying out due diligence, according to our Human Rights Directive, in every market where we operate to identify, prevent and address human rights breaches.
- Promoting health and safety: we take a systematic approach to 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 enables effective management of health, safety and well-being.
- Collaborating with suppliers: we partner with key suppliers to decarbonize our supply chain. We enable multi-stakeholder platforms to accelerate the adoption of decarbonized technologies, such as electric trucks.


We are committed to creating a high-performance culture where our employees can continue to thrive

Our customers

We are at the forefront of decarbonizing building throughout its lifecycle to ensure a net-zero future, building progress for people and the planet.

Building better with less

With our world's rising population and urbanization, Holcim is building better with less to improve living standards for all and build 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 for a net-zero future. Our ECOPact concrete offers significant CO_2 reductions without compromising on performance and is available in 31 markets.

Decarbonizing cities

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.

Did you know?

3D construction printing offers four key benefits: automation, speed, sustainability and design freedom. We are using 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 lead decarbonizing building across the value chain.

The speed of 3D printing is key to solving critical infrastructure 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.

The Mvule Gardens complex of 50 houses is using 3D printing to deliver affordable, climate-resilient homes in Kenya

Our communities

At Holcim, we are on our journey to promote sustainable development through innovative building materials and solutions. We remain fully committed to creating a positive social impact in the communities where we operate.

Addressing the vital need for housing
Approximately 2.8 billion people experience some form of housing inadequacy. We partner with communities and governments around the world to address this pressing issue, which is expected to become more urgent as a consequence of climate change.

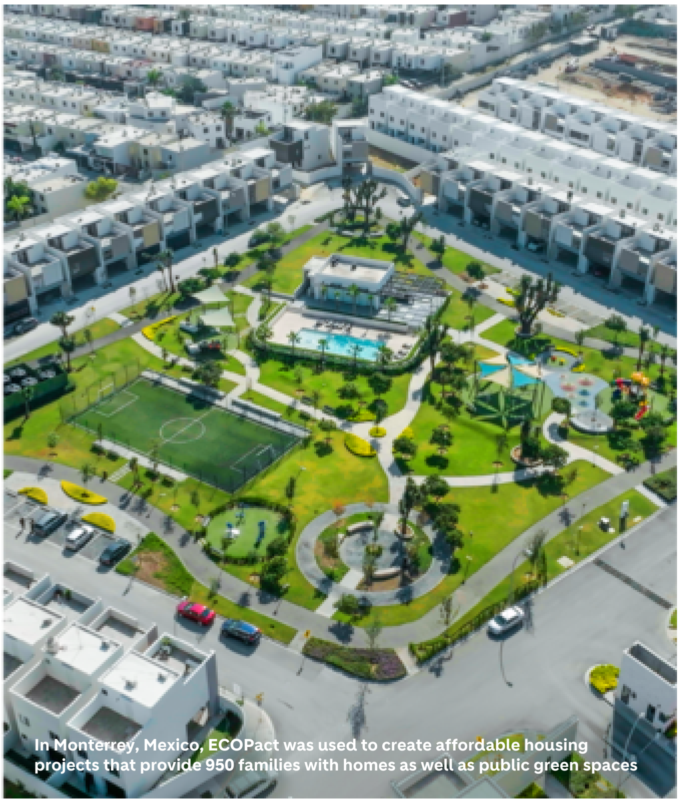
Our experts develop innovative low-carbon solutions that bridge the gap in affordable housing and infrastructure.

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.

"Partnering with Holcim channels market power and digitalization to improve living standards for those most in need. This partnership highlights the critical role that private sector partners like Holcim can play in increasing access to affordable housing for low-income families."

JONATHAN RECKFORD
CEO, Habitat for Humanity International

Casa Laguna, the largest affordable housing project in Ecuador to date, used ECOPact for a 3,500 unit housing development


In Monterrey, Mexico, ECOPact was used to create affordable housing projects that provide 950 families with homes as well as public green spaces

HOLCIM FOUNDATION FOR SUSTAINABLE CONSTRUCTION

By empowering a community of changemakers, we can accelerate sustainable construction

The Holcim Foundation for Sustainable Construction drives impact in the built environment by supporting and connecting the next generation of industry innovators. In 2023, the Foundation expanded its international Holcim Awards competition for design professionals and launched new initiatives to support knowledge transfer among students and emerging talents.

Holcim Awards 2023
The world's most significant competition for sustainable construction became bi-annual in 2023 and attracted 2,380 registrations of interest from 114 countries. Of the 500 submissions, five regional independent juries selected 20 winning projects that underscore the breadth of diverse and innovative real-world approaches to transforming the built environment. A prize pool of USD 1 million was awarded to winning projects in 17 countries.

These projects exemplify the growing global effort to provide holistic design and construction responses that advance multiple aspects of sustainable development. Supported by renowned architects from across the globe, the hybrid Awards Ceremony was held during the Biennale of Architecture in Venice, attracting over 3,700 participants.

"Before, I was seen as a nice young man from Africa building schools. After winning a Holcim Award, people started to call me a designer and it paved the way for my career."

DIÉBÉDO FRANCIS KÉRÉ
Founder, Kéré Architecture, Germany
Laureate of the Pritzker Architecture Prize

Diébédo Francis Kéré addressing winners of the Holcim Awards 2023 at the Venice Biennale of Architecture

Mary C.Boyce, Provost of Columbia University, addressing Holcim Foundation Impact Summit participants in New York

Supporting next-generation industry leaders
In 2023, the Holcim Foundation reinforced its commitment to supporting the next generation of architects, engineers and urban planners by launching its Next Generation Ambassadors program.

The inaugural group of bright young minds launched two community building projects in Tanzania and Indonesia, engaging with local NGO partners and over 50 students from a selection of partner universities to enable hands-on sustainable construction.

In Argentina and Brazil, beneficiaries of the Foundation's Research in Practice Grants produced promotional materials for their research. This included a book on ocean energy infrastructure and a documentary entitled ‘Life on the Amazon Waters’. Their aim is to develop a deeper understanding of local construction processes and issues related to sustainability and housing.

Sounding Boards engage young innovators
One of the Foundation's core goals is to connect innovative thinkers from different disciplines to drive impactful actions that can transform the built environment. Two new event formats were created to break down silos and accelerate the implementation of existing solutions.

Sounding Boards, held in Zurich, Rotterdam and Berlin, gave young innovators the opportunity to discuss their ideas with industry-leading peers. The Impact Summit, held at Columbia University in New York, brought together key players across the construction and real estate value chains, to drive collective action to reduce embodied carbon in buildings at a faster pace. The summit resulted in an industry-first alignment between nonprofits, which drafted a common framework for embodied carbon reporting for U.S. real estate professionals.

Visit holcimfoundation.org for more information


Student and community workshop to select the design for a maternity clinic extension in Tanzania

“A holistic paradigm of sustainability must encompass carbon cost, community, culture, and collaboration.”

Next Generation Ambassadors Manifesto

BUILDING A NATURE-POSITIVE FUTURE

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

CASE STUDY

Building resilient cities

The World Economic Forum predicts that by 2050, 80 percent of the world's population will live in cities.[1] Greener cities enhance quality of life and well-being, while contributing to a net-zero future that works for people and the planet.

At Holcim, we are putting our innovation to work to bring more nature into cities. We need to use nature's precious resources to build cities that are more resilient to the increasingly severe climate events that we are facing. Here nature is one of our greatest allies. Bringing more of it into cities will increase resilience and allow communities to thrive.

In Singapore, the PARKROYAL Collection Pickering hotel, built with Holcim concrete, was designed as a vertical extension of the neighboring Hong Lim Park. The building's hanging gardens add 15,000 m^2 of greenery to the city. The total greenery on the plot covers 240 percent of the development's site area. It includes all of its new and preserved vegetation, vertical and horizontal landscaping, water features, lawns and trees, raised planters, and urban farms.

Watch a video on Asia's largest urban rooftop farm

[1] World Economic Forum data on 'Cities and Urbanization', 2022

The PARKROYAL Collection Pickering hotel in Singapore has a Green Plot Ratio of 240%, certifying that there is greenery covering 2.4 times the size of the building's plot size

NATURE

BUILDING A NATURE-POSITIVE FUTURE

Holcim is committed to contributing to a nature-positive future. We go beyond traditional rehabilitation and transform ecosystems – to increase the resilience of our planet and society.

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

Our commitments include

- Global Biodiversity Indicator and Reporting System (BIRS) baselines complete for all active and non-active quarries by 2024.
- By 2030, a higher biodiversity index measured by BIRS.

Read more about climate and nature-related risks and opportunities on page 236

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

Our commitments include

- By 2030, we commit to lowering water intensity across business lines, with a 33 percent reduction in cement, 20 percent in aggregates and 15 percent in ready-mix concrete.

FRESHWATER WITHDRAWAL

298

Specific freshwater withdrawal
L/ton of cementitious material
2022: 304 L/ton

BIODIVERSITY

64%

Biodiversity baselines assessed using BIRS methodology
(+33% versus 2022)

RECOGNIZED LEADERSHIP

TNFD Taskforce on Nature-related Financial Disclosures

Official Taskforce member and early adopter in 2023

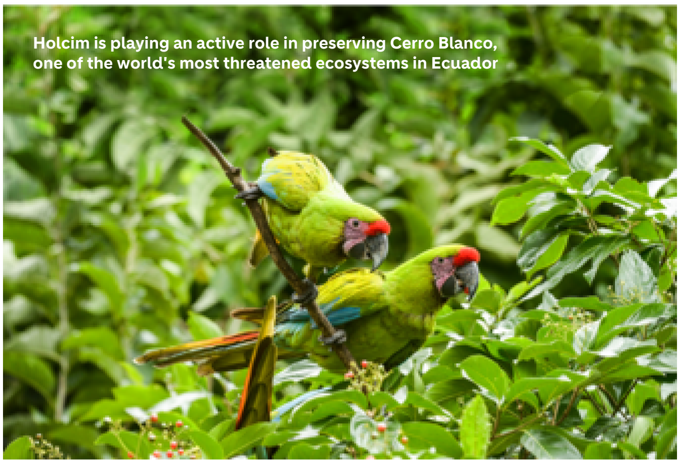
Partnerships for Nature

Holcim was selected by the Science Based Targets Network (SBTN) to pilot the world's first science based targets for nature. We are among the first 17 companies and the only one in our sector. This global initiative aims to set the world's first standards for ambitious and measurable corporate action for nature.

During New York Climate Week, the Taskforce on Nature-related Financial Disclosures (TNFD) announced its final recommendations for nature-related risk management and disclosures. We welcome this as an early adopter. We were one of the 17 corporate members of TNFD and the only company in our industry to contribute to the development of the framework.

We also entered a three-year partnership with the International Union for Conservation of Nature (IUCN) to preserve nature and advance nature-positive development in the built environment. IUCN will validate our biodiversity baseline, identify ways to increase biodiversity levels at our quarries and advise on the protection of freshwater sources beyond Holcim's sites. IUCN will also support us in driving and promoting the inclusion of biodiversity into existing and future building standards.


Holcim Chief Sustainability Officer Nollaig Forrest signs our partnership with IUCN Director-General Dr. Grethel Aguilar


Holcim is playing an active role in preserving Cerro Blanco, one of the world's most threatened ecosystems in Ecuador

BY 2030, WE COMMIT TO REPLENISHING FRESHWATER IN WATER-RISK AREAS

75%

Water-positive sites

100%

Sites equipped with water recycling systems

> **"The commitment of companies to restoring biodiversity and protecting freshwater ecosystems is key to achieving the well-being of our societies. We welcome strengthening our partnership with Holcim to implement positive change in the built environment."**

DR. GRETHEL AGUILAR
Director General, IUCN

> **"Working with leading nature conservation organizations like IUCN, we aim to strengthen our impact for a nature-positive future."**

NOLLAIG FORREST
Chief Sustainability Officer

Progress on BIRS training

Measuring biodiversity is a challenging and crucial step in working toward a nature-positive future. At Holcim, we measure biodiversity in our quarries using the Biodiversity Indicator and Reporting System (BIRS), developed in partnership with IUCN. Measuring and improving biodiversity using this science-based approach across more than 815 active and non-active quarries requires expert knowledge of the methodology and its implementation in restoration plans. As part of the partnership signed in 2023, IUCN will validate our 2024 biodiversity baseline, applying BIRS.

Throughout the first half of 2023, Holcim carried out an extensive campaign of regional BIRS trainings in seven countries, with more than 100 participants from over 32 countries to scale up the internal skills required. We are also developing a mobile application to support countries with the biodiversity level assessment.

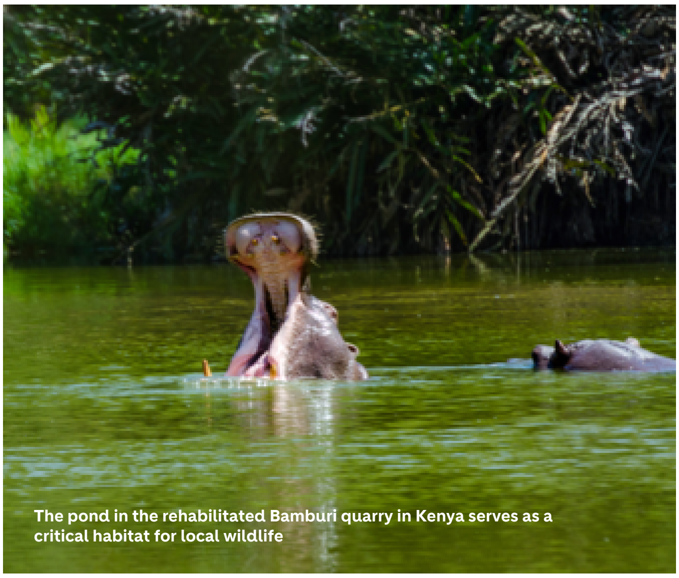
Watch video online here

Concrete innovation to create reefs

Coral reefs, some of the planet's most biologically diverse and valuable ecosystems, are under extreme pressure. For many years now, we have been working on the development of bio-receptive concrete to reconcile the development of marine and coastal infrastructure with ecology.

Currently, constructing artificial reefs is a lengthy and complicated process that involves testing the correct materials and a multi-year monitoring period. As part of the development of our maritime solutions promoting marine biodiversity, we set up a ground breaking dedicated laboratory in the Holcim Innovation Center to shorten this process.

We can conduct a quick material assessment in our labs using all the local project parameters (for example, temperature, salinity, biomass), which allows us to reduce the monitoring period from years to weeks. Our lab work will also help us to produce concrete that will allow for faster biological colonization and that can be applied to artificial reefs, breakwaters, shore protection and port infrastructure.



The pond in the rehabilitated Bamburi quarry in Kenya serves as a critical habitat for local wildlife

RESTORING AND PRESERVING WETLANDS

Wetlands play a vital role in the well-being of the people and the planet. Holcim has a long, global tradition of freshwater ecosystem preservation – including projects to protect and improve our wetlands.

For example, in Bangladesh, we created and now maintain 20 open-water ponds on our site in Chhatak. These ponds help increase and preserve habitats for biodiversity to thrive during the dry months when underground water levels drop.

In Kenya, we created ponds and lakes around our rehabilitated Bamburi quarry as critical habitats and subsystems to enhance and support biodiversity.

In the UK, Chard Junction Quarry is a highly valuable site for birdlife thanks to its numerous areas of quality wetland habitat. And the award-winning restored sand and gravel quarry Ripon City Wetlands is a thriving home for birds and other wildlife.

In France, at a sand and gravel site situated approximately 100 kilometers southwest of Bordeaux, Holcim partnered with a local nature preservation association to create a wetland habitat for frogs, toads, and insects. Today, the area teems with a variety of bird species, including coots, herons, ducks, and egrets.

SUPPORTING WATER SECURITY AND BIODIVERSITY IN THE KUJAWY REGION

Kujawy Quarry in Poland is the largest open-pit limestone quarry in Europe. Until now, 100 percent of the quarry drainage water was discharged into the Noteć River and flowed directly into the Baltic Sea instead of being used locally for farmlands and forests.

The Kujawy Region is facing water risks exacerbated by extreme rainfall events. In some months, there is little rainfall and in others, the rain is torrential. A shortage of water is becoming problematic for the environment in the region: the forest has deteriorated, ponds have dried out and birdlife has disappeared.

Annually, Kujawy Quarry collects 1.5 million m^3 of rainwater in a watertight rock structure which acts as a reservoir. Holcim Poland encouraged the State Forests National Forest Holding to take advantage of this unique source of freshwater. Together with the State Forests, we implemented an innovative solution to supply water to the forest bordering Kujawy and restore its biodiversity, creating favorable conditions for new species, plants, animals and birds to thrive.

The investment will rehydrate the area and bring marshes and ponds back to life that have disappeared over the last 50 years due to the water shortages.

The solution involves draining water from the quarry into a reservoir. It is then pumped up over a height of 60 meters to irrigate a network of channels and retention ponds in the surrounding forests. This delivers up to 750,000 m^3 of water to the forest per year. Our local team has a stringent quality control process in place to guarantee top quality water.

“I am really proud of what our team did at Kujawy Quarry. It shows how our quarries can be part of the solution when it comes to restoring and preserving biodiversity.”

XAVIER GUESNU
CEO Holcim Poland

Helping the local community achieve water security while boosting biodiversity levels around Kujawy

BUILDING RESILIENT CITIES WITH NATURE INSIDE

Cities are in a race to adapt to a rapidly changing climate, and Holcim is ready to be a key partner to them on this journey.

We are putting our solutions to work to make cities climate resilient and improve people's quality of life.

As such, we have identified five built environment challenges faced by city mayors today where we can provide solutions:

1. Reducing CO_2 emissions in the built environment
2. Accelerating circularity in construction
3. Increasing buildings' energy efficiency
4. Boosting biodiversity
5. Improving resilience to climate events

REDUCING CO_2 EMISSIONS IN BUILT ENVIRONMENT

With urbanization on the rise, around 60 percent of the buildings that will exist by 2050 haven't been built yet. We therefore have the potential to help cities curb greenhouse gas emissions with our building solutions that enable a lower carbon footprint and reduced material use.

We are empowering smart design and deploying new building technologies to use minimum materials for maximum strength, like DYNAMax, our high-performance concrete. Our other smart design solutions include carbon pre-stressed concrete slabs, 3D printing and the innovative Rippmann Floor System – a low-carbon, fully circular prefabricated concrete floor solution.

We are rolling out Environmental Product Declarations (see page 51) across our solutions. These independent verifications validate the environmental profile of our solutions, ensuring transparency for public authorities and city planners.

CIRCULAR CONSTRUCTION

Circular construction is an essential lever to decarbonize building. Through urban mining, we are scaling up our advanced circular material solutions to build new from the old.

We are increasing recycling of construction demolition materials (CDM) globally and building our capacity to recycle 100 percent of concrete-based CDM using our ECOCycle® technology, with game-changers such as advanced crushing (see page 23).

ECOCycle® is enabling the construction of the world's first fully recycled concrete building in partnership with Sequens: Recygénie, a social housing complex near Paris.

Using our formulation expertise, Holcim developed the world's first fully recycled concrete for this project, with the cement, aggregates and water all made from recycled materials.

This novel concrete saved more than 6,000 tons of natural resources, and was one of four Holcim innovations to win awards in the Circular Transition category of the 2023 Reuters Responsible Business Awards (see page 48).

INCREASING ENERGY EFFICIENCY

Energy used to power, heat and cool buildings is responsible for up to 80 percent of CO_2 emissions in cities. Buildings therefore present a unique opportunity to speed up the transition to decarbonized energy and highly energy-efficient cities.

We are improving energy efficiency with advanced roofing and insulation systems. Enverge Spray Foam develops advanced insulation systems such as its bio-based SucraSeal spray foam insulation, designed to improve buildings' energy efficiency and thermal comfort while lowering the carbon footprint.

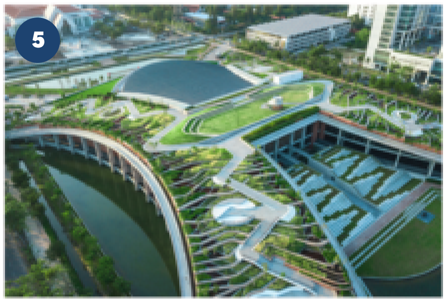
Malarkey 3M™ Cool Roofing Granules include a technology based on granules that reflect 20-25 percent of the sun's energy, reducing cooling-related energy needs. Our long-lasting roofing solutions also enable the installation of solar panels to shift to decarbonized sources of energy.

BOOSTING BIODIVERSITY

Global urban expansion is forecast to result in the loss of 290,000 km^2 of natural habitat between 2000 and 2030. To ensure a nature-positive future, urban growth needs to be sustainable and nearby nature must be protected, restored and enhanced. Nature in and near cities is crucial not only to maintain biodiversity but also to ensure human wellbeing, which depends on the benefits that nature provides.

Our solutions include providing a home for ecosystems on green roofs with trees, plants and rainwater harvesting. Furthermore, creating urban green spaces using Hydromedia permeable concrete enables us to grow urban forests by recharging groundwater.

Marine habitats are equally affected by climate change and pollution. Our bioactive concrete can be used to build bioactive infrastructure for marine and coastal ecosystems, including artificial reefs.



IMPROVING RESILIENCE

Cities, home to over half of the global population, are facing a rapidly changing climate, with the challenges of drought, extreme heat, water scarcity and flooding expected to intensify. It is therefore essential for cities to adapt to protect residents and infrastructure from developing climate risks and increase resilience.

To protect from coastal flooding, our Basalton shore protection system for coast and revetment areas provides stabilization and erosion control. Inland, Hydromedia permeable concrete is a water management system that rapidly absorbs rainwater – reducing the risk of flooding.

Reducing air pollution is an important challenge, and we are helping urban environments tackle this issue with solutions like Malarkey's world-first smog-reducing shingles that remove smog gases from the air. To reduce the urban heat island effect, we also enable green roofing systems as a durable solution to the problem.

BUILDING FOR PEOPLE

We are committed to improving society by raising living standards for communities worldwide, while empowering our people to thrive so they can make a difference.

CASE STUDY

Sustainable building for all

How do we meet the essential needs of displaced people, who can live in temporary settlements for decades?

Unveiled at the 2023 Biennale of Architecture in Venice, The Essential Homes Research Project by Holcim and the Norman Foster Foundation is our answer to this question.

In the words of Norman Foster, Founder and Executive Chairman, Foster + Partners, this project was, “the outcome of a few months of intensive activity in collaboration with Holcim”.

The Norman Foster Foundation designed a housing concept to provide safety, comfort and well-being for displaced people, and Holcim brought the concept to life with its sustainable building solutions.

Using low-carbon, energy-efficient and circular solutions, together we showcased how sustainable building can be possible for all.

Low-carbon rollable concrete sheets serve as an external shell, permeable pathways made of ECOPact low-carbon concrete connect the homes, and energy-efficient systems from Elevate and Airium insulate them.

Watch video online here

Essential Homes Research Project on display in Venice during the 2023 Biennale of Architecture

PEOPLE
HOLCIM PEOPLE

2023 was a year of transformation for everyone at Holcim, from our senior leaders to the next generation of change makers.

We are committed to creating a high-performance culture with more than 500 P&L leaders driving a customer-centric decision-making process, based on empowerment, lifelong learning and development. A diverse and inclusive culture where everyone can develop the skills they need to thrive. With 63,448 Holcim people working worldwide, we are driven to realize our full potential and at the same time make a positive difference to the world. From senior leaders to the next generation of change makers, in 2023, we accelerated our transformation.

People strategy for green growth
In 2023, we continued to focus on making Holcim a best place to work and empowering employees to achieve our green growth ambition. Efforts are now underway to establish the common threads of the Holcim experience to meet the needs and expectations of our people.

Built upon our decentralized business model, our approach empowers individual countries to cultivate practices that strike a harmonious balance between equitable treatment of our workforce and the demands of our operations, customers and communities. This commitment is stated in our Group Human Resources Policy, where it reinforces our commitment to put our employees at the center of what we do.

Our policy is adaptable to align with local regulations while upholding its fundamental principles of fairness, respect, and the safeguarding of human rights and eliminating child labor. If need be, we refine the policy to comply with local laws but preserve its essence.

Upholding our Code of Business Conduct
In cases where there is a breach of our Code of Business Conduct (CoBC), thorough investigations are conducted as outlined in our compliance directives. If substantiated, disciplinary measures against employees engaged in misconduct may be implemented.

Developing leadership at all levels
At Holcim, we ensure that all our employees are encouraged to thrive and grow in their roles.

This starts with empowering our young talent to make a difference. The Early Career Leaders Program is a comprehensive leadership development initiative to equip next-generation leaders with the tools, knowledge, skills and experiences they need to become effective leaders.

Spanning a six-month period, the program offers participants a unique opportunity to receive coaching, engage in hands-on learning through project work focusing on sustainability, increase their exposure to senior management, and more. By the end of 2023, 514 early career leaders had completed the program.

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

Our top young talents came together at the One Young World (OYW) Summit 2023 in Belfast to drive positive change

Holcim's got talent ... at One Young World Summit 2023

In 2023, Holcim delegates gathered at the One Young World (OYW) Summit in Belfast, UK, to give visibility to sustainable and affordable housing under the slogan #BuildingForPeace. Representing over 190 countries and more than 250 organizations, young leaders came together to accelerate social impact.

To demonstrate a solution to the challenges faced by displaced people, we showcased our Essential Homes Research Project, developed with the Norman Foster Foundation, at our booth, during an onstage session, and in workshops.

We also support OYW's Lead2030 initiative, which funds and accelerates solutions to the Sustainable Development Goals (SDGs). Our partnership with OYW empowers our young people with a once-in-a lifetime opportunity to get inspired to make positive change, develop leadership skills, grow their global networks and build the company they want to work for.

Our OYW ambassadors carried on this transformational spirit by creating a grassroots movement within Holcim: the I'M-Possible Movement. Today, the movement has almost 400 members from 36 countries, helping to build the company they want to work for.

HOLCIM GLOBAL LEADERSHIP PROGRAMS

SENIOR LEADERS BUSINESS SCHOOL	Driving strategy execution	**On-site** 3 days	**200** participants in a fixed group	**Total** 1,209 leaders
ADVANCED LEADERS BUSINESS SCHOOL	Preparing the organization's senior leadership	**Live-Online** 5 sessions	**62** completed by end of 2023	
EMERGING LEADERS BUSINESS SCHOOL	Nurturing leaders to lead the way in accelerating growth	**Live-Online** 4-month journey	**433** completed by end of 2023	
EARLY CAREER LEADERSHIP PROGRAM	Building the next generation of leaders	**Live-Online** 6-month journey	**514** completed by end of 2023	

Democratizing learning

At Holcim, we believe that learning new skills should be available to everyone, and primarily driven by each individual employee. Our vast online library Percipio is freely accessible to all employees, providing just-in-time learning and performance support. Newly introduced, GoFluent is a state-of-the-art language learning tool.

Based on enthusiastic feedback from our Early Career Leaders, we have introduced the opportunity for individual coaching across many levels of the organization. Already, around 1,500 people from over 50 countries have received 1:1 coaching from a professional.

Driving performance through engagement

We want to inspire all of our colleagues to build progress for people and the planet. To achieve this, we conducted a global employee survey in 2023 for a second consecutive year. Over 56,000 employees shared their voice, a strong participation rate close to 90 percent that shows the strength of our company.

Since the previous survey in 2022, engagement has increased significantly – up from 3.73 to 3.92 out of 5, representing 78 percent of engaged employees - with Holcim rated higher on every question compared to last year. This positions us among the top quartile of companies that achieved an improvement.

Colleagues reconfirmed that what they value most is the opportunity to do their best every day at work, with clear expectations, the right materials and equipment and a connection to the company's purpose. They appreciate that they work in a respectful, safe environment.

Empowering our people to voice their views gives us a solid foundation to drive meaningful action and build a great workplace with the involvement of everybody. Our priority is to continue to foster best leadership practices across Holcim, developing a strong culture of recognition and effective conversations on individual progress and growth on a continuous basis. Another employee survey is scheduled in 18 months.

Developing our senior leadership

We brought our top 200 leaders to Washington, D.C., for our annual Senior Leaders Meeting. Kicked off by Chairman and CEO Jan Jenisch and attended by the entire Group Executive Committee, the meeting was an immersive opportunity to focus and mobilize our global team spirit on advancing our "Strategy 2025 – Accelerating Green Growth".

In 2023, we ran a series of workshops and team-building activities for senior leaders in Washington, D.C. to focus on and mobilize our global team spirit

Globally committed to diversity
One of our strategic priorities is to foster a diverse and innovative workforce, with the aim of having women occupy 25 percent of senior management roles. The share of women in senior management increased from 18 percent in 2022 to 21 percent in 2023.

In recognition of our focus to progress with gender, generation and broader diversity and inclusion, Holcim was once again named one of Forbes' Top Female-Friendly Companies, while Fast Company named Holcim one of the Best Workplaces for Innovators 2023.

Local country operations successfully progressed with the implementation of dedicated recruitment efforts for diverse and early career talent through internships, as well as establishing employee resource groups and programs such as Women on Wheels.

While local teams are compliant with regards to their applicable gender pay equity regulations, we continued with our second global assessment using a recognized statistical regression analysis model. We monitor progress on a yearly basis to ensure equal pay for equal work and performance – not only between women and men, but also irrespective of ethnic origin, age, religion, ideology, sexual orientation or factors such as physical disability.

We also participate in yearly certification processes with external vendors that benchmark our strategic plans, human resources processes and diversity, equity, and inclusion (DEI) initiatives against other top employers and industries. These certifications are a positive signifier for prospective employees and help us, as an organization, to align, amend and verify how effective our processes and programs are. Through these assessments, we have already been able to identify areas for improvement and received validation for areas where we are ahead of the curve. Among these certifications are Top Employer and EDGE, which we have been awarded in various locations, including Switzerland, Poland, Spain, Colombia, and several others.

WOMEN ON WHEELS

Women on Wheels started off as a pilot in Uganda in 2018 and rolled out as a global initiative in 2021. By the end of 2023, more than 15 countries deployed this program to improve the lives of women and their families. The program encourages women to become truck drivers and provides them with training. The idea was born out of a global truck driver shortage, which affected Holcim's ability to transport its products. Training women as truck drivers not only addresses this issue, it also promotes greater female participation in the transport sector, where women are greatly underrepresented.

Our Women on Wheels are trailblazers in their communities and the industry, actively working on breaking down stereotypes and biases. In more conservative societies, in particular, these women are changing perceptions by showing that women can drive trucks and thrive in the world of work. In 2023, Holcim Ecuador won a Gold Effie award in the Corporate Reputation category for the program, and other organizations have expressed interest in it.

GROWING AND THRIVING

Lean In Circles, pioneered by Sheryl Sandberg's Lean In Foundation, are small groups empowered by women that meet regularly to provide a supportive network for women to learn and grow together. This grassroots program at Holcim is supported by senior leaders. After the first cohort of 40 Circles with 300 female employees in 32 countries, more than 87 percent of those who took part said the sessions had a positive impact on their lives. In the near future, we will extend the program to all countries where we operate and to other diverse groups of employees.

"With Lean In Circles, we are creating a mentoring culture, celebrating each other's wins and supporting gender diversity at all management levels."

CARMEN DÍAZ CANABAL
CEO Holcim Spain

21%
Female senior managers in 2023 (+3% versus 2022)

15
Countries have run Women on Wheels programs

The ConstruActoras ("Women in Construction") initiative promotes gender diversity in construction

SUPPORTING ARGENTINA'S WOMEN IN CONSTRUCTION

Informal studies in Argentina suggest that women make up only five percent of the workforce in the construction sector. We launched the ConstruActoras (Women in Construction) initiative to draw attention to 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 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. In 2024, we plan to start involving our partners in the initiative to involve more women.

Commitment to road safety
In our journey towards zero harm on the road, Holcim has continued to improve its road safety performance and completed more than 91 percent of kilometers driven by our own and partner vehicles in full compliance with our program. The program focuses on in-cab driver training, in-vehicle monitoring of the driver and performance feedback and coaching.

Our new DriveSuccess workshops, which aligned all the logistics stakeholders on shared goals, were launched in five countries. They engaged over 1,800 drivers, 70 transporters and nearly 60 senior leaders across five countries. During UN Road Safety Week, we campaigned for safe following distances in 34 countries, reaching over 16,000 drivers.

"DriveSuccess is designed to engage our drivers and transporters, and enable country leadership teams to take action and promote positive reinforcement. Our plan is to replicate these workshops in every country in 2024 to further our Road Safety Program."

JEFFREY GIESSE
Group Head of Health, Safety & Environment


Road safety simulator training in Algeria

1,800
Drivers reached through DriveSuccess workshops

+870
Female drivers globally in 2023 compared with 2022

HEALTH, SAFETY & ENVIRONMENT

In 2023, the three pillars of our Health, Safety & Environment (HSE) operating model evolved into a foundational strength that is shaping our performance and organizational culture.

In 2023, the synergy among the three core elements of our HSE operating model has evolved into a foundational strength shaping our performance and organizational culture. We focused our approach by conducting successful HSE projects in every country, proving through on-the-ground implementation that “zero is possible”.

HSE are core values at Holcim. In 2023, our Lost Time Injury Frequency Rate (LTIFR) dropped 19 percent to reach 0.43, with 98 percent of our sites and 48 percent of our countries reporting no lost-time injuries (LTIs). This reduction correlates to the strong engagement of our workforce with Holcim’s Boots on the Ground program.

Aiming for a zero harm business

We deeply regret that two incidents in 2023 resulted in the tragic loss of two employees' lives. Each of these cases was thoroughly investigated, and remedial actions were implemented to prevent reoccurrence. In such circumstances, our top priority is to support the needs of families and colleagues affected. For us as a company, it is a renewed call to keep ensuring and improving a safe, healthy work environment for our people and partners, so that everyone who works for us makes it home safely every day. We will not rest until we reach zero.

In 2023, we set out to prove that zero environmental impact is possible, by implementing water, internal waste and energy reduction projects. Our operations responded positively, by planning and executing 188 projects worldwide to reduce power emissions and consumption, enhance water recycling, and increase internal waste recycling and diversion from landfills in every Holcim country. This initiative is accelerating the overall improvement versus last year on waste (47,000 tons diverted from landfills, up 7 percent from the previous year), water (recycling 610,000 cubic meters) and energy (emissions in Scope 2 reduced by 45,000 tons of CO_2).

We improved our environmental performance, reducing dust emissions by 13 percent and SO_2 by 5 percent. We reduced dust emissions per ton of clinker by 10 percent, to 64 g/t, surpassing our 2030 target of 75 g/t, as well as meeting our 2030 SO_2 target of 230 g/t.

As part of our overall governance, we have completed 68 comprehensive HSE audits. In addition, we have implemented new rules to simplify and reinforce our minimum expected behavior and a new policy to align to our HSE Operating Model.

Our three-pillar HSE Operating Model

- Critical risk management: prioritizing the most important HSE risks
- Workforce engagement: involving all employees in promoting HSE
- Continuous improvement: driving long-term HSE performance improvements

Critical risk management

In 2021, we launched Critical Control Management (CCM) to simplify and focus our approach to reduce critical incidents. The program covers 49 critical controls across HSE topics and requires verification on a quarterly basis in all our sites.

We have achieved a nine percent improvement in the performance of the program since 2022, driven by thorough action planning and resource allocation in all countries. As of 2023, we have completed 70,000 verifications of critical controls and resolved 14,000 actions, 10 percent more than in 2022.

We continue to reinforce the program through coaching tracked in our Boots on the Ground application and training for our site leadership teams – adding up to 128,000 coaching interactions.

Our task force of Group HSE experts continued CCM compliance audits in 20 countries in 2023 to ensure quality of verifications and action plan implementation.

Algeria goes for ZERO

Algeria has opted to embrace the ZERO environmental impact challenge, by implementing nine projects on five sites to address internal waste (400 tons diverted from landfill), water (10,000 m^3 of water recycled), and energy (with 366 MWh produced by solar).

Workforce engagement

Boots on the Ground, our workforce engagement program is part of Holcim's DNA. Our dedicated mobile application reinforces frontline supervisors accountability, supports team-based collaboration and enables transparent tracking of workplace improvements. The program and the launch of our improved digital application was highlighted during the 2023 Senior Leaders meeting.

The impact of Boots on the Ground is incontestable and helped drive a reduction in injuries and accelerate a positive cultural shift. Our digital approach to workforce engagement has been selected as a 2023 Innovation Award Runner-up from the National Safety Council, a well-recognized HSE institution from North America.

Together, 15,000 supervisors and managers have spent more than four million hours in the field, more than 1.9 percent of total hours worked, on HSE activities. Boots on the Ground's gamified approach to workforce engagement has resulted in 650,000 field interactions recorded and 200,000 improvement actions closed in 2023.

Our second annual Global Rewards & Recognition celebrated its very first Country Gold Award for Colombia, with five Silver Country awards, and 47 unit awards for HSE Excellence in operations.

Continuous improvement

We further expanded our global reporting platform iCare to enable future use of Artificial Intelligence, and deployed new sets of user-centric real-time dashboards. Over 35,000 actions are created each month, in relation to audit findings, critical control verifications, process safety, environmental assessments, incidents, identified hazards and HSE coaching sessions – with a large majority coming from the Boots on the Ground application.

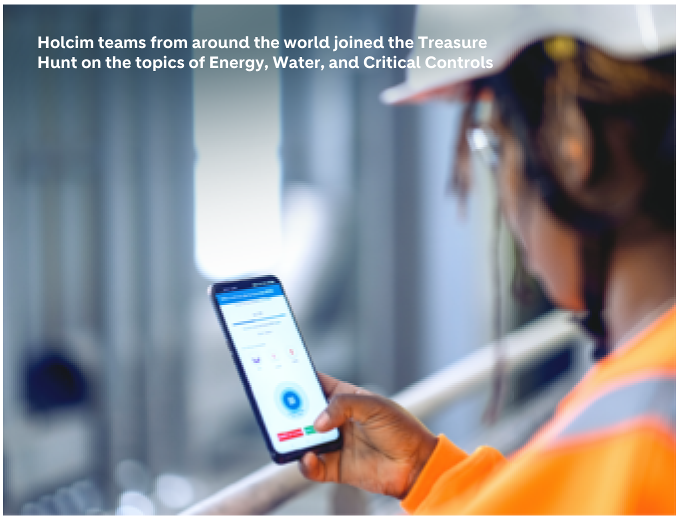
The POWER program focuses on the top 10 opportunities to increase energy efficiency and green sourcing to reduce Scope 2 CO_2 emissions. Launched in 2022, this year we have identified 155 new projects with savings estimated at 91 tons of CO_2.

In 2023, Holcim invested CHF 102 million in HSE improvement projects.

HUNT FOR TREASURE AND SAVE ENERGY!

In 2022, we launched a powerful digital initiative inside our Boots on the Ground application – the Treasure Hunt. Designed to educate and bring teams together to learn and implement energy-saving opportunities, it led to 51 kilotons of Scope 2 CO_2 being removed. Leveraging this success, we enhanced the application and expanded the initiatives to cover an improved energy savings hunt, water conservation, and critical risks related to health and safety.

Participation increased by 32 percent with 6,600 employees joining the competition in 1,700 teams. As a result, 30 kilotons of CO_2 were eliminated, saving CHF 5.3 million and 920,000 m^3 of water, and 3,400 potential serious injuries were avoided. Winning teams are recognized during the annual Global HSE Excellence Awards.



Holcim teams from around the world joined the Treasure Hunt on the topics of Energy, Water, and Critical Controls

-19%

Reduction in lost-time injury frequency rate to 0.43

98%

Of our sites with no lost-time injuries

HUMAN RIGHTS AND OUR COMMUNITIES

At Holcim we are committed to respecting and promoting human rights, and to creating a positive social impact in the communities where we operate.

Contributing to resilient living
We are building progress for people and the planet by upholding the highest human rights standards and spearheading a wide range of social initiatives. Upholding human rights is a cornerstone of our People Strategy, which also focuses on our legacy of positive social impact, with more than CHF 190 million in social investment over the last six years.

In 2023, we invested CHF 24.8 million in social development programs globally, accelerating access to adequate housing and infrastructure – where we contributed CHF 7 million in 2023 – and in continued support to communities, from health and education to skills development.

Upholding human rights

Human rights are universal rights that allow people to live in dignity, freedom, equality, justice and peace. As a Group, Holcim is committed to upholding and promoting human and labor rights in all our operations, business activities, business relationships and in the communities where we work.

Our human rights journey

Holcim has a legacy of working to uphold human rights in our business activities. One of the early landmarks came in 2003 when we joined the UN Global Compact, with its key principles and reporting requirements.

2003
Joined the UN Global Compact and commit to respect human rights

2004
First Code of Business Conduct including human rights

2006
First reporting on human rights commitments and performance

2007
Start of human rights training

2011
Risk-based Human Rights Approach developed, aligned with the UN Guiding Principles on Business and Human Rights

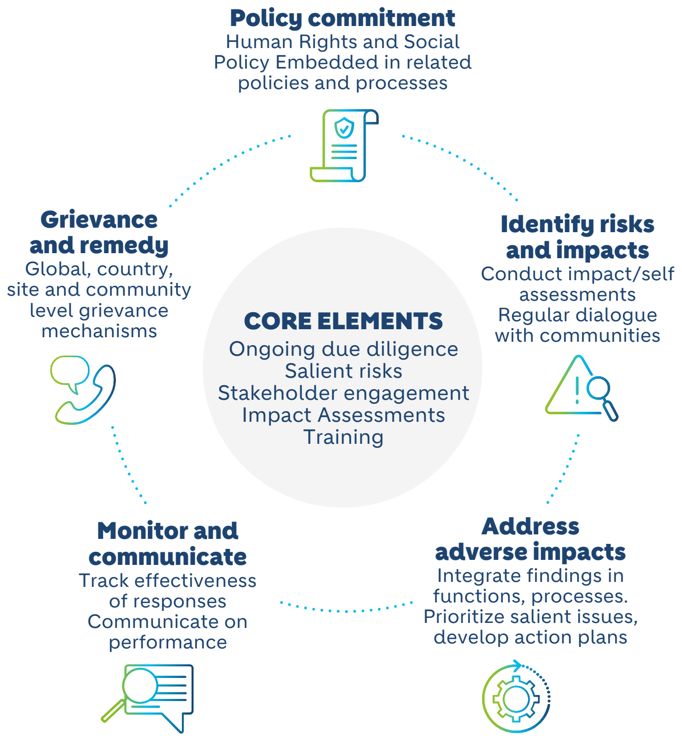
First Human Rights impact Assessments

2012
Published the detailed Human Rights Manual, applicable for all countries

Supplier Code of Conduct, based on the UN Global Compact principles, published and communicated to all suppliers; launched the Sustainable Procurement program applicable for all countries

2013
Further implementation of Human Rights Management System; six Human Rights Impact Assessments and action plans carried out

Our Human Rights Approach



Our Human Rights and Social Policy and Human Rights Directive sets out our approach, processes and our salient risks. Holcim´s human rights guidelines and salient risks were defined after extensive consultation with our global senior executives, global managers, staff, external human rights experts, civil society and community representatives, and are aligned with the principles and values of the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

Human rights due diligence and global training are key to our efforts to improve performance. Human Rights Impact Assessments, which are part of our Human Rights Approach and due diligence work, have been carried out for more than a decade, led either by Group-level experts or at a country level. Today, every country where we operate has a human rights assessment process in place with defined action plans. In 2023, 21 Impact Assessments and 26 Self Assessments were conducted (including joint ventures). Under our country and Group-level programs in 2023, we trained more than 18,650 employees, contractors, community members and other stakeholders on human rights topics.

2014
Human rights assessments conducted at 39 Group companies; action plans drawn up by 21 Group companies to rectify issues

2016
First Human Rights Directive published

2017
More than 50 percent of Group countries had conducted human rights assessments in the last three years

2019
More than 90 percent of countries had identified their high ESG-risk suppliers; 77 percent of spend with them was aligned with our Supplier Code of Conduct and the Sustainable Procurement program

2020
Internal human rights community relaunched

CEO Jan Jenisch signed the Call to Action for Business Leadership on Human Rights by the World Business Council for Sustainable Development (WBCSD)

Corporate Human Rights Benchmark placed Holcim first in the building materials sector

2021
Human Rights and Social Policy launched and Human Rights Directive updated

Governance of our Human Rights Approach strengthened

More than 16,000 people trained on human rights

100 percent of countries had a human rights assessment process and action plan in place

Signed the UN Pledge to contribute to eradicating child labor in supply chains and initiated actions to increase visibility in our extended supply chain for high-risk categories and countries

2023
All cement plants and grinding units in Holcim consolidated and managed countries to have human rights assessments in place

Corporate Human Rights Benchmark again placed Holcim first in the building materials sector

100 percent of countries had identified their high ESG-risk suppliers; 93 percent of spend with them was aligned with our Supplier Code of Conduct

Our Human Rights Salient Risks

We have identified seven salient human rights risks from our business activities, which we may cause or contribute to, or to which we could be directly linked, and which we seek to proactively identify, cease, prevent or mitigate.

Salient risk	What it means for Holcim	Examples
Health and safety	Being a leader in the building materials industry means setting new health, safety and environmental standards. Our aspiration is to conduct a business with zero harm to people and to create a healthy and safe environment for our employees, contractors, communities and customers, while minimizing our environmental footprint.	In 2021, we rolled out the Boots on the Ground program worldwide. The initiative includes a digital application that drives employee engagement and provides managers with tools to enhance the work environment and support the safe execution of the job. Boots on the Ground's gamified approach to workforce engagement has resulted in 650,000 field interactions recorded and 200,000 improvement actions closed in 2023.
Working conditions in our operations and particularly in our supply chain	We respect workers' rights. This applies to direct employees as well as contractors.	In Iraq, new accommodation of a good standard was built for security guards, to further improve working conditions for contractors on our facilities.
Discrimination and harassment	We promote an inclusive and fair workplace, where discrimination and harassment are not tolerated. An equal opportunities employer, Holcim actively promotes diversity, making no distinction on ethnic backgrounds, cultures, religions, ages, disabilities, medical conditions, races, sexual identities, gender, worldviews, affiliation to political organizations, unions, minority groups, sexual orientation, race and religion. Harassment is an unwelcome, disrespectful or unacceptable behavior that has the purpose or effect of creating an intimidating, hostile or offensive work environment.	Globally, the company created LeanIn Circles. These are small groups of 8-12 women, who meet on a regular basis to share experiences, insights, and knowledge, all while providing a supportive network for one another. It is a space where people can learn, grow and thrive together. In 2023, more than 300 women from 32 countries participated in the LeanIn Holcim Network.
Security-related abuses and violations	We use security services to protect our people and assets from intentional criminal activity and malicious acts on an as-needed basis and follow a strict risk-based methodology and stringent rules of professionalism and integrity. Holcim has made its adherence to human rights very clear in its Security and Resilience Policy and governance. Holcim is holding its private security service providers and public forces accountable for meeting the highest compliance standards with international best practices for security and human rights.	In October and November 2023 in Nigeria, we provided a sensitization for 90 public security forces from high-level government officials to local area commanders. The sessions were held in the form of central meetings, local workshops and pilot 'train the trainers' sessions as part of the Holcim Security Services with Integrity (SSI) program. This is the first step of a long-term program that Holcim is providing for the public security forces in the country.

Salient risk	What it means for Holcim	Examples
Child labor in high-risk supply chains	We respect and support children's rights in our operations and supply chain. Holcim is at the beginning of the supply chain, therefore our Human Rights Impact Assessment and actions with communities are key levers to identify and act to eliminate child labor, for example by implementing social initiatives addressing communities' socio-economic challenges.	In 2021 we joined forces and signed the International Labour Organization (ILO) pledge to "Eliminate Child Labour in global supply chains". In 2023, we implemented a proactive "ESG Alert System" that uses Artificial Intelligence to map and monitor Tier 2 suppliers in high-risk supply chains (e.g. extractive materials in MEA). For many years, we've been enabling access to education by running 19 schools in 9 countries (e.g. Colombia, Iraq, Jordan), to help prevent child labor. More information is available on page 173
Dust and other emissions	We require all our sites to measure and manage air and other emissions. Our plants shall operate within emission ranges to comply with environmental laws, regulations and standards applicable to our products and operations, and subscribe to leading industry initiatives and internal requirements. We continue to make improvements across all sites to address other sources of dust, such as surrounding roads. We have a program in place to consistently reduce fugitive emissions in all our plants, to preserve the local environment and minimize impacts on neighboring communities.	When a dust filter problem occurred at one of our plants, we immediately took action to remedy the situation and informed the community. We stopped production for nine months until the filtering system was upgraded to meet internal and external requirements. More than CHF 7 million was invested to improve dust-related equipment at the plant. The newly installed filter requires less maintenance and simpler operations, being more reliable in ensuring low emissions of dust.
Climate change and its impacts	We are decarbonizing our operations, scaling up low-carbon and circular construction, and growing Solutions & Products to make buildings sustainable in use. Holcim's strategy includes 2030 and 2050 targets aligned with a 1.5°C scenario validated by the Science Based Targets initiative. We engage transparently and responsibly with public authorities, industry partners, customers and communities to create a political, economic and social ecosystem that encourages decarbonization, and fosters an environment that works for people and the planet.	We take a whole-society approach toward reaching net zero, respecting human rights while creating decent work to ensure a Just Transition. In the absence of a universal framework for a Just Transition, we engaged with external provider DNV to develop our own. Our aim is to assess the impacts of our journey to net zero on four key stakeholder groups: our people, our suppliers, our communities and our customers.

Human Rights Impact Assessments

Human Rights Impact Assessments (HRIA) require careful preparation and in-depth work on the ground with a wide range of internal and external stakeholders.

For example, during one of Holcim's HRIA's in 2023, we held confidential consultations with approximately 100 stakeholders at several sites in Ecuador. These consultations included employees of all levels, contractors, clients, NGOs, minority groups, government officials and local populations. We also met suppliers and customers, diplomats and a national human rights organization, as well as labor and human rights specialists.

The result of the assessment showed that our employees and contractors enjoy safe and dignified working conditions. Labor rights are being respected and in all areas, the Holcim operating company goes considerably beyond minimum legal requirements. The impact assessment was carried out by highly experienced and trained Group-level employees who have done similar HRIAs in many parts of the world. The assessment was conducted with a local Holcim team, with representatives of different functions, such as Health Safety and Environment, Sustainability and Human Resources. Training the local team is part of our strategy to embed human rights due diligence in ongoing processes.

After the visit, the assessment team shared a report including key findings with the country's Executive Committee. It had recommendations for improvements and actions to counter potential risks identified. An overview of positive aspects, including the closure of actions from previous assessments, and opportunities for continuous stakeholder engagement, was also included. The findings and actions were recorded in a global system and are followed-up on a quarterly basis by the country's and Group's human rights experts.

Ongoing stakeholder engagement

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

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

Having a Community Advisory Panel is mandatory for cement plants and grinding units and ensures regular exchanges with community representatives. In 2023, 116 cement sites had an active Community Advisory Panel, with 1,526 meetings held with local stakeholders. Engagement with relevant stakeholders is also mandatory in the planning stage of a new development, such as a new quarry.

Addressing stakeholder questions

We have a number of mechanisms in place to address stakeholder questions and concerns. IntegrityLine is an anonymized and confidential grievance mechanism, available in multiple languages, for employees and their families, contractors, suppliers, business partners, customers, community members and other stakeholders. The hotline service is operated by an external third party. All grievances must be investigated and responded to.

Regular engagement with key stakeholders helps us to better communicate how our business activities, as well as our sustainability performance, are likely to affect our stakeholders. The dialogue allows us to better understand our stakeholders' perspectives and provide opportunities to co-create solutions that benefit everyone.

CONCRETE FLOORS FOR IMPROVED HEALTH

NICARAGUA

In Latin America, approximately six percent of households have dirt floors, which can lead to serious illness, particularly among children and elders. Habitat for Humanity launched the 100,000 Floors to Play initiative to replace 100,000 dirt floors with concrete among Latin America and the Caribbean's most vulnerable populations. In 2022 and 2023, Holcim Nicaragua replaced dirt floors in 175 households with concrete in the cities of Estelí and Nagarote. We will continue at a faster pace until 2030 as we aim to reach our 1,200 households target.

Holcim Nicaragua is taking part in Habitat for Humanity's 100,000 Floors to Play project

EMERGENCY SHELTERS

MOROCCO

Following the devastating earthquake in Morocco in September 2023, our local team actively contributed to first aid efforts by sending three medical ambulances and 28 volunteer rescuers to the affected Al Haouz region.

The team also established tents and a base camp in Toulkine (Tahanaout region), featuring 18 purpose-built and fully equipped bungalows that can accommodate 120 people. These bungalows serve as a refuge for residents battling harsh winter conditions, and as classrooms for children, showcasing our dedication to the well-being of the communities we serve.

In collaboration with the Holcim Innovation Center, an emergency shelter, inspired by the Essential Homes Research Project, was also installed in the Toulkine region. The emergency shelter is made from low-carbon rollable concrete slabs, used as an external shell for physical security and waterproofing.


Shelter prototype designed by Holcim Innovation Center and Holcim Morocco

Wide-ranging initiatives to empower communities
At Holcim, we are fully committed to creating a positive social impact. Social Initiatives complement our human rights commitment. We strive to be a trusted corporate citizen and to contribute to the social and economic development of the communities in which we operate.

In 2023, we continued to empower communities through a broad range of initiatives covering housing, health, education and skill building. In addition, Holcim employees spent 47,750 hours volunteering in our communities, taking part in everything from beach cleanups to sharing skills in local schools.

Access to adequate housing
Globally, 1.6 billion people lack adequate housing and infrastructure. Using our expertise in building solutions and partnering with communities, NGOs and governments around the world, we address this global social challenge.

Our experts develop innovative low-carbon solutions that bridge the gap in affordable housing and infrastructure. This benefits people and communities globally while contributing to our business success. Partnering with organizations that share our goal of building more affordable and resilient housing, such as Habitat for Humanity or Build Change, we collaborate to scale up impact. Holcim is a founding member of Roof Over Our Heads, a campaign to improve the lives of two billion vulnerable people living in informal settlements by 2050.

HOUSING FOR THE HOMELESS

CANADA

In Canada, veterans are disproportionately at risk of becoming homeless. The Homes for Heroes project provides a caring, innovative and comprehensive solution to homelessness among veterans, by building unique and affordable urban villages in cities across Canada, with the aim of helping homeless veterans get back on their feet.

CLIMATE-RESILIENT HOMES

PHILIPPINES

In the Philippines, we invested to jumpstart our climate-resilient housing program in partnership with local NGOs, BUILD CHANGE and ASKI-MFI. The initiative gave financial access to low-income families vulnerable to the impacts of extreme weather events. It empowered local communities to build resiliently thanks to technical training, and integrated use of Holcim's innovative products to retrofit and improve people's homes.

SUSTAINABLE SUPPLY CHAIN

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.

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

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

Sustainability is embedded in our procurement strategy: "Sustainable Competitiveness". Purchasing decisions pursue the use of sustainable products and services that are competitive in the market. They can be scaled-up at the speed and level of magnitude needed to build progress for people and the planet and create value in each market (~90 percent of the total procurement spend is with domestic suppliers).

Commitment to transparency

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

- Governance: Policies, Code of Conduct, Process, Minimum Controls to enforce ESG compliance across all business lines and geographies.
- Materiality: Risk-based methodology to identify areas of significant potential ESG impacts or risks.
- Performance: KPIs related to our Sustainable Procurement actions taken to prevent or mitigate risks and impacts identified.

DUE DILIGENCE TARGET AND PERFORMANCE

93%

Of spend with high-ESG impact is with qualified suppliers.
Equivalent to approximately 24,000 suppliers worldwide, covering around 60 percent of our total third-party spend

SUSTAINABLE PROCUREMENT CORE ELEMENTS

From ESG compliance to ESG impact

SUPPLIER DUE DILIGENCE

Supplier Code of Conduct

CLIMATE IN THE SUPPLY CHAIN

Directive Sustainable Procurement

NATURE IN THE SUPPLY CHAIN

Supplier due diligence

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

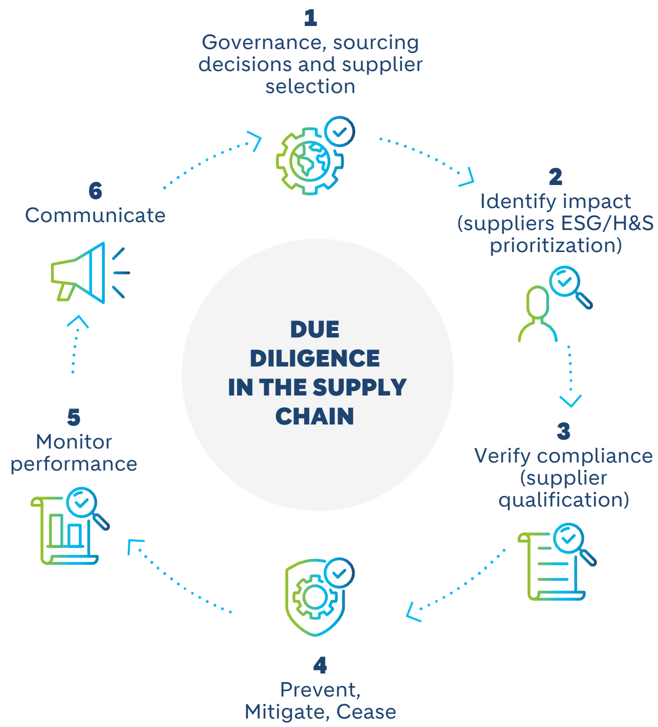
Holcim applies a periodic supplier prioritization methodology to focus due diligence actions on the main risk procurement categories:

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

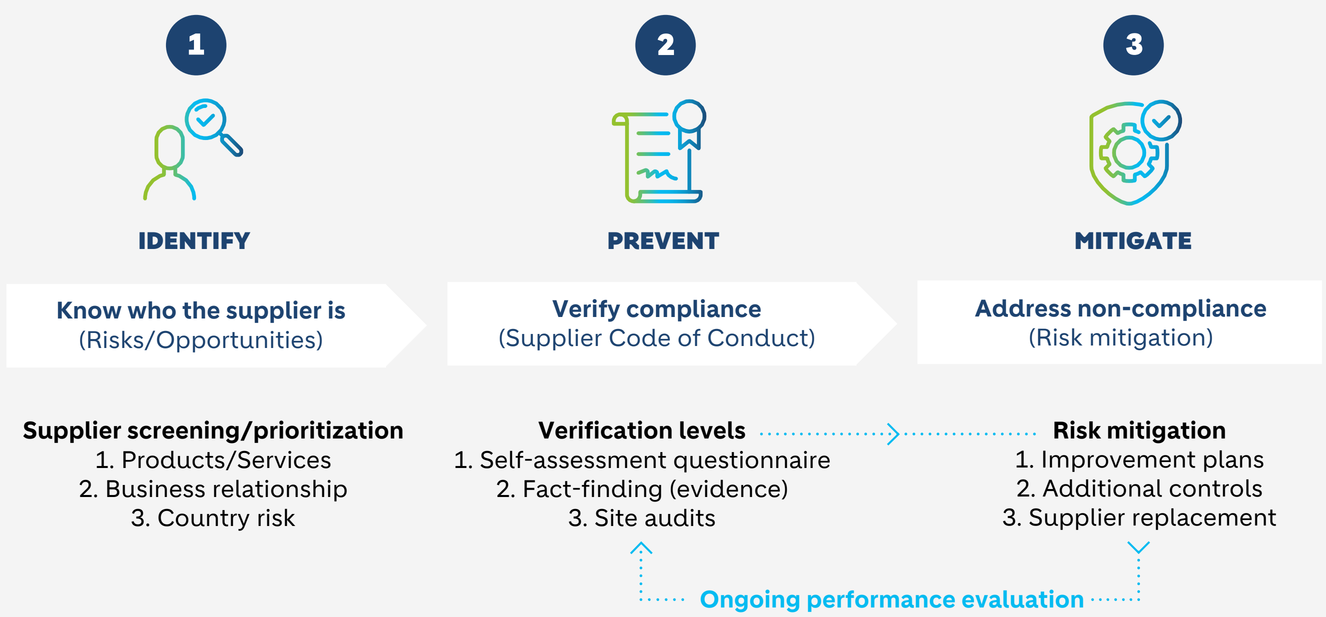
Our due diligence approach begins with the qualification of prioritized suppliers, which consists of regular performance evaluations in the form of self-assessments, fact finding or audits, to verify compliance.

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

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



RISK-BASED DUE DILIGENCE IN THREE MAIN STEPS



Replacing diesel trucks with electric vehicles will reduce our CO_2 emissions from road transport by up to 50 percent

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

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

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

Nature in our supply chain

Through our procurement decisions, we strive to reduce our dependency on natural resources and negative impacts on biodiversity and water. We implement specific actions on purchased categories identified as having a potential impact on nature, in particular: natural sand, other raw materials extracted from earth through mining, packaging and chemicals.

Climate in our supply chain

Our procurement and logistics professionals around the world are working at full speed to deliver on Holcim Climate commitments across all GHG scopes. Actions are focused on the most material purchasing categories: power and energy, fuels, transportation, raw materials and equipment. Our efforts include engaging key suppliers to foster innovation and clean technologies.

RESPONSIBLE MINING IN OUR SUPPLY CHAIN

We introduced a program to deploy responsible mining practices with our strategic suppliers of extractive raw materials, including but not limited to, natural sand. The five-module program prepares small and medium-sized suppliers for having a certified Environmental Management System and social practices that respect human rights and communities around their quarries.

The program was recently piloted in Argentina, with further implementation planned in all relevant markets. This initiative marks a shift beyond supplier qualification to supplier development.

SUPPLIER ONBOARDING

Engage suppliers to initiate the development program

TRAINING

Deliver training to ensure supplier understands minimum requirements established in Holcim Code of Conduct

SITE ASSESSMENT

Verify environment, health, safety and social practices at supplier site

PERFORMANCE IMPROVEMENT

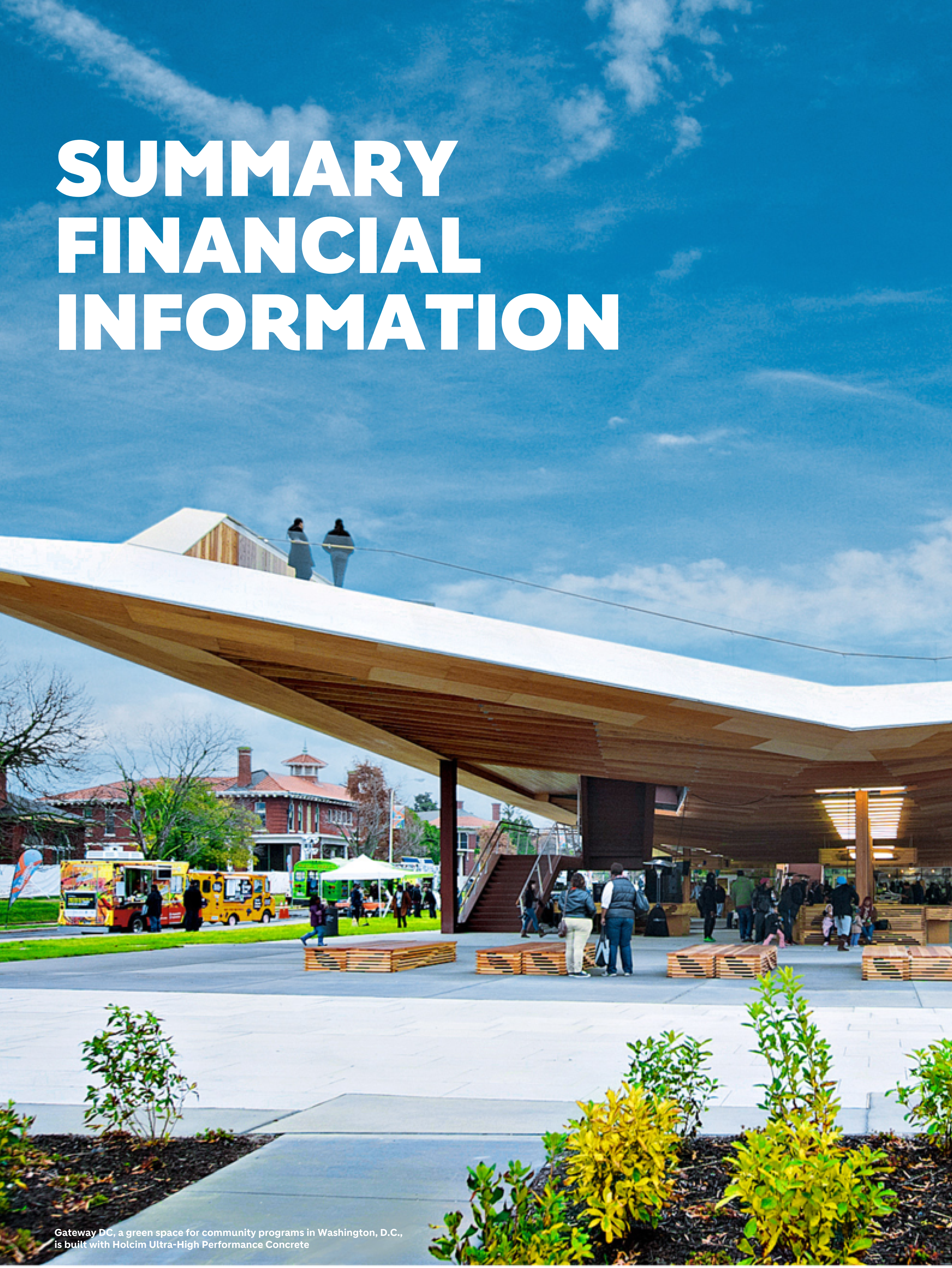
Support suppliers to close compliance breaches identified during site visit

CERTIFICATION

Verification that suppliers meet the requirements to obtain formal certification (focus on environmental management system)

Holcim recently piloted our program to deploy responsible mining practices in Argentina

SUMMARY FINANCIAL INFORMATION



Gateway DC, a green space for community programs in Washington, D.C., is built with Holcim Ultra-High Performance Concrete

IN THIS SECTION

CASE STUDY

Gateway to D.C.

Built using Holcim's ultra high-performance concrete, Gateway DC in Washington, D.C. is a great example of how we are putting our solutions to work to make cities more climate resilient, boost biodiversity and improve people's quality of life.

Part open air and part covered pavilion, Gateway DC features a vegetated green roof, built-in exhibitor booths and a café, as well as a kitchen.

As the world's first LEED® Platinum city, Washington, D.C. is growing with new construction and renovation projects. Many iconic projects and operations showcase the full spectrum of Holcim's innovation and sustainable building solutions. (Read more on page 36.)

Learn more on our website

CAPITAL MARKET INFORMATION

2023 was another year of record performance. Holcim reached a new level of financial strength with accelerated growth in the most attractive markets, fast expansion of Solutions & Products and profitable growth driven by decarbonization.

With an over-proportional increase of Recurring EBIT, the company was able to deliver an industry-leading margin of 17.6 percent. As we continued to expand further in the most attractive markets and high-value segments, Holcim achieved a Return on Invested Capital of 10.6 percent, marking new progress. Free Cash Flow generation at CHF 3.7 billion was also stronger than ever.

Accelerated progress have been driven by our innovative and sustainable building solutions – from ECOPact low-carbon concrete to Elevate energy-efficient roofing systems – and expansion in Solutions & Products.

This progress has been reflected in the Holcim share price. As we continue the laser-focused execution of our ambitious strategy and roadmaps, the company should remain particularly attractive to shareholders.

The Holcim share price increased by 37.9 percent to CHF 66.0. In the same period, the Swiss Market Index (SMI) posted a gain of 3.8 percent.

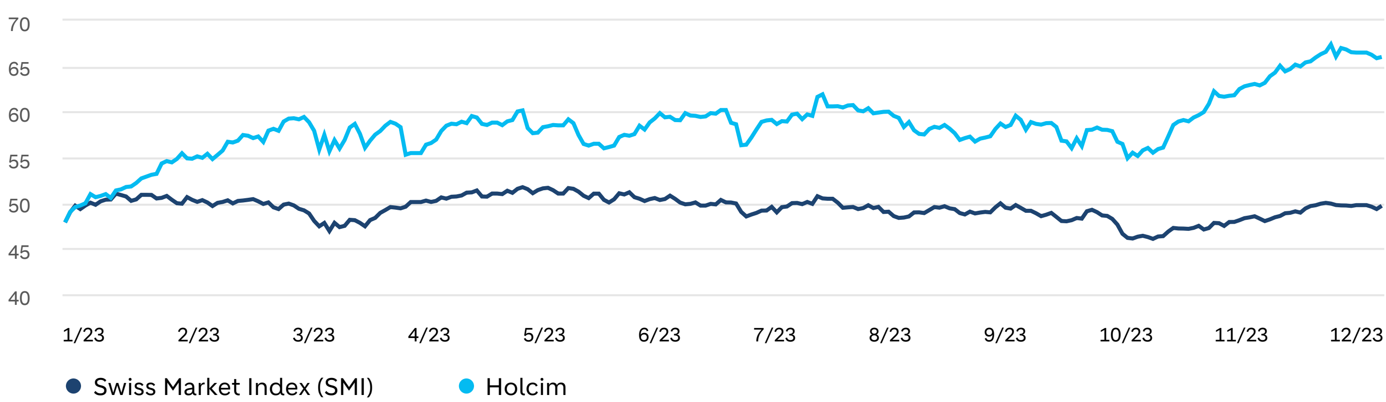
The average trading volume amounted to approximately 1.4 million shares per day on the SIX Swiss Exchange.

WEIGHTING OF THE HOLCIM REGISTERED SHARE IN SELECTED INDICES

Index	Weighting in %
SMI, Swiss Market Index	3.11
SPI, Swiss Performance Index	2.36
SPI ESG, Swiss Performance Index ESG	2.41
SLI, Swiss Leader Index	4.46
STOXX Europe 600 Construction	9.53
STOXX Europe Large 200	0.46
STOXX Europe 600	0.37
STOXX Global 1800	0.07
FTSE4Good Europe Index	0.45

Sources: SIX, STOXX, FTSE as of year-end 2023

PERFORMANCE OF HOLCIM SHARES VERSUS THE SWISS MARKET INDEX (SMI) in 2023[1]



[1] SMI rebased to Holcim share price

A DIVERSIFIED SHAREHOLDER BASE

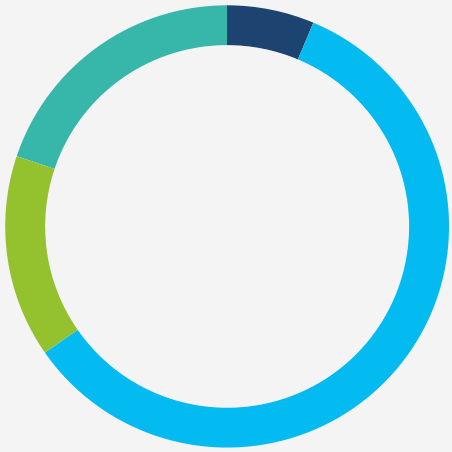
31 December 2023, in percentage of shares outstanding

SHAREHOLDER BY GEOGRAPHY

- Anchor shareholders 6%
- North America 23%
- Switzerland 38%
- UK and Ireland 8%
- Continental Europe 8%
- Rest of the world 4%
- Others[3] 13%

[3] Includes employee shares, treasury shares and trading accounts.

SHAREHOLDER BY INVESTMENT CATEGORY



- Anchor shareholders 6%
- Institutional investors 59%
- Retail investors 15%
- Others[4] 20%

[4] Includes employee shares, pension fund and treasury shares and others.

CLOSING PRICE CHF

66.0

At 29 December 2023
Annual performance: +37.9%

MARKET CAPITALIZATION CHF

38.2BN

At 29 December 2023
2022: CHF 29.5BN

DIVIDEND PER SHARE[1] CHF

2.80

+12% compared to 2022 (CHF 2.50)

STOCK EXCHANGE LISTINGS (At 31 December 2023)

	Security	ISIN Code	Security Code Number	Ticker Symbol	Bloomberg Code	Thomson Reuters Code
SMI, Swiss Market Index	Holcim Ltd, Zurich, share	CH0012214059	1221405	HOLN	HOLN SW	HOLN.S

[1] For the 2023 financial year, the Board of Directors proposes a cash dividend of CHF 2.80 per registered share, subject to approval by the shareholders at the Annual General Meeting on 8 May 2024. The dividend will be fully paid out of the foreign capital reserves from tax capital contributions, not subject to Swiss withholding tax.

Listings
Holcim is listed on the SIX Swiss Exchange. The Group is a member of the main large indexes on the SIX Swiss Exchange (SMI, SLI and SPI). Holcim is also included in the ESG indexes 'SPI ESG' and 'SPI ESG Weighted' launched in February 2021 as sustainable benchmarks for the Swiss capital market.

Share repurchase and cancellation
In February 2024, Holcim announced a new share buyback program, planned for CHF 1 billion, with the share cancellation to be approved at the Annual General Meeting 2025.

Free float
Free float as defined by the SIX Swiss Exchange and the Euronext stood at 94 percent at year end.

Dividend policy
Dividends are distributed annually. For the 2023 financial year, the Board of Directors is proposing a dividend payout in the amount of CHF 2.80 per registered share, subject to approval by shareholders at the Annual General Meeting. The payout is scheduled for 16 May 2024, to be paid out of the foreign capital reserves from tax capital contributions, not subject to Swiss withholding tax.

Significant shareholders
Information on significant shareholders can be found on page 386 of our 2023 Integrated Annual Report.

Disclosure of shareholdings
Under the Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (Financial Market Infrastructure Act, FMIA), whosoever, directly, indirectly, or acting in concert with third parties, acquires or disposes of shares in a company incorporated in Switzerland whose equity securities are listed, in whole or in part, in Switzerland and thereby attains, falls below, or exceeds the threshold of 3, 5, 10, 15, 20, 25, $33^{1/3}$, 50, or $66^{2/3}$ percent of the voting rights, whether or not such rights may be exercised, shall notify the company and the stock exchanges on which the equity securities in question are listed. Consequently, significant shareholdings may have varied within the relevant threshold levels since they were reported.

Registration in the share register and restrictions on voting rights
The company maintains a share register for registered shares in which the names and addresses of owners and beneficiaries are entered. According to the applicable rules and regulations, only those included in the share register are deemed shareholders or beneficial owners of the registered shares of the company. Upon request, purchasers of registered shares shall be included in the share register as shareholders with voting rights if they expressly declare that they have acquired the shares in their own name and for their own account. Exceptions to this rule apply for nominees who have signed a nominee agreement with the company regarding this position and are subject to a recognized financial markets supervisory authority. The share register is closed approximately one week prior to the date of the Annual General Meeting of shareholders (the exact date is communicated in the invitation to the Annual General Meeting).

Each Holcim share carries one voting right.

Information on Holcim registered shares
Further information on Holcim registered shares can be found at: *holcim.com/investors*

KEY DATA HOLCIM REGISTERED SHARES

Par value CHF 2.00	**2023**	2022	2021	2020	2019
Number of shares issued	579,124,606	615,929,059	615,929,059	615,929,059	615,929,059
Number of treasury shares	17,301,182	27,364,975	7,919,042	4,216,907	2,235,478

Stock market prices in CHF	**2023**	2022	2021	2020	2019
High	68	53	58	54	54
Low	48	39	43	28	40
Average	58	46	51	43	49
Market capitalization (billion CHF)	38.2	29.5	28.6	29.9	33.1
Trading volumes (million shares)	357.5	456.5	458.7	774.2	602.8
Earnings per share (EPS) in CHF	5.37	5.48	3.73	2.74	3.69
EPS before impairment and divestments in CHF	5.42	3.66	3.98	3.07	3.37
Cash earnings per share in CHF[1]	9.64	7.59	8.26	7.54	7.97
Dividend per share in CHF[2]	2.80	2.50	2.20	2.00	2.00

[1] Cash EPS calculated based on cash flow from operating activities divided by the weighted-average number of shares outstanding.
[2] For 2023, proposed by the Board of Directors to be paid out of the foreign capital reserves from tax capital contributions, not subject to Swiss withholding tax.

CURRENT RATING
(28 February 2024)

Rating Agency	Long-term rating	Short-term rating
Standard & Poor's Ratings Services	BBB+, outlook stable	A-2
Moody's Investors Service	Baa1, outlook stable	P-2

FINANCIAL CALENDAR

First Quarter 2024 Trading Update 25 April 2024	Dividend payment date 16 May 2024 (ex-dividend date 13 May 2024)
Annual General Meeting 2024 8 May 2024	Last trading day with entitlement to receive the dividend 10 May 2024
Half-Year Results 2024 26 July 2024	
Third Quarter 2024 Trading Update 25 October 2024	

CONSOLIDATED STATEMENT OF INCOME OF HOLCIM

Million CHF	Notes	2023	2022
Net sales	3.3	**27,009**	**29,189**
Production cost of goods sold	4.3	**(15,511)**	(17,575)
Gross profit		**11,498**	**11,614**
Distribution and selling expenses		**(5,905)**	(6,611)
Administration expenses[1]		**(1,319)**	(2,089)
Share of profit of joint ventures	6.4	**304**	308
Operating profit		**4,577**	**3,221**
Profit on disposals and other non-operating income	5.2	**156**	2,199
Loss on disposals and other non-operating expenses	5.3	**(97)**	(424)
Share of profit of associates	6.9	**36**	17
Financial income	7.2	**198**	183
Financial expenses	7.3	**(697)**	(641)
Net income before taxes		**4,174**	**4,555**
Income taxes	8.2	**(999)**	(1,027)
Net income		**3,176**	**3,528**
Net income attributable to:			
Shareholders of Holcim Ltd		**3,060**	3,308
Non-controlling interests		**115**	220
Earnings per share in CHF			
Earnings per share	9	**5.37**	5.48
Fully diluted earnings per share	9	**5.35**	5.46

[1] On 18 October 2022, Lafarge S.A. resolved a previously disclosed inquiry by the U.S. Department of Justice into legacy operations in Syria during the country's civil war. Under the terms of the resolution, Lafarge S.A. and its long-defunct subsidiary Lafarge Cement Syria paid a financial penalty of USD 778 million (CHF 767 million), which was recorded under Administration expenses in 2022.

The Alternative Performance Measures used in this report are defined on page 394.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF HOLCIM

Million CHF	Notes	31.12.2023	31.12.2022
Cash and cash equivalents	14.3	**6,082**	9,824
Short-term derivative assets	14.5	**13**	118
Current financial receivables	12.3	**128**	128
Trade accounts receivable	10.2	**2,723**	2,674
Inventories	10.3	**2,807**	2,860
Prepaid expenses and other current assets	10.4	**849**	997
Assets classified as held for sale	13.2	**239**	183
Total current assets		**12,842**	**16,784**
Long-term financial investments and other long-term assets	12.2	**542**	459
Investments in associates and joint ventures	6.4, 6.9	**3,184**	3,323
Property, plant and equipment	11.2	**19,341**	20,356
Goodwill	11.3	**13,589**	13,675
Intangible assets	11.3	**2,127**	1,769
Deferred tax assets	8.4	**674**	610
Pension assets	15.3	**296**	469
Long-term derivative assets	14.5	**90**	157
Total non-current assets		**39,844**	**40,819**
Total assets		**52,686**	**57,603**

Million CHF	Notes	31.12.2023	31.12.2022
Trade accounts payable	10.5	**4,336**	4,269
Current financial liabilities	14.4	**1,416**	1,655
Current income tax liabilities		**801**	461
Other current liabilities		**1,899**	1,977
Short-term provisions	16.2	**348**	399
Liabilities directly associated with assets classified as held for sale	13.2	**104**	96
Total current liabilities		**8,904**	**8,857**
Long-term financial liabilities	14.4	**12,665**	14,475
Provision for pensions and other post-employment benefit plans	15.3	**587**	554
Long-term income tax liabilities	8.6	**170**	199
Deferred tax liabilities	8.4	**1,868**	2,187
Long-term provisions	16.2	**1,708**	1,718
Total non-current liabilities		**16,999**	**19,132**
Total liabilities		**25,903**	**27,989**
Share capital	17.2	**1,158**	1,232
Capital surplus		**16,672**	18,840
Treasury shares	17.2	**(811)**	(1,297)
Reserves		**8,978**	9,899
Total equity attributable to shareholders of Holcim Ltd		**25,997**	**28,674**
Non-controlling interests	2.5	**786**	940
Total shareholders' equity		**26,783**	**29,614**
Total liabilities and shareholders' equity		**52,686**	**57,603**

GOVERNANCE, RISK & COMPENSATION

Parque La Mexicana is an urban park in Mexico City, built with Fuerte high strength cement, has 100,000 square meters of forest area, 60,000 square meters of grasslands, an open-air theater, fields for different sports activities, a lake, 4.3 kilometers of cycle path, 3.4 kilometers of jogging path, a dog park and skatepark

IN THIS SECTION

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

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

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

The Code of Business Conduct, binding for the entire Group, is part of our internal regulations. For further information in relation to Holcim's comprehensive risk-based compliance program, please refer to page 173.

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

Except where otherwise indicated, this Annual Report reflects the legal situation as of 31 December 2023.

Group structure and shareholders
The holding company Holcim Ltd was established under the laws of Switzerland for an indefinite period. Its registered office is in Zug (Canton of Zug, Switzerland). It has direct and indirect interests in all companies listed on pages 295–304 of this Integrated Annual Report.

The Group is organized by segments. The management structure as per 31 December 2023 is described in this chapter.

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

More detailed information on the business review, Group structure and shareholders can be found on the following pages of the Annual Report:

TOPIC

→ Business review of the Group segments pages 276–280

→ Segment information pages 306–307

→ Principal companies page 301

→ Information about Holcim Ltd & listed Group companies page 304

→ Information about Significant Shareholders page 386

Capital structure

Holcim has one uniform type of registered share in order to comply with international capital market requirements in terms of an open, transparent, and modern capital structure and to enhance attractiveness, particularly for institutional investors.

Share capital

As of 31 December 2023, the nominal, fully paid-in share capital of Holcim amounted to CHF 1,158,249,212. The share capital is divided into 579,124,606 registered shares of CHF 2.00 nominal value each.

Conditional share capital

The share capital may be increased by a nominal amount of CHF 2,844,700 through the issuance of a maximum of 1,422,350 fully paid-in registered shares, each with a par value of CHF 2.00 (as per 31 December 2023). The conditional capital may be used for exercising conversion rights and/or warrants relating to bonds or similar debt instruments of the company or one of its Group companies. The subscription rights of the shareholders will be excluded. The current owners of conversion rights and/or warrants will be entitled to subscribe for the new shares. The acquisition of shares through the exercise of conversion rights and/or warrants and each subsequent transfer of the shares will be subject to the restrictions set out in the Articles of Incorporation. As per 31 December 2023, no bonds or similar debt instruments of the company or one of its Group companies were outstanding that would give rise to conversion rights or warrants related to the conditional capital; therefore, in the year under review, no conversion rights or warrants have been exercised.

Further information on conversion rights and/or warrants and applicable conditions may be found in the Articles of Incorporation of Holcim at: *holcim.com/articles-incorporation.*

Authorized share capital/Certificates of participation

As per 31 December 2023, neither authorized share capital nor certificates of participation were outstanding.

Changes in share capital

At the Shareholders General Meeting of 4 May 2023, the shareholders approved to reduce the share capital of CHF 1,231,858,118 by a maximum of CHF 80,000,000 to a lower limit of CHF 1,151,858,118 by way of cancellation of a maximum of 40,000,000 registered shares with a par value of CHF 2.00 each being bought back by Holcim under the share buyback program announced in October 2022 and completed by 31 May 2023, and use of the capital reduction amount to cancel treasury shares purchased under the share buyback program in the balance sheet accordingly. On 26 May 2023, Holcim announced successful completion of the share buyback program and confirmed the share capital of Holcim was reduced to CHF 1,158,249,212 and divided into 579,124,606 shares on 1 June 2023.

Important changes to the Articles of Incorporation

At the Shareholders General Meeting of 4 May 2023, the shareholders approved that the Articles of Incorporation of Holcim be revised to adapt to current standards and the revised Swiss corporate law that came into force on 1 January 2023. A detailed overview of the proposed amendments to the Articles of Incorporation (including explanations) can be found in the brochure “Explanation of the Board of Directors on the Revision of the Articles of Incorporation” published on Holcim’s website at *holcim.com/agm*

For further details see below:

TOPIC

- Articles of Incorporation of Holcim Ltd
- Code of Business Conduct
- Changes in Holcim equity pages 288–289 (information for the year 2021 is included in the *Annual Report 2022,* pages 182–183)
- Detailed information on conditional capital. Articles of Incorporation: Art. 3bis
- Key data per share, pages 152–155
- Rights pertaining to the shares. Articles of Incorporation: Art. 6, 9, 10
- Regulations on transferability of shares and nominee registration. Articles of Incorporation: Art. 4, 5
- Warrants/options, pages 355–364

Board of Directors and Committees

The Board of Directors currently consists of nine members, eight of whom are independent, were not previously members of the Holcim management, and have no important business connections with Holcim.

Independence is defined in line with Swiss best Corporate Governance standards. A member of the Board of Directors shall be considered independent, if the member is not and has not been employed as a member of the Executive Committee at the company or any of its principal subsidiaries or as employee or affiliate of the auditors of Holcim for the past three years and does not maintain, in the sole determination of the Board of Directors, a material direct or indirect business relationship with the company or any of its subsidiaries. Members of the Board of Directors with immediate family members who would not qualify as independent shall not be considered independent, subject to a three-year cooling-off period.

Please see pages 180–184 for the biographical information of the members of the Board of Directors as of 31 December 2023.

Beat Hess and Patrick Kron retired from the Board of Directors at the Shareholders General Meeting of 4 May 2023. The Board of Directors sincerely thanked Beat Hess for his great commitment to the company, and in particular for his outstanding leadership as a Chairman for the past seven years. During his tenure, he confidently led the company through challenging times and played an instrumental role in ensuring Holcim's successful transformation. Since his election in 2017, Patrick Kron has supported the Board of Directors with great commitment and since 2018, he has expertly led the Audit Committee as its chairman, for which the Board of Directors thanked him.

The shareholders re-elected nine members of the Board of Directors, and elected Jan Jenisch as Chairman of the Board of Directors. Jan Jenisch will continue as CEO of Holcim for a limited duration. The Board of Directors sees this dual mandate as important during a limited transition period to ensure the current transformation of Holcim and the rapid implementation of Strategy 2025. To continue strong independent checks and balances, the Board of Directors has implemented additional corporate governance measures, including the new function of Lead Independent Director, and has entrusted Hanne Birgitte B. Sørensen, Vice Chairwoman of the Board of Directors, with this responsibility. The Board of Directors has appointed Miljan Gutovic as CEO of Holcim, effective 1 May 2024. Thereafter, Jan Jenisch will focus on his role as Chairman and stand for re-election at the AGM in May 2024.

The shareholders confirmed four members of the Nomination, Compensation & Governance Committee.

New members of the Board of Directors are required to participate in an induction program where they are introduced in detail to the company's areas of business and where they become familiar with the organizational structure, strategic plans and other important matters relating to the governance of the company.

The Board of Directors meets as often as business requires, but at least four times a year.

In 2023, six ordinary meetings and two extraordinary meetings were held. One extraordinary meeting focused on strategy topics. As a rule, the members of the Executive Committee attended those parts of the regular meetings of the Board of Directors which dealt with operational issues of areas of their responsibility. In addition, selected members of senior management had been invited by the respective Chairpersons to attend the meetings of the Board of Directors or its Committees. The average duration of the ordinary meetings of the Board of Directors was five hours and 30 Minutes.

Elections and terms of office

All members of the Board of Directors, the Chairman of the Board of Directors, and all members of the Nomination, Compensation & Governance Committee are elected annually and individually as a matter of law by the shareholders at the Shareholders General Meeting. They may be proposed for re-election by the Board of Directors upon motion by the Nomination, Compensation & Governance Committee. The Nomination, Compensation & Governance Committee bases its motion on a review of the overall performance of each candidate.

A member of the Board of Directors shall not serve on the Board of Directors for more than 12 years. In addition, it is expected that members of the Board of Directors will offer their resignation at the ordinary General Meeting following their 72nd birthday. The Board of Directors may provide for exceptions to this rule in individual cases under special circumstances and if this is in the best interest of Holcim.

Composition of Board of Directors and succession planning

Succession planning is of high relevance to the Board of Directors. The Nomination, Compensation & Governance Committee regularly considers the composition of the Board of Directors as a whole and considering staffing for the Committees.

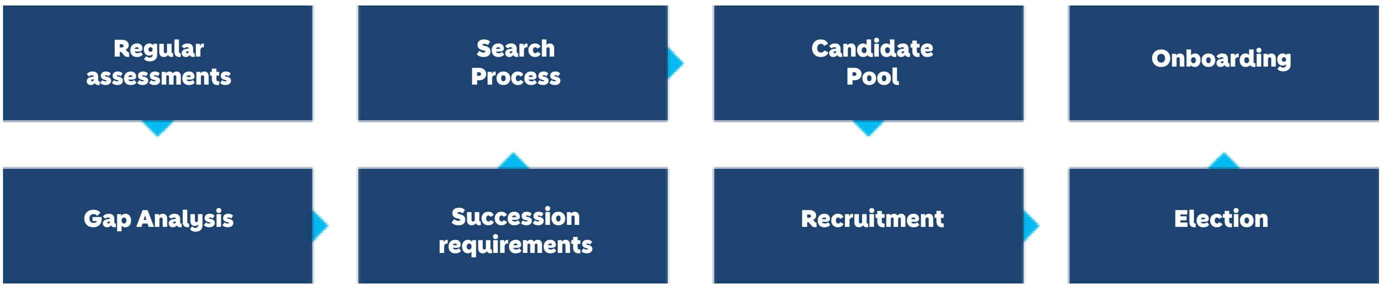
With regard to the composition of the Board of Directors, the Nomination, Compensation & Governance Committee considers diversity (including but not limited to: origin, domicile, gender, age and professional background), as well as such other factors necessary to address needs of the Board of Directors to fulfil its responsibilities. The Nomination, Compensation & Governance Committee also considers other activities and commitments of an individual in order to ensure that a proposed member of the Board of Directors will have sufficient time to dedicate to their role as member of the Board of Directors of Holcim.

The Board of Directors initiates the evaluation of potential new Board members in a timely manner. A search for new Board members is launched – normally with the support of a professional executive search company – with precise selection criteria. Candidates are interviewed by the Chairman of the Board of Directors, the Chairwoman and members of the Nomination, Compensation & Governance Committee and other members of the Board of Directors. The Nomination, Compensation & Governance Committee makes a recommendation to the Board of Directors who then decides on the proposal to the Shareholders General Meeting for election.

BOARD REFRESHMENT

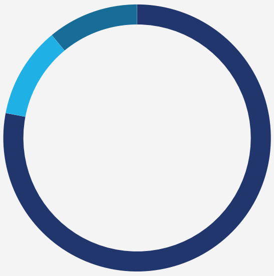
Thorough succession planning in the interests of Holcim.

- The Nomination, Compensation & Governance Committee is responsible for talent management on Board of Directors and Executive levels as well as the oversight of overall corporate culture ambitions.
- Together with the Board of Directors, the Nomination, Compensation & Governance Committee ensures a thorough refreshment process over time.



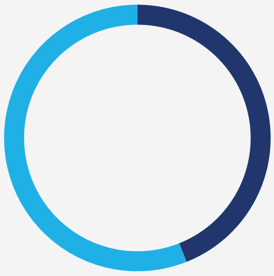
The current composition of the Board of Directors is well balanced in gender diversity and consists of individuals with diverse geographic and cultural backgrounds.

TENURE YEARS



- <5 — 78 %
- 5 to 10 — 11 %
- >10 — 11 %

GENDER

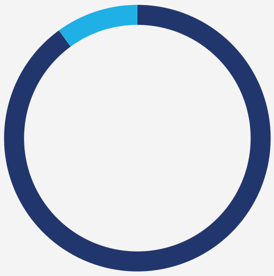


- Female — 44 %
- Male — 56 %

NATIONALITY

- Canadian — 11 %
- Belgian — 11 %
- Brazilian — 11 %
- Danish — 22 %
- German — 11 %
- Indian — 11 %
- Swiss — 22 %

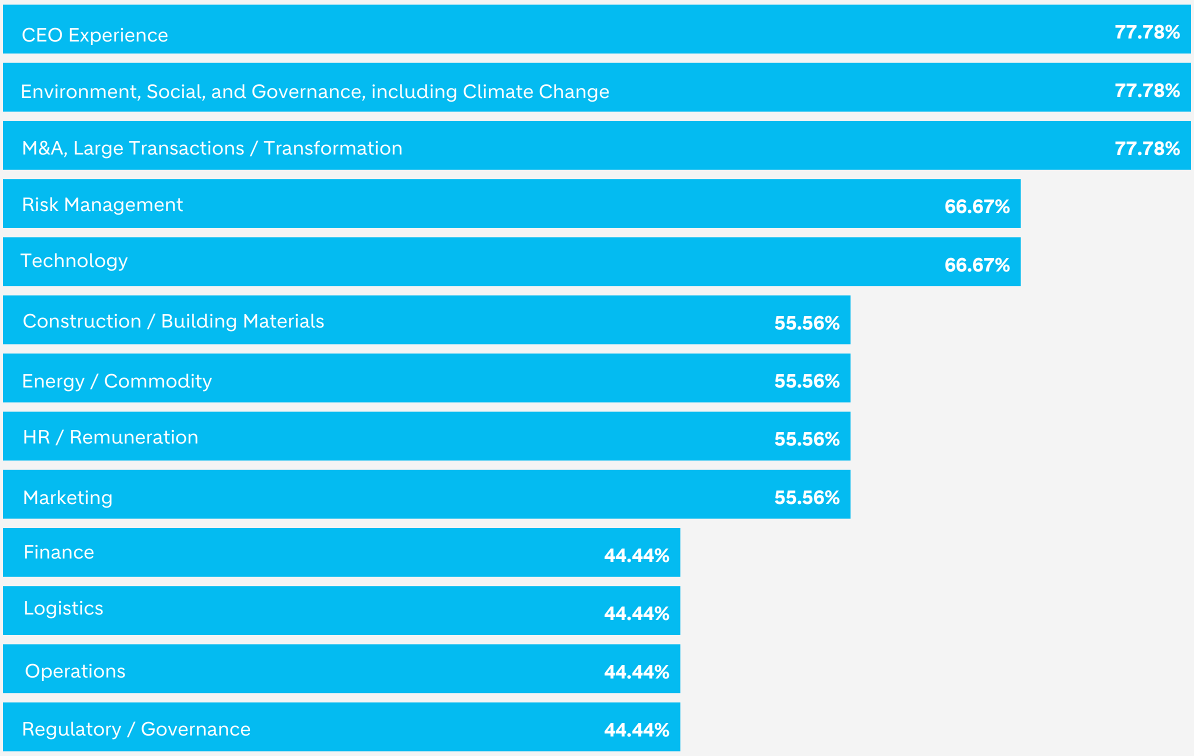
INDEPENDENCE



- Independent — 89 %
- Non-Independent — 11 %

The Board of Directors covers the following experience, skills and knowledge adding up to a well-balanced and diverse skill set of the company's Board of Directors.

EXPERTISE



Board of Directors and Committee performance and effectiveness evaluation

According to Paragraph 4 of the company's Organizational Rules, the Board of Directors annually conducts self-assessments to evaluate the performance and operational effectiveness of the Board of Directors and its Committees. This includes confidential feedback based on anonymous questionnaires and individual interviews with each member of the Board of Directors conducted by the Chairman of the Board of Directors and the Chairwoman of the Nomination, Compensation & Governance Committee. This assessment covers topics including size/composition of the Board of Directors, qualifications, meeting cycle, allocation of tasks between the Board of Directors and its Committees, processes, governance, meetings, pre-reading materials, effectiveness, leadership and culture. In addition, each Committee reviews the adequacy of its composition, organization and processes as well as the scope of its responsibilities and evaluates its own performance. The main issues identified are then presented and discussed to ensure the continued effectiveness of the Board of Directors and its Committees.

Honorary Chairman

After Thomas Schmidheiny retired from the Board of Directors at the Shareholders General Meeting of 8 May 2018, the Board of Directors decided to name Thomas Schmidheiny Honorary Chairman of the Group in recognition of his many years of service to Holcim. The Honorary Chairman can participate at the meetings of the Board of Directors as a guest.

As of 31 December 2023, the members of Holcim's Board of Directors served on the following Expert Committees:

AUDIT COMMITTEE (AC)
Naina Lal Kidwai (Chairwoman)
Kim Fausing
Ilias Läber
Jürg Oleas

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

All members are independent in order to ensure the necessary degree of objectivity required for an Audit Committee. The Audit Committee is chaired by a person who has the necessary experience in financial matters.

In 2023, four ordinary meetings and one extraordinary meeting of the Audit Committee were held. The average duration of the ordinary meetings was two hours and twenty-five minutes.

In 2023, the Audit Committee reviewed, in particular, the Group's financial reporting, the quarterly results releases and the external auditors' findings. The Audit Committee took note of the status of the Internal Control System (ICS), discussed the findings of the Group Internal Audit, dealt with compliance and internal guidelines, and evaluated financing issues. The Audit Committee evaluated the performance of the external auditors and their fees.

The charter of the Audit Committee is available at: *holcim.com/regulations-and-reporting*

NOMINATION, COMPENSATION & GOVERNANCE COMMITTEE (NCGC)
Hanne B. Sørensen (Chairwoman)
Ilias Läber
Jürg Oleas
Claudia S. Ramirez

The Nomination, Compensation & Governance Committee supports the Board of Directors in planning and preparing succession at the Board of Directors and senior management level. It monitors developments with regard to Corporate Governance and compensation for the Board of Directors and Executive Committee and briefs the Board of Directors accordingly.

The Nomination, Compensation & Governance Committee advises the Board of Directors on the compensation policy for the Board of Directors and for the Executive Committee and on the motion by the Board of Directors to the Shareholders General Meeting for the total compensation of the Board of Directors and of the Executive Committee.

The Nomination, Compensation & Governance Committee (NCGC) proposes the objectives for the Long-Term Incentive Plan, which alongside financial metrics, includes metrics related to the reduction of specific net CO_2, waste-derived resources and the reduction of specific cement freshwater withdrawal. These objectives are then approved by the Board of Directors.

In 2023, the Nomination, Compensation & Governance Committee held four ordinary meetings according to the annual schedule. The average duration of the ordinary meetings was one hour and fifty minutes.

More details on the activities of the Nomination, Compensation & Governance Committee, in particular with regard to the process of determining compensation, can be found in the Compensation Report, starting on page 204.

The Nomination, Compensation & Governance Committee Charter is available at: *holcim.com/regulations-and-reporting*

CLIMATE REPORT 2023

HEALTH, SAFETY & SUSTAINABILITY COMMITTEE (HSSC)

Philippe Block (Chairman)
Leanne Geale
Naina Lal Kidwai
Claudia S. Ramirez

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

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

In 2023, the Health, Safety & Sustainability Committee held four ordinary meetings. The average duration of the meetings was one hour and fifty minutes.

In 2023, the topics discussed by the Health, Safety & Sustainability Committee included:

- Health, Safety and Environment KPIs and focus areas, in particular root causes for fatalities and strategic initiatives to reduce air emissions.
- Sustainability focus areas and ESG strategy including:
  - The Group's second Climate Report, presented at the 2023 AGM receiving 95.75 percent approval by shareholders
  - Launch of the sector's most ambitious decarbonization roadmap in Europe including six EU-awarded Carbon Capture, Utilization and Storage (CCUS) projects
  - Strategic Nature roadmaps for each country to reduce and replenish freshwater used as well as a science-based measurable positive impact on biodiversity
  - Holcim's selection as one of 17 companies by Science Based Targets Network (SBTN) to pilot the world's first science based targets for nature
  - Strategic People roadmaps for each country to meet social initiatives, pending targets, human rights assessments and affordable housing programs
  - Organizational readiness in light of upcoming non-financial disclosure
- Holcim's response to adverse events; mainly geopolitical events, pandemic/epidemic outbreaks and natural disasters
- Security & Resilience program, in particular the updated governance and key performance indicators

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

Climate governance, read more on page 201

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

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

Health, Safety & Sustainability Committee (HSSC)
Advises the BoD on all matters related to sustainability, including those related to climate and nature. Consists of four Board members.

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

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

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

R&D team
> 50 percent of Group R&D resources are dedicated to low-carbon products, across the Group's Innovation Centers in Holderbank, Switzerland and Lyon, France.

> 45 percent of patents are in low-carbon innovation with a further 20 percent related to other sustainability topics.

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

BOARD OF DIRECTORS AND COMMITTEE ATTENDANCE AT SCHEDULED ORDINARY MEETINGS

Board member	Position	Number of Board of Directors meetings attended		Number of Audit Committee meetings attended		Nomination, Compensation & Governance Committee meetings attended	Number of Health, Safety & Sustainability Committee meetings attended
		Ordinary (incl. Strategy meeting)	Extraordinary	Ordinary	Extraordinary		
Beat Hess[1]	Chairman (former)	2/2	2/2	–	–	–	–
Jan Jenisch[2]	Chairman and CEO	7/7	2/2	–	–	–	–
Hanne B. Sørensen[3]	Vice-Chairwoman and Lead Independent Director	7/7	2/2	–	–	4/4	–
Philippe Block	Member	7/7	2/2	–	–	–	4/4
Kim Fausing	Member	7/7	1/2	4/4	1/1	–	–
Leanne Geale	Member	7/7	2/2	–	–	–	4/4
Naina Lal Kidwai[4]	Member	7/7	2/2	2/2	1/1	–	4/4
Patrick Kron[5]	Member (former)	2/2	2/2	2/2	–	–	–
Ilias Läber	Member	7/7	2/2	4/4	1/1	4/4	–
Jürg Oleas	Member	7/7	2/2	4/4	1/1	4/4	–
Claudia Sender Ramirez	Member	7/7	2/2	–	–	3/4	4/4

1 Chairman until Shareholders General Meeting 2023
2 Although the Chairman and CEO is not formally a member of the Committees he regularly attends as a guest
3 Lead Independent Director as of February 2023
4 Member and Chairwoman of the Audit Committee as of May 2023
5 Member of the Board of Directors and Chairman of the Audit Committee until Shareholders General Meeting 2023

Corporate Governance framework

Organizational Rules/areas of responsibility

The division of responsibilities between the Board of Directors, the CEO and Executive Committee is set out in detail in the company's Organizational Rules.

The Organizational Rules entered into force on 24 May 2002 and are reviewed at least every two years and amended as required. They were last reviewed and amended in July 2023 and may be found at: *holcim.com/regulations-and-reporting*

The Organizational Rules are issued by the Board of Directors in accordance with the terms of Art. 716b of the Swiss Code of Obligations and Art. 18 of the company's Articles of Incorporation. They stipulate the organizational structure of the Board of Directors and the Executive Committee and govern the tasks and powers conferred on the company's executive bodies. They regulate the convocation, execution, and number of meetings to be held by the Board of Directors and the Executive Committee. If the Chairperson of the Board of Directors is not independent, the Organizational Rules provide for the election of a Lead Independent Director.

The Board of Directors also has the power to establish expert Committees and, if required, ad hoc Committees for special tasks. The Board of Directors can delegate special tasks or tasks related to specific functions to a Vice-Chairperson on a temporary or permanent basis.

As part of its non-transferable statutory responsibilities, the Board of Directors defines the corporate strategy, approves the Group consolidated mid-term plan, including the budget, and the integrated Annual Report for submission to the Shareholders General Meeting.

The CEO is responsible for operational management, preparing a large part of the business of the Board of Directors – including corporate strategy proposals – and executing the latter's resolution.

The CEO issues directives and recommendations with Group-wide significance in the CEO's own authority and is also responsible for electing and dismissing Function Heads and CEOs of Group companies, as well as for the nomination of the members of the Board of Directors of Group companies and supervisory bodies of the Group companies.

Within the framework of mid-term plan approval, the Board of Directors defines limits for investments and financing.

Within these limits, the Executive Committee decides on financing transactions and on one-off investments and divestments for amounts up to CHF 400 million. Amounts exceeding this are subject to approval by the Board of Directors. The Board of Directors is regularly informed about important transactions under the authority of the Executive Committee.

The Board of Directors determines the CEO's and the Executive Committee members' objectives upon motion by the Nomination, Compensation & Governance Committee, both after advice and assessment with the CEO.

The CEO assesses the performance of the members of the Executive Committee and, after advice and assessment by the Nomination, Compensation & Governance Committee, determines their respective individual objectives.

The Executive Committee oversees risk management following appraisal by the Audit Committee. The Board of Directors is informed annually about risk exposure.

In case of a direct conflict of interest, the Organizational Rules require each member of the corporate body concerned to stand aside voluntarily prior to any discussion of the matter in question. Members of the corporate bodies are required to treat all information and documentation which they may obtain or view in the context of their activities in these bodies as confidential and not to make such information available to third parties.

All individuals vested with the powers to represent the company have joint signature power collectively by two.

Information and control instruments of the Board of Directors

The Board of Directors determines the way it is to be informed about the course of business. Any member of the Board of Directors may demand information on all issues relating to the Group and the company. All members of the Board of Directors may request information from the CEO. At meetings of the Board of Directors, any attending member of the Executive Committee has a duty to provide information. All members of the Board of Directors have a right to inspect books and files to the extent necessary for the performance of their tasks.

Financial reporting

The Board of Directors is informed on a monthly basis about the current course of business, adopts the quarterly reports and releases them for publication. The Board of Directors discusses the integrated Annual Report, takes note of the Auditors' Reports, and submits the integrated Annual Report to the Shareholders General Meeting for approval.

Regarding Group strategy development, a strategy plan, a mid-term plan covering four years and including the budget are submitted to the Board of Directors.

Risk management

Holcim benefits from many years of experience with a risk management process which is structured around several coordinated approaches and subject to continuous improvement. A detailed update and analysis of the Group Risk map was carried out in 2023 and submitted to and analyzed by the Executive Committee and Audit Committee.

Responsibilities concerning risks are clearly defined at country, region and corporate level. The underlying principle is that risk management is a line management responsibility. Line managers are supported by Group Risk Management.

Risks are identified and assessed according to significance and likelihood. The full risk spectrum from market, operations, finance, legal, environmental and sustainability, to external risk factors of the business environment is reviewed, including compliance and reputational risks. Key risks are analyzed more deeply regarding their causes, and risk mitigating actions are defined. Risk transfer through insurance solutions and the Internal Control system forms an integral part of the risk management process. Risks are monitored and their status reported to the Executive Committee and the Audit Committee regularly. Independent assessments of the effectiveness of mitigating actions and controls are performed by Group Internal Audit.

Please see page 220 for more details about the Group's risk management.

Internal control

Holcim aims to have an effective Internal Control system and culture supported by the commitment of the Board of Directors and the Executive Committee. Group Internal Control (GIC) primarily aims to provide the Board of Directors and the Executive Committee reasonable assurance on the reliability of the financial reporting and statements, compliance with laws and regulations and the protection of assets.

GIC has designed a set of minimum control standards and a continuous reporting system to receive country and function assessments of the controls and status of any action plans. Discussions regularly occur with local management to ensure controls are properly assessed and issues are swiftly addressed.

GIC designs and coordinates the annual certification process to review the main action plans in progress and to confirm management responsibility at each relevant level of the Group organization on the quality of both internal control and financial reporting. The outcome is presented to the Executive Committee and the Audit Committee.

Group Internal Audit

The core mission of Group Internal Audit (GIA) is to provide the Board of Directors and the Executive Committee with an independent, risk-based, and objective assurance on the effectiveness and efficiency of the governance, risk management and internal control system of Holcim Group. The members of the Board of Directors have access to GIA. Each year, the Internal Audit plan, which defines the audit areas of focus to be addressed by GIA, is reviewed and approved by the Audit Committee. Main observations and findings observed during audit assignments are reported periodically to the Executive Committee and the Audit Committee.

The GIA activity is governed by adherence to the mandatory guidance issued by the Institute of Internal Auditors ("IIA") including the Definition of Internal Auditing, the Code of Ethics, and the International Professional Practices Framework (IPPF).

Compliance Program – Performance with Integrity

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

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

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

1. Organization and Governance

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

The Compliance function is embedded and aligned within the Legal function and includes staff at the Group, Region, and Country levels. At the Group level, the Compliance function is headed by the Head of Legal and Compliance who has delegated the responsibility for the organization and management of the Compliance function to the Chief Compliance Officer and the Head of Competition Law (in relation to Fair Competition). Regular checks and reviews are conducted to ensure that Compliance resources at Group, Region and Country levels are sufficient.

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

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

2. Risk Assessment

The annual compliance risk assessments survey key risk manifestations such as bribery and corruption or sanctions and export control against different risk triggers and specific scenarios. If there are relevant changes to the risk profile during an annual cycle, such as for example due to mergers or acquisitions, the compliance risk assessments will be updated on an ad hoc basis. The compliance risk assessments are integrated into the Enterprise Risk Management (ERM) Group-wide risk assessment cycle. For more information, please refer to the Key Operational Risks section on page 227.

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

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

- Specific and detailed policies and directives that specify the conduct to which to adhere in operations. Their coverage includes the topics of anti-bribery and anti-corruption, third party due diligence, sanctions, embargoes and export controls, conflicts of interest, fair competition, data protection and privacy, as well as speak-up and internal investigations.
- Policies and directives are strengthened through the use of specific transactional and entity level controls which are implemented through the internal control system and monitored by the Internal Controls function. For more information please refer to the Internal Control section on page 234.
- Policies, directives and controls are reinforced through training and communications activities, which are planned, implemented and tracked in all operating countries.
- The implementation of controls and the delivery of training and communications is monitored through a system of compliance metrics and through audits conducted by the Internal Audit function.
- All conduct is subject to speak-up integrity reporting and a comprehensive review and response mechanism, including employee disciplinary measures.

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

Continuous communications are subject to an annual planning process, which is localized to every operating country. The annual compliance planning process results in country-specific communications plans, tailored to the risk profiles of each country, executed in each country, and monitored by region and Group. This provides for a dialogue on compliance at Country level across the Group and is supplemented by Group- or Region-wide communications and awareness campaigns.

Training is delivered both through e-learning and face-to-face training sessions. E-learning training is provided to a broad employee audience. Face-to-face training is given to employees in functional positions that face heightened exposure to compliance risks. Training attendance is tracked and follow-ups are conducted. In 2023, a total of 11,981 employees received role-relevant business integrity face-to-face training and 42,586 employees conducted business integrity e-learnings.

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

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

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

In 2023, a total of 836 reports were received in the Integrity Line, out of which 493 were reports of misconduct that required further assessment or investigation. The reporting categories of the 493 reports included: Human Resources, Diversity and Workplace Respect (244 / 49 percent); Business Integrity (132 / 27 percent); Misuse or Misappropriation of Assets (44 / 9 percent); Environment, Health and Safety (37 / 8 percent); Other (36 / 7 percent). The substantiation rate for investigated cases was 28 percent. 46 cases resulted in dismissals, 88 cases in other employment/disciplinary measures and 78 cases in process improvements, including training, third-party related sanctions and control adjustments.

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

A) Minerals and metals from conflict-affected areas

Holcim is committed to maintaining a responsible and ethical supply chain. Based on the information contained in Holcim's supply chain traceability system, Holcim has not placed in free circulation or processed in any country of operation, including Switzerland, any conflict minerals or metals (tantalum, tin, tungsten and gold) from conflict-affected or high-risk areas in 2023.

B) Child labor

1) Holcim's commitment and adherence to international regulations

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

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

- ILO Convention No 138 on Minimum Age
- ILO Convention No. 182 on the Worst Forms of Child Labour
- ILO-IOE Child Labour Guidance Tool for Business of 15 December 2015
- OECD Due Diligence Guidance for Responsible Business of June 08, 2023
- UN Guiding Principles on Business and Human Rights

2) Due diligence

a) Supply chain policy

Holcim's supply chain policy is integrated into its overall human rights approach. Holcim's human rights - including child labor - due diligence is based on thorough human rights impact assessments and stakeholder engagement, which are carried out at country and site levels, as well as risk-based due diligence. For more details please refer to the Human Rights Section on page 140.

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

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

b) Own operations

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

For the financial year 2023, Holcim does not have reasonable grounds to suspect child labor within its own operations.

1 https://endchildlabour2021.org/wp-content/uploads/2021/07/Holcim-Ltd.pdf
2 https://www.holcim.com/sites/holcim/files/documents/2021_coc_a5_english-final.pdf
3 https://www.holcim.com/sites/holcim/files/documents/holcim_code_of_business_conduct_2021.pdf

c) Supplier qualification, traceability, and verification

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

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

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

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

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

For more details please refer to the Sustainable Supply Chain section on page 146.

d) Reporting procedure

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

Reports can be submitted online, via phone or email in their chosen language, anonymously, if preferred. All reports are documented, and indications of potential child labor are subject to assessment, investigation and follow-up. Depending on the results, appropriate measures are applied to avert or mitigate risks and negative effects, and Holcim evaluates the results of the measures and communicates them. For more details on the Integrity Line, please refer to page 172.

e) Risk management

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

f) Transparency

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

For more details look at our ESG policies, documents and reports

Executive Committee

Members of the Executive Committee (including the CEO) are appointed by the Board of Directors and are responsible for the management of the Group.

The tasks of the Executive Committee are divided into different areas of responsibility in terms of country and function, each of these areas being ultimately supervised and managed by a member of the Executive Committee.

During the year under review the following changes within the Executive Committee have occurred:

Effective 1 May 2023, Steffen Kindler joined Holcim as a member of the Executive Committee as new Chief Financial Officer, succeeding Géraldine Picaud who has decided to pursue new career opportunities outside of the company.

Also, effective 1 September 2023, Nollaig Forrest, previously Group Head of Corporate Affairs has been appointed as new Chief Sustainability Officer, succeeding Magali Anderson, who has decided to pursue new career opportunities as a Board member and supporter of NGOs.

Miljan Gutovic was appointed by Holcim's Board of Directors as Chief Executive Officer (CEO) of Holcim, effective 1 May 2024.

As of 31 December 2023, the Executive Committee of Holcim consisted of the ten members reported in the table below.

Please refer to pages 186–190 for biographical information on the members of the Executive Committee. None of the members of the Executive Committees have important functions outside the Holcim Group or any other significant commitments of interest, with the exception of Jan Jenisch who is a non-executive Director of the privately held Glas Troesch Holding AG, and Jamie M. Gentoso who is a non-executive Director of stock-listed Public Service Electric and Gas Company.

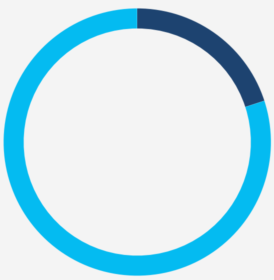
COMPOSITION OF THE EXECUTIVE COMMITTEE

Name	Position	Responsibility
Jan Jenisch	CEO	
Steffen Kindler	CFO	
Nollaig Forrest	Member	Chief Sustainability Officer
Mathias Gaertner	Member	Head Legal and Compliance
Jamie M. Gentoso	Member	Global Head, Solutions & Products Business Unit
Feliciano González Muñoz	Member	Head Human Resources
Miljan Gutovic	Member	Region Head Europe and Chief Executive Office Designate
Martin Kriegner	Member	Region Head Asia, Middle East & Africa
Oliver Osswald	Member	Region Head Latin America
Toufic Tabbara	Member	Region Head North America

NATIONALITY

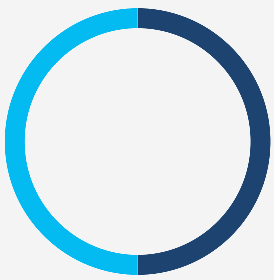
German	30 %
Swiss	20 %
American	10 %
Spanish	10 %
Canadian	10 %
Austrian	10 %
Australian	10 %

GENDER



Female	20 %
Male	80 %

TENURE



<5	50 %
5 to 10	50 %

Shareholder's participation

Voting rights and representation restrictions

All holders of registered shares who are registered as shareholders with voting rights in the share register on the closing date for the share registry are entitled to participate in, and vote at, Shareholders General Meetings. Shares held by trusts and shares for which no declaration has been made that the holder requesting registration is holding the shares in his own name and for his own account, and that there is no agreement on the redemption of the relevant shares and that they bear the economic risk associated with the shares, are entered in the share register as having no voting rights.

Shareholders not participating in person in the Shareholders General Meeting may be represented by their legal representative, the independent voting rights representative, or with a written power of attorney, by any other representative who need not be a shareholder. In line with regulatory requirements, an electronic voting option is provided for. Voting rights are not subject to any restrictions. Each share carries one vote.

Statutory quorums

The Shareholders General Meeting constitutes a quorum, regardless of the number of shares represented or shareholders present; resolutions are passed by an absolute majority of the votes allocated to the shares represented, unless Art. 704 para. 1 of the Swiss Code of Obligations or the Merger Act provides otherwise. In such cases, resolutions may only be passed with the respective qualified majority of the votes represented. According to Art. 10 para. 2 of the Articles of Incorporation and in addition to Art. 704 para. 1 of the Swiss Code of Obligations, the approval of at least two-thirds of the votes represented and the absolute majority of the par value of shares represented shall be required for resolutions of the Shareholders General Meeting with respect to the removal of restrictions set forth in Art. 5 of the Articles of Incorporation (entries in the share register), the removal of the mandatory bid rule (Art. 125 para 4 of the Financial Market Infrastructure Act), and the removal or amendment of para. 2 of Art. 10 of the Articles of Incorporation.

Convocation of the Shareholders General Meeting and agenda rules

The Shareholders General Meeting takes place each year, at the latest six months following the conclusion of the financial year. It is convened by the Board of Directors, whereby invitations are published at least 20 days prior to the meeting and in which details are given of the agenda and items submitted.

Shareholders representing shares with a par value of at least one million Swiss Francs may request the addition of a particular item to be included on the agenda or that a motion relating to an agenda item be included in the notice convening the Shareholders General Meeting. A respective written request listing the agenda items and the proposal or the proposals shall be lodged with the Board of Directors at least 40 days prior to the Shareholders General Meeting.The invitations as well as the minutes of the Shareholders General Meetings are published on: *holcim.com/agm*

Entries in the share register

The company maintains a share register for registered shares in which the names and addresses of owners and beneficiaries are entered. According to the applicable rules and regulations, only those included in the share register are deemed shareholders or beneficial owners of the registered shares of the company. Upon request, purchasers of registered shares shall be included in the share register as shareholders with voting rights if they expressly declare that they have acquired the shares in their own name and for their own account.

Exceptions to this rule apply for nominees who have signed a nominee agreement with the company regarding this position and are subject to a recognized financial markets supervisory authority.

The share register is closed approximately one week prior to the date of the Shareholders General Meeting (the exact date is communicated in the invitation to the Shareholders General Meeting).

Shareholders' participation and rights of protection are furthermore governed by the Swiss Code of Obligations.

Auditors

As part of their auditing activity, the auditors inform the Executive Committee and the Audit Committee regularly about their findings and make suggestions for improvement. Considering the reporting and assessments by the Group companies, the Audit Committee evaluates the performance of the auditors and their remuneration in line with market conditions. The Audit Committee approves the audit focus area, provides recommendations to the auditors, makes suggestions for improvement and assesses their independence. In 2023, the auditors participated in all meetings of the Audit Committee to discuss individual agenda items.

Ernst & Young Ltd, Zurich (EY), were appointed at the Shareholders General Meeting 2022 and have been re-elected at the Shareholders General Meeting 2023 as financial auditors of Holcim Ltd for the financial year 2023. Jacques Pierres has been responsible for managing the audit mandate, supported by Daniel Zaugg. The rotation of the lead auditor will be carried out in accordance with Art. 730a of the Swiss Code of Obligations. The auditors are elected for a one-year term at the Shareholders' General Meeting.

The fees shown below were charged for professional services rendered to the Group by the auditors in 2023 and 2022:

Million CHF	2023	2022
Audit services fees[1]	**11.3**	8.9
Audit services fees for joint ventures	**1.0**	0.3
Total audit services fees related to EY	**12.3**	**9.2**
Audit services fees related to other audit firms	**2.8**	4.7
Total audit services fees	**15.0**	**13.9**
Audit-related services fees[2]	**0.7**	0.2
Grant applications services fees	**0.6**	0.6
Other services fees[3]	**0.5**	2.1
Total other fees related to EY	**1.8**	**2.9**
Total audit services and other fees	**16.8**	**16.8**

1 This amount includes the fees for the individual audits of Group companies carried out by EY as well as their fees for auditing the Group financial statements.
2 Audit-related services comprise, among other things, amounts for comfort letters and certifications for local authorities.
3 Other services fees comprise, among other things, fees for Mergers, Acquisitions and Divestments support services.

Other governance information

Management agreements

Holcim has no management agreements in place with companies or private individuals outside the Group.

Mandates outside Holcim

Please refer to Art. 27 of the company's Articles of Incorporation for information about the number of permitted mandates outside of Holcim for the members of the Board of Directors and of the Executive Committee: *holcim.com/regulations-and-reporting*

Compensation, shareholdings and loans

Details of Board of Directors and Executive Committee compensation, shareholdings, and loans are contained in the Compensation Report (starting on page 192) and in the Holding company results (Note 11, page 384).

Changes of control and defense measures

The Articles of Incorporation contain no waiver of the duty to make a public offer under the terms of Art. 135 and 163 of the Financial Market Infrastructure Act ("opting out"). The result is that a shareholder who directly, indirectly, or acting in concert with third parties acquires shares in the company and, together with the shares he already possesses, thereby exceeds the 33 ⅓ percent threshold of voting rights in the company must make an offer for all listed shares of the company.

Members of the Board of Directors and of the Executive Committee do not receive any special benefits in the event of a change of control. However, in the event of a change of control (unless the unvested LTI awards are replaced by an equivalent award following the change of control) unvested LTI awards vest immediately on a pro-rata basis considering performance conditions are met.

Information policy

Holcim reports to shareholders, the capital market, employees, and the public at large in a transparent and timely manner concerning its corporate performance, including achievement of its sustainability targets. Open dialog is nurtured with the most important stakeholders, based on mutual respect and trust. This promotes knowledge of the company and understanding of objectives, strategy, and business activities of the company.

As a listed company, Holcim is under an obligation to disclose facts that may materially affect the share price (ad-hoc disclosure, Art. 53 and 54 of the SIX Listing Rules). Holcim is subject to the SIX rules on the disclosure of management transactions made by the members of the Board of Directors and senior management. These can be accessed on the SIX website: *ser-ag.com/management-transactions*

The most important information tools are the annual and half-year reports, the website *holcim.com,* media releases, press conferences, meetings for financial analysts and investors, and the Shareholders General Meeting.

Anyone interested may subscribe to the media releases mailing list available at *holcim.com/media* to receive ad hoc announcements and relevant corporate news via email. All published media releases of Holcim from recent years can be downloaded at *holcim.com/media*

Current information relating to sustainable development is available at: *holcim.com/sustainability*

In keeping with our commitment to integrated reporting, we have published the main indicators of our non-financial performance in this report, including climate-related information previously published in our Climate Report.

The financial reporting calendar is shown on page 155 of this Annual Report.

Should there be any specific queries regarding Holcim, please contact:

Corporate Communications

Phone: +41 (0) 58 858 87 10
E-Mail: media@holcim.com

Investor Relations

Phone: +41 (0) 58 858 87 87
E-Mail: investor.relations@holcim.com

BLACKOUT PERIODS

2024	2023
4 January 2024 to 27 February 2024 (included)	4 January 2023 to 23 February 2023 (included)
3 April 2024 to 24 April 2024 (included)	5 April 2023 to 20 April 2023 (included)
3 July 2024 to 25 July 2024 (included)	5 July 2023 to 26 July 2023 (included)
3 October 2024 to 24 October 2024 (included)	4 October 2023 to 26 October 2023 (included)

Holcim deems financial results to be inside information. All persons who are involved in the preparation or could have access to financial results before their disclosure are included on the insider list. Persons considered having access to financial results are all members of the Board of Directors and of the Executive Committee and their staff as well as employees in Group Finance, Communications and Legal. Employees in other functions may further be designated to be listed on the insider list.

Blackout periods commence when the consolidation of local financial data is initiated and end on the last day before the company's financial results are disclosed to the public. Persons on the insider list will receive a notice prior to the commencement and at the end of the blackout periods. The notice will include the duties, responsibilities, including potential sanctions applicable in case of use of inside information as well the specific dates of the upcoming blackout periods.

BOARD OF DIRECTORS

JAN JENISCH

Chairman of the Board of Directors and CEO

Professional background

German national born in 1966, Jan Jenisch has been Chief Executive Officer of Holcim since 2017 and Chairman of the Board of Directors since May 2023, after serving as a member of the Board since 2021. Jan is serving as both Chairman and CEO during a transition period to safeguard Holcim's transformation and the fast-paced execution of its Strategy 2025. The double mandate is for a limited duration and Miljan Gutovic will assume the role of CEO from 1 May 2024. Thereafter, Jan will focus on his role as Chairman and stand for re-election at the AGM in May.

Jan joined Holcim as CEO in 2017, with the vision to lead Holcim to become the global leader in innovative and sustainable building solutions. Under his leadership, Holcim has reached a new level of strength, with record profitability levels, over 63,448 people worldwide and industry-leading ESG ratings.

Jan launched the industry's first global ranges of low-carbon and circular building solutions from ECOPact and ECOPlanet to ECOCycle®. He successfully transformed Holcim to accelerate green growth by expanding the Solutions & Products segment, to build a global leader in roofing, while growing in the most attractive North American market. Advancing the company's leadership in sustainability, Jan drove a 20 percent reduction in CO_2 per net sales in 2023. Before joining Holcim, Jan was CEO of Sika AG since 2012. Under his leadership, Sika set new performance standards for sales and profitability, becoming a member of the Swiss Market Index.

Jan studied in the U.S. and Switzerland, and obtained his MBA from the University of Fribourg in 1993. In 2021, he received a Dr. h.c. for his accomplishments as CEO of two SMI companies.

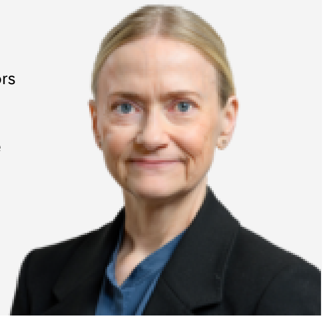
Other activities and functions

- Member of the Board of Directors of the Global Cement and Concrete Association
- Member of the Executive Committee of the World Business Council for Sustainable Development (WBCSD)
- Member of the European Round Table for Industry (ERT)
- Member of the Board of Directors of the Swiss-Japanese Chamber of Commerce (SJCC)
- Non-executive Director of the privately held Glas Troesch Holding AG

HANNE BIRGITTE BREINBJERG SØRENSEN

Vice-Chairwoman of the Board of Directors and Lead Independent Director

Chairwoman of the Nomination, Compensation & Governance Committee



Professional background

Danish national born in 1965, Hanne Birgitte Breinbjerg Sørensen was elected to the Board of Directors of Holcim in 2013. Hanne Birgitte holds an MSc in Economics and Management from the University of Aarhus. Until the end of 2013, she was the Chief Executive Officer of Maersk Tankers, Copenhagen and has been Chief Executive Officer of Damco, The Hague, Netherlands, another company of the A.P. Møller-Maersk Group, Copenhagen, Denmark, from 2014 until 31 December 2016.

Other activities and functions

- Member of the Board of Directors and Member of the Nomination and Remuneration Committee of Ferrovial S.E., Amsterdam, the Netherlands
- Member of the Board of Directors, Member of the Audit, of the Nomination and Remuneration and of the Technology Committees, and Chairwoman of the Risk Committee of Tata Motors Ltd, Mumbai, India
- Member of the Board of Directors and Member of the Audit and of the Nomination and Remuneration Committees of Tata Consultancy Services Ltd, Mumbai, India
- Member of the Board of Directors, Member of the Audit and of the Technology Committees, and Chairwoman of the Nomination and Remuneration Committee of Jaguar Land Rover Automotive PLC, Coventry, UK (including its subsidiaries Jaguar Land Rover and Jaguar Land Rover Holdings Ltd)

PHILIPPE BLOCK

Chairman of the Health, Safety & Sustainability Committee

Professional background

Belgian national born in 1980, Philippe Block was elected to the Board of Directors of Holcim in 2020.

Philippe holds a Master's Degree in Civil Engineering-Architecture from the Free University of Brussels, Belgium, and a Master's Degree in Architectural Studies in Design and Computation and a PhD in Building Technologies from the Massachusetts Institute of Technology (MIT), Cambridge, USA. In 2009, he was appointed Assistant Professor of Architecture and Structure at the Swiss Federal Institute of Technology (ETH) Zurich, Switzerland. In 2017, he was promoted to full Professor. Philippe is the Founder and Co-Director of the Block Research Group at ETH where his research focuses on the design and analysis of unreinforced masonry structures, structural design tools, computational form finding, and new sustainable and cicular construction methods. In addition, Philippe is Director of the Swiss National Centre of Competence in Research (NCCR) for Digital Fabrication, and Co-Founder and scientific advisor of VAULTED AG (an ETH spin-off). A renowned expert in the field of structural design, computational engineering and digital fabrication of concrete construction, Philippe has numerous publications and awards.

Other activities and functions

- Founding Partner of Foreign Engineering GmbH, Zurich, Switzerland

KIM FAUSING

Member of the Audit Committee

Professional background

Danish national born in 1964, Kim Fausing was elected to the Board of Directors of Holcim in 2020. Kim holds a Degree in Mechanical Engineering from Aarhus Teknikum, Denmark, and an MBA Degree from Henley Business School, London, UK. He has been President and Chief Executive Officer for the Danfoss Group (Denmark) since July 2017. Prior to this, he was Chief Operating Officer and Member of the Executive Committee since January 2008. Before this, from 1990 and until joining Danfoss, Kim held various international positions within the Hilti Group in Europe and Asia.

Other activities and functions

- Vice-Chairman of the Board of Directors of SMA Solar Technology AG, Niestetal, Germany

LEANNE GEALE

Member of the Health, Safety & Sustainability Committee

Professional background

Canadian national born in 1965, Leanne Geale was elected to the Board of Directors of Holcim in 2022. She holds a LLB from the Université de Montréal, Canada and a BA from the University of Alberta, Canada. Leanne is currently Executive Vice President and Group General Counsel for Nestlé SA. Before this, Leanne was Chief Ethics & Compliance Officer of Royal Dutch Shell plc from 2014 to 2019, having joined Shell Canada in 2003. At Shell, she held the positions of Associate General Counsel, Oil Products, Group Legal Services Coordinator, and Associate General Counsel, Heavy Oil and Head of Legal Canada. Prior to joining Shell, Leanne was in-house counsel for international, publicly listed companies in banking (Royal Bank of Canada), mining (Rio Algom Limited) and manufacturing (Alcan Aluminium Limited).

Other activities and functions

- Member of the Board of Directors of CEELI Institute o.p.s., Prague, Czech Republic
- Treasurer of the Swiss-American Chamber of Commerce

NAINA LAL KIDWAI

Chairwoman of the Audit Committee

Member of the Health, Safety & Sustainability Committee

Professional background

Indian national born in 1957, Naina Lal Kidwai was elected to the Board of Directors of Holcim in 2019. Naina holds an MBA from the Harvard Business School, Boston, U.S. She has made regular appearances in listings by Fortune and others of international women in business and is the recipient of awards and honors in India including the Padma Shri for her contribution to Trade and Industry from the Government of India. Naina started her career in 1982 and until 1994 was at ANZ Grindleys Bank plc. From 1994 to 2002, she was Vice-Chairwoman and Head of Investment Banking at Morgan Stanley India before moving to HSBC, where she was Chairwoman of the HSBC Group of Companies in India and served on the Board of HSBC Asia Pacific, until her retirement in December 2015. Naina was President of the Federation of Indian Chambers of Commerce & Industry (FICCI), and also served for 12 years until 2018 as Non-Executive Director of Nestlé S.A., Vevey, Switzerland. Naina's interests in water and the environment are reflected in her engagements with The Shakti Sustainable Energy Foundation, Global Commission on Economy & Climate, and positions as Chair of the FICCI Sustainability, Energy and Water Council and Chair of the India Sanitation Coalition.

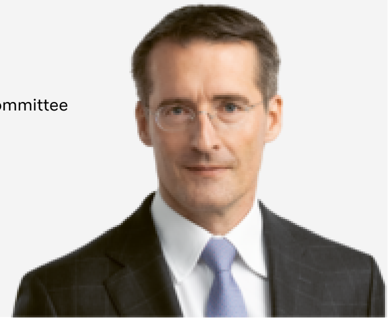
Other activities and functions

- Non-executive Member of the Board of Directors of Gland Pharma Ltd, Hyderabad, India
- Non-executive Member of the Board of Directors and Chairwoman of the Sustainability and Stakeholder Committee of UPL Ltd, Mumbai, India
- Non-executive Member of the Board of Directors and Chairwoman of the Sustainability and of the Nomination and Remuneration Committees of Biocon Ltd, Bangalore, India
- Non-executive Member of the Board of Directors and Chairwoman of the CSR and Sustainability and Nomination and Remuneration Committees of Nayara Energy Ltd, Mumbai, India
- Chairwoman of the Board of Directors of Rothschild & Co India Private Limited, Mumbai, India

ILIAS LÄBER

Member of the Audit Committee

Member of the Nomination, Compensation & Governance Committee



Professional background

Swiss national born in 1974, Ilias Läber was elected to the Board of Directors of Holcim in 2022. He holds a MSc in Engineering from Swiss Federal Institute of Technology (ETH) in Zurich, Switzerland, and a MA in Economics from University of Zurich, where he obtained a doctorate in 2004. Ilias began his professional career at McKinsey & Company, where he served from 2001 to 2008, ultimately as Associate Principal. From 2008 to 2019 he was with Cevian Capital as a Partner and Managing Director of the Swiss office. From 2013 until 2019, he was on the Board of Directors of Panalpina Welttransport Holding AG, where he served as Chairman of the Audit, Risk and Compliance Committee. In 2019, he joined Quercis Pharma AG as CEO and Chairperson of the Board of Directors. In 2021, he joined Spectrum Value Management Ltd as CEO and Partner – the firm administers the industrial and private investments of the Thomas Schmidheiny family. In this capacity Ilias serves as a Member of the Board of Directors of Spectrum Value Management Ltd., of the Grand Resort Bad Ragaz AG and as Chairman and Managing Partner of SEO Management AG.

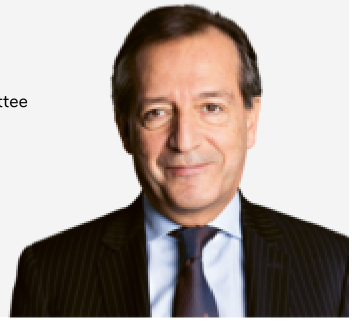
Other activities and functions

- Member of the Board of Directors and Chairman of the Audit Committee of CANCOM SE, Munich, Germany
- Member of the Board of Directors and Chairman of the Audit Committee of Swiss Automotive Group AG, Cham, Switzerland

JÜRG OLEAS

Member of the Audit Committee

Member of the Nomination, Compensation & Governance Committee



Professional background

Swiss national born in 1957, Jürg Oleas was elected to the Board of Directors of Holcim in 2014. He retired from the Holcim Board in the context of the LafargeHolcim merger closing effective 10 July 2015, and was re-elected at the AGM 2016. He holds an MSc in Mechanical Engineering from the Swiss Federal Institute of Technology (ETH) in Zurich, Switzerland. Jürg was CEO of GEA Group Aktiengesellschaft, a Düsseldorf-based mechanical engineering company listed on Germany's MDAX stock index, and has been a member of the GEA Group Executive Board since joining the company in May 2001. Initially responsible for the Group's chemical activities, he was appointed CEO of GEA Group on 1 January 2005. Before joining GEA Group, Jürg spent nearly 20 years with ABB and the Alstom Group, where he held several management positions.

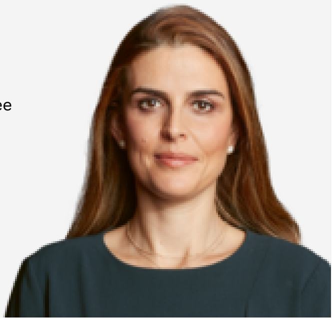
Other activities and functions

- Member of the Board of Directors and Member of Audit Committee of RUAG International Holding AG, Bern, Switzerland
- Chairman of the Board of Directors and Member of the Audit and of the Nomination and Compensation Committees of Hochdorf Holding AG, Hochdorf, Switzerland

CLAUDIA SENDER RAMIREZ

Member of the Nomination, Compensation & Governance Committee

Member of the Health, Safety & Sustainability Committee



Professional background

Brazilian national born in 1974, Claudia Sender Ramirez was elected to the Board of Directors of Holcim in 2019. She holds a BS in Chemical Engineering from the Polytechnic School, University of Sao Paulo, Brazil and an MBA from Harvard Business School, Boston, U.S. Claudia was Senior Vice President for Clients at LATAM Airlines Group until May 2019. Before this, she was CEO for LATAM Airlines Brazil from 2013. Claudia joined TAM Airlines in 2011 as Commercial and Marketing Vice President and in 2012, following the LAN and TAM mergers, she became responsible for the Brazil Domestic Business Unit. Claudia also worked for several years in the Consumer Goods industry, focusing on Marketing and Strategic Planning. Prior to joining LATAM, Claudia was Marketing Vice President at Whirlpool Latin America, where she worked for seven years. She has also worked as a consultant at Bain & Company, in projects ranging from telecommunications to airlines.

Other activities and functions

- Member of the Board of Directors of Telefonica S.A., Delegate Commission, Telefonica Hispam and Telefonica Tech Advisory Committees, Madrid, Spain
- Member of the Board of Directors and Chairwoman of the Compensation and Succession Committee of Gerdau S.A., São Paulo, Brazil
- Member of the Board of Directors, Chairwoman of the People and Sustainability Committee and Member of the Audit and Risk Committee of Embraer S.A., São Paulo, Brazil

EXECUTIVE COMMITTEE

JAN JENISCH
Chairman and CEO

Professional background

German national born in 1966, Jan Jenisch has been Chief Executive Officer of Holcim since 2017 and Chairman of the Board of Directors since May 2023, after serving as a member of the Board since 2021. Jan is serving as both Chairman and CEO during a transition period to safeguard Holcim's transformation and the fast-paced execution of its Strategy 2025. The double mandate is for a limited duration and Miljan Gutovic will assume the role of CEO from 1 May 2024. Thereafter, Jan will focus on his role as Chairman and stand for re-election at the AGM in May.

Jan joined Holcim as CEO in 2017, with the vision to lead Holcim to become the global leader in innovative and sustainable building solutions. Under his leadership, Holcim has reached a new level of strength, with record profitability levels, over 63,448 people worldwide and industry-leading ESG ratings.

Jan launched the industry's first global ranges of low-carbon and circular building solutions from ECOPact and ECOPlanet to ECOCycle®. He successfully transformed Holcim to accelerate green growth by expanding the Solutions & Products segment, to become a global leader in roofing, while growing in the most attractive North American market. Advancing the company's leadership in sustainability, Jan drove a 20 percent reduction in CO_2 per net sales in 2023. Before joining Holcim, Jan was CEO of Sika AG since 2012. Under his leadership, Sika set new performance standards for sales and profitability, becoming a member of the Swiss Market Index.

Jan studied in the U.S. and Switzerland, obtaining his MBA from the University of Fribourg in 1993. In 2021, he received a Dr. h.c. for his accomplishments as CEO of two SMI companies.

Other activities and functions

- Member of the Board of Directors of the Global Cement and Concrete Association
- Member of the Executive Committee of the World Business Council for Sustainable Development (WBCSD)
- Member of the European Round Table for Industry (ERT)
- Member of the Board of Directors of the Swiss-Japanese Chamber of Commerce (SJCC)
- Non-Executive Director of the privately held Glas Troesch Holding AG

STEFFEN KINDLER
CFO

Professional background

German national born in 1970, Steffen Kindler was appointed Chief Financial Officer in April 2023, when he also became part of the Executive Committee.

Before joining Holcim, Steffen held positions of increasing responsibility at Nestlé over 25 years, most recently serving as CFO for Nestlé Germany.

His broad experience spans key business roles including VP Finance and Control of Nestlé Beverages USA, based in Los Angeles, CFO of Nestlé Waters Europe, based in Paris, as well as responsibility for business development, based in the New York metropolitan area.

In addition, Steffen held roles of global responsibility for Nestlé's key corporate functions such as investor relations and mergers & acquisitions, based in Vevey.

Steffen holds a degree in Business Administration and Computer Science (Diplom Wirtschaftsinformatik) from the University of Mannheim.

JAMIE M. GENTOSO
Global Head,
Solutions & Products
Business Unit

Professional background

American national born in 1977, Jamie M. Gentoso was appointed Global Head Solutions & Products Business Unit and member of Holcim's Group Executive Committee in March 2021. Previously, she served as CEO for Holcim's U.S. cement organization where she was responsible for all cement product lines. Before joining Holcim, Jamie was Vice President of Sales and Marketing, Construction Specialties at Sika Corporation U.S.

Jamie now has global responsibility for the Solutions & Products Business Unit at Holcim. This includes the recently acquired roofing business of Elevate (formerly Firestone Building Products), Malarkey Roofing Products and Duro-Last Roofing Systems. Jamie has also sat on the Board of Directors for several industry organizations, including the Ready Mix Concrete Foundation, Precast Concrete Educational Foundation and the Concrete Industry Management (CIM) program.

Jamie received both her MBA and Bachelor of Science in Civil Engineering from the University of Michigan.

Other activities and functions

- Member of the Board of Directors of PSEG, a public utility in the U.S.
- Member of the Leadership Advisory Board (LAB) for the University of Michigan, College of Engineering

MILJAN GUTOVIC
Region Head Europe
and Chief Executive Officer
Designate

Professional background

Australian national born in 1979, Miljan Gutovic was appointed by Holcim's Board of Directors as Chief Executive Officer (CEO) of Holcim, effective 1 May 2024.

Appointed Head of Middle East & Africa and member of the Group Executive Committee of Holcim in July 2018, Miljan's role was expanded to include Europe in March 2021. Since November 2022 he has been Region Head for Europe. In addition, he leads the Group's Operational Excellence organization with a focus on decarbonization. In this capacity he is: leading the company's renewable and green energy use, expanding green formulation with innovative low-emission raw materials such as calcined clay and construction demolition materials, accelerating green mobility to improve efficiencies and reduce the environmental impact of logistics, and deploying next-generation technologies, such as carbon capture utilization and storage and the digitalization of plants.

Miljan joined Holcim in 2018 as Head of Marketing & Innovation, taking responsibility for product development and commercial solutions. He previously worked for the specialty chemical company, Sika in various management roles in Australia and the Middle East. He has a Bachelor's degree in Civil Engineering and a PhD in Engineering from the University of Technology in Sydney.

MARTIN KRIEGNER
Region Head AMEA

Professional background

Austrian national born in 1961, Martin Kriegner was appointed Head of Asia Pacific and member of the Group Executive Committee of Holcim in August 2016. Since October 2022, he has been Region Head for Asia, Middle East & Africa. Martin joined the Group in 1990 and has held various senior leadership roles within Europe and Asia. He moved to India as CEO in 2002 and later served as Regional President Cement for Asia, based in Kuala Lumpur. In 2012, he was appointed CEO for Cement, RMX and Aggregates in India. In July 2015, he became the company's Area Manager Central Europe. Martin is a graduate of Vienna University and holds a Doctorate in Law. He also obtained an MBA from the University of Economics in Vienna.

OLIVER OSSWALD
Region Head Latin America

Professional background

Swiss national born in 1971, Oliver Osswald was appointed Head of Latin America and member of the Group Executive Committee of Holcim in August 2016. Oliver's career at Holcim began in 1995 at Holcim Apasco, Mexico. Between 1995 and 2005, he was responsible for various cement plants in Switzerland and Germany. From 2005, he moved into management and marketing positions at Holcim in Switzerland. He was appointed Commercial Director for Holcim Apasco in 2012, before being appointed Country Head for Argentina in 2014. In 2016, Oliver took on the role of Region Head, Latin America and has also been Global Head of Trading since 2019. Oliver is a graduate of the Technische Hochschule in Ulm, and holds an Executive Education Degree from Harvard Business School.

TOUFIC TABBARA
Region Head North America

Professional background
Canadian national born in 1972, Toufic Tabbara was appointed as Region Head North America and member of Holcim's Group Executive Committee in March 2022. Since joining Holcim in 1998, Toufic has held leadership roles of increasing responsibility across key business lines including ready-mix concrete, aggregates and cement. Having worked in the United States, Canada, Egypt, Jordan, Lebanon and Algeria, Toufic was named CEO for the U.S. Cement organization in 2021. Toufic holds a Bachelor's degree in Business Administration from the American University of Beirut in Lebanon. He also received his MBA from the Thunderbird School of Global Management in Arizona.

NOLLAIG FORREST
Chief Sustainability Officer

Professional background
Swiss national born in 1976, Nollaig Forrest joined Holcim in 2020 as Group Head of Corporate Affairs, in charge of Investor Relations, Group Communications, Public Affairs and Branding.

Since joining Holcim, Nollaig has played an instrumental role in Holcim's net-zero transition, partnering with strategic influencers across the value chain – from architects and public authorities to media and employees – to decarbonize building at scale.

Prior to Holcim, Nollaig was Vice President Corporate Communications at Firmenich and held leading Public Affairs roles at Dow, DuPont and the World Economic Forum, with a consistent focus on driving business as a force for good.

Nollaig holds a Masters Degree in International Relations from the Graduate Institute of International Studies in Geneva, Switzerland. She has also completed the Yale-WBSCD Sustainability Leadership and INSEAD International Marketing programs.

Other activities and functions
- Member of the MIT Climate and Sustainability Consortium Advisory Council
- Member of Bloomberg's Cities Council for sustainable cities

MATHIAS GAERTNER

Head Legal & Compliance

Professional background

German national born in 1973, Mathias Gaertner was appointed Head Legal and Compliance and member of the Group Executive Committee of Holcim, effective September 2021. Mathias Gaertner joined Holcim from Honeywell, where he most recently served as General Counsel of Honeywell Building Technologies, playing an instrumental role in the growth of the business. He is a proven senior legal leader in technology-driven building solutions with a solid track record in international mergers & acquisitions and compliance. Mathias Gaertner holds a PhD from University of Muenster and is a member of the German Bar.

FELICIANO GONZÁLEZ MUÑOZ

Human Resources

Professional background

Spanish national in 1963, Feliciano González Muñoz was appointed as Group Head of Human Resources in May 2018, and as member of the Group Executive Committee of Holcim from January 2019. Feliciano has developed his career for more than thirteen years in senior Human Resources roles in the Group. Before his current role he was Human Resources Director for Europe, Group Head of Labor Relations, and also interim CEO of Spain from 2013 to 2015. Before joining Holcim, Feliciano developed his career at Fujitsu Ltd., building materials company BPB plc and pharmaceutical company Almirall. He holds a PhD in Labor Law from Universidad Complutense de Madrid and an Executive MBA from IE, Madrid.

Executive compensation is designed to reinforce the Holcim strategy by supporting the company to attract, motivate and retain talent while aligning their interests with those of shareholders.

The executive compensation structure balances rewards for short-term performance and long-term success by combining absolute and relative as well as financial and non-financial performance objectives, and by delivering compensation through a mix of cash and equity. To provide further alignment with shareholders, executives are expected to build a minimum level of Holcim share ownership over time.

The Compensation Report provides detailed information on the compensation programs at Holcim, on the compensation awarded to the members of the Board of Directors and the Executive Committee for 2023 and on the governance framework around compensation. It is written in accordance with the Swiss Code of Obligations, the Directive on information relating to Corporate Governance of the SIX Swiss Exchange and the principles of the Swiss Code of Best Practice for Corporate Governance of economiesuisse.

Dear shareholders,
I am pleased to share with you the Holcim Compensation Report for the financial year 2023, which was prepared in accordance with applicable laws, rules and regulations. As a leading global provider of innovative and sustainable building solutions, we aim to be an employer of choice. This is supported by a compensation framework that is designed to attract, motivate and retain the qualified talent needed to succeed globally and to provide excellent returns to you, our shareholders.

2023 was another record year for Holcim. We achieved our Strategy 2025 financial targets two years ahead of plan. Record Recurring EBIT was driven by positive price over cost trends in cement, aggregates and ready-mix. We continued to advance our leadership in sustainability, reducing CO_2 emissions per net sales by 20 percent compared to 2022, while ECOPlanet low-carbon cement reached 19 percent of total cement net sales and ECOPact low-carbon concrete reached 19 per cent of total ready-mix net sales.

We will explain in this report how our performance in 2023 impacted the compensation awarded to the members of the Executive Committee under the incentive plans.

The Nomination, Compensation and Governance Committee (NCGC) performed its regular activities throughout the reporting year such as the succession planning for the Board of Directors and the Executive Committee, the performance objective setting at the beginning of the year and the performance assessment at year end, the determination of compensation for members of the Board of Directors and the Executive Committee, as well as the preparation of the Compensation Report and of the say-on-pay votes at the Annual General Meeting.

Miljan Gutovic will be appointed as Chief Executive Officer (CEO) of Holcim and member of the Group Executive Committee, effective 1 May 2024. Miljan Gutovic will take over from current CEO Jan Jenisch.

Steffen Kindler was appointed as Chief Financial Officer (CFO) of Holcim and member of the Group Executive Committee, effective 1 April 2023. Steffen Kindler took over from former CFO Géraldine Picaud, who decided to pursue opportunities outside the company. Further, Nollaig Forrest was appointed as Chief Sustainability Officer of Holcim and member of the Group Executive Committee, effective 1 September 2023. Nollaig Forrest is succeeding the former Chief Sustainability and Innovation Officer Magali Anderson, who decided to pursue new career opportunities as a Board member and supporter of NGOs.

With regards to the Board of Directors, Michael McGarry will be proposed for election as a member of the Board of Directors at the Annual General Meeting 2024.

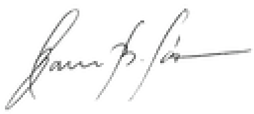
HANNE BIRGITTE BREINBJERG SØRENSEN
Chairwoman of the NCGC

On compensation matters, the NCGC reviewed the peer groups used for benchmarking, the performance indicators and target setting for the purpose of the incentive plans (with a focus on ESG), the share usage for equity plans, the compensation levels and the overall design of the compensation programs. The NCGC concluded that the compensation system continues to be aligned with the overall business strategy and shareholder interests and is well balanced. Therefore, no changes were implemented in 2023 and no substantial changes are foreseen for 2024.

You will find further details about the NCGC's activities and the compensation decisions during the reporting year in this report. You will have the opportunity to express your opinion about this Compensation Report in a consultative shareholder vote at the Annual General Meeting 2024.

We are convinced that the compensation framework supports our commitment to creating both financial and non-financial value over the long term and is well-aligned with our shareholders' interests. In the future, we will continue to review and assess our compensation programs and to maintain an open dialogue with our shareholders and their representatives.

Thank you for sharing your perspectives on executive compensation with us. We trust that you will find this report informative.



HANNE BIRGITTE BREINBJERG SØRENSEN
Chairwoman of the NCGC

Compensation at a glance

Summary of compensation of the Board of Directors in 2023

To ensure their independence in their supervisory function, members of the Board of Directors receive a fixed compensation only, delivered in the form of cash and shares blocked for five years. The compensation system for the Board of Directors does not contain any performance related components.

Summary of compensation of the Executive Committee in 2023

The executive compensation framework is designed to reinforce the Holcim strategy by supporting the company to attract, motivate and retain talent while aligning their interests with those of the shareholders and stakeholders. The compensation structure is well-balanced: it rewards short-term and long-term performance, it combines absolute and relative as well as financial and non-financial performance objectives and it delivers compensation through a mix of cash and equity.

The compensation of the Executive Committee consists of fixed and variable elements. Fixed compensation includes base salary and benefits based on prevalent market practice.

Annual retainer (gross)	Cash (CHF)	Shares (CHF)	Expense allowance (CHF)	Committee fees (gross)	Chair-person (CHF)	Member (CHF)
Board Chair-person[1,2]	–	–	–	AC	160,000	40,000
Board Vice-Chair-person[2]	200,000	200,000	10,000	NCGC	125,000	40,000
Board member	100,000	100,000	10,000	HSSC	125,000	40,000

[1] The Board Chairperson is not eligible for any compensation for this role for the time of his double mandate (since AGM 2023 until AGM 2024).
[2] The Board Chairperson and Vice-Chairperson are not eligible for committee fees.

Variable compensation comprises short-term and long-term elements as described below. It is based on ambitious and stretched performance objectives and it rewards Group and regional results. Clawback and malus provisions apply to the annual and the long-term incentive (LTI) plans.

Executive Committee members are subject to a share ownership guideline: the CEO must hold at least 500 percent of his annual base salary in shares, other Executive Committee members 200 percent.

SUMMARY OF COMPENSATION OF THE EXECUTIVE COMMITTEE IN 2023

Compensation element	Purpose	CEO	Other Executive Committee members
Base salary	Reward for the role		
Pension and benefits	Protect against risks, attract and retain		
Annual incentive	Reward short-term performance • Group relative Sales growth (15%) • Group relative Recurring EBIT growth (15%) • Recurring EBIT (20%) • Free Cash Flow after leases (35%) • Health, Safety and Environment (15%)	**Target:** 125% of salary **Maximum payout:** 200% of target (250% of salary)	**Target:** 75% of salary **Maximum payout:** 200% of target (150% of salary)
Long-term incentive	Reward long-term performance (3–5 years) and align with shareholders' interests: • Performance shares: EPS before impairment and divestments, ROIC and sustainability • Performance options: relative TSR	**Performance shares:** Grant value: 125% of salary Maximum vesting: 200% of target **Performance options:** Grant value: 52.4% of salary Maximum vesting: 100% of target	**Performance shares:** Grant value: 70% of salary Maximum vesting: 200% of target **Performance options:** Grant value: 26.3% of salary Maximum vesting: 100% of target

Compensation of the Board of Directors for 2023

The compensation awarded to the Board of Directors in financial year 2023 is within the limits approved by the shareholders at the Annual General Meeting. Since the compensation period is not yet completed, a definitive assessment will be provided in the 2024 Annual Report.

Compensation of the Executive Committee for 2023

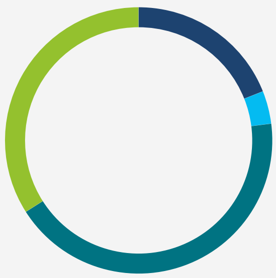
The compensation awarded to the Executive Committee for the financial year 2023 is within the limits approved by the shareholders at the Annual General Meeting 2022.

Summary of performance in 2023

In 2023, Holcim's record full-year results were based on our superior earnings profile, comprising industry-leading margins and a strong balance sheet. Net sales reached CHF 27,009 million for 2023, with organic growth of 6.1 percent compared to the prior year. This was driven by fast growth in the mature markets of North America and Europe, with Solutions & Products expanding to account for 21 percent of Group net sales.

COMPENSATION AWARDED FOR 2023

CEO



- Base salary 19%
- Pension & benefits 4%
- Annual incentive 43%
- Long-term incentive 34%

EXECUTIVE COMMITTEE MEMBERS

- Base salary 34%
- Pension & benefits 12%
- Annual incentive 32%
- Long-term incentive 22%

Compensation period	Approved amount (CHF)	Effective amount (CHF)
AGM 2022 - AGM 2023	5,000,000	4,486,563
AGM 2023 - AGM 2024	3,000,000	To be determined[1]

[1] The compensation period is not yet completed; a definitive assessment will be provided in the Compensation Report 2024

Compensation period	Approved amount (CHF)	Effective amount (CHF)
Financial year 2023	42,500,000	33,579,181

Recurring EBIT reached a record CHF 4,760 million for 2023, up 14.7 percent organically, with a Recurring EBIT margin of 17.6 percent. This strong performance is the result of the Group's successful shift from volume to value in 2023. Earnings per share before impairment and divestments reached the record level of CHF 5.42 for the full year 2023 compared to CHF 4.96 in 2022 before DOJ resolution. Holcim delivered another record Free Cash Flow after leases of CHF 3,705 million with a record cash conversion of 58 percent. Return on Invested Capital (ROIC) was 10.6 percent in 2023.

We continued to advance our leadership in sustainability, reducing CO_2 per net sales by 20 percent in 2023 compared to 2022, and driving circular construction, while expanding our low-carbon building solutions, with our billion Swiss-franc brands from ECOPlanet and ECOPact to OneCem and Elevate.

- Annual incentive 2023: payout of 174.8 percent of target on average for Executive Committee.
- Long-term incentive 2021: vesting level of 176.8 percent for the performance shares granted in 2021.

Compensation governance

- Authority for decisions related to compensation are governed by the Articles of Incorporation and the Organizational Regulations of Holcim Ltd as described in the Corporate Governance section.
- The prospective maximum aggregate amounts of compensation of the Board of Directors and of the Executive Committee are subject to binding shareholders' votes at the Annual General Meeting.
- The Compensation Report is subject to a consultative vote by the shareholders at the Annual General Meeting.

The Board of Directors is supported by the NCGC for all matters related to compensation and governance. The NCGC members are elected annually by the shareholders at the Annual General Meeting.

Compensation system: Board of Directors

To guarantee their independence in exercising their supervisory duties, the members of the Board of Directors receive fixed compensation only and do not participate in Holcim's employee benefits plan. Part of the compensation is paid in blocked shares to strengthen the alignment with shareholders' interests.

Board compensation consists of an annual retainer for the Board Chairperson, Board Vice-Chairperson and Board members plus additional fees for assignments to the committees of the Board of Directors either as Chairperson or member. The Board Chairperson and Vice-Chairperson are not eligible for committee fees. The annual retainer is paid half in cash and half in shares subject to a five-year restriction period (prohibition of sale or pledging). Committee fees are paid in cash.

Additionally, a lump sum expense allowance is paid in cash. The members of the Board of Directors receive no additional reimbursements of business expenses beyond travel costs from abroad.

Cash compensation is paid quarterly for the Board members and monthly for the Board Chairperson. The shares are transferred in March for the past reporting year.

Since the Annual General Meeting 2023 and for the duration of his double mandate, the Board Chairperson does not receive any compensation for his function on the Board of Directors. For the period after the appointment of the new CEO on 1 May 2024, the Board Chairman will cease to receive compensation for the function as CEO and will be remunerated for the role of Board Chairman.

In exceptional circumstances, additional fees are payable to Board members when an exceptional workload beyond the regular function of the Board of Directors is required. No such fees were paid in the reporting year.

AGM 2024 onwards

The compensation of the Board of Directors is benchmarked regularly, last time in 2022, based on the Board compensation of other industrial SMI companies including ABB, Geberit, Givaudan, Lonza, Nestle, Novartis, Richemont, Roche, Sika, and Sonova (refer to section "Compensation Governance" for further details on the benchmarking peer group). The analysis showed that the compensation structure is aligned with prevalent market practice. In terms of compensation levels, the annual retainer and the committee fees for the Chairperson functions are above market median, while they are below market for the Board and committee members without Chairperson function.

Considering the complexity of the work of the Board of Directors and its committees, as well as the substantial additional requirements on the Board and committee Chairpersons, the NCGC concluded that this is appropriate and decided not to make any change to the compensation model except for the Board Chairman. The Chairman of the Board's role will be expanded to include involvement in major acquisitions, divestments, and strategy execution in key markets (e.g., the listing of the North American business in the U.S.). Consequently, the compensation will be set as an annual Board retainer of CHF 2.9 million, of which half will be paid in cash and half in restricted shares.

COMPENSATION MODEL OF THE BOARD OF DIRECTORS

Annual retainer (gross p.a.)	Cash compensation in CHF	Share-based compensation[3] in CHF	Expense allowance in CHF
Board Chairperson since AGM 2023[1,2]	0	0	0
Board Vice-Chairperson[1]	200,000	200,000	10,000
Board member	100,000	100,000	10,000

Committee fees (gross p.a.)[1]	Cash compensation in CHF
Audit Committee Chairperson	160,000
Other Committee Chairpersons (NCGC, HSSC)	125,000
Committee member	40,000

1 The Board Chairperson and Vice-Chairperson are not eligible for committee fees.
2 The current Board Chairman is not eligible for any compensation to this role for the time of his double mandate (since AGM 2023 until AGM 2024). The former Board Chairperson was eligible for an annual retainer of CHF 1,650,000 paid half in cash and half in restricted shares, as well as a secretarial allowance of CHF 60,000 and an expense allowance of CHF 10,000.
3 Converted into shares based on the average share price between 1 January 2024 and 15 February 2024.

Compensation system: Executive Committee

Compensation principles

Executive compensation is designed to reinforce the Holcim strategy by supporting the company to attract, motivate and retain talent, while aligning their interests with those of shareholders. The compensation programs are based on the principles described on the right.

Compensation model of the Executive Committee

The compensation for members of the Executive Committee includes the following elements:

- Annual base salary
- Pensions and benefits
- Variable compensation: annual and long-term incentive

Base salaries

Annual base salaries are established on the basis of the following factors:

- Scope, size, and responsibilities of the role; skills required to perform the role
- External market value of the role
- Skills, experience and performance of the individual in the role

To ensure market competitiveness, base salaries of the Executive Committee are reviewed annually taking into consideration the company's affordability, benchmark information, internal consistency and individual performance. The objective is to provide salaries broadly in line with the competitive market practice of selected comparable SMI companies (refer to section "Compensation Governance" for further details on the benchmarking peer group)

DRIVE SUSTAINABLE AND SOCIAL IMPACT

Our compensation programs are directly linked to our sustainability strategy, and especially to our climate goals. Extensive risk-taking and short-termism are strongly discouraged, especially when such behaviors could jeopardize our sustainable success. We believe in equal pay for equal work. Our compensation programs are straightforward and communicated transparently, both internally and externally.

PAY FOR PERFORMANCE

Our incentive plans reward short-term performance and long-term success through a balanced combination of absolute and relative performance objectives, as well as using financial and non-financial metrics. Non-financial goals focus on climate, environment and our broader role in society.

ACCELERATE INNOVATION

With a strong focus on growth and sustainability, our compensation programs incentivize re-invention of our products and services to reach net-zero. Our competitive compensation also helps us attract, retain and motivate highly talented individuals who contribute to this goal as well as maintaining an agile and diverse workplace.

CREATE SHAREHOLDER VALUE

Our share-based compensation plans foster long-term thinking and success as they strengthen the alignment of our management with the long-term interests of our shareholders. Our executives are expected to build a minimum level of share ownership over time so that they always have "skin in the game".

COMPENSATION MODEL OF THE EXECUTIVE COMMITTEE

Element	Purpose	Structure	Drivers	Performance objectives
Base salary	Attract and retain	Fixed amount paid monthly in cash	• Role & responsibilities • Market value • Experience	
Pensions and insurances	Protect against risks	Pension contributions and benefits, insurances	• Market practice • Role	
Benefits	Attract and retain	• Perquisites • Car or allowance • Relocation benefits	• Market practice • Role	
Annual incentive	Reward for short-term performance	Annual variable amount paid half in cash and half in shares blocked for three years	Annual financial and non-financial performance	• Group relative Sales growth • Group relative Recurring EBIT growth • Recurring EBIT • Free Cash Flow after leases • Health, Safety and Environment
Long-term incentive (LTI)	• Reward for long-term performance • Align with shareholders' interests • Retain	• Performance shares subject to a three-year vesting • Performance options subject to a five-year vesting	Long-term financial and non-financial performance	• EPS before impairment and divestments • ROIC • Sustainability • Relative TSR

Pension

Executive Committee members participate in the benefits plans available in the country of their employment. Benefits consist mainly of retirement, insurance and healthcare plans that are designed to provide a reasonable level of protection for the employees and their dependents with regards to health, retirement, death and disability. The members of the Executive Committee with a Swiss employment contract participate in Holcim's defined benefit pension scheme applicable to Swiss-based senior management, which is set up to achieve, for executives retiring from Holcim at age 62 and assuming ten years of service in senior management and 20 years of service with the Group, an amount of 40 percent of the average of the last three years' base salaries, inclusive of all other pension incomes participants may benefit from. Early or deferred retirement pensions are adjusted based on actuarial calculations. The members of the Executive Committee under foreign employment contracts are insured commensurately with market conditions and with their position. Each plan varies in line with the local competitive and legal environment and is, as a minimum, in accordance with the legal requirements of the respective country.

Benefits and perquisites

Members of the Executive Committee may receive certain executive perquisites such as a company car or allowances and other benefits in kind, in line with competitive market practice in their country of employment. Executives who are relocating may also be provided with expatriate benefits such as housing, schooling, travel benefits and tax advice, in line with the Holcim international mobility policy. These other compensation elements are included in the compensation table at fair value.

Annual incentive

The annual incentive rewards the financial results as well as the achievement of a Health, Safety and Environment (HSE) objective at Group and regional level (depending on the function) over a time horizon of one year.

The annual incentive target (i.e., incentive amount at 100 percent target achievement) is expressed as a percentage of base salary and amounts to 125 percent for the CEO and 75 percent for the other members of the Executive Committee. The payout is capped at 200 percent of target, i.e., 250 percent of base salary for the CEO and 150 percent of the base salary for the other Executive Committee members.

The financial performance is measured both in absolute terms (against own-set targets) and in relative terms compared to a peer group of companies that are exposed to similar market cycles.

- The absolute financial performance includes Recurring EBIT as a measure of Group and regional operational profitability, as well as Free Cash Flow after leases as a measure of the company's ability to generate cash. For those objectives, the NCGC determines a target level of expected performance (corresponding to a 100 percent payout), as well as a threshold level of performance below which there is no payout, and a maximum level of performance which corresponds to the maximum possible payout (cap).
- The relative financial performance includes Group sales growth and Group Recurring EBIT growth compared to peer companies. The intention of measuring Group sales growth and Recurring EBIT growth against peer companies is to neutralize market factors outside of management control. The objective is to perform better than the peer companies (regardless of market circumstances) and to reach at least median performance within the peer group, which corresponds to a 100 percent payout factor. The peer group includes companies that were chosen for their comparable products, technologies, customers, suppliers or investors, i.e., these companies are exposed to similar market conditions. The companies of the peer group are listed below. The measurement of the relative Group performance is provided by Obermatt, an independent Swiss financial research firm focused on indexing company performance.

PERFORMANCE PEER GROUP

Cement producers	Building materials	Construction
Boral	Carlisle	Acciona
Buzzi Unicem	James Hardie	ACS
Cemex	RPM	Bouygues
CRH	Saint-Gobain	Vinci
Heidelberg Materials	Sika	
Vicat		

PERFORMANCE OBJECTIVES AND WEIGHTINGS

Performance objective	Weighting
Relative Group sales growth	15%
Relative Group Recurring EBIT growth	15%
Recurring EBIT	20%
Free Cash Flow after leases	35%
Health, Safety and Environment	15%

The achievement of the Health, Safety and Environment (HSE) objective is measured as a scorecard including both leading and lagging performance objectives and based on four elements.

- HSE Improvement Plan (HSE-IP): The HSE-IP is determined at country level and includes strategic objectives such as key risk control and process safety management, health & well-being, industrial hygiene, road safety and incident elimination control. For the regions and the Group, an average of the HSE-IP scores of the countries, respectively the regions, is used to determine the achievement level.
- Critical Risk Elimination (CRE): CRE objectives include action closure based on the findings of HSE audit and of the safety management process for each country. For the regions and the Group, an average of the CRE scores of the countries, respectively the regions, is used to determine the achievement level.
- Lost-Time Injury Frequency Rate (LTIFR): LTIFR score reflecting improvements in the Lost-Time Injury Frequency Rate at country, regional and Group level.
- Management evaluation criteria: evaluation of the overall outcome during the year with regards to workplace safety.

The annual incentive is paid half in cash and half in shares subject to a three-year blocking period.

The annual incentive design applicable to the Executive Committee is summarized on page 200.

The annual incentive is subject to clawback and malus provisions. In case of financial restatement due to non-compliance to the accounting standards and/or fraud, or in case of violation of law and/or internal rules, the Board of Directors may deem all or part of the annual incentive to forfeit (malus) or may seek reimbursement of all or part of any paid annual incentive (clawback). Those provisions may be enforced within three years of any year subject to a financial restatement or during which the fraudulent behavior happened.

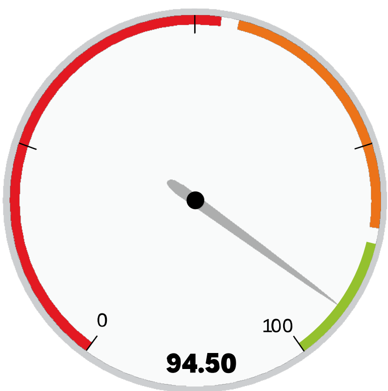
In case of termination of employment, any potential payment of the annual incentive is paid pro-rata and based on the effective performance (determined after year end) capped at the target amount (pro-rata).

2024 onwards

While the design of the annual incentive remains unchanged for 2024, the target amount for the members of the Executive Committee will be increased from currently 75 percent to 90 percent of the annual base salary. This is to account for the fact that the compensation levels of the Executive Committee members have not been adjusted in the last years (with the exception of recently promoted members), while market levels have evolved. Therefore, the decision was made to adjust the compensation levels with an increase of the annual incentive target amount, in line with our pay-for-performance philosophy.

HEALTH, SAFETY AND ENVIRONMENT SCORECARD

Overall HSE Continuous Improvement Score (CIS)



	Threshold	Target	Stretch
CIS	55	85	100
Payout	50%	100%	200%

Health, Safety and Environment Improvement Plan (HSE-IP)

At country level: strategic objectives in the areas of
- Leadership and competence
- Key risk control and process safety management
- Systems & processes
- Health, well-being and industrial hygiene
- Road safety: on-site and off-site traffic safety
- Incident elimination control

HSE-IP score based on percentage completion of strategic objectives (score of 85 if all objectives are achieved)

Critical Risk Elimination (CRE)

At country level: Group HSE audit and Process Safety Management (PSM) inspection

CRE score based on action closure (score of 100 percent if action closure of audit + PSM findings completed on time)

Lost-Time Injury Frequency Rate (LTIFR)

Number of on-the-job injuries that require a person to stay away from work for a day or more per one million hours worked, goal to improve versus previous year

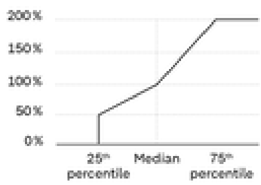
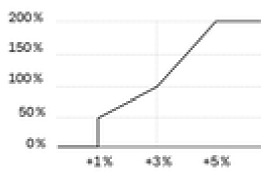
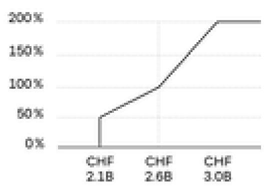
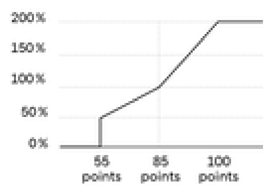
LTIFR score based on specific target set at country, region or Group level

Management evaluation criteria

Evaluation of the overall outcome during the year with regards to workplace safety at country, region or Group level

DESIGN OF THE ANNUAL INCENTIVE 2023

Role	CEO	Other Executive Committee members
Target opportunity	125% of salary	75% of salary
Maximum opportunity	250% of salary	150% of salary

Performance objectives	Relative Group performance	Recurring EBIT growth (Group or region)*	Free Cash Flow after leases (Group or region)	Health, Safety and Environment (HSE) (Group or region)*
Purpose	Measures Group's performance compared to peer companies exposed to similar market cycles	Measures Group or regional operational profitability	Measures the company's ability to generate cash	Measures health, safety and environment indicators to ensure a safe workplace
Definition	Relative Group sales growth (50%) and relative Group Recurring EBIT growth (50%) expressed as percentile ranking in the peer group of companies and measured on a constant scope basis (factoring out divestments and acquisitions occurring in the current year and the prior year). Group Recurring EBIT growth is then divided by net sales of prior year (both adjusted for scope)	Organic growth versus prior year of the Recurring EBIT is defined as Operating profit/loss (EBIT) adjusted for restructuring, litigation, other non-recurring costs and for impairment of operating assets Organic growth information is information factoring out changes in the scope of consolidation (such as divestments and acquisitions occurring in current and prior year) and currency translation effects (current year figures are converted with prior year exchange rates in order to calculate the currency effects)	Cash flow from operating activities, adjusted for net maintenance and expansion capital expenditures and for repayment of long-term lease liabilities	Scorecard over 100 points based on four elements: Health, Safety and Environment Improvement Plan (HSE-IP), Critical Risk Elimination (CRE), Lost-Time Injury Frequency Rate (LTIFR) and management evaluation criteria
Weighting	30%	20%	35%	15%
Targets for 2023	Ranking at the median of the peer group. This is unchanged compared to the ranking target applicable in 2022 and is in line with our ambition to outperform our peers on top-line and bottom-line growth.	Recurring EBIT growth target of 3%. This is a decrease compared to the target of 6% growth in 2022, which was driven by the fact that the baseline in 2022 (for the 2023 target) was higher than the baseline in 2021 (for the 2022 target). In addition, higher energy prices and spike of inflation in other cost categories were expected, as well as negative volumes in 2023 compared to 2022	Free Cash Flow after leases of CHF 2.6 billion. This is an increase compared to the target of CHF 2.5 billion for 2022, which is driven by the "Strategy 2025 – Accelerating Green Growth"	85 points on the HSE scorecard. This is unchanged compared to the HSE targets applicable in 2022 and is in line with our ambition to improve health, safety and environment globally
Payout formula (threshold, target and cap for the Group)				

* Group level for corporate Executive Committee roles, regional level for regional Executive Committee roles

Long-term incentives

Our compensation philosophy is to align a significant portion of compensation of the Executive Committee with long-term company performance and to strengthen alignment with shareholders' interests. To support "Strategy 2025 – Accelerating Green Growth", the grant awarded under the long-term incentive consists of both performance shares and performance options.

Performance shares

Performance shares are subject to a three-year vesting period based on three equally weighted performance objectives: 1) Earnings per share (EPS) before impairment and divestments, 2) Return on Invested Capital (ROIC) adjusted for material changes in scope and 3) sustainability. These performance objectives have been chosen as they reflect the strategic priorities of the Group to increase profitability through strong operating leverage (EPS), to improve how the company generates profits relative to the capital it has invested in its business (ROIC) and to mitigate the company's impact on the environment (sustainability). The sustainability objective encompasses three pillars of the company's sustainability strategy in line with Holcim's commitment to build a net-zero future with science based targets (see also box on the right):

- Climate: reduction of CO_2 emissions (Scope 1) per ton of cementitious material produced (50 percent weight). Scope 1 includes all emissions released directly from the operations, which account for around 59 percent of the overall footprint and are at the core of the emission strategy of Holcim
- Circularity: quantity of recycled waste derived resources (25 percent weight)
- Nature: reduction of freshwater withdrawal per ton of cementitious material produced (25 percent weight)

For all three objectives, the NCGC determines a threshold performance level (below which there is no vesting), a target level (vesting of 100 percent) and a stretch performance level (vesting of 200 percent). Between these levels, vesting is calculated on a straight-line basis.

Performance options

Performance options are subject to a five-year vesting period based on Holcim's relative total shareholder return (TSR) compared to a group of peer companies, and have a maturity of ten years. Threshold vesting (25 percent of maximum) will be achieved if the median of the peer group is reached, target vesting (50 percent of maximum) will be achieved if the 60th percentile is reached, and full vesting (100 percent) will be achieved if the 75th percentile is reached on average during the five-year vesting period. There will be no vesting for performance below the median of the peer group. The vesting level between threshold, target and full vesting is calculated on a straight-line basis. The companies of the peer group are the same as for the annual incentive and are listed on page 198.

Once vested, the LTI awards (performance shares and performance options) are not subject to a further holding period. The performance option can be exercised during a period of five years after the vesting.

The unvested LTI awards forfeit upon termination of employment, except in case of retirement, ill-health, disability, by reason of the employment being with a company/business which ceases to be a Group member, termination by the employer within 18 months from a relevant merger & acquisition transaction or any other cases at the discretion of the NCGC. In such circumstances, unvested LTI awards are subject to a pro-rata vesting (for the number of full months between grant date and termination date), without acceleration, i.e., the vesting of the pro-rated number of awards will occur at the regular vesting date, subject to performance measurement over the entire performance period. In the event of death and change of control (unless the unvested LTI awards are replaced by an equivalent award following the change of control) unvested LTI awards vest immediately on a pro-rata basis assuming that performance conditions are met. For the avoidance of doubt, LTI awards always lapse when termination is due to voluntary resignation or gross misconduct.

The LTI awards are subject to clawback and malus provisions for a period of three years after vesting in case of financial restatement, error or inaccurate or misleading information to assess the fulfillment of performance conditions or a termination for cause.

The long-term incentive design applicable to the Executive Committee is summarized on the next page.

Science based targets

Holcim's commitment to build progress for people and the planet includes ambitious targets related to climate, waste and freshwater withdrawal. Holcim was the first global building materials company to sign the "Business Ambition for 1.5°C" pledge with the Science Based Target initiative (SBTi) and in November 2022 upgraded its 2030 climate targets, validated by SBTi, in line with its sector's new 1.5°C science-based framework.

The CO_2 target included in the performance objectives of the long-term incentive are based on CO_2 targets validated by the SBTi.

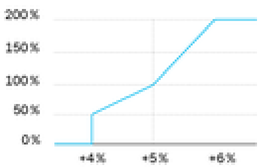
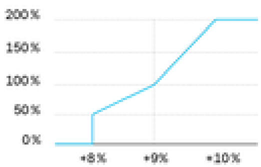
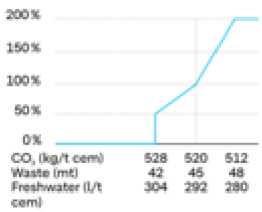
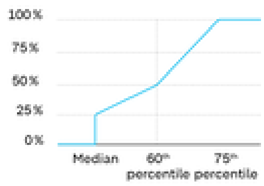
2024 onwards

The overall design of the LTI generally remains unchanged for 2024. However, to align the circularity performance objective with upcoming regulatory frameworks, the performance objective waste-derived resources will be replaced by construction demolition materials (CDM) which is defined as total volume of material recycled coming from construction, renovation, repair and demolition of houses, large building structures, roads, bridges, piers and dams. This performance objective is core to measure Holcim's circularity and in full alignment with strategic objectives.

The weighting as well as all other performance objectives will remain unchanged.

DESIGN OF THE LONG-TERM INCENTIVE

Role	CEO	Other Executive Committee members
Grant size in 2023	177.4% of salary (125% in performance shares, 52.4% in performance options)	96.3% of salary (70% in performance shares, 26.3% in performance options)

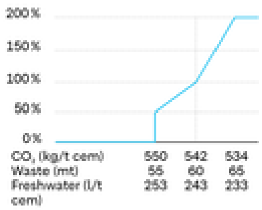
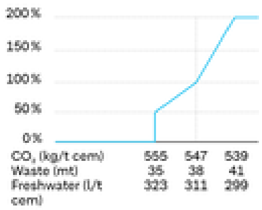
Performance objectives	EPS growth before impairment and divestments (performance shares)	ROIC (performance shares)	Sustainability (performance shares)	Relative TSR (performance options)
Purpose	Measures the company's profitability to investors	Measures the company's ability to generate returns from Invested Capital	Measures the company's improvement in mitigating the impact of its operations on the environment	Measures the company's ability to provide investors with strong returns
Definition	EPS adjusted for after tax gains and losses on disposals of Group companies and impairments of goodwill and long-term assets It is defined as: +/- Net income/loss +/- Gains and losses on disposals of Group companies, net of taxation +/- Impairment of goodwill and long-term assets, net of taxation : Weighted average number of outstanding shares	ROIC at year end 2025, adjusted for changes in scope between 2023 and 2025 It is defined as: +/- Net Operating Profit/ loss After Tax (NOPAT) : Average Invested Capital (Average Invested Capital = Invested Capital at beginning of year + Invested Capital at year end, sum divided by 2) In case of material change in scope during the year, the average Invested Capital is adjusted pro-rata temporis	Climate and energy: Net CO2 emissions (Scope 1) measured in kg CO2/t cementitious (50% weight); circular economy: quantity of waste recycled in million tons (25 % weight); nature: freshwater withdrawn in liters freshwater/t cementitious (25% weight)	Holcim's TSR over the five-year performance period, starting on 1 January 2023, and ending on 31 December 2027 expressed as a percentile ranking in a peer group of companies It is defined as: Share price at end of period - Share price at beginning of period + Dividends paid during the period : Share price at beginning of period
Weighting	33⅓% of performance share grant	33⅓% of performance share grant	33⅓% of performance share grant	100% of performance option grant
Performance period	2023–2025	2025	2025	2023–2027
Targets for the 2023 grant	EPS growth of 5% p.a. This is unchanged compared to the EPS target applicable to the performance shares granted in 2022	ROIC of 9% in 2025. This is an increase by 0.5 percentage points compared to the ROIC target for 2024 applicable to the performance shares granted in 2022 and is in alignment with the "Strategy 2025 – Accelerating Green Growth"	CO_2 emissions of 520 kilograms per ton of cementitious material produced in 2025 compared to the target of 534 kilograms set in 2022. Waste of 45 million tons recycled in 2025 compared to the target of 41 million set in 2022. Freshwater withdrawal of 292 liters per ton of cementitious material produced in 2025 compared to the target of 302 liters set in 2022	Ranking at the 60th percentile of the peer group. This is unchanged compared to the ranking target applicable to the performance options granted in 2022 and is in line with our ambition to outperform our peers in terms of shareholder return
Performance vesting				
Maximum vesting level	200%	200%	200%	100%
Vesting and holding periods	Three-year cliff vesting No further holding period	Three-year cliff vesting No further holding period	Three-year cliff vesting No further holding period	Five-year cliff vesting No further holding period 10-year maturity (in total)

Adjustment of sustainability targets for the outstanding performance shares granted in 2021

Due to the divestment of the operating activities in India and Brazil, and the derecognition of Russia from our key performance indicators, the sustainability targets for the outstanding performance shares granted in 2021 had to be adjusted in order to comply with the “Sustainability Framework Guidelines” of the Global Cement and Concrete Association (GCCA) for CO_2 reporting. Those require the deconsolidation of divestments for the full year and the restatement of historic emissions, which are the baseline to measure the emission reductions.

Consequently, India, Brazil, and Russia were fully excluded from the 2022 reported figures and the baselines (historic data) and targets have been adjusted accordingly. The new baselines were externally validated by EY & Associés.

For consistency reasons, the same methodology was applied for waste recycling and water consumption figures. The table below shows the original and adjusted targets for the outstanding performance shares granted in 2021 (measured in 2023, payout in 2024).

<table>
<tr><th>Performance objectives</th><th>Original targets</th><th>Adjusted targets</th><th>Comments</th></tr>
<tr><td>Performance shares granted in 2021</td><td>
</td><td>
</td><td>The baseline 2020 results were adjusted by excluding the scope of India, Brazil and Russia and the targets were reset accordingly, with an increased ambition in terms of improvement compared to the baseline</td></tr>
</table>

Executive share ownership guidelines

To reflect the importance the NCGC places on aligning their interests with shareholders, Executive Committee members are required to own at least a minimum multiple of their annual base salary in Holcim shares as set out below:

- CEO: 500 percent of annual base salary
- Other Executive Committee members: 200 percent of annual base salary

Members of the Executive Committee are expected to meet the minimum shareholding requirements within four years of their appointment to the Executive Committee. To calculate whether the minimum shareholding requirement is met, all shares purchased on the market and vested shares from incentive plans are considered.

However, unvested performance shares and options are excluded. In case of non-compliance to the minimum requirements at the required date, Executive Committee members are prohibited to sell any shares held. Further, their annual incentive (net of statutory deductions) will be paid entirely in shares. The compliance to the share ownership guidelines is monitored on an annual basis. The current shareholdings of the members of the Executive Committee can be found on page 210.

Employment contracts for the Executive Committee

The contracts of employment of the Executive Committee members are concluded for an indefinite period and may be terminated with one year’s notice. Contracts of employment do not include severance compensation or change of control clauses except the vesting provisions of the LTI awards as described above. They may include non-competition provisions that are limited in time to maximum of one year and which may allow a compensation up to a maximum of 50 percent of the last paid total annual compensation.

Compensation for the financial year 2023

The tables on page 204 and 205 were audited according to Article 734a-f of the Swiss Code of Obligations.

C: Committee Chair
M: Member

AC: Audit Committee
NCGC: Nomination, Compensation and Governance Committee
HSSC: Health, Safety & Sustainability Committee

BOARD OF DIRECTORS (AUDITED)

Name	Positions as per 31 December				Share-Based compensation						
	AC	NCGC	HSSC	Cash compensation CHF gross	Number	Value CHF gross	Other[6] CHF gross	Subtotal CHF gross	Social Security[7] CHF	**2023 Total CHF gross**	2022 Total CHF gross
Jan Jenisch[1]				0	0	0	0	0	0	**0**	0
Beat Hess[2]				343,750	5,279	343,750	37,355	724,855	0	**724,855**	1,720,000
Hanne B. Sørensen		C		200,000	3,071	200,000	10,000	410,000	0	**410,000**	395,416
Dieter Spälti[3]				0	0	0	0	0	0	**0**	175,393
Philippe Block[4]			C	225,000	1,536	100,000	10,000	335,000	4,675	**339,675**	304,143
Kim Fausing	M			140,000	1,536	100,000	10,000	250,000	0	**250,000**	250,000
Leanne Geale[5]			M	140,000	1,536	100,000	10,000	250,000	4,675	**254,675**	150,161
Colin Hall[3]				0	0	0	0	0	0	**0**	104,167
Patrick Kron[2]				108,333	640	41,667	4,167	154,167	0	**154,167**	386,667
Naina Lal Kidwai	C		M	233,333	1,536	100,000	10,000	343,333	0	**343,333**	250,000
Adrian Loader[3]				0	0	0	0	0	0	**0**	156,251
Ilias Läber[5]	M	M		180,000	1,536	100,000	10,000	290,000	4,675	**294,675**	173,726
Jürg Oleas	M	M		180,000	1,536	100,000	10,000	290,000	0	**290,000**	277,893
Claudia Sender Ramirez		M	M	180,000	1,536	100,000	10,000	290,000	4,455	**294,455**	290,000
Total				**1,930,416**	**19,742**	**1,285,417**	**121,522**	**3,337,355**	**18,480**	**3,355,835**	**4,633,817**

1 Does not receive compensation for his function on the Board of Directors
2 Board member until 4 May 2023
3 Board member until 4 May 2022
4 Includes CHF 9,375 as a compensation for participation in the Holcim Foundation for Sustainable Construction
5 Board member since 4 May 2022
6 Expense allowances; and secretarial allowance and farewell gift for the Chairman of the Board
7 This amount includes social security contributions to the extent that they result in a future benefit entitlement. Additional contributions that do not result in an increase of the benefit entitlement are excluded (additional contributions in the amount of CHF 121,764 are excluded)

Explanations

In 2023, ten non-executive members of the Board of Directors received in total compensation of CHF 3.4 million (2022: CHF 4.6 million) of which CHF 1.9 million was paid in cash (2022: CHF 2.6 million), CHF 0.02 million in the form of social security contributions (2022: CHF 0.02 million), and CHF 1.3 million in shares (2022: CHF 1.9 million). Other compensation paid totaled CHF 0.1 million (2022: CHF 0.2 million).

The compensation in 2023 was lower than in 2022 because as of the Annual General Meeting 2023, the Board Chairman did not receive any compensation for the board function due to the dual mandate. The compensation structure and levels for all the other functions on the Board of Directors remained unchanged from the previous year.

At the Annual General Meeting 2022, shareholders approved a maximum aggregate amount of compensation of CHF 5,000,000 for the Board of Directors for the term until the Annual General Meeting 2023. The compensation paid to the Board of Directors for this term was CHF 4,486,563 and is therefore within the approved limits.

At the Annual General Meeting 2023, shareholders approved a maximum aggregate amount of compensation of CHF 3,000,000 for the Board of Directors for the term until the Annual General Meeting 2024. The compensation paid to the Board of Directors for this term is anticipated to be approximately CHF 2.8 million. The final amount will be disclosed in the 2024 Annual Report.

EXECUTIVE COMMITTEE (AUDITED)

				Performance shares[2]	Performance options[3]	Replacement award[4]			
Executive	Base salary CHF gross	Other fixed pay[1] CHF gross	Annual incentive CHF gross	Fair value at grant CHF gross	Fair value at grant CHF gross	Fair value at grant CHF gross	Social/ pension contri-butions[5] CHF	**Total 2023 CHF gross**	Total 2022 CHF gross
Jan Jenisch, CEO 1 January until 31 December 2023	1,800,000	26,000	4,051,800	2,262,934	943,200	–	381,562	**9,465,496**	9,157,109
Other members 1 January until 31 December 2023	6,857,608	1,403,629	7,725,517	3,432,455	1,410,416	409,119	2,874,941	**24,113,685**	25,656,185
Total	8,657,608	1,429,629	11,777,317	5,695,389	2,353,616	409,119	3,256,503	**33,579,181**	34,813,294

1 Includes the value of benefits in kind: car allowance and benefits for internationally mobile members (expatriates) such as housing, schooling and tax consulting.
2 Performance shares granted under the long-term incentive plan, subject to a three-year performance-based vesting period. The disclosed amount corresponds to the fair value at grant.
3 Performance options granted under the long-term incentive plan, subject to a five-year performance-based vesting period. The disclosed amount corresponds to the fair value at grant.
4 The replacement award granted to a new Executive Committee member is a combination of performance shares and restricted shares, matching the equity plans forfeited from his previous employer on a strict like-for-like basis.
5 Includes contribution to social security and occupational pension plans. Contributions to social security plans for members employed in Switzerland include social security contributions to the Swiss old age, survivors and disability insurance (OASI/AHV/IV/EO) to the extent that they result in a future benefit entitlement. Additional contributions that do not result in an increase of the benefit entitlement are excluded (additional contributions in the amount of CHF 1,619,114 are excluded). Contributions to social security plans for members employed outside of Switzerland include the contributions effectively paid in the reporting year.

Explanations

The total annual compensation for the twelve members of the Executive Committee for 2023 amounted to CHF 33.6 million (2022: CHF 34.8 million). This amount comprises base salaries, other fixed pay and annual incentive of CHF 21.9 million (2022: CHF 23.3 million), equity-based long-term incentive of CHF 8.4 million (2022: CHF 9.0 million), employer contributions to social security and pension plans of CHF 3.3 million (2022: CHF 2.6 million).

The compensation changes for 2023 compared to 2022 are mainly caused by the following factors:

- The composition of the Executive Committee has changed compared to the previous year. Two new members were appointed to the Executive Committee in replacement of two members who left the company, however, their compensation is still included for the duration of their notice period. Therefore, the compensation table includes twelve Executive Committee members in 2023, of which nine on a full-year basis, compared to eleven members on a full-year basis in 2022.
- The base salary of three Executive Committee members was increased between 2022 and 2023. The base salaries of all other Executive Committee members, including the CEO, have not been adjusted. Considering that the target STI and LTI are defined as a fixed percentage of the base salary, the target STI and LTI as monetary amounts increased for the said members who received a salary increase and remained unchanged for all other members.
- 2023 was another record year for Holcim. The overall annual incentive payout of 174.8 percent compares to an overall payout of 169.5 percent in previous year. Further details are provided on the next page.

The compensation awarded to the Executive Committee members for 2023 in the amount of CHF 33,579,181 is within the total maximum amount of compensation for the Executive Committee for the financial year 2023 of CHF 42,500,000 approved at the Annual General Meeting 2022.

Performance in 2023

In 2023, Holcim's record full-year results were based on our superior earnings profile, comprising industry-leading margins and a strong balance sheet. Net sales reached CHF 27,009 million for 2023 with organic growth of 6.1 percent compared to the prior year. This was driven by fast growth in the mature markets of North America and Europe, with Solutions & Products expanding to account for 21 percent of Group net sales.

Recurring EBIT reached a record CHF 4,760 million for 2023, up 14.7 percent organically, with a Recurring EBIT margin of 17.6 percent. This strong performance is the result of the Group's successful shift from volume to value in 2023. Earnings per share before impairment and divestments reached the record level of CHF 5.42 for the full year 2023 compared to CHF 4.96 in 2022 before DOJ resolution. Holcim delivered another record Free Cash Flow after leases of CHF 3,705 million with a record cash conversion of 58 percent. Return on Invested Capital (ROIC) was 10.6 percent in 2023.

We continued to advance our leadership in sustainability, reducing CO_2 per net sales by 20 percent in 2023 compared to 2022, and driving circular construction, while expanding our low-carbon building solutions, with our multi-billion Swiss-franc brands from ECOPlanet and ECOPact to OneCem and Elevate.

With those results, the Group outperformed the peer companies in terms of relative performance and exceeded its Recurring EBIT growth and Free Cash Flow after leases targets. Three regions reached the stretch level of performance on both Recurring EBIT growth and Free Cash Flow after leases. With regards to HSE, the safety of the workplace was again substantially improved year-on-year and the performance targets were exceeded as well.

Overall, the annual incentive amounted to 180.1 percent of target for the CEO (225.1 percent of salary) and 174.2 percent on average for the other members of the Executive Committee (130.6 percent of salary). The ratio of variable versus total compensation amounted to 76.7 percent for the CEO and to 52.1 percent on average for the other members of the Executive Committee.

PAYOUT OF THE ANNUAL INCENTIVE IN 2023

Performance objectives	Results	Payout Percentage Threshold / Target / Stretch
Relative Group performance (30%)[1]	With a Group net sales growth of -0.5% (adjusted basis for the purpose of external benchmarking based on a common methodology applied to the reported figures of Holcim and of the peer companies: constant scope; conversion of all peers in Swiss francs as common currency), Holcim achieved the 53rd percentile in the peer group. With a Recurring EBIT growth of 1.3% (scaled by sales and adjusted basis), Holcim achieved the 73rd percentile in the peer group. On a combined basis Holcim achieved the 63rd percentile (152% payout factor).	Net Sales growth  Recurring EBIT growth 
Recurring EBIT (20%) (Group or regional)	The 2023 Group Recurring EBIT organic growth was 14.7% compared to a target of 3%, which corresponds to a payout factor of 200%. The regional EBIT performance was mixed, with one region below the threshold (0% payout factor) and all other regions exceeding the stretch (200% payout factor).	Group Recurring EBIT  Regional Recurring EBIT 
Free Cash Flow after leases (35%) (Group or regional)	The Group Free Cash Flow (FCF) after leases was CHF 3,705 million compared to a target of CHF 2,600 million, which corresponds to a payout factor of 200%. The regional FCF after leases targets were outperformed overall with one region just below stretch (195% payout factor) and all other regions exceeding the stretch (200% payout factor).	Group FCF after leases  Regional FCF after leases 
Health, Safety and Environment (HSE) (15%) (Group or regional)	The HSE scorecard includes three elements (HSE-IP, CRE, and LTIFR) as well as a management evaluation criteria. The management evaluation criteria allows an assessment of the HSE performance beyond the three elements HSE-IP, CRE, and LTIFR. For 2023, it has been decided that in any region where severe incidents happened, the scorecard score shall be capped at target level. This approach has been applied in two regions and for the Group (weighted average of regional adjustments). At Group level, the payout factor was 163% (194% without scorecard cap). At regional level, it ranged from 100% to 200% (190% to 200% without scorecard cap). Further information on Health & Safety is provided in the integrated annual report on pages 138–139.	Group HSE score  Regional HSE score 
Total		**Overall payout of 180.1% for the CEO and of 174.2% on average for the other Executive Committee members**

[1] The relative Group performance assessment is based on a best estimate at time of publication (i.e., includes an estimate for companies that did not yet publish their annual results). The final achievement level will be calculated by Obermatt before the payout date in March 2024 based on the annual report publications of the peer companies.

Performance shares granted in 2020 vested in March 2023 conditional upon EPS before impairment and divestments, ROIC, and sustainability objectives all measured in 2022. The vesting of this grant is disclosed in the first table below.

Performance shares granted in 2021 will vest in March 2024 conditional upon EPS before impairment and divestments, ROIC, and sustainability objectives all measured in 2023.

The performance period applying to this grant is therefore already completed and the payout of the plan can already be assessed. The vesting of this grant applies to all current ten Executive Committee members and is disclosed in the second table below.

Performance options granted in 2018 were subject to a five-year vesting period based on total shareholder return (TSR). The vesting level in March 2023 was below threshold, resulting in zero vesting.

Performance options granted in 2019 are subject to a five-year vesting period based on total shareholder return (TSR) and will vest in March 2024.

VESTING OF THE LONG-TERM INCENTIVE IN 2023: PERFORMANCE SHARES GRANTED UNDER THE LONG-TERM INCENTIVE IN 2020

Grant	Performance objectives	Definition	Target	Result and payout	Payout calculation
2020 Performance shares	**EPS growth (33 1/3 %)**	Earnings per share before impairment and divestments in 2022: adjusted for after tax gains and losses on disposals of Group companies, and impairments of goodwill and long-term assets, and the DOJ resolution in 2022	EPS growth of 7%	EPS of CHF 4.96 leads to a 200% payout	33 1/3% * 200%
	ROIC (33 1/3 %)	Return on Invested Capital at year end 2022, adjusted for changes in scope between 2020 and 2022	ROIC of 8%	ROIC of 9.5% leads to a 200% payout	33 1/3% * 200%
	Sustainability (33 1/3 %)	Climate and energy in 2022: Scope 1 net CO_2 emission measured in kg CO_2/t cementitious material (50 % weight); circular economy in 2022: quantity of waste re-used in million tons (25% weight); environment in 2022 freshwater withdrawn in liters freshwater/t cementitious material (25% weight)	CO_2 (kg/t cem): 569 Waste (mt): 34 Freshwater (l/t) cem): 360	CO_2 of 561.5 (kg/t cem), Waste of 34 (mt) and Freshwater of 303.7 (l/t cem) leads to a 171.9% payout	33 1/3% * 171.9%
	Total				**overall vesting of 190.6%**

VESTING OF THE LONG-TERM INCENTIVE IN 2024: PERFORMANCE SHARES GRANTED UNDER THE LONG-TERM INCENTIVE IN 2021

Grant	Performance objectives	Definition	Target	Result and payout	Payout calculation
2021 Performance shares	**EPS growth (33 1/3%)**	Earnings per share before impairment and divestments in 2023: adjusted for after tax gains and losses on disposals of Group companies, and impairments of goodwill and long-term assets	EPS growth of 7%	EPS of CHF 5.42 leads to a 200% payout	33 1/3% * 200%
	ROIC (33 1/3%)	Return on Invested Capital at year end 2023, adjusted for changes in scope between 2021 and 2023	ROIC of 8%	ROIC of 10.6% leads to a 200% payout	33 1/3% * 200%
	Sustainability (33 1/3%)	Climate and energy in 2023: Scope 1 net CO_2 emissions measured in kg CO_2/t cementitious material (50% weight); circular economy in 2023: quantity of waste re-used in million tons (25% weight); environment in 2023 freshwater withdrawn in liters freshwater/t cementitious material (25% weight)	CO_2 (kg/t cem): 547 Waste (mt): 38 Freshwater (l/t cem): 311	CO_2 of 545.0 (kg/t cem), Waste of 36.3 (mt) and Freshwater of 297.7 (l/t cem) leads to a 130.4% payout	33 1/3% * 130.4%
	Total				**overall vesting of 176.8%**

VESTING OF THE LONG-TERM INCENTIVE IN 2024: PERFORMANCE OPTIONS GRANTED UNDER THE LONG-TERM INCENTIVE IN 2019

Grant	Performance objectives	Definition	Target	Result and payout	Payout calculation
2019 Performance options	**Relative TSR (100%)**	Holcim's TSR over the five-year performance period, starting on 1 January 2019 and ending on 31 December 2023, expressed as a percentile ranking in a peer group of companies	Relative TSR ranking at the 60th percentile of the peer group	Holcim's ranking at the 72nd percentile leads to a 90% payout	100% * 90%
	Total				**overall vesting of 90%**

Loans or credit facilities granted to members of governing bodies

There were no loans or credit facilities granted to members or former members of the Executive Committee, members or former members of the Board of Directors or to parties closely related to members or former members of governing bodies in 2023. There were no loans or credit facilities to any of those parties outstanding on 31 December 2023.

Compensation for former members of governing bodies

Due to the salary continuance period during the contractual notice period, a total remuneration amounting to CHF 0.2 million was provided to a former member of the Executive Committee in 2023. During 2023 and 2022, no payments were made to other former members of the Executive Committee, members of the Board of Directors, and to parties closely related to members or former members of the governing bodies.

Share ownership information

Board of Directors

On 31 December 2023, the members of the Board of Directors held a total of 669,873 registered shares in Holcim Ltd. This number comprises privately acquired shares and those allotted under participation and compensation schemes. Until the announcement of market-relevant information or projects to the public, the Board of Directors, the Executive Committee and any employees possessing such market-relevant information are prohibited from effecting transactions with equity securities or other financial instruments of Holcim Ltd, exchange-listed Group companies or potential target companies (trade restriction period).

Ownership of shares and options: Executive Committee

As of 31 December 2023, the members of the Executive Committee held a total of 951,339 registered shares in Holcim Ltd. This figure includes both privately acquired shares and those allocated under participation and the Group's compensation schemes.

SHARES HELD BY THE BOARD OF DIRECTORS (AUDITED)

Name	Position	**Shares held as of 31 December 2023**	Shares held as of 31 December 2022
Beat Hess	Chairman (until 4 May 2023)	**n/a**	116,928
Jan Jenisch	Chairman (since 4 May 2023)	**600,000**	531,000
Hanne B. Sørensen	Vice-Chairwoman	**20,105**	17,114
Philippe Block	Member	**5,039**	3,150
Kim Fausing	Member	**5,039**	3,150
Leanne Geale	Member	**1,102**	0
Patrick Kron	Member (until 4 May 2023)	**n/a**	9,276
Naina Lal Kidwai	Member	**7,006**	5,117
Ilias Läber	Member	**9,102**	8,000
Jürg Oleas	Member	**15,474**	13,585
Claudia Sender Ramirez	Member	**7,006**	5,117
Total		**669,873**	**712,437**

NUMBER OF SHARES AND OPTIONS HELD BY EXECUTIVE COMMITTEE MEMBERS AS OF 31 December 2023 (AUDITED)

Name	Position	Total number of shares owned	Total number of performance options held (at target)	Total number of performance options held (at maximum)	Total number of performance shares held (at target)	Total number of performance shares held (at maximum)
Jan Jenisch	CEO	600,000	1,023,681	2,047,362	129,445	258,890
Nollaig Forrest	Member	0	5,581	11,162	6,745	13,490
Mathias Gaertner	Member	21,463	n/a	n/a	n/a	n/a
Jamie Gentoso	Member	22,139	79,703	159,405	24,646	49,292
Feliciano González Muñoz	Member	69,506	193,205	386,409	26,673	53,346
Miljan Gutovic	Member	84,909	201,503	403,005	28,724	57,448
Steffen Kindler	Member	1,000	17,005	34,009	9,241	18,482
Martin Kriegner	Member	91,124	210,462	420,923	28,428	56,856
Oliver Osswald	Member	50,000	208,066	416,132	28,724	57,448
Toufic Tabbara	Member	11,198	55,154	110,308	18,974	37,948
Total		**951,339**	**1,994,360**	**3,988,715**	**301,600**	**603,200**

NUMBER OF SHARES AND OPTIONS HELD BY EXECUTIVE COMMITTEE MEMBERS AS OF 31 December 2022 (AUDITED)

Name	Position	Total number of shares owned	Total number of performance options held (at target)	Total number of performance options held (at maximum)	Total number of performance shares held (at target)	Total number of performance shares held (at maximum)
Jan Jenisch	CEO	531,000	948,902	1,897,804	136,956	273,912
Magali Anderson	Member	32,502	128,632	257,264	28,746	57,492
Mathias Gaertner	Member	9,266	31,944	63,887	12,230	24,460
Jamie Gentoso	Member	11,834	56,763	113,526	18,452	36,904
Feliciano González Muñoz	Member	48,111	170,532	341,064	28,746	57,492
Miljan Gutovic	Member	58,793	177,086	354,172	30,343	60,686
Martin Kriegner	Member	73,296	197,822	395,643	30,537	61,074
Oliver Osswald	Member	43,011	194,656	389,311	30,956	61,912
Géraldine Picaud	Member	114,281	270,061	540,121	44,224	88,448
Toufic Tabbara	Member	2,721	32,215	64,429	12,780	25,560
Total		**924,815**	**2,208,613**	**4,417,221**	**373,970**	**747,940**

Furthermore, at the end of 2023, the Executive Committee held a total of 1,994,360 registered options and 301,600 performance shares (at target); these arose as a result of the participation and compensation schemes of various years. Options are issued solely on registered shares in Holcim Ltd. One option entitles the holder to buy one registered share in Holcim Ltd.

The share options outstanding held by the Executive Committee (including former members) at year end 2023 have the following expiry dates and exercise prices:

				Number	Number
Option grant date	Expiry date		Exercise price	**2023**	2022
2015[1]	2023	CHF	66.85	**0**	144,970
2015[1]	2023	CHF	63.55	**0**	47,333
2015	2025	CHF	50.19	**12,600**	41,020
2018	2028	CHF	55.65	**0**	232,150
2019	2029	CHF	49.92	**1,071,329**	1,095,619
2020	2030	CHF	45.62	**1,684,944**	1,785,497
2021	2031	CHF	51.07	**748,368**	822,574
2022	2032	CHF	46.14	**906,671**	1,039,768
2023	2033	CHF	57.59	**624,304**	0
Total				**5,048,216**	**5,208,931**

[1] Options granted before the merger of Lafarge and Holcim in July 2015.

Equity overhang and dilution as of 31 December 2023

As of 31 December 2023, the equity overhang, defined as the total number of unvested share units and options divided by the total number of shares issued amounts to 1.01 percent.

The company's gross burn rate defined as the total number of equities (shares, share units and options) granted in 2023 divided by the total number of shares issued amounts to 0.20 percent.

Compensation governance

Rules relating to compensation in the Holcim Articles of Incorporation

The Articles of Incorporation contain provisions regarding the approval of compensation of the Board of Directors and the Executive Management (Art. 23), the supplementary amount for new members of the Executive Committee (Art. 24), the general compensation principles (Art. 25) as well as provisions regarding the agreements with members of the Board of Directors and the Executive Committee (Art. 26). Moreover, the Articles of Incorporation contain provisions regarding the roles of the Board of Directors and the NCGC (Art. 16 to 21). The Articles of Incorporation are approved by the shareholders and are available at *holcim.com/article- incorporation*

Annual General Meeting – shareholder involvement

According to Art. 23 of the Articles of Incorporation, the Annual General Meeting approves annually the maximum aggregate compensation of the Board of Directors for the period from the Annual General Meeting to the next Annual General Meeting as well as the maximum aggregate compensation of the Executive Committee for the following financial year. In addition, the Compensation Report is submitted to the Annual General Meeting for an advisory vote on a yearly basis.

Art. 24 of the Articles of Incorporation provides for a supplementary amount for Executive Committee members who become members of, or who are promoted to, the Executive Committee during a compensation period for which the Annual General Meeting has already approved the aggregate compensation of the Executive Committee and if the compensation amount approved is not sufficient to cover the compensation of the new members.

The supplementary amount per compensation period shall not exceed 40 percent of the aggregate amount of compensation last approved by the Annual General Meeting and does not require further shareholders' approval.

Nomination, Compensation & Governance Committee

In accordance with Article 21 of the Articles of Incorporation, the NCGC supports the Board of Directors in establishing and reviewing Holcim's nomination, compensation and governance strategy and guidelines as well as in preparing the motions to the Annual General Meeting regarding the nomination and compensation of the members of the Board of Directors and of the Executive Committee. In particular, the NCGC performs the following duties:

- Nomination: Review of the composition and size of the Board of Directors to ensure appropriate expertise, diversity and independence; succession planning for the Board of Directors and its committees; preparation of the motions to the Annual General Meeting for (re-) election of candidates for positions on the Board of Directors and in the NCGC; succession planning and nominations for positions on the Executive Committee.
- Compensation: Planning and preparation of the compensation of the Board of Directors and the Executive Committee; preparation of the motions to the Annual General Meeting regarding compensation of the Board of Directors and of the Executive Committee; determination of compensation strategy and design of compensation programs including incentive plans; planning and preparation of the targets and performance assessment of the CEO and other members of the Executive Committee; preparation of the Compensation Report.
- Governance: Dealing with all corporate governance related matters; review of the proposals to be made to the Board of Directors for the amendment of the Articles of Incorporation, the Organizational Rules, the committee charters, the Code of Conduct, the overall policy landscape and the policies and directives approved by the Board of Directors; review of the criteria for the determination of the independence of members of the Board of Directors; approval of external mandates for the CEO and other Executive Committee members; review of the annual assessment of the functioning and effectiveness of the Board of Directors; review of the Corporate Governance section of the Annual Report.

The following table summarizes the decision authorities between the NCGC, the Board of Directors and the Annual General Meeting on compensation matters.

DECISION AUTHORITIES

	NCGC	Board of Directors	Annual General Meeting
Compensation strategy and design	Proposes	Approves	
Compensation Report	Proposes	Approves	Advisory vote
Maximum aggregate compensation amount of the Board of Directors	Proposes	Reviews	Approves (binding vote)
Individual compensation of members of the Board of Directors	Proposes	Approves (within the budget approved by the AGM)	
Maximum aggregate compensation amount of the Executive Committee	Proposes	Reviews	Approves (binding vote)
Individual compensation of members of the Executive Committee	Proposes	Approves (within the budget approved by the AGM)	
Performance objectives setting for the purpose of the incentive plans	Proposes	Approves	

The NCGC is composed of four members of the Board of Directors that are elected individually by the Annual General Meeting for a period of one year. At the Annual General Meeting 2023, Hanne Birgitte Breinbjerg Sørensen (Chairwoman), Ilias Läber, Jürg Oleas and Claudia Sender Ramirez were re-elected to the NCGC.

The NCGC holds ordinary meetings at least four times a year. In 2023, the NCGC held four ordinary meetings according to the annual schedule below.

ANNUAL NCGC MEETING SCHEDULE

	February	July	October	December
Nomination	• Proposal of elections to the Board of Directors • Proposal of the Board of Directors composition for coming term (committees)	• Selection criteria and succession planning of the Board of Directors • Selection criteria and succession planning of the Executive Committee and senior management • Performance evaluation of the Executive Committee	• Diversity & inclusion • Talent development and engagement • Learning strategy review • Social dialogue update	• Update on succession planning of the Board of Directors and the Executive Committee
Compensation	• Proposal of AGM motions (amounts to be submitted to shareholder vote) • Performance assessment and incentive payouts for the Executive Committee (previous period) • LTI grant of the Executive Committee and senior management (current year) • Approval of Executive Committee incentive targets for current year • Review of compliance of the Executive Committee with shareholding requirements • Review of the compensation benchmarking peer groups • Approval Board compensation directive	• Review of the compensation strategy and system (design) • Review of the disclosure approach (feedback from shareholders)	• Benchmarking of the Board compensation (every 2-3 years) • Review of the incentive plan design for the coming year • Forecast on expected incentive payouts (current year)	• Proposal on Board compensation system (every 2-3 years) • Benchmarking on the Executive Committee compensation (annually) • Determination of target compensation of the Executive Committee for the coming year • Determination of plan design and performance targets of the Executive Committee for the coming year (annual incentive, LTI) • Validation of performance peer group for STI and LTI • Forecast on expected incentive payouts (current year)
Governance	• Board and committee assessments • Governance Report • Compensation Report (final) • Proposal of AGM motions (other than compensation) • Governance update	• AGM retrospective: review of shareholders' feedback • Review of independence of Board and committee members • Governance update	• Governance update • NCGC risk mapping	• Review of governance documents: Articles of Incorporation, Organizational Rules, committee charters, Code of Conduct • Compensation Report (draft) • Validation of NCGC schedule for coming year • Governance update

In 2023, three NCGC members attended all meetings while one member apologized for one meeting. Further information on meeting attendance is provided in the Corporate Governance Report on page 168.

The NCGC Chairperson may invite members of the Executive Committee, other officers of the Group or third parties to attend the meetings. They will however not be present when their own performance or compensation is discussed or determined. After each NCGC meeting, the Board of Directors is informed of the topics discussed, decisions taken and recommendations made. The NCGC minutes are available to all members of the Board of Directors.

External advisors

The NCGC may decide to consult an external advisor from time to time for specific compensation matters. In 2022, Agnès Blust Consulting, acquired on 1 April 2022 by PricewaterhouseCoopers (PwC), continued to act as independent compensation advisor to the NCGC. PwC provides other services to Holcim and there are clear rules in place to ensure the independence of PwC consultants. Obermatt continued to provide the measurement of the relative performance of Holcim for the purpose of the incentive plans. This company does not have other mandates with Holcim. In addition, support and expertise are provided by internal experts such as the Head of Human Resources and the Head of Compensation & Benefits.

Method for determining compensation: Benchmarking

In order to benchmark the compensation structure and levels of the Board of Directors and the Executive Committee, the NCGC determines relevant peer companies. In 2023, the NCGC conducted a thorough review of the existing peer groups to assess whether they are still relevant and appropriate.

The Swiss peer group includes Swiss listed multinational companies of the SMI: ABB, Geberit, Givaudan, Lonza, Nestle, Novartis, Richemont, Roche, Sika, and Sonova. As a result of the peer group review conducted in February 2023, SGS was replaced by Sonova in the peer group considering that SGS was replaced by Sonova in the SMI index. Holcim is positioned slightly above the peer group median on revenue and headcount and below median on market capitalization.

The international peer group consists of cement producers, building materials and construction companies: Acciona, ACS, Boral, Bouygues, Buzzi Unicem, Carlisle, Cemex, CRH, Heidelberg Materials, James Hardie, RPM, Saint Gobain, Sika, Vicat, and Vinci. These companies operate in similar and related sectors and are exposed to similar market cycles as Holcim. This peer group is annually reviewed and validated by the NCGC, with the support of Obermatt as independent third-party advisor.

The compensation of the Board of Directors is regularly reviewed against prevalent market practice. The last benchmarking analysis was conducted in 2022 by PwC on the basis of the Swiss peer group as described above.

The compensation of the Executive Committee is annually benchmarked against market practice. In 2023, a benchmarking analysis of the compensation levels was conducted again with the support of PwC and Willis Towers Watson. For this purpose, Executive Committee members who are on a Swiss employment contract were benchmarked against the Swiss peer group described above (analysis performed by PwC). For Executive Committee members who are on a foreign employment contract, an industrial cut was made to the general industry data included in the database of Willis Towers Watson of the respective country of employment. The benchmarking analyses serve as basis for the NCGC to monitor the compensation of the CEO and the Executive Committee and to set their target compensation levels. The policy of Holcim is to target market median compensation for on-target performance, with significant upside for above target performance.

OVERVIEW AND PURPOSE OF THE PEER GROUPS

	Swiss listed peers	International peers
Board of Directors compensation	Compensation structure and levels	
Executive compensation	Compensation structure and levels	Compensation structure Relative performance (STI and LTI)

MEMBERS OF THE BOARD OF DIRECTORS AND THE EXECUTIVE COMMITTEE HAVE THE FOLLOWING EXTERNAL MANDATES ACCORDING TO ARTICLE 734E OF THE SWISS CODE OF OBLIGATIONS (AUDITED)

Board of Directors for 2023	Company	Function
Jan Jenisch	The World Business Council for Sustainable Development (WBCSD)	Member of the Executive Committee
	The European Round Table for Industry (ERT)	Active Member
	The Swiss-Japanese Chamber of Commerce (SJCC)	Member of the Board of Directors
	Glas Troesch Holding AG (privately held)	Non-executive Director
Hanne B. Sørensen	Ferrovial S.A., Amsterdam, The Netherlands	Member of the Board of Directors and Member of the Nomination and Remuneration Committee
	Tata Motors Ltd, Mumbai, India	Member of the Board of Directors, Member of the Audit, of the Nomination and Remuneration and of the Technology Committees, and Chairwoman of the Risk Committee
	Tata Consultancy Services Ltd, Mumbai, India	Member of the Board of Directors and Member of the Audit and of the Nomination and Remuneration Committees
	Jaguar Land Rover Automotive PLC, Coventry, UK (including its subsidiariesy Jaguar Land Rover Ltd and Jaguar Land Rover Holdings Ltd)	Member of the Board of Directors, Member of the Audit and of the Technology Committees, and Chairwoman of the Nomination and Remuneration Committee
Philippe Block	Foreign Engineering GmbH, Zurich, Switzerland	Founding Partner
	VALUTED AG (ETH spin-off)	Co-Founder and scientific advisor
Kim Fausing	SMA Solar Technology AG, Niestetal, Germany	Vice-Chairman of the Board of Directors
	Danfoss Group (Denmark)	President and Chief Executive Officer
Leanne Geale	CEELI Institute o.p.s., Prague, Czech Republic	Member of the Board of Directors
	Nestlé SA	Executive Vice President and Group General Counsel
	Swiss-American Chamber of Commerce	Treasurer
Naina Lal Kidwai	Gland Pharma Ltd, Hyderabad, India	Non-executive Member of the Board of Directors
	UPL Ltd, Mumbai, India	Non-executive Member of the Board of Directors and Chairwoman of the Sustainability and Stakeholder Committee
	Biocon Ltd, Bangalore, India	Non-executive Member of the Board of Directors and Chairwoman of the Sustainability and of the Nomination and Remuneration Committees
	Nayara Energy Ltd, Mumbai, India	Non-executive Member of the Board of Directors and Chairwoman of the CSR and Sustainability and of the Nomination and Remuneration Committees
	Rothschild & Co India Private Limited, Mumbai, India (non-listed)	Chairwoman of the Board of Directors
Ilias Läber	Swiss Automotive Group AG., Cham, Switzerland	Member of the Board of Directors and Chairman of the Audit Committee
	Spectrum Value Management Ltd (in this capacity Member of Board of Directors of Grand Resort Bad Ragaz and Chairman and managing partner of SEO Management AG)	CEO, Partner and Member of the Board of Directors
	CANCOM SE, Munich, Germany	Member of the Board of Directors and Chairman of the Audit Committee
Jürg Oleas	RUAG International Holding AG, Bern, Switzerland	Member of the Board of Directors and Member of Audit Committee
	Hochdorf Holding AG, Hochdorf, Switzerland (non-listed)	Chairman of the Board of Directors and Member of the Audit and of the Nomination and Compensation Committees
Claudia Sender Ramirez	Telefonica S.A., Delegate Commission, Telefonica Hispam and Telefonica Tech Advisory Committees, Madrid, Spain	Member of the Board of Directors
	Gerdau S.A., São Paulo, Brazil	Member of the Board of Directors and Chairwoman of the Compensation and Succession Committee
	Embraer S.A., São Paulo, Brazil	Member of the Board of Directors, Chairwoman of the People and Sustainability Committee and Member of the Audit and Risk Committee

Executive Committee for 2023	Company	Function
Jan Jenisch	The World Business Council for Sustainable Development (WBCSD)	Member of the Executive Committee
	The European Round Table for Industry (ERT)	Active Member
	The Swiss-Japanese Chamber of Commerce (SJCC)	Member of the Board of Directors
	Glas Troesch Holding AG (privately held)	Non-executive Director
Steffen Kindler	No external mandates	
Nollaig Forrest	MIT Climate and Sustainability Consortium Advisory Council	Member
	Bloomberg's Cities Council for sustainable cities	Member
Mathias Gaertner	No external mandates	
Jamie M. Gentoso	PSEG, a public utility in the U.S.	Member of the Board of Directors
	University of Michigan, College of Engineering	Member of the Leadership Advisory Board (LAB)
Feliciano González Muñoz	No external mandates	
Toufic Tabbara	No external mandates	
Martin Kriegner	No external mandates	
Oliver Osswald	No external mandates	
Miljan Gutovic	No external mandates	

Pay equality

Pay equality is strongly embedded in Holcim's compensation principles. Holcim promotes pay equity and monitors progress on a yearly basis with the aim to ensure equal pay for equal work and performance – not only between women and men, but also irrespective of ethnic origin, religion, ideology, sexual orientation or factors such as physical disability and age.

In 2021, we completed the equal pay analysis in Switzerland as required by the Swiss Federal Act on Gender Equality introduced in 2020. The results of the analysis confirmed that Holcim is fully compliant with Swiss equal pay standards, with a statistical wage difference significantly below the 5 percent regulatory requirement. Deloitte audited the results of the analysis and confirmed Holcim's compliance with the legal requirements.

In addition to local efforts made towards gender pay equity and compliance with applicable regulations, we conducted our second global assessment (i.e., first global assessment in 2022 and second one in 2023) using a recognized statistical regression analysis methodology. We focus on assessing the "adjusted gender pay gap" where we compare pay for people in similar roles, in the same country, at the same level and with similar years of experience. These achievements and efforts reflect our ongoing commitment to pay equality and fairness.

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To the General Meeting of
Holcim Ltd, Zug

Zurich, 27 February 2024

Report of the statutory auditor on the audit of the compensation report

Opinion

We have audited the compensation report of Holcim Ltd (the Company) for the year ended 31 December 2023. The audit was limited to the information pursuant to Art. 734a-734f of the Swiss Code of Obligations (CO) in the tables marked “audited” on pages 204 to 205, pages 209 to 210 and page 216 of the compensation report.

In our opinion, the information pursuant to Art. 734a-734f CO in the compensation report complies with Swiss law and the Company's articles of incorporation.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the “Auditor's responsibilities for the audit of the compensation report” section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the tables marked "audited" in the compensation report, the consolidated financial statements, the stand-alone financial statements and our auditor's reports thereon.

Our opinion on the compensation report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the compensation report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the compensation report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the compensation report

The Board of Directors is responsible for the preparation of a compensation report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the

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preparation of a compensation report that is free from material misstatement, whether due to fraud or error. It is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's responsibilities for the audit of the compensation report

Our objectives are to obtain reasonable assurance about whether the information pursuant to Art. 734a-734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this compensation report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the compensation report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Ernst & Young Ltd

Jacques Pierres	Daniel Zaugg
Licensed audit expert (Auditor in charge)	Licensed audit expert

At Holcim, we are committed to managing our risks to achieve our strategic objectives and create value for society.

In full alignment with Holcim's "Strategy 2025 – Accelerating Green Growth," we make continuous efforts to prevent and control the risks to which we are exposed. A comprehensive Enterprise Risk Management (ERM) and Internal Control process is deployed throughout the company, supported by appropriate governance and tools. Through this process we identify, assess, mitigate and monitor the company's overall risk exposure while incorporating risk thinking into all strategic decisions and ensuring the deployment of our Internal Control system in every country where we operate.

Risk Management

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

The Risk Management process includes several stages:

• Risk identification & assessment
Management at country and Group level assesses and evaluates the potential impacts and likelihood of the key risks that could have a material adverse effect on the current or future operations of the business in the mid-term, in alignment with Holcim's 2025 strategy. For sustainability and climate-related risks, the horizon has been extended to a longer time frame, in order to consider various threats that might impair the achievement of our 2030 sustainability targets and net zero pledge.

• Risk mitigation
Our risk mitigation strategy begins with a number of internal actions such as those defined by Holcim's Minimum Control Standards which clarify and reinforce the responsibility of businesses in the countries. These are complemented by Holcim's robust fraud prevention program which prevents, deters, and detects fraud. It includes the Holcim Integrity Line, which enables employees anywhere in the world to anonymously exercise their whistleblowing rights and report any breach of our Code of Business Conduct or other concerns.

• Verification & Remediation
Group Internal Audit performs independent assessments of the effectiveness of the Risk Management and Internal Control process. It also assesses the effectiveness of mitigating actions and controls. The annual audit plan drawn up by Group Internal Audit and approved by the Audit Committee takes into account the Group Risk Map and the various analyses described above.

• Monitoring & Reporting
Regular progress on the action plans is followed up by Risk Leads at country level and reported to the Group through the Holcim Risk Management tool. Updates on mitigating actions, controls and overall risk exposure are reported to the Audit Committee and other executive committees. Additional reports on the effectiveness of the Minimum Control Standards are submitted to the Group on a regular basis. Further information is provided in the Internal Control section on pages 234 and 235.

Roles and responsibilities

Holcim has a clear organizational structure to ensure implementation of the Risk Management and Internal Control process, following the governance, policies and framework defined by the Group. This organization is built on the “three lines” model. Under the first line, operational management has ownership, responsibility and accountability for identifying, assessing, managing and mitigating risks. They are equally responsible and accountable for the deployment of the Minimum Control Standards defined by the Group. A Risk Lead is appointed in each country where we operate in order to facilitate and coordinate the whole ERM process. Risk Leads receive a specific training and are the main points of contact for all questions related to the ERM process at country level. The second line consists of Group Corporate functions such as Legal, Compliance, Internal Control, Group Risk Management, Security and Resilience, IT, Sustainable Development and Health, Safety & Environment. These functions monitor and facilitate the implementation of an effective ERM process and appropriate internal controls by operational management, to ensure that the first line is operating as intended. They also assist in the development of policies and controls. The third line is Group Internal Audit (GIA), which as an independent function provides assurance to the Board of Directors and Executive Committee on the effectiveness of the first and second lines and on governance, the Risk Management process and internal controls. Through the Audit Committee and the Health, Safety and Sustainability Committee (HSSC), the Board of Directors oversees the Holcim Risk Management and Internal Control process. The Audit Committee mandate includes the oversight of Compliance and Risk Management processes and the review of management and internal audit reports on the effectiveness of the Internal Control process and on the performance of the ERM process. The HSSC mandate is to support and advise the Board of Directors on promoting a healthy and safe environment for employees and contractors, as well as on sustainable development and social responsibility. The HSSC approves Holcim’s sustainability and climate-related strategy and major initiatives, including Health and Safety performance and approach to Human Rights. All sustainability topics are overseen against key indicators. More details of the Audit Committee and HSSC are disclosed in the Corporate Governance section on pages 166–167.

• Risk & Integrity Committees

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

RISK MANAGEMENT CYCLE

MONITORING AND REPORTING

- Presentation of the Group risk map to the Audit Committee
- Monitoring of new threats and risks by the Resilience & Governance team

RISK ASSESSMENT

- Combined bottom-up and top-down approaches
- All categories of risks included
- Detailed assessments on Climate, Nature, Cyber, Compliance, Security

RISK MANAGEMENT

- Comprehensive library of mitigations in place documented in our assurance map, including countries’ activities, Minimum Control Standards, projects and programs
- Action plans followed-up at country level

Holcim is transforming with “Strategy 2025 – Accelerating Green Growth” by expanding Solutions & Products and shifting our geographic footprint to focus on high growth, mature markets.

Throughout this transformation, our stakeholder priorities are constantly evolving, which gives rise to new challenges and opportunities.

In 2022, we fundamentally redesigned our Materiality Assessment to align closely with our Risk Assessment process and significantly broaden the stakeholder groups with which we engaged to capture additional insights. These insights help us to further adjust strategic and operational activities to address those areas where we can have the greatest impact for our stakeholders. The materiality assessment will be updated in 2024 to ensure full alignment with stakeholders priorities and upcoming regulations such as Corporate Sustainability Reporting Directive (CSRD).

We are committed to regularly conducting materiality assessments, and to strengthening and adjusting our process with each exercise. We partnered with DNV Business Assurance to assist us with our materiality assessment by providing independent expertise and guidance on how to best align with relevant standards and best practices.

In expanding our assessment in 2022, we recognized that there was high value in integrating our Risk Management and Materiality Assessment processes to gain different perspectives and deepen our understanding of key risks and opportunities facing the business. We aligned the relevant ESG Material topics with the risk universe by considering the following:

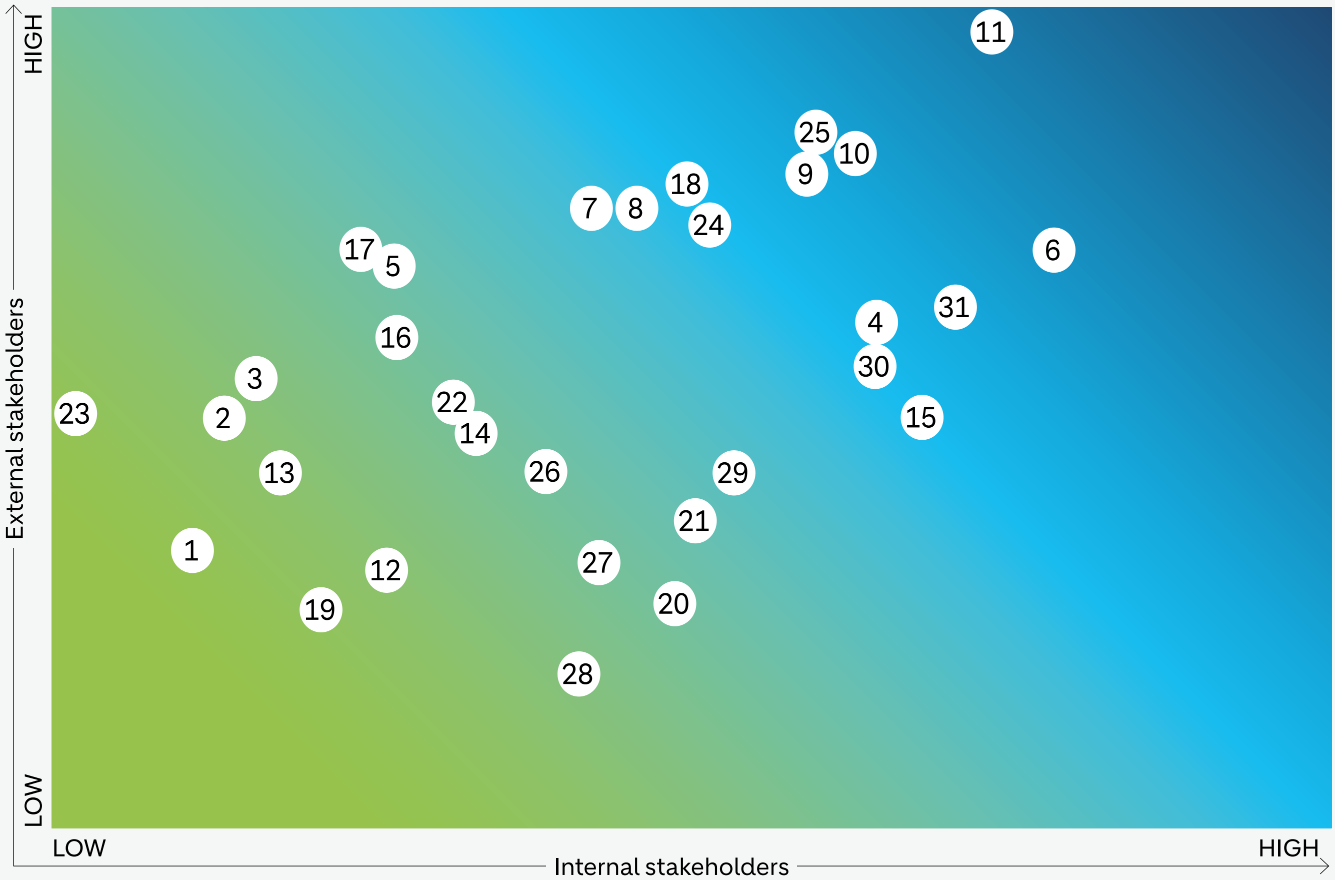
- Stakeholder perspectives: How the issue would change the decision-making and judgment of key stakeholder groups.
- External impact: The impact of the issue on both people and the planet.
- Internal impact: The impact of the issue on Holcim’s performance and business in terms of risks and opportunities that impact corporate value.

By combining these perspectives, Holcim identified the most appropriate and impactful issues to focus the materiality assessment on and align these with the Risk Management process. In future materiality assessments, we will continue to refine the list of topics to ensure that we focus on those that have the greatest impact, in alignment with the perspectives of our key stakeholders, both internal and external.

We collected quantitative inputs from almost 400 stakeholders, both internal and external. This quantitative analysis was complemented by interviews with a broad range of stakeholders, providing a deeper qualitative understanding of their views.

The results show that, four years after the launch of our net-zero pledge, our commitment to become a net-zero company and decarbonize building is fully aligned with our stakeholders’ priorities and assessment of where our key risks and opportunities lie. The long-term business success of Holcim will be in part driven by maintaining this alignment and becoming the global leader in innovative and sustainable building solutions to build progress for people and the planet.

MATERIALITY MATRIX



ENVIRONMENTAL

1. Natural hazards

2. Internal waste management

3. Biodiversity management and quarry rehabilitation

4. Raw materials

5. Water management

6 Energy consumption

7. Air emissions (including dust from sites)

8. Waste derived resources and circular economy

9. Meeting customers' product quality and decarbonization expectations

10. Scaling sustainable product innovation

11. Climate change and greenhouse gas emissions (GHG)

SOCIAL

12. Local community engagements

13. Employee diversity, inclusion, and non-discrimination

14. Responsible procurement

15. Talent attraction, development and retention

16. Labor relations

17. Human rights

18. Health & Safety

GOVERNANCE

19. Data Protection & Privacy

20. Political and economic uncertainties

21. Fair competition

22. Corporate communication and investor relations

23. Security and resilience of people, assets and reputation

24. Corporate governance

25. Business integrity

FINANCIAL

26. Asset integrity and business interruption

27. Major IT outage and cyber security

28. Transportation and logistics

29. Industry shifts (new entrants, price war, digital disruptors, substitution)

30. Sustainable financial returns

31. Portfolio Management, M&A operations, CapEx

STRATEGY DRIVERS

STRATEGIC PRIORITIES


Accelerating Growth

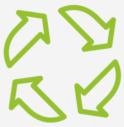

Expanding Solutions & Products


Leading in Sustainability & Innovation


Delivering Superior Performance

OUR SUSTAINABILITY PILLARS


Climate


Circularity


Nature


People

The risks on pages 225 to 233 are considered material to our strategy and our value creation. This list is not exhaustive and represents the principal risks and uncertainties faced by Holcim at the time of the preparation of the 2023 Integrated Annual Report. Climate and nature-related risks are presented in detail on pages 236 to 251. Human rights salient risks are detailed on pages 142 and 143.

Other risks may emerge in the future and/or the ones stated here may become less relevant. Further information is provided in the Corporate Governance section (pages 160 to 179), Management Discussion & Analysis (pages 256 to 281) and Note 14.6 of the consolidated Financial Statements (page 345).

KEY EXTERNAL RISKS

Risk	Potential Impact	Our Response
Market changes The risk that the economic environment in a given country can significantly change and have an influence on demand for construction and building materials. Strategic pillars impacted:	Demand for building materials is fundamentally driven by economic growth (or contraction) in a given territory. These changes in underlying demand may impact sales volumes, prices and/or industry structure as many markets are facing long-lasting inflationary pressures coupled with high interest rates that may plague the construction sector. In this context, the development of new products including low-carbon products with a higher added value and a higher price is impaired or slowed down.	Our growth strategy in mature markets such as Europe and North America, while sharpening our footprint with selective divestments in emerging markets, reduces the Group's exposure to markets where economic growth is more volatile. Aligned with our strategy of moving from volume to value, a responsible pricing ensures the profitability of our business is maintained. The progressive development of the Solutions & Products business segment contributes to reinforcing our diversification, with higher opportunities to profit from growing demand in the resilient repair and refurbishment segment along with the increasingly profitable green building and low-carbon solutions market.
Political risks Holcim operates in many countries across the world and is exposed, directly or indirectly, to the effects of economic, political and social instability such as trade protectionism, foreign exchange volatility, geopolitical tensions, terrorism, civil war and unrest. Strategic pillars impacted	Economic, social and/or political instability can impact our people, environment, assets and business as well as our reputation. That impact may be direct (e.g. security consequences including kidnapping, assault against our people or attack against our assets) or indirect (e.g. economic uncertainty) and might also increase our exposure to a large range of threats, including some related to compliance, tax, access to raw materials and cash repatriation. Our industry is specifically targeted by activists who can perpetrate operations (e.g. protests, blockade, sabotage) in order to call out the public opinion on the environmental challenge. Those actions are likely to endanger the safety of our people on site, the integrity of our assets and the continuity of our operations. Exacerbated by the rise of misinformation and disinformation worldwide, societal polarization has also the potential to compound the adverse effects of campaigns against our Group and affect our people, assets, and reputation. Also, our broad geographic footprint exposes us to the adverse consequences of shifts in the geopolitical dynamics, which can spark social unrest, government interventionism leading to a reduced access to utilities and raw materials, changes in the sanctions environment and supply chain disruptions.	Countries with the support of relevant Group functions actively monitor the political environment in order to identify and anticipate any adverse event, from activism to civil unrest and interstate conflicts. When necessary, mitigation measures are taken to adapt the Group's activities and protect our people, environment, assets, reputation and legal exposure. Dedicated governance enforced across the Group as well as country-specific action plans have been implemented to enhance crisis management, security of people and assets and business resilience. The organization in place is fully embedded in our security and resilience program in order to enable swift and efficient response in case of a material risk to our people or assets. Our Resilience and Governance program (RaG) is a multifunctional and collaborative team of Subject Matter Experts from existing corporate functions. They are breaking down silos to work together with countries to identify, prepare and respond to a wide range of matters and adverse events that could impact Holcim people, environment, assets, reputation or legal exposure. When relevant, the RaG team initiates dedicated programs such as the monitoring of the election supercycle, and is instrumental in managing geopolitical crises, from the identification to the preparation of our operations (e.g. conflicts in Ukraine or in Israel).
Pandemic and epidemic Pandemics, epidemics outbreaks of infectious diseases or any other serious public health concerns (such as COVID-19, Ebola, avian flu, SARS, cholera) can affect the health of our people as well as the communities in which we operate. Strategic pillars impacted:	Public health concerns - in particular pandemics and epidemics - can affect the health of our people as well as the communities in which we operate. In addition, they may negatively affect our activity due to operational constraints and supply chain disruption. Lastly, the adverse macroeconomic effects of public health concerns can affect the value of assets and reduce demand for the Group's products. While the acute phase of the Covid-19 pandemic has passed, recent upticks in infections (e.g. in China, Europe) associated with the inherent uncertainty regarding new variants require a continuous monitoring of the pandemic.	Security & Resilience and Health & Safety teams closely monitor disease outbreaks including (but not limited to) the evolution of the Covid-19 pandemic (e.g. new variants, new waves) in all regions. Guidelines are shared with local teams, (taking into account national and international guidance), to ensure the resilience of our people and operations.

KEY OPERATIONAL RISKS

Risk	Potential Impact	Our Response
Sustainable supply chain Supply chain concerns are getting more and more prominent in line with our purpose to build progress for people and the planet. The boundaries of our supply chain-related risks cover a large range of health & safety, compliance, operational, human rights, climate and nature concerns. Strategic pillars impacted:	Holcim is devoted to preventing any deviations from its governance principles by its suppliers to protect its reputation, improve business resilience to supply chain disruptions and contribute to creating positive social impacts. Our most material risk exposure lies in Health & Safety and our contractors respecting decent working conditions, protection of the environment as well as strict observance of human rights standards, the reduction of our CO_2 footprint (Scope 3) and our impact on nature (biodiversity and water). Operating in poorly regulated countries increases our exposure to supply chains and requires us to continuously strengthen our monitoring of high risk suppliers. Yet, in the context of growing global integration of supply chains, compliance and reputational challenges are at the top of the agenda wherever we operate.	A comprehensive set of policies and actions have been defined in order to strengthen our contractor and supplier management following a systematic risk-based approach. The Code of Business Conduct for suppliers is part of the contractual agreements with our suppliers; it extensively lists and describes the expectations in terms of ESG compliance in alignment with the OECD Guidelines and derived laws and regulations. A supplier qualification process, covering business integrity, H&S and ESG topics is due for all high ESG risk suppliers, with additional requirements for security services suppliers as per our Security Directive. Through our Sustainable Procurement Program, 93 percent of the procurement spend with high ESG risk suppliers was done with qualified suppliers in 2023. Our procurement decisions also integrate the objective to reduce CO_2 emissions and our dependency on natural resources and negative impacts on biodiversity and water. We implement specific actions on purchased categories identified as having a potential impact on nature, in particular natural sand, other raw materials extracted from earth through mining, packaging and chemicals. Extractive raw materials suppliers are subject to a site (quarry) assessment coupled, wherever needed, with supplier development activities. In high risk countries (following the UN "Human Development Index" and "Freedom House Index"), or for "Sourcing China" suppliers, a proactive monitoring of ESG controversies (with a dedicated solution Prewave) enables us to extend our visibility on potentially risky suppliers. We enable a grievance mechanisms platform for suppliers to raise questions and concerns about Holcim's business practices (https://integrityline.holcim.com/). Please refer to our Sustainable supply chain on pages 146 to 149 for more details

KEY OPERATIONAL RISKS CONTINUED

Risk	Potential Impact	Our Response
Legal and Compliance risks The risk that the company is found to have violated laws and regulations covering business conduct, such as those that combat bribery, corruption, fraud, unfair competition, breach of trade sanctions or export controls, as well as unauthorized use of personal data. In the ordinary course of its business, the Group is involved in lawsuits, claims of various natures, investigations and proceedings, including product liability, commercial, environmental, health and safety matters, etc. Strategic pillars impacted: 	Impacts include investigation costs, financial penalties, debarment, profit disgorgement and reputational damage. The impact is compounded by the fact that local violations can have an effect on the entire Group.	The Group maintains a comprehensive risk-based compliance program. Please refer to pages 171–172 in order to learn more on our compliance program There are several response mechanisms to the risk areas within the scope of the compliance program, including: • Business Integrity and Compliance: anti-corruption activities centered on training and awareness, management of third-party risk through targeted due diligence and management of conflicts of interest. • Pricing Integrity and Anti-Trust Compliance: the program focuses on training of high and medium risk exposed employees and on the performance of Fair Competition Reviews (in-depth assessments of risk, based on interviews, document and email reviews). In addition, specific actions (training, instructions) have been implemented to address five risk drivers: participation in trade associations, pricing decisions, market intelligence, contacts with competitors and merger control rules. • Sanctions & Trade Restrictions: the Group trade sanctions compliance program is designed to handle the increasing number of sanctioned parties and growing complexity of sanctions designations across the globe, including but not limited to those administered by the United States of America, the European Union and Switzerland. The Group trade sanctions compliance program is implemented through restricted third-party sanctions screening, dedicated training and targeted communications. We regularly conduct in-country assessments on trade sanctions risks and potential touchpoints with sanctioned parties in the Group's exposed operations. The restricted third-party sanctions screening is performed through state-of-the-art tools for sanctions screening and continuous monitoring of suppliers and customers against worldwide sanctions lists. • Data Protection and Privacy: the Group data privacy and protection program is built around key components to ensure the protection of individuals' personal information. These include: clear and comprehensive privacy policies; strong security measures to protect personal information from unauthorized access, use, or disclosure; employee training on data privacy and protection; technical and organizational measures to protect personal data, such as encryption and access controls; clear procedures for handling data breaches and incident responses, defined rights for individuals to access, correct, or delete their personal information; as well as regular review and updates of the program to ensure that it continues to meet evolving data privacy and security requirements. Group Compliance operates the global whistleblowing system. Group Legal manages all competition investigations, information requests and enforcement cases through a central team. Group Legal also tracks all Group-relevant commercial litigation cases and provides support to the relevant operating companies in defense and dispute resolution. In addition, root cause analysis of disputes and enforcement cases is taken into account in our continuous improvement cycle.

KEY OPERATIONAL RISKS CONTINUED

Risk	Potential Impact	Our Response
Energy sourcing (including alternative fuels) The risk that the increase in prices for fuels, electricity or the inability to accomplish planned savings from alternative fuels will impact our production costs. Threats on energy sourcing can have severe consequences on the continuity of our operations and the achievement of our sustainability targets. Strategic pillars impacted:	An increase in energy prices has the potential to adversely impact the Group's financial performance, as the increase in such costs may not be passed on (fully or partially) in the sales prices charged to customers. In the longer term, depending on the local context, security of sourcing is influenced, if not threatened, by a large range of external factors (e.g. regulations, transport and grid infrastructures, political uncertainties, shortages of refineries) which might disrupt our operations in sole locations where we operate. Holcim's commitment to decarbonization as well as constant pressure on energy prices resulting from CO_2 pricing or taxes will require our operations to reduce dependency on highly CO_2 intensive sources of energy.	We are operating a truly global sourcing concept that enables us to access all potential supply sources and optimize sourcing decisions based on commercial, sustainability, governance and lead-time criteria. Optimizing the fuel mix and energy efficiency, as well as the use of alternative fuels, is a key area of focus at all our plants. At the country level, we use a mixture of spot price and fixed price contracts to reduce the exposure of price volatility. We also continue to enter long-term power purchase agreements/on-site power generation projects to reduce volatility and increase consumption of renewable energy at competitive prices.
Raw materials (including mineral components) The risk that raw materials cannot be supplied at economical cost or suitable quality. As the call for decarbonization impacts our whole supply chain beyond 2030, inflationary pressures or availability issues in raw materials are possible, hence impacting our decarbonization roadmap. Strategic pillars impacted:	Much of our business depends on the reliable supply of mineral resources, e.g. aggregates, sand and limestone, as well as mineral additives such as slag and fly ash (also called MIC - mineral components). Failure to secure long-term reserves or license and permits as well as to obtain raw materials (including mineral components) from third parties at the expected cost and/or quality may adversely impact variable costs, financial performance and impair our long-term growth outlook. In addition, changing market conditions resulting from lower production of fly ash and slag might limit our ability to reach our CO_2 reduction target in a cost-effective manner. Moreover, significant increases in freight costs (difficulties to find available vessels and fuel prices) might lead to uncompetitive landed costs for MIC, clinker and cement and other raw materials. In the longer term, this might impact the ability to supply raw materials (including innovative binders like calcined clay) in an economically viable way. Our Solutions and Products business segment requires a different set of raw materials, with a large dependency on oil-derived polymers. We are subsequently exposed to the risk of volatility in commodity markets such as oil and a market controlled by a limited number of suppliers leading to volatility in these raw material prices or availability.	In locations where the supply of raw materials is at risk (due to own reserves depletion, permitting issues, poor quality, lack of suppliers and scarcity of certain raw materials), we apply a range of measures including monitoring of the permitting process, strategic sourcing and diversification, changing input mixtures and maintaining minimum long-term reserve levels. When required, we manage international seaborne sourcing, which is an alternative to offset local risks. Regarding mineral components (MIC), availability issues are mitigated in the long term by new formulations, innovative mineral components and the upcycling of Construction Demolition Materials (CDM). To do so, we are continuously developing (ourselves and in cooperation with external suppliers) chemical treatments to enable the use and production of alternative raw materials and new binders such as calcined clay, or CDM with high availability and proven binding capabilities. Encouraged by new regulations, the use of CDM in particular offers promising opportunities for our industry, especially in mature countries (Europe) where volumes are significant.

KEY OPERATIONAL RISKS CONTINUED

Risk	Potential Impact	Our Response
Sustainable products, innovation and technology The risk that insufficient innovation does not secure the competitive advantage of the company by delivering new products, solutions and technologies on a continuous basis. A growing focus on open innovation offers opportunities, especially in the pursuit of our goal of net zero emissions, as well as risks that collaboration with third parties does not provide the expected outcomes. Strategic pillars impacted:	Innovation is a key factor for long-term success of the company and crucial to maintain our competitive position and fulfill future customer needs, particularly when it comes to low-carbon performance, energy efficiency and circular economy. Robust processes around investments in innovation are required in order to prevent any unwanted scenario such as competition creating disruptive differentiators; at the same time, a fast paced growth without properly integrating teams and processes as part of new acquisitions might also impair the successful development of innovative solutions and products. In addition, a significant event linked to product quality or performance is also a potential risk that ought to be avoided and closely monitored.	Our approach is to meet customer needs along the whole construction value chain by developing and delivering products, solutions and technologies that address today's major challenges of the construction business: achieving energy efficiency, lowering the cost of construction, reducing the environmental footprint and meeting high standards of aesthetics, health, comfort and well-being. Holcim already has an important range of products and brands which can be considered as sustainable low-carbon products and solutions. From our sustainable cement Susteno to the ECOPact line of low-carbon concrete, Holcim offers global solutions with cutting-edge materials and innovation. The Group is continuously developing and introducing new products with lower CO_2 emissions, realizing opportunities of a circular economy and related sustainability performance of products and solutions. Leading the circular economy, Holcim will recycle 10 million tons of construction demolition materials by 2025. In line with our 2025 strategy, Holcim will remain at the forefront of green building solutions, with 25 percent of ready-mix net sales coming from ECOPact, with at least a 30 percent lower CO_2 footprint. ECOPact low-carbon concrete already represents 19 percent of our ready-mix net sales within three years of launch while ECOPlanet low-carbon cement is available in 34 markets. Solutions & Products now account for 21 percent of net sales. In parallel, growing closer to our customers with our Solutions and Products business segment, we will expand our range of integrated solutions and systems from construction and energy efficiency to repair and refurbishment. Also, we will continue to deploy smart technologies, from 3D printing using green mineral components and we will further develop next-generation technologies. Our researchers in our Technology Center in Switzerland and in our Research and Development Center in Lyon, France support our customers with all their building needs from concept to create. Sustainability accounts for two-third of the patent portfolio, with 45 percent directly relating to low-carbon solutions such as carbon capture and innovative low-emissions raw materials. The risk that collaboration with third parties on open innovation does not provide the expected outcomes is mitigated through appropriate legal frameworks and comprehensive project management. Non-protected and protected Intellectual Property (IP) is secured by knowledge management, patents and trademarks. Market intelligence is leveraged to avoid infringement of third-party IP rights.
Health and Safety risk The risk that the company does not adequately protect employees, contractors and third parties from injury, illness or fatality, during both on-site and off-site company related activities. Strategic pillars impacted:	Impacts include injury, illness or fatality, reputational damage and the possibility of business interruption, with consequences on our finance and business performance. The impact is compounded by the fact that local incidents can have an effect on the entire Group.	We conduct our business in a manner that creates a healthy and safe environment for all stakeholders – our employees, contractors, communities and customers – built on a sound health and safety culture. We believe in visible leadership and personal accountability at all levels and throughout our organization. We maintain a global Health and Safety Management System designed to continuously improve our performance and actively minimize risks in our business. The Group HSE team conducts regular audits to ensure the full deployment of our HSE policy and internal standards in all Holcim countries. Through the Health, Safety & Sustainability Committee, the Board of Directors supports the development of a health and safety culture and oversees the resources and processes to be employed to minimize or eliminate risks related to health and safety (please see page 167 for more details). In addition, our Group Security and Resilience teams provide support each time the situation requires a cross-functional response. In 2023, we focused our approach by conducting successful HSE projects in every country, proving through on–the-ground implementation that "zero is possible". Please refer to pages 138–139 in order to learn how the synergy between the three core elements of our Health, Safety & Environment (HSE) operating model — Critical Risk Management, Workforce Engagement, and Continuous Improvement— has evolved into a foundational strength shaping our performance and organizational culture.

KEY OPERATIONAL RISKS CONTINUED

Risk	Potential Impact	Our Response
Information technology and cyber threats risk The risk that arises from the unavailability of critical IT systems and the loss or manipulation of data resulting from cyber attacks, computer malware, infrastructure and network outages, natural disasters or human mistakes. Strategic pillars impacted:	An information technology failure or cyber security event could lead to financial losses, reputational damage, safety or environmental impacts. The risk has become a major concern because of the constant emergence of new threats and the dramatic increase in frequency and severity of reported cyber attacks in the recent years. IT-related risks expose our company to a larger range of threats, including systems unavailability and data leak, originating from targeted cyber attacks and operational errors. Furthermore, geopolitical tensions and the confirmation of cyberspace being a new area of conflict have increased cyber security concerns.	To prevent major risks related to critical IT infrastructure either operated by the Group or its service providers, Holcim has established policies and procedures for IT security and governance as well as internal control standards that are followed Group-wide for all applicable systems. These include alternative/redundant data centers per region, resilient architecture of critical IT systems, backup recovery procedures and cybersecurity measures to detect unusual activities in our networks. As constant vigilance and awareness throughout the organization is required, our personnel are continually trained to detect and mitigate cyber risks, especially with the continuous development of remote working. Due to the fact that the risk landscape is evolving, the Group's IT risk register is regularly assessed and updated. Additionally, the measures to prevent new risks from occurring are continuously improved and updated as well as regularly audited and controlled by different independent internal departments and external partners. Conflicts worldwide are being monitored by the Resilience and Governance team (refer to Political risk) to identify potential risks in cooperation with the IT Security team and further increase the Group's preparedness to respond to unusual cyber activity potentially targeting Holcim Group.
Joint ventures and associates Holcim routinely acquires other companies or businesses and pursues joint ventures. Since the Group does not control all joint ventures or associates in which it has invested, this may restrict the Group's ability to generate adequate returns and to implement the operating standards and Holcim compliance program. Strategic pillars impacted:	These limitations could impair the Group's ability to control joint ventures and influence associates effectively and/or realize the strategic goals for these businesses. In addition, this might hamper the ability of Holcim to implement organizational efficiencies and its controls framework, including its full compliance program. It can also impede the ability to transfer cash and assets between subsidiaries in order to allocate assets in the most effective way.	Joint venture partners and associates are within the scope of Holcim's Third Party Due Diligence Directive and Holcim performs risk-based compliance due diligence. In entities where Holcim is not in control, Holcim applies a good faith effort to implement the Holcim compliance program or other risk-proportionate compliance measures.
Employee-related issues The risk that the company does not attract, motivate and retain skilled people in the right places and at the right time to reach its targets. Attraction and retention of talent has become a key issue that pervades across the entire cement and building materials industry which suffers from the competition of more appealing industries. Strategic pillars impacted:	Some countries are facing long-lasting labor shortages affecting a large range of positions, especially drivers, technical profiles and middle management (mainly in the U.S. and Europe). In the longer term, it is likely that the shift in employee preferences will be more exacerbated, which will force companies to adapt to this new paradigm (revised balance between private and professional lives, development of home-office, satisfaction in the workplace, employees seeking value and purpose at work, etc.). In addition, in some regions (especially in Middle East, Africa, Eastern Europe) the risk is aggravated as qualified labor is increasingly searching for opportunities to expatriate themselves in mature markets.	At Holcim, we ensure that our employees are encouraged to thrive, grow and develop leadership skills at all levels. This starts with empowering our young talent to make a difference with initiatives such as One Young World or the Early Career Leaders Program, and continues with colleagues in more senior roles in the Business School for Emerging Leaders, Advanced Leaders and Senior Leaders. We particularly focus on ensuring that our employees are empowered to meet Holcim's green growth ambition and we develop our senior leadership for a strong commitment to diversity. In Holcim, we have implemented an engagement management strategy. Our second Global Employee Survey has achieved high rates in the engagement index of our countries, which has reflected into lower turnover levels. As the labor risk mostly presents in specific local contexts, all countries deploy talent reviews and succession planning processes to evaluate current and future talents across the year. The outcomes are taken into consideration in the Group talent and succession review. Core human resources processes, like a broad learning portfolio with new programs for young professionals and the online learning platform (Percipio), performance management, leadership development, reward & recognition and talent management are implemented in all Holcim countries and corporate functions. Group HR oversees the quality of deployment of these processes to keep improving the robustness of our talent pipeline; early careers leaders have been identified and followed up at Group level in close association with the countries. Please refer to our People section (pages 132–137) in order to learn how our Group accelerated its transformation in 2023 to support our people strategy for green growth, develop leadership at all levels, democratize learning, drive performance and commit globally to diversity.
Acquisitions and divestments The risk that the company does not identify opportunities in the market at a profitable cost, or fails to successfully carry out acquisitions, mergers, divestments resulting in financial losses and inability to achieve strategic objectives. Strategic pillars impacted:	As Holcim works to reach 30 percent of our net sales in Solutions & Products by 2025, there is a risk that material acquisitions do not meet the expected results. There is also an uncertainty over the achievement of the expected synergies and the integration of the new entities in our operating model, organizational structure and governance (including our Internal Control framework and compliance program). In connection with disposals made in the past years, the Group provided customary warranties. Holcim and its subsidiaries may receive claims arising from these warranties.	Our M&A process is structured around a robust due diligence process and a detailed gap analysis following post-acquisition (including, but not limited to, strategic, compliance, financial, environmental, legal, tax, commercial, human resources and pension plans streams). Key internal stakeholders are involved with the support of external expertise. Our large geographical footprint combined with the strong cash position of our Group enable us to swiftly respond to identified targets as well as leveraging opportunities for synergies at local level. In the newly acquired entities, our Minimum Control Standards are fully applicable and are implemented following a thorough gap analysis and an integration plan where the particularities and the risks of the new business are analyzed and taken into account in order to design an efficient internal control framework. Our due diligence process also applies to disposals which are closely analyzed by our teams at Group level before the divestment transactions take place. While our company is liable for events which are not under our direct control anymore, the Group closely monitors our exposure and any indication of potential liability is assessed.

KEY FINANCIAL RISKS

Risk	Potential Impact	Our Response
Risk involving credit ratings As in the course of our business we use external sources to finance a portion of our capital requirements, our access to global sources of financing is important. The cost and availability of financing are generally dependent on our short-term and long-term credit ratings. Strategic pillars impacted:	Factors that are significant in the determination of our credit ratings or that otherwise could affect our ability to raise short-term and long-term financing include: our level and volatility of earnings, our relative positions in the markets in which we operate, our global and product diversification, our risk management policies and our financial ratios, such as net debt to Recurring EBITDA and cash flow from operations to net debt. We expect credit rating agencies to focus, in particular, on our ability to generate sufficient operating cash flows to cover the repayment of our debt. Deterioration in any of the previously stated factors or a combination of these factors may lead rating agencies to downgrade our credit ratings, thereby increasing our cost of financing. Conversely, an improvement in these factors may prompt rating agencies to upgrade our credit ratings. With the development of green finance and growing investor expectations regarding the sustainability of our business model, we anticipate an increasing influence of ESG performance on investors' decision-making process in the near future.	Our Executive Committee establishes our overall funding policies. The aim of these policies is to safeguard our ability to meet our obligations by maintaining a strong balance sheet. This policy takes into consideration our expectations concerning the required level of leverage, the average maturity of debt, interest rate exposure and the level of committed credit lines. These targets are monitored on a regular basis. As a result, a significant portion of our debt has long-term maturity. We constantly maintain unused credit lines to cover at least the next 12 months of debt maturities.
Liquidity risk The risk that the company will not generate sufficient cash and/or will not have access to external funding to meet its obligations. Strategic pillars impacted:	Lack of liquidity could impact our ability to meet our operational and/or financial obligations.	Subsidiaries are responsible for their own cash balances and the raising of internal and external funding to cover the liquidity needs, subject to guidance by the Group. The Group monitors its liquidity risk by using a recurring liquidity planning tool and maintains cash, readily realizable marketable securities and unused committed credit lines to meet its liquidity requirements. The Group also adjusts liquidity levels to changing market conditions by organizing additional bank loans or issuing bonds. In addition, the strong credit worthiness of the Group allows it to access international financial markets. Please refer to Note 14.6 of the Consolidated Financial Statements page 345 for details on Holcim debt maturity profile.
Interest rate risk The risk that an investment's value will change due to a change in the absolute level of interest rates, in the shape of the yield curve or in any other interest rate relationship. Strategic pillars impacted:	Movements in interest rates could affect the Group's financial results and market values of its financial instruments. The Group is primarily exposed to fluctuations in interest rates on its financial liabilities and cash. The Group is also exposed to the evolution of interest rates and credit markets for its future refinancing, which may result in a lower or higher cost of financing.	The exposure is mainly addressed through the management of the fixed/floating ratio of financial liabilities. To manage this mix, the Group may enter into interest rate swap agreements in which it exchanges periodic payments based on notional amounts and agreed-upon fixed and floating interest rates. The Group constantly monitors credit markets. The aim of its financing strategy is to achieve a well-balanced debt maturity profile to reduce both the risk of refinancing and large fluctuations of its financing cost. Please refer to Note 14.6 of the Consolidated Financial Statements on page 345 for additional details
Foreign exchange risk The Group's global footprint exposes it to foreign exchange risks. Strategic pillars impacted:	Movements in foreign exchange rates could have an influence on the Group's business, results of operations and financial condition. Such translation into the Group's reporting currency leads to currency translation effects, which the Group does not actively hedge in the financial markets. In addition, the statement of financial position is only partially hedged by debt in foreign currencies and therefore a significant change in the aggregate value of such local currencies against the reporting currency may have a material effect on the Group's shareholders' equity. Currency fluctuations can also result in the recognition of foreign exchange losses on transactions, which are reflected in the Group's consolidated statement of income and statement of cash flows. The impact on the expected future economic growth and capital flows in some of these markets may lead to devaluations of the local currencies against the Group reporting currency.	With regard to transaction-based foreign currency exposures, the Group's policy is to hedge material foreign currency exposures through derivative instruments. The Group seeks to reduce the overall exposure by hedging such positions in the market with derivative instruments. These derivative instruments are generally limited to forward contracts or swaps and the Group does not enter into foreign currency exchange contracts other than for hedging purposes. Each subsidiary is responsible for managing the foreign exchange positions arising as a result of commercial and financial transactions performed in currencies other than its functional currency with the support of the treasury department. The Group's activities expose it to foreign exchange risk notably in countries with inflation indices reflecting a three-year cumulative inflation rate exceeding 100 percent. In these countries, qualified as hyperinflationary countries, the Group applies a financing strategy that reduces the Group's exposure to a minimum by having the country manage its funding needs in an autonomous way. As of 31 December 2023, Argentina and Lebanon are considered as hyperinflationary countries. The Group is also exposed to countries with limited availability of hard currency as Egypt, Nigeria and Bangladesh where hedging and repatriation of cash is difficult or not possible.

KEY FINANCIAL RISKS CONTINUED

Risk	Potential Impact	Our Response
Credit risk The risk that our customers default on payment, resulting in collection costs and write-offs. Strategic pillars impacted:	The failure of counterparties to comply with their commitments could adversely impact the Group's financial performance.	The Group periodically assesses the financial reliability of customers. Credit risks, or the risk of counterparty default, are constantly monitored. Counterparties to financial instruments consist of a large number of established financial institutions. The Group does not expect any counterparty to be unable to fulfill its obligations under its respective financing agreements. The maximum credit risk exposure is represented by the carrying amount of each financial asset, including derivative financial instruments, in the consolidated statement of financial position. Please refer to Note 14.6 of the Consolidated Financial Statements (Financial risks associated with operating activities, page 345) for additional details. In the current macroeconomic context and the risk of a slow down of activity in regions where the Group operates, the Group closely monitors the risk of increase in bad debts.
Insurance Our industry is subject to a wide range of risks, not all of which can be transferred or adequately insured.The Group purchases insurance cover for a broad range of operational risks to protect its assets and itself against third-party liabilities, commensurate with the risk exposure. Strategic pillars impacted	The Group could be impacted by losses where recovery from insurance is either unavailable or non sufficiently reflective of the incurred loss.	We transfer our insurable risks with international insurers or reinsurers of high repute, including our internal captive reinsurance companies. We continuously monitor the evolving risk environment to determine whether additional insurances will need to be considered.
Group's pension commitments The Group operates a range of defined benefit pension schemes and similar contingent obligation schemes across various countries. The assets and liabilities of these schemes may experience significant volatility based on prevailing market conditions. Strategic pillars impacted:	These unforeseen deficits may require cash contributions to fund unrecoverable amounts which could vary significantly from year-to-year due to external factors. These contributions may in turn impact the Group's financial results.	To mitigate these risks, where possible, the Group has taken measures to close, freeze, and terminate these defined benefit pension schemes and has deployed scheme-appropriate asset allocations in order to mitigate volatility and optimize investment returns.
Multi-employer pension plans (MEPP) The Group participates in several union-sponsored multiemployer pension plans in the United States. These plans are susceptible to substantial deficits arising from market conditions, business decisions, trustee decisions, plan failures, and the actions and decisions of other contributing employers. The Group, however, has minimal control over the management of these plans. Strategic pillars impacted	There is material risk that substantial cash contributions could be required in the future to meet outstanding obligations under these plans. Fulfilling the Group's obligations may have a material impact on the Group's reported financial results. Currently, the financial condition of these plans is not disclosed in the Group's financial reports.	A comprehensive review of all these plans has been initiated with the primary objective of gaining a thorough understanding of their financial circumstances. The aim is to explore all available options to mitigate risks and reduce the Group's actual and potential financial obligations. It's important to note that the Group's ability to take action is constrained, as participation in these plans is contingent upon negotiations with bargaining unions.

KEY FINANCIAL RISKS CONTINUED

Risk	Potential Impact	Our Response
Goodwill and asset impairment Significant underperformance in any of the Group's major cash-generating units or the divestment of businesses in the future may give rise to a material write-down of goodwill or assets. Strategic pillars impacted:	A write-down of goodwill or assets could have a substantial impact on the Group's net income and equity.	Indicators of goodwill or asset impairment are monitored closely through our reporting process to ensure that potential impairment issues are addressed on a timely basis. Detailed impairment testing for each cash-generating unit within the Group is performed prior to year-end or at an earlier stage when a triggering event materializes. The Audit Committee reviews once a year the goodwill and asset impairment process. In the context of growing challenges posed by the transition to a low-carbon economy, the Group makes estimates and assumptions on climate change and how it might impact our operations and cash-flow projections. We continuously reevaluate those assumptions in a way that is consistent with our assessment of climate-related risks, our commitments to investors and other stakeholders and the climate-related regulations in place. Our cash flow projections are aligned with the commitment to reach our 2030 sustainability targets and in accordance with the climate-related regulations currently in place notably in Europe.
Tax Our business operations are subject to numerous income taxes as well as duties and other taxes that are not based on income such as sales or value-added taxes, payroll taxes,etc. imposed by state and local governments. Significant judgment is often required in determining our annual tax charges and in evaluating our tax positions. Although we believe our tax estimates are reasonable, the final determination of tax audits and any related disputes could be materially different from our historical tax provisions and accruals. Strategic pillars impacted:	Due to the uncertainty associated with tax matters, it is possible that, at some future date, liabilities resulting from changes in legislation, interpretation of existing tax rules and regulations, and /or audits or litigations could have a material adverse impact on our financial results and cash flow. Governmental authorities in the countries where the Group operates may increase or impose new income taxes or indirect taxes, or revised interpretations of existing tax rules and regulations, including as a means of financing the response to economic shocks or the threats of recession. In particular, a number of countries have adopted the new OECD minimum tax rules (pillar 2) with effect from 1 January 2024. These rules are designed to ensure that multinational enterprises pay a minimum tax of 15 percent on the local income arising in each jurisdiction where they operate. In the future, this may lead to an increase in the income tax expense as well as audit and/or litigation risks.	Risks are reviewed and assessed on a regular basis in light of ongoing developments with respect to tax audits and tax cases, as well as ongoing changes in legislation and tax laws. The Holcim Tax Directives provide binding rules for all countries where we operate, and the Group Tax team continuously works with Group Internal Control on aligning, improving and implementing processes and controls within Group Tax and countries. It is also continuously developing and acquiring the right in-house skills.

Internal Control

Holcim's Internal Control framework defines Minimum Control Standards to clarify and reinforce the responsibility of businesses in the countries. Every operating company and business in our organization must follow these standards, which are equally applicable at Group level. There is clear guidance and consequence management if they are not met completely. Minimum Control Standards are managed and checked independently by our Internal Control team along with business process owners and control owners in all our businesses across the globe. Our Internal Control process is in accordance with the Swiss Code of Obligations and Swiss Code of Best Practices for Corporate Governance. The Holcim Internal Control system aims to give the Board of Directors and management reasonable assurance concerning the reliability of financial reporting, compliance with laws and internal regulations, and the effectiveness and efficiency of major company processes and controls. Each Holcim employee has an important role in running the Internal Control System to ensure the implementation and the effectiveness of internal controls.

Group Internal Control Environment

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

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

Risk identification and analysis

The approach implemented by the Group relating to identification and analysis of risks is described on pages 220–221.

Minimum Control Standards

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

Governance & Compliance: Compliance with laws, regulations and Code of Business Conduct, Board of Directors secretarial, Health, Safety & Environment, risk assessment and mitigation, segregation of duties, delegation of authorities, review of litigation, disputes, and personal data protection.

Accounting & Consolidation: Compliance with accounting principles including best practices from the reconciliation of accounts to consolidation of financial statements and submission of Group reporting requirements and statutory financial statements.

Tax: Tax risk assessment and reporting, tax filings and payments, deferred and income tax calculations, transfer pricing and non-income (indirect) taxes.

Treasury: Bank relations, secure handling of payments, financial instruments, borrowings and commitments and foreign exchange, interest rate, commodities risks monitoring and hedging.

Fixed Assets: Management of titles, licenses and permits, rehabilitation and restoration provisions, classification and depreciation of property, plant and equipment and physical verification.

Inventory: Physical stock take (spare parts and materials) and inventory provisions and write-offs.

Revenue: Master data, price management, customer credit limits, accounts receivable.

Expenditure: Master data, supplier qualification, 3-way match and direct vendor invoices, supplier payments and accruals for expenditures.

HR: Employee management (onboarding, transfers, offboarding), payroll, compliance with local labor laws and employee pension & benefit plans.

IT: Information security management and IT service management.

Sustainability: Environmental impact and Social impact.

Operational technology: Operational technology (OT) security baseline controls for OT systems and industrial applications, and OT infrastructure (hardware, operating system, database, network, interfaces) in all operating plants and sites.

Internal Control monitoring throughout the Group

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

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

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

Board of Directors and Board Committees

The Board of Directors through the Audit Committee reviews management's and the internal auditor's reports on the effectiveness of the systems for internal control. The Audit Committee shall form its own opinion on the Internal Control system, Risk Management and on the state of compliance within the company.

Executive Committee

The Executive Committee steers the effective implementation of the Group's Internal Control system, through:

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

Group functions

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

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

Countries

Internal Control is under the direct responsibility of the Executive Committee for each country.

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

Group Internal Control department

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

Group Internal Audit

The Group Internal Audit department is responsible for performing an independent assessment of the quality of internal control at all levels of the organization following the annual audit plan approved by the Audit Committee. The main observations and findings observed during the audit assignments are reported periodically to the Audit Committee. For more information, please refer to Corporate Governance on page 170.

CLIMATE AND NATURE RISKS AND OPPORTUNITIES

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

Identifying risks and opportunities
Our climate risk and opportunity assessment is embedded in our Enterprise Risk Management (ERM) process, as described in the Risk and Control section (pages 220–221). We have tailored our approach to align with best practices and recommendations of the Task-force on Climate-related Financial Disclosures (TCFD). This enables a bottom-up assessment of climate risk and opportunities by each country.

Globally, as the political and industrial agenda moves firmly towards green growth, we see ambitious initiatives such as EU Green Deal and the U.S. Inflation Reduction Action that aim at decoupling economic growth from carbon emissions and resource use. Due to this shift in the political agenda, the risks and opportunities in relation to emerging climate and resource-related policies are a key element of our ERM process. This includes a comprehensive climate risk and opportunity assessment including (but not limited to) regulation and public policy scenarios, economic assumptions and project contingencies for significant CapEx projects such as those relating to carbon capture, utilization and storage.

Short- and medium-term assessments
Climate risks and opportunities are assessed over both the short (< three years) and medium term (< ten years) in alignment with our 2030 sustainability targets. Long term risks and opportunities (up to 2050) have been assessed as part of our scenario planning (pages 252–255), where we have tested the resilience of our strategy, as well as the opportunities offered by innovative technologies.

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

CLIMATE RESILIENCE AND ADAPTATION PROGRAM

The Group has implemented a climate resilience and adaptation program to identify and mitigate the potential impacts of current and future physical climate risks on our people, economic activities, assets and on nature. Our technology solution uses the climate scenarios of the Intergovernmental Panel on Climate Change (IPCC). The program identifies projected site-level risks over a range of climate pathways and time periods. This year we have increased the coverage of our assessment to include our cement plants (142) as well as 39 Solutions & Products sites.

→ Read more about the program on page 245

Monitoring and reporting

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

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

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

TASKFORCE ON NATURE-RELATED FINANCIAL DISCLOSURES (TNFD)

Holcim takes a transparent, science-driven and rigorous approach to its reporting, which includes best practices in relation to recommendations of the Taskforce on Nature-Related Financial Disclosures (TNFD). We are now expanding our nature disclosures as an early adopter of the TNFD.

- Using the tool Exploring Natural Capital Opportunities, Risks and Exposure (ENCORE), we were able to confirm that our most material nature-related impacts and dependencies (water use, land use including biodiversity, solid waste and greenhouse gas emissions) are identified in our overall ERM process and materiality assessment, and are integrated in the company strategy.
- Leveraging our annual risk assessment exercise, we identify short- to medium-term threats at local level. This enables the operations to anticipate and adapt their business strategy in order to reduce, for example freshwater withdrawal, engage with key local stakeholders and prepare for potentially more stringent regulations and new market conditions. In order to complement this bottom-up assessment, we leverage the latest technology for biodiversity and ecosystem mapping and anchor the nature risk and opportunity assessment as part of our climate resilience and adaptation program, which also includes a detailed view of the nature-related dependencies and impacts of our operations.
- We believe that our strong governance based on our Health, Safety and Sustainability Committee, coupled with our nature strategy with measurable water and biodiversity commitments, places our company in a favorable position to implement the full scope of the TNFD recommendations in 2024.

TCFD/TNFD ADOPTION TIMELINE

Holcim's journey towards implementing and promoting TCFD and TNFD recommendations

2018
Implementation of TCFD framework
Dedicated governance, strategy, risk management and metrics are specifically designed to address the climate challenge.

2020
Participation to the TCFD Preparer Forum for the Construction sector
Recognized as a reference in providing climate-related disclosures, our company committed to the promotion of TCFD recommendations.

2021
TNFD launch
Holcim selected to be an official task-force member of the TNFD (out of 17 corporate companies selected).

2022
Industry's first Climate Report
With our Climate Report, a first in our sector, we further strengthened our climate-related disclosures and transparency by explaining in great detail our decarbonization roadmap. In 2023, our second Climate Report received a 95.75 percent advisory vote in favor from our shareholders.

2023 and beyond
Early adopter of the TNFD framework
Leveraging the integration of TCFD into our ERM process, we are ramping up on the implementation of TNFD recommendations. A gap analysis was performed and we started to fully embed all the elements of Nature into our ERM process, to ensure full compliance with TNFD in 2024.

CLIMATE AND NATURE RISKS AND OPPORTUNITIES CONTINUED

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

GOVERNANCE	**Board oversight** • Refer to "Holcim governance approach Climate and Nature-related risks and opportunities", page 167, "Information and control instruments of the Board of Directors," page 169, "Long Term Incentives", page 201, and "Risk and Control" > Roles and responsibilities, page 221	**Management's role** • Refer to "Risk and Control" > "Roles and Responsibilities," page 221 **Organization's engagement with local stakeholders** • Refer to "Human Rights", page 140
STRATEGY	**Identification of nature-related dependencies, impacts, risks and opportunities over the short, medium and long term** • Refer to "Material Priorities", pages 222–223, "Climate and Nature Risks & Opportunities", pages 236–251 **Effects nature-related dependencies, impacts, risks and opportunities have on the organization** • Refer to "Our Approach", pages 60–61, "Climate and Nature Risks & Opportunities", pages 236–251	**Resilience taking into account different scenarios** • Refer to "Climate and Nature Risks & Opportunities", pages 236–251, "Scenario Analysis", pages 252–255 **Location of assets and activities on direct operations, upstream and downstream that are in priority locations** • Refer to our Sustainability Performance Data Tables on pages 406–407
RISK AND IMPACT MANAGEMENT	**Identification and prioritization of impacts, dependencies, risks & opportunities in direct operations** • Refer to "Our Approach", pages 60–61, "Material Priorities", pages 222–223, "Climate and Nature Risks & Opportunities", pages 236–251 **Identification and prioritization of impacts, dependencies, risks & opportunities in upstream and downstream value chain** • Refer to "Climate and Nature Risks & Opportunities", pages 236–251, "Measuring Our Value", page 264	**Managing impacts, dependencies, risks & opportunities** • Refer to "Climate and Nature Risks & Opportunities" section, pages 236–251 **Integration with overall risk management processes** • Refer to "Risk and Control" section, pages 220–255, "Information and control instruments of the Board of Directors," page 169, "Measuring Our Value", page 264
METRICS AND TARGETS	**Metrics to manage risks and opportunities** • Refer to "Climate and Nature Risks & Opportunities", pages 236–251, Sustainability Performance Data Tables on pages 403–411 **Metrics dependencies and impacts on nature** • Refer to "Our Approach", pages 60–61, Sustainability Performance Data Tables on pages 403–411	**Targets and goals** • Refer to the "Our Approach", pages 60–61, Sustainability Performance Data Tables on page 403

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

GOVERNANCE	**Board oversight** • Refer to "Holcim governance approach for climate and nature-related risks and opportunities", page 167, "Information and control instruments of the Board of Directors," page 169, and "Risk and Control" section > Roles and responsibilities, page 221	**Management's role** • Refer to "Risk and Control" section > "Roles and Responsibilities," page 221	
STRATEGY	**Risks and opportunities over the short, medium and long term** • Refer to "Climate and Nature Risks & Opportunity" section pages 236–251	**Impact on the organization's business, strategy and financial planning** • Refer to "Risk and Control" section, pages 220–255 and "Climate and Nature Risks & Opportunity" section pages 236–251	**Scenario planning** • Refer to our Climate and Nature Risk & Opportunity section > Scenario planning, pages 252–255
RISK MANAGEMENT	**Climate change-related risks identification and assessment** • Refer to "Risk and Control" section, pages 220–255 and "Climate and Nature Risks & Opportunity" section pages 236–251	**Climate change-related risks management** • Refer to "Risk and Control" section, pages 220–255 and "Climate and Nature Risks & Opportunity" section pages 236–251	**Integration into overall risk management** • Refer to "Risk and Control" section, pages 220–255 and "Information and control instruments of the Board of Directors," page 169
METRICS AND TARGETS	**Reporting CO_2 metrics** • Refer to our Sustainability Performance Data Tables on pages 403–405	**Details Scope 1, 2 and 3** • Refer to our Sustainability Performance Data Tables on page 405	**CO_2 targets** • Refer to our Sustainability Performance Data Tables on page 403

CLIMATE RISKS AND OPPORTUNITY SUMMARY TABLE

Our climate risk and opportunity assessment has been performed following the TCFD framework.

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

We believe that the risks and opportunities presented here are the most material ones for our company, although other risks or opportunities might materialize, especially as a consequence of the evolution of policy, economic or technological landscapes.

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

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

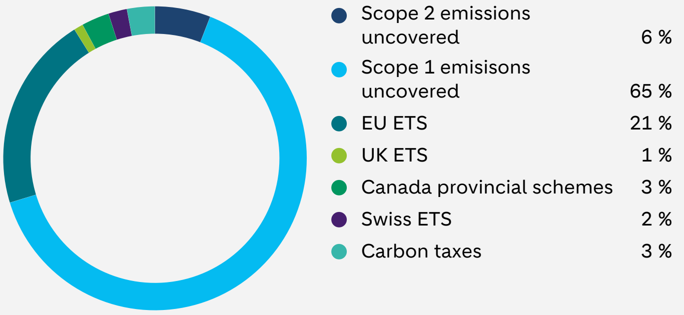
CLIMATE AND NATURE RISKS AND OPPORTUNITIES CONTINUED

RISK INEFFECTIVE CLIMATE POLICIES

Description	Potential Impact	Our Response
The shift to a decarbonized business model requires strong climate regulations, such as the EU ETS (complemented with the Fit for 55 package) with stable, fair and reliable CO_2 prices. In the long term, the attitudes towards climate change outside the EU, especially in the U.S., will be a tipping point for the achievement of our net zero commitments.	Even though the political and industrial agenda is firmly moving toward green growth, ineffective collective action against climate change in the long run would create a misalignment between our efforts to reach net-zero emissions and the regulatory framework, resulting in a competitive disadvantage. On the contrary, more stringent CO_2 regulations, and the associated set of environmental measures, would reinforce our competitive advantage as we decarbonize following our ambitious emissions targets. As the most advanced regulatory environment worldwide for the climate transition, the European Union recently adopted a Carbon Border Adjustment Mechanism (CBAM) as a central engine of the low-carbon transition. However, it will require a diligent and "watertight" implementation (effectively closing all circumvention routes) to establish the needed effective, fair and reliable level playing field on carbon costs between domestic manufacturers and importers and protect the competitiveness of the European cement players. This forms the central pillar of the low-carbon business case and is fundamental to our ability to invest on a large scale in the deployment of low-carbon technologies and products. In the U.S., although there is no regulatory framework comparable to the European ETS, the political agenda is also moving toward green growth, with recent initiatives, such as the Inflation Reduction Act in 2022, which create an overarching incentivising environment to deploy low-carbon and resource efficient technologies at scale. In the long term, we anticipate additional sets of measures in the journey to a low-carbon economy, such as the ones that set rules for explicit green claims or the communication to the financial markets. Any new regulation that creates a robust environment that encourages direct investments towards sustainable projects and helps scale up sustainable development towards the objectives of the European Green Deal represents an opportunity for our Group. **Impacts on financial reporting** Useful lives of assets may be affected by climate-related matters because of transitional risks such as obsolescence and legal restrictions. The change in useful lives has a direct impact on the amount of depreciation or amortization recognized each year. Management's review of useful lives has taken into consideration the impacts of the Group's 2030 targets. It can also lead to the impairment of operating assets that no longer comply with more stringent environmental measures. Climate-related matters may affect the level of provisions recognized, such as site restoration provision and litigation provision as a result of the levies imposed by governments for failure to meet climate-related targets or new regulations, requirements to remediate environmental damages on Holcim's sites or due to existing obligations now being considered more likely. Some contracts may become onerous as a result of climate-related changes, which would potentially decrease the Group's revenue or increase its operating costs.	Our CO_2 reduction roadmap follows a best-in-class approach with both our 2030 and 2050 targets (net-zero pledge) validated by the SBTi as aligned with 1.5°C. To accelerate green growth, Holcim is deeply transforming its business model in order to be a major player in decarbonizing building across the value chain, to reduce emissions and build smarter and better with less. Changes in regulatory frameworks worldwide are regularly monitored centrally in order to assess our exposure to new CO_2 pricing schemes, but also to identify opportunities and market incentives for low-carbon products or any developments that require us to accelerate or adapt the deployment of our decarbonization roadmap. Aligned with the most recent regulatory moves towards sustainable green growth such as Europe's Green Deal and the U.S. Inflation Reduction Action, our "Strategy 2025 – Accelerating Green Growth" has put decarbonization at the heart of our industrial and commercial strategy, driving circular construction to build better with less and developing solutions to make cities greener from foundation to rooftop. Holcim continues to proactively and transparently engage with external stakeholders and advocate for climate policies that are aligned to the Paris Agreement 1.5°C and enables us to accelerate the deployment of low-carbon solutions in order to execute and meet the objectives of our decarbonization roadmap. With that perspective, we support globally the enhancements of the regulatory environment aiming to: • Support the business case to invest at scale in decarbonized technologies (including CCUS), • Incentivize market demand for decarbonized and circular solutions, • Facilitate access to competitive decarbonized energy, • Implement effective carbon pricing mechanisms and enable industry to remain competitive on the global stage.

RISK INEFFECTIVE CLIMATE POLICIES CONTINUED

OVERVIEW OF OUR EXPOSURE TO CO_2 REGULATIONS



- Currently, 29 percent of our emissions are exposed to CO_2 regulations.
- Besides carbon pricing and taxes, other climate policies might have an influence on our decarbonization roadmap, especially those policies that allow us to maintain the competitiveness of low-carbon technology investments in the cement industry, and that set rules for the re-use of captured CO_2, as well as waste management regulations.
- Europe is the most advanced region, with a mature Emissions Trading Scheme (ETS) which incentivizes carbon reduction initiatives. Coupled to other climate policies (revised building codes, EU Taxonomy), Europe offers huge opportunities for the successful implementation of our net-zero roadmap.
- The U.S. stands apart as the country is a patchwork of federal and state regulations mostly not covered by an ETS, despite certain states having one or planning to implement one. However, the current approach is based on mostly voluntary initiatives, with few federal regulations being implemented, while certain states are setting regulations and standards (building codes, public procurement, transparent communication), which might not be enough to support decarbonization efforts and investments in breakthrough technologies. Yet, the recent Inflation Reduction Act (2022), promoting investments in decarbonization projects and securing long term strategies, is likely to offer a specific path to a decarbonization model.
- Latin America is moving towards carbon regulation similar to the EU ETS, with pilots in certain countries, notably Mexico. We anticipate that the implementation of carbon pricing in Latin America will support our efforts to decarbonize.
- In the long term, the absence of more stringent and ambitious CO_2 regulation in Middle East, Africa or Asia may lead to future conflicts between financial performance and emission reductions, should market dynamics be insufficient to support decarbonization efforts.

RISK SLOW MARKET ACCEPTANCE FOR LOW-CARBON PRODUCTS AND SOLUTIONS

Description	Potential Impact	Our Response
Holcim's decarbonization journey entails the capacity to meet customers' product quality and decarbonization expectations. Indeed the successful launch of our global low-carbon brands ECOPact and ECOPlanet exposes the Group to new threats in case the Group is unable to build a strong credibility with its customers, document and back-up environmental claims, develop strategic partnerships or promote a marketing and product-led approach within the Group.	A slow market acceptance for low-carbon products and solutions could lead to revenue losses due to reduced demand and limitations to improvements in margins. While there is no viable substitute to cement on a global scale that is sustainable, affordable and local, an increased pressure to decarbonize the built environment may support a growing demand for low-carbon products and solutions, thus potentially increasing our market share in the range of low-carbon cement and sustainable solutions. **Impacts on financial reporting** Impairment testing is performed at the cash generating unit (CGU) level and in assessing the valuation of a CGU, future cash flows have been estimated. This includes making assumptions in relation to the impact of climate-related matters on future profitability. The impact of climate-related matters could result in higher costs and reduced revenues affecting the future taxable profits on which the recognition of deferred tax assets are based. Business plans used for the recognition of deferred tax assets have been aligned with those used in the impairment process, taking into account climate-related impacts.	Our approach is to meet customer needs along the whole construction value chain by developing and delivering solutions that address today's major construction challenges (scarcity of resources, sustainable and resilient infrastructure, urbanization), turning sustainable growth into profitable growth. We offer our customers advanced sustainable solutions to best meet their needs and have already expanded our multi-billion brands delivering premium margins. We have built billion-dollar low-carbon brands from ECOPact concrete and ECOPlanet cement which are sold at a range of low-carbon levels. By 2030, Holcim will grow both brands, which offer customers at least 30 percent less CO_2 compared with local standard (CEM I / OPC) concrete and cement. With the help of carbon capture, we are aiming to produce eight million tons of fully decarbonized ECOPlanet cement per annum by 2030. We will also grow our low-carbon concrete from 19 percent in 2023 to above 25 percent of Group Ready-Mix Net Sales by 2025. Where possible, our solutions are independently verified through Environmental Product Declarations (EPDs), which validate the environmental profile of our product and ensure transparency.

CLIMATE AND NATURE RISKS AND OPPORTUNITIES CONTINUED

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

Description	Potential Impact	Our Response
The inability to deliver Carbon Capture Utilization and Storage (CCUS) projects or develop necessary technologies that meet both technical and financial expectations could prevent Holcim from achieving its decarbonization targets.	The successful scaling up of CCUS relies on assumptions and projections regarding external factors such as compatibility with CO_2 usage opportunities, climate regulations, market acceptance of low-carbon products, the existence of large transportation infrastructure and other aspects of viability and scalability. In addition, there are contingencies related to the management of the projects especially with regards to the management of technical interfaces and the relationships with stakeholders (public administrations, partners, suppliers, communities). In the long term, should CCUS be confirmed as the main technology to remove CO_2, there is a risk of stranded assets where CCUS is not feasible (absence of transport infrastructure, insufficient storage capacities, insufficient renewable power or water supply, etc.) and a loss of leadership in the decarbonization journey. The pathway from 2030 to 2050 also integrates a large range of both new and established technologies including novel binders (calcined clay), zero-emission vehicles and low-clinker cements. For the latter, higher prices for mineral components (MIC) such as slag and fly ash challenge our CO_2 reduction roadmap as the integration of MIC in our cement production process is a key lever for the reduction of clinker factor and thus reduction of our CO_2 footprint. **Impacts on financial reporting** Useful lives of assets may be affected by climate-related matters because of transitional risks such as technological obsolescence. It can also lead to the impairment of operating assets. Sustainability is now a key factor considered by the Group in any investment decision. The transition to lower-emission technologies will impact the allocation of future CapEx. The Group's R&D expenditures are aligned with the strategy to focus on new and alternative technologies that, as a result of diverse research initiatives, may either impact CapEx or R&D costs in the statement of income, depending on the success of the initiatives.	We investigate every opportunity, at every stage of a building's life cycle, to eliminate emissions and build smarter and better. Leveraging on proven processes and existing technologies, we are optimizing our own consumption of resources, using low-carbon energy and fuel, and reducing our water use. In line with our 2025 strategy, we accelerate the decarbonization of our own operations to become a net-zero company, by switching to renewable energy, developing new formulations, adopting decarbonized mobility and harnessing advanced technologies such as carbon capture, utilization and storage (CCUS). As an example, we launched in February 2023 Europe's first calcined clay low-carbon cement operation in Saint-Pierre-la-Cour, France, enabling us to deliver ECOPlanet low-carbon cement with 50 percent lower CO_2 footprint. We also launched ECOCycle®, a proprietary platform to drive circular construction at scale across key metropolitan areas. Furthermore, 2023 was a year the Group successfully demonstrated its ability to firmly accelerate its global transition to a net-zero future especially with the ramping up of CCUS projects, with six full-scale CCUS projects across Europe having been selected for grants from the European Union (EU) Innovation Fund to capture five million tons of CO_2 by 2030. We have a solid portfolio of CCUS projects globally. In Europe, we have additional projects in advanced stages of planning. Based on various technologies, robust partnerships and value chains, these sites are well positioned to become net-zero cement plants and drive our Group to net-zero. Holcim is a partner of choice in the CCUS ecosystem in Europe and continues to actively engage with public authorities, industry partners, customers and communities. In addition, new economic conditions could emerge in the long term (steady development of e-fuels, growing usage of captured CO_2 by the chemical industry) and drive a significant shift from CO_2 storage to CO_2 utilization, improving the profitability of CCUS and offering new outlooks for this business model. Holcim also continues to explore promising opportunities such as smart design, novel binders, kiln electrification and use of hydrogen.

HARNESSING PROMISING CCUS PROJECTS TO REACH NET ZERO

While it is clear that no single solution will be scalable at all locations, as different environments present different conditions, there is a risk that we are not fully benefiting from the promising opportunities offered by the CCUS, hence our decarbonization agenda would be compromised. For that reason, we have ensured that our portfolio of projects is based on the broadest selection of mature technologies and applications (including those with proven results in other industries), offering the largest range of possible solutions in order to implement CCUS in locations taking into account the local context (existence and reliability of local infrastructure for CO_2 transportation or storage, industry partners, economic environment, regulatory frameworks).

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

- Energy consumption: capturing CO_2 is an energy intensive process. Our projects are assessed according to availability of renewable energy sources.
- Water withdrawals / consumption: CCUS typically requires water for the capture process, where a large portion of the water is needed for cooling purposes, and may generate wastewater. Through the implementation of efficient closed-loops recycling systems and the shift to non-freshwater sources, the use and disposal of water will be managed carefully to minimize environmental impacts.
- Communities: we are looking at both onshore and offshore CO_2 storage facilities. The concerns related to the safety of storing CO_2 underground and potential leaks that could impact nearby communities are thoroughly assessed.
- Scope 3 emissions: depending on the application (storage or utilization) carbon capture technologies will have an impact on our Scope 3 emissions. These are evaluated project by project and accounted for in our Scope 3 modeling. The configuration and ownership of the carbon capture facility down the value chain will shape the accounting of Scope 1, 2 and 3 emissions. Holcim is monitoring the evolution of these standards and advocating for a fair and balanced approach.

The Group's long term CCUS strategy is based on a both planned and opportunistic timing of numerous CCUS projects, starting in locations where the context is the most relevant, especially in jurisdictions which are already proactively supporting the CCUS technology, or where infrastructure and geographies for transportation and storage are already present. Accelerating on the transition to a decarbonized economy, Holcim responsibly advocates for both onshore storage and re-usage of CO_2. We are actively partnering with stakeholders who support the transition to a decarbonized economy, such as governments, industry bodies or equipment suppliers, to enable the development of conditions for success. Understanding the key success factors from the initial projects in Europe and North America, we will provide an environment that will facilitate the implementation of CCUS in plants where the opportunities for CCUS are currently being developed.

Please refer to pages 90–95 for more details regarding our CCUS roadmap.

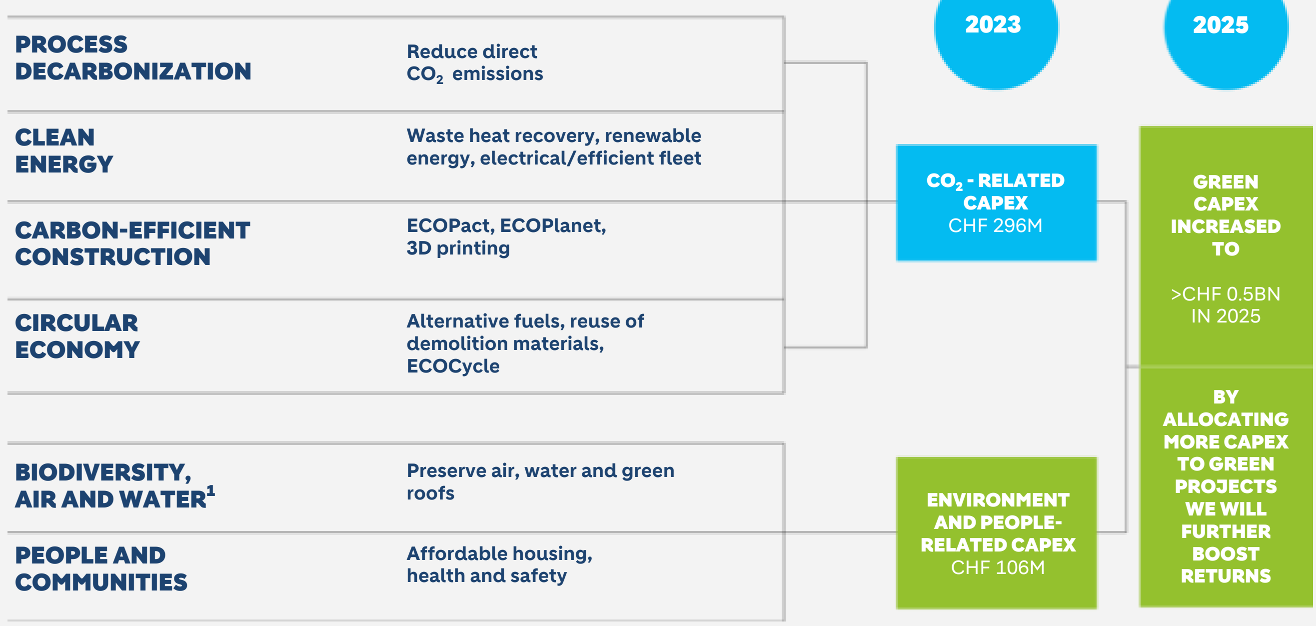
RISK GREEN CAPEX AT HOLCIM

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

In 2023, our Green CapEx reached CHF 402 million, including investments of CHF 296 million in projects to accelerate our CO_2 reduction, and CHF 106 million in environment and people-related projects. We will increase our annual green CapEx to CHF 500 million by 2025. These investments will impact all our operations and geographies and will encompass existing technologies with proven returns.

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

GREEN CAPEX CATEGORIES



1 CHF 0.1 million for biodiversity related CapEx, CHF 12.4 million for water related CapEx

CLIMATE AND NATURE RISKS AND OPPORTUNITIES CONTINUED

RISK DAMAGED REPUTATION DUE TO UNDOCUMENTED OR UNSUBSTANTIATED GREEN CLAIMS

Description	Potential Impact	Our Response
The Group's inability to meet its commitments (net zero pledge), if materialized, is likely to damage the Group's reputation and reduce our attractiveness to stakeholders such as customers, investors, and potential employees.	In light of increased public scrutiny on green claims, there is a growing reputational risk in case the Group does not achieve its climate targets, is found to have misreported its emissions, if its targets and claims are not ambitious enough, or if they are deemed incomplete, vague, ambiguous or insufficiently documented on a scientific basis. In addition, litigation on the basis of climate action failure (including misreporting of emissions) is emerging and could also exacerbate reputational damages. **Impacts on financial reporting** Holcim has increased diversification of financing instruments with, for example, sustainability-linked bonds, which are linking our funding with our sustainability objectives. This could have an impact on the Group's financial expenses in the event the Group does not reach the targets that have been set.	The Group's first priority and strategy is Accelerating Green Growth as a global leader in innovative and sustainable building solutions. We continuously ensure our targets stay abreast with the latest scientific developments and the highest level of scientific rigor. For this reason, Holcim was the first company in its sector to have 2030 and 2050 net-zero targets validated by the Science Based Targets initiative (SBTi), as aligned with a 1.5°C pathway. To ensure emissions reductions are in line with our corporate targets and decarbonization roadmap, we establish plant-level climate mitigation. Furthermore, we ensure rigorous emissions accounting for both our direct and indirect CO_2 emissions based on the latest emissions accounting protocols. To reflect the credibility of our sustainability commitments to investors, Holcim ahead of a bond issuance always assesses the feasibility to offer sustainability linked bonds to its investors. More recently Holcim updated its financing framework and added the option to issue green bonds which will be associated to the bond offering. Our brands ECOPact and ECOPlanet becoming multi-billion CHF brands, we control that each of those products follow strict clear global brand qualification criteria whose alignment with regulatory requirements are continuously monitored.

CLEAR, TRANSPARENT CRITERIA FOR LOW-CARBON PRODUCT CLAIMS

ECOPact ECOPlanet

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

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

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

RISK DAMAGED ASSETS AND OPERATIONS

Description	Potential Impact	Our Response
The physical consequences of climate change (such as increased regularity of extreme weather events and water scarcity) have the potential to disrupt our operations on both on-site and value chain transportation activities leading to higher costs and reduced production capacity (e.g. delayed planning approval, supply chain interruptions), business interruptions and even reputational damages.	The most critical current climate risks to our business are water related. When water levels are too high this can harm our on-site operations with potential impacts on people and our assets, such as the recent flooding in Bangladesh. Additionally, in areas where we leverage local rivers for transportation, such as the Mississippi, significant variations in river water levels, both high and low, affect our river-based supply chains and product delivery. Water is a vital resource in our traditional businesses and increased scarcity has the potential to increase the likelihood of disruptions to production. As the climate changes, extreme weather events are likely to increase and the most critical physical risks will be storms causing floods and drought with potentially higher associated insurance costs. **Impacts on financial reporting** Physical deterioration of our production assets would result in potential impairment. The climate-related matters may affect the value of inventories as they may become obsolete as a result of a decline in selling prices or an increase in costs. The cost of inventories that are not recoverable must be written down to their net realizable value. The change in the climate may imply more regular and intense climate events that can have a significant impact on our production with business interruption, accident or damages. This may increase our insurance costs due to the higher amounts at stake or more frequent insured cases.	In 2023, we expanded the assessment of physical risks associated with climate change to over 100 material sites. The intent is to implement this program, on a risk basis, across the whole Holcim portfolio. Once fully implemented in all sites, the program will capture site level preparedness to current and future risks while enabling the development of mitigation programs complemented with strategic resilience plans for longer term and structural risks. At a Group level, the climate resilience and adaptation program will protect our people and the environments in which we operate, strengthen the decision-making process, mitigate financial losses due to asset damage and business interruption, and ensure adaptation to climate change based on scientific data. In the long term, portfolio changes with the development of our Solutions & Products business line will contribute to a shift to a business model that offers integrated solutions and systems specifically designed to tackle climate change challenges, such as: energy efficiency, cooling effects, extending the longevity of building materials and enhanced options to generate renewable energy.

RISK DAMAGED ASSETS AND OPERATIONS CONTINUED

CLIMATE RESILIENCE AND ADAPTATION PROGRAM

Our climate resilience and adaptation program is a series of risk assessment initiatives being rolled out throughout our sites in a phased approach. Bridging short term resilience to long-term adaptation requirements, it will support our decision-making process and reinforce the Group's responses to physical risk. Leveraging the insights arising from this program, the ERM process will begin to integrate the requirements of the TNFD.

RISK ASSESSMENT
2022

- Launch of the multi-functional program covering a large range of current and future natural hazards
- Assessment of 62 sites in 31 countries

RESILIENCE
2023

- Risk assessment of all cement plants as well as 39 Solutions & Products sites
- Reinforce business continuity procedures
- Definition of climate change adaptation action plans and evaluate needs for investments to mitigate future climate risks

ADAPTATION
2024 onwards

- All sites across our business lines in scope
- Integration of the Nature-related risks of the Swiss RE tool in order to expand to Nature
- "Adaptation by design" including in CapEx projects and Due Diligences
- Investment plans to increase long-term adaptation
- Providing financial disclosure under EU Taxonomy

CLIMATE AND NATURE RISKS AND OPPORTUNITIES CONTINUED

RISK PHYSICAL CLIMATE-RELATED RISKS

PRECIPITATION/ STORM
Maximum daily precipitation (in mm) for a predefined event. Also included lightning storms.

FLOOD
Includes fluvial, riverine and pluvial floods. The risk score is based on changes in precipitation patterns as well as other components such as topography, catchment area and runoff.

LANDSLIDE
Mass movement processes including rockfall, debris flows and mud slides.

WILDFIRE
Likelihood of wildfire based on current land susceptibility to fire and projected hot and dry weather.

DROUGHT
Water stress locations based on the Standardized Precipitation Index (SPI) in combination with the number of heat wave days.

HEAT
Combination of atmospheric water capacity, change in extreme temperature, and increase in number of dry days.

Acute Chronic

Temperature Change	IPCC Scenario	2025	2023	2050
1.5 – 2 °C	SSP1-2.6	✓	✓	✓
2 – 3 °C	SSP2-4.5	✓	✓	✓
3 – 5 °C	SSP5-8.5	✓	✓	✓

Shared Socioeconomic Pathways (SSP1-2.6, SSP2-4.5, SSP5-8.5),
temperature change by 2100 Intergovernmental Panel on Climate Change

The climate resilience and adaptation program assessed the potential impact of climate hazards at site level and along our supply chains. The study has been carried out based on physical climate risk insights that rely on the latest climate science from IPCC.

Ten risk scores were used to assess the development of climate risks under three different future scenarios (SSP1-2.6, SSP2-4.5, and SSP5-8.5) based on the Intergovernmental Panel on Climate Change's Sixth Assessment Report. The scenarios consider greenhouse gas concentration trajectories in the atmosphere that relate to a 1.5°C–2°C, 2°C–3°C and >4°C increase in the global average surface temperature by 2100 respectively. For each location, changes to acute physical climate hazards such as flood, wind, precipitation and chronic hazards such as heat and drought were assessed for each scenario and the years 2025, 2030, and 2050.

RISK CONSOLIDATED OVERVIEW OF OUR PORTFOLIO

IMPACTS ON OUR ASSETS

Considering Holcim' locations to be mostly extraction and processing of raw materials, the perils that can mostly impact business operations are heatwaves, flooding, drought, and extreme precipitation. For SSP1-2.6, the risk of heatwaves will only increase in the equatorial and tropical regions, however under SSP5-8.5 it increases notably everywhere in the future. Despite this, it is expected that most buildings (and machinery operated by people) will be air-conditioned, which mitigates the risk of heat waves causing business interruptions or reduced efficiency. Droughts are expected to increase close to the Mediterranean Sea and Mexico, so water scarcity will increase. Extreme precipitation will increase for about one third of the locations with SSP1-2.6 and for about half of the locations for SSP5-8.5. Climate models indicate that the flood risk will increase moderately by the end of the century for locations already affected by flooding.

IMPACTS ON OUR SUPPLY CHAIN

Disruption of supply chains by extreme weather events can pose a significant threat to Holcim's business operations. As a building materials company, Holcim is exposed to high and low water levels and flooding events that can impede planned transportation schedules, since transportation routes may be blocked, or employees may not be able to work as they cope with the flood. This results in business interruptions and additional costs that have already been experienced in many locations where we operate.

RISK PHYSICAL RISK CONTINUED

AT THE CROSSROAD BETWEEN NATURE AND CLIMATE: WATER RISK

At Holcim, we have developed a range of solutions to respond to water risk, which are adaptable based on local market conditions and water profiles.

POLICY AND LEGAL

More stringent regulations on water usage lead to a risk of exceeding freshwater quotas, coupled with increasing community expectations. In the Philippines, this led to a proactive program to reduce freshwater withdrawals by 69 percent since 2018. The compliance of water discharge is ensured by the implementation of Holcim's Nature Policy, Water Directive and Water Management Standard.

OPERATIONAL DISRUPTIONS

In certain areas, our operations can be susceptible to both too much or too little freshwater. In Egypt, we addressed the risk of higher costs or business interruption due to increased water scarcity by commissioning a desalination facility. Conversely, in 2022 and 2023, due to an increased risk of flooding in Bangladesh that would affect the entire economic and social ecosystem, we have taken proactive resilience measures to protect our people and assets as well as enable efficient business continuation.

28% OF OUR SITES ARE IN WATER RISK AREAS*

REPUTATION

High freshwater withdrawal in areas of water risk could trigger potential negative impacts to our reputation. Reducing freshwater withdrawal is a key part of our strategy. As an example, in Greece, we reduced our freshwater withdrawal by replacing it with waste water from a local drinks company. In Australia, we replaced freshwater withdrawal with rainwater which we harvest and store on our sites when we face extreme rainfall events.

SUPPLY CHAIN DISRUPTIONS

Operating in certain areas may lead us to face adverse supply chain conditions, such as impaired transportation and logistics, especially on fluvial routes during very low (such as the Rhine affecting operations in Germany) or very high (Mississippi) water levels. In the U.S., we've implemented a comprehensive response plan which consists of changing the means of transportation and production sourcing, utilizing temporary seasonal floating storage and short-term rail track.

* Per the World Resources Institute (WRI) Aqueduct tool, "water risk" embraces a large range of risks such as scarcity, flooding, access to drinking water, reputation, etc. Quality of water discharged is also part of our risk-based approach and is fully addressed by our internal policies.

RISK BUSINESS CASE ON THE PHYSICAL RISK

APAXCO PLANT, Mexico	The current risk of heat stress is very high. The risk of lightning, drought and heat wave are high, followed by moderate risk of extreme precipitation, earthquake, and windstorm. Additionally, the (fresh)water availability is very low. The climate is modelled to become warmer (by 2080 up to +3.6°C) and dryer (summer and winter precipitation decrease by 2080 up to -23 percent and -77 percent, respectively). Droughts, heat waves, heat stress, and wildfires are expected to increase in the future. The strongest increase is expected for the warmer climate scenarios (SSP2-4.5 and SSP5-8.5).
RICHMOND PLANT, Canada	The current potential loss driving perils are fluvial flood and earthquake with both at high risk. In addition, there is also a very high risk of extreme precipitation, and moderate risk of drought and heat wave. The future climate risk scores indicate that extreme precipitation will increase between 9 and 14 percent by 2080 compared to the present for all climate scenarios. However, the increase of river flooding will be moderate. Heat waves and droughts are also expected to increase especially with SSP5-8.5.
EL SOKHNA, Egypt	The potential loss driving peril is earthquake but in this case with moderate risk. The present exposure to heat stress is very high, and the (fresh)water availability is very low. For the future, it is expected that the risk of wildfire, drought, heat waves and heat stress will increase. Again, there are differences in the future risk between the different climate scenarios with SSP5-8.5 being most impactful.
VOLOS PLANT, Greece	The current potential loss driving peril is earthquake with high risk. Additionally, there is moderate lightening and extreme precipitation risk. Heat stress is rated as a very high risk. The (fresh)water availability is low. The future climate risk scores indicate that heat stress and heat wave will increase especially with the middle of the road (SSP2-4.5) and the warmest climate scenario (SSP5-8.5). For example, heat wave days per year are currently two and will develop by 2050 with SSP2-4.5 to 46 and with SSP5-8.5 to 68. In addition, droughts and wildfires are expected to increase for this location, even if the present risk of both is rated as very low and low, respectively.

CLIMATE AND NATURE RISKS AND OPPORTUNITIES CONTINUED

OPPORTUNITY ACCELERATING CIRCULARITY IN CONSTRUCTION

Description	Our Response
Together with reducing our CO_2 footprint, the circular economy represents an important lever to design a business model that offers sustainable financial returns with reduced costs. In addition, preserving natural resources considerably reduces our dependence to mineral resources and preserves our long term growth.	Circularity is one of our key strategic pillars, making circularity a driver of profitable growth. Circular construction to build new from old is made possible at scale through recycling construction demolition materials (CDM) into new building solutions. We are driving circular construction with solutions to reduce, reuse and recycle materials. We are scaling up Holcim's proprietary ECOCycle technology platform to produce recycled construction aggregates and cement paste to be used to replace limestone in cement manufacturing, therefore helping to decarbonize. This commitment to circularity extends to our portfolio of roofing solutions. As an example, a standard Malarkey residential roof upcycles at least 3,000 plastic bags into new shingles. Duro-Last roofing solutions also recycle manufacturing waste and roofs at the end of their life through its Recycle Your Roof program. Please refer to pages 100–103 in order to learn how we build new from old and how we embed circularity in our core business model.

OPPORTUNITY ACCESS TO COMPETITIVE DECARBONIZED ENERGY

Description	Our Response
Shifting to decarbonized sources of energy is at the core of the Group's transformation towards a resilient, circular and sustainable business. In the medium to long term, our operations decarbonize their energy usage while mitigating continuous pressures on prices and risks to energy security and supply. Access to competitive decarbonized energy will benefit our business encompassing resilience, self-sufficiency, stable energy prices and contribution to our net-zero roadmap. In the longer term, it is likely that the consumption of electricity will increase with the deployment of new technology for carbon capture and the electrification of industrial processes (ie. kiln electrification), which makes the development of renewable energy sourcing all the more strategic and beneficial for the Group.	We work continuously to increase the portion of decarbonized energy in our operations with reliable, competitive and decarbonized power. All opportunities are investigated and addressed in order to achieve cost competitiveness as well as sustainable performance. Our Group is applying a wide range of strategies which differ depending on the local context: • Increase consumption of decarbonized power from long term power purchase agreements (PPA) produced by either onsite or offsite assets • Bi-lateral green power contracts directly with producers of decarbonized power to reduce dependency on market movements and have a more decarbonized footprint. • Investment in renewable power projects and waste heat recovery systems using available space in our plants and quarries. Refer to pages 78–83 in order to learn more how we adopt a tailored, local approach to decarbonize our electricity.

OPPORTUNITY DECARBONIZING THE BUILT ENVIRONMENT

Description	Our Response
Buoyed by long term trends, climate change will create new needs and new challenges for the construction sector as a whole: need for resilient infrastructure, transformation into a circular economy due to scarcity of resources, growing cities requiring sustainable solutions such as energy efficiency. Addressing these challenges and decarbonizing building requires the activation of several levers for which the construction and building material industry is a partner of choice. For Holcim, building represents a unique opportunity to contribute to the transition to a low-carbon and circular global economy, while accelerating the transition to highly energy-efficient cities.	We are decarbonizing building across its lifecycle to build a net-zero future that works for people and the planet. To do so, our large range of solutions help cities curb greenhouse gas emissions with our building solutions that enable a lower carbon footprint, higher energy efficiency and reduced material use. Our Solutions and Products business line offers solutions that help decarbonize cities with a range of roofing, insulation and retrofitting solutions both for new builds and existing building stock. As an example, our insulation systems offer advanced energy efficiency benefits enabling Passive House buildings, such as the Winthrop Center in Boston, U.S.. This includes Holcim's Elevate ISOGARD boards that provide thermal insulation up to 40 percent above competitive products in the market making buildings more energy-efficient and cost-effective in use. Holcim is raising awareness among mayors and urban planners to evolve building norms and standards and specify smart and sustainable building solutions in public procurement. Our solution Dynamax high performance concrete is an example of how we seize those kinds of opportunities by deploying new building technologies to use minimum material for maximum strength. Useable space is optimized while superior rigidity enables to build longer-lasting buildings. Developers and end-users are increasingly setting their own rigorous net-zero targets. Holcim supports them by raising awareness of the role that construction materials can play in decarbonizing building, and the need to specify sustainable solutions in procurement, as well as evolving building norms and standards.

OPPORTUNITY INCREASING DEMAND FOR LOW-CARBON BUILDING SOLUTIONS

Description	Our Response
As the economy shifts to a decarbonized paradigm, endorsed by norms and regulations, and supported by a large number of stakeholders and customers, the market demand for low-carbon products will increase. Should Holcim's decarbonization keep pace with the market, it will offer a unique opportunity to deliver profitable growth and the business case for further decarbonization.	We accelerate the decarbonization of our operations together with the development of a complete offer aimed at meeting customers' product quality and decarbonization expectations. With the strength of global brands such as ECOPact and ECOPlanet, our Group is prepared to seize the evolution of the market and increased demand for low-carbon products. As a global leader in innovative and sustainable building solutions, we engage with a large range of stakeholders and partners to influence norms and regulations and contribute to decarbonize construction, hence fostering a green demand and prepare our Group to capture over-proportional green growth.We closely monitor climate policies and incentives (such as the Buy Clean Initiative in the U.S.) and take advantage of our broad global customer base to target decarbonization first movers and those likely to move in the medium/long term.

SCENARIO ANALYSIS

Holcim has developed two distinct and plausible climate change scenarios, including one adhering to the Paris Agreement, to test the resilience of the organization's strategy in light of different climate change futures.

In line with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, Holcim has continued to develop distinct and plausible climate change scenarios to test the resilience of the organization's strategy in light of different climate change futures. Two scenarios have been considered to present Holcim's assessment on climate- related transitional and physical risks. A "Paris Agreement-aligned" scenario (aligned with 1.5°C) and an "Ineffective Collective Action Against Climate Change" scenario (aligned with 3 – 5°C).

The Paris Agreement-aligned scenario is favorable for Holcim, its shareholders and the global community. New market conditions will support growing demand for low-carbon products and solutions, increasing our market share in low-carbon cement and concrete as well as solutions to reduce the emissions of the built environment. Holcim's sustainability leadership brings strategic resilience to the Group, and Holcim is well positioned to build on its net-zero journey and help create a net-zero future that works for people and the planet.

A lower pace of transformation will lead to an "Ineffective Collective Action Against Climate Change" scenario, as the construction value chain continues to be fragmented and stimuli are not yet in place to decarbonize at the pace and scale required. While this is not Holcim's strategic direction, the Group will adapt to cover the market needs while continuing to drive circular and low-carbon construction and invest in less carbon-intensive production technologies.

In all cases, Holcim is well positioned for the future, with its leadership in Ready-mix concrete and the expansion of its Solutions & Products segment. Concrete is versatile, affordable, insulating and infinitely recyclable. In addition, it is resilient, durable, fire and earthquake resistant, protecting our cities and infrastructure from natural disasters. For all these reasons, concrete is a must for climate change adaptation and currently there is no viable substitute at scale.

Simultaneously, Solutions & Products' technologies and innovations deliver sustainable and energy-efficient solutions for the built environment. These will be a must in the coming decades, regardless of the climate change scenario.

This chapter aims to summarize the outcome of Holcim's climate-related scenario analysis. Holcim will continue to develop its climate scenarios analysis to understand emerging opportunities and mitigate potential risks associated with climate change.

Holcim considers the impact of each climate change scenario on our ambition to become a net-zero company by 2050 and a leader in sustainable and innovative construction materials and solutions, thus delivering profitable growth in a low-carbon economy. Depending on the particular risk or opportunity, this assessment leverages both quantitative and qualitative assessments. These scenarios do not constitute definitive outcomes for Holcim. This scenario analysis exercise relies on assumptions that may or may not eventuate, and scenarios may be impacted by additional factors to the assumptions disclosed.

PARIS AGREEMENT-ALIGNED SCENARIO

In the Paris Agreement-aligned scenario, Governments and industries are aligned to make carbon neutrality possible. The cement industry is making significant efforts toward net-zero development and innovation, while climate change mitigation and adaptation have a growing importance. Carbon capture, utilization and storage technologies are developing at a pace consistent with the industry's transition to net zero. Demand for low-carbon and material-efficient solutions, solutions that reduce the emissions of the built environment, and those that mitigate the impacts of climate change, are accelerating. Physical impacts of climate change are manageable without significant business or societal disruption. Holcim's sustainability leadership brings strategic resilience to the company. Holcim is well positioned to build on its net-zero journey and build a net-zero future that works for people and the planet.

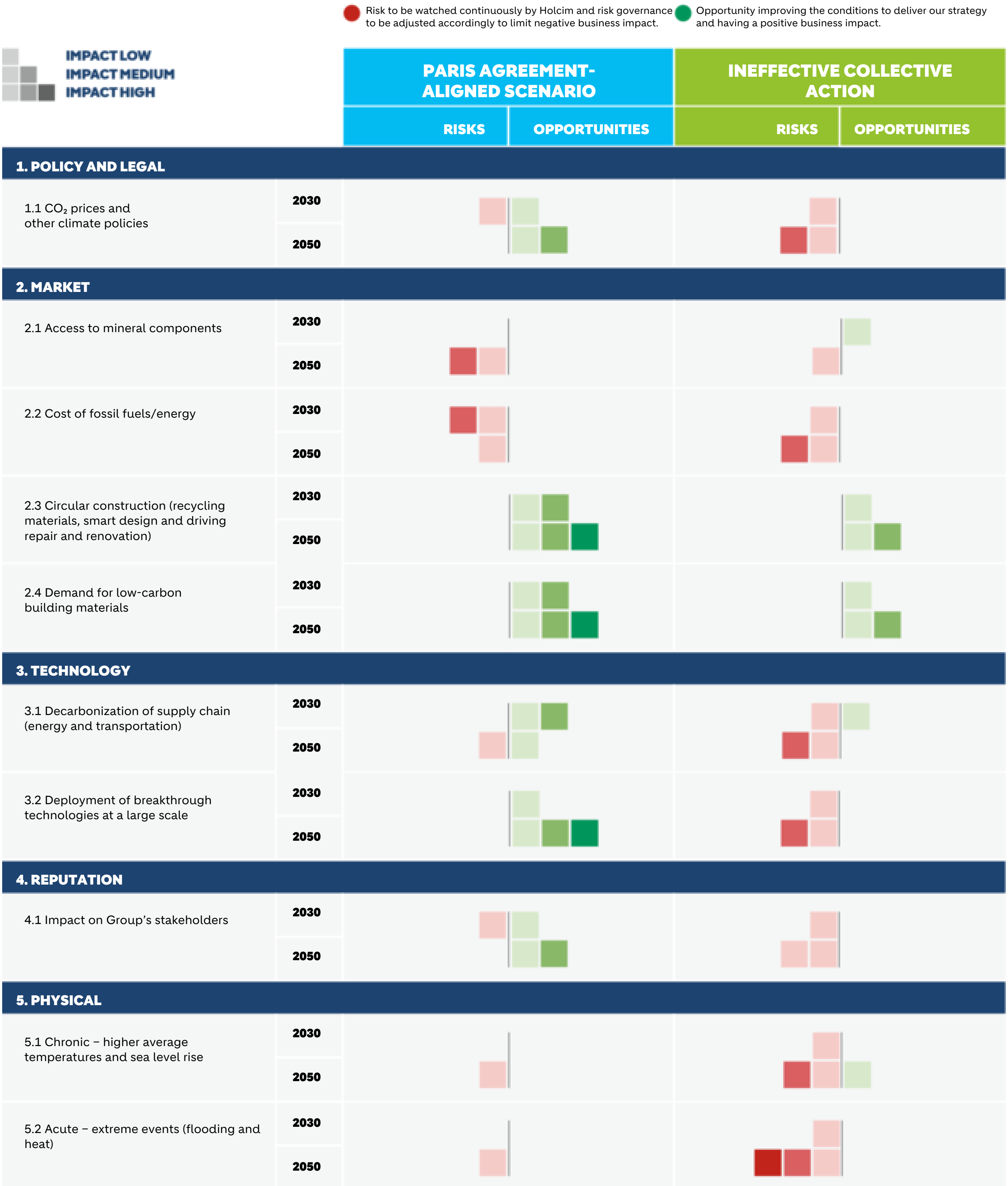
INEFFECTIVE COLLECTIVE ACTION AGAINST CLIMATE CHANGE SCENARIO

Ineffective collective action against climate change creates a misalignment between our efforts to reach net-zero emissions and the applicable regulations, resulting in a competitive disadvantage that a zero-carbon strategy imposes on our company to other companies and sectors. Limited benefits would be drawn from the development of low-carbon and material and energy-efficient solutions. Physical impacts of climate change are severe including water stress and extreme weather events. Holcim develops a strong response strategy to protect its assets and adapt to new market demand features.

	PARIS AGREEMENT-ALIGNED SCENARIO	INEFFECTIVE COLLECTIVE ACTION AGAINST CLIMATE CHANGE
Temperature range by 2100	1.5°C	3°C – 5°C
Reference Scenarios	IEA net-zero Emissions Scenario (NZE) Source: IEA World Energy Outlook 2023, IEA Net Zero by 2050 (2021, updated in IEA World Energy Outlook 2022)	IEA Stated Policies Scenario (STEPS) Source: IEA World Energy Outlook 2023 IEA Reference Technology Scenario (RTS) Source: IEA Technology Roadmap - Low-Carbon Transition in the Cement Industry (2019)
Carbon Emissions Pathway, IPCC 6th Assessment Report Used for Physical Risk assessment	Carbon Emissions Pathway: SSP1-2.6	Carbon Emissions Pathway: SSP5-8.5
Cement Demand	Trend following NZE: Growth until 2030 in emerging markets. From 2030–2050 demand decreases due to smart design	Trend following RTS until 2030: Growth until 2030 in emerging markets. Marginal growth after 2030
CO_2 price (USD/T CO_2)	NZE: Advanced economies with net zero pledges: 2030: 140, 2050: 250 Selected emerging markets with net zero pledges: 2030: 90, 2050: 200 Selected emerging markets: 2030: 25, 2050: 180 Other emerging markets: 2030: 15, 2050: 55	STEPS: EU: 2030: 120; 2050: 135 Canada: 2030: 130; 2050: 155 Other selected markets: 2030: 13-42, 2050: 29-89

SCENARIO ANALYSIS

SCENARIO IMPACTS



	PARIS AGREEMENT-ALIGNED SCENARIO	INEFFECTIVE COLLECTIVE ACTION AGAINST CLIMATE CHANGE SCENARIO
1. POLICY AND LEGAL	Consistent with our net-zero strategy, reliable and stable carbon prices in all regions facilitates long-term investment decisions in low-carbon technologies and encourages significant changes across the building material and construction value chain. It will also support the collective effort to create a CO_2 transportation and storage network at a large scale in line with the needs of other industries.	A limited number of CO_2 pricing schemes hampers the deployment of breakthrough technologies at the pace needed, making it more challenging for Holcim to deliver on its net-zero target. Also, with fragmented decarbonization efforts in the construction value chain, it is more difficult to benefit from the competitive advantage coming from a low-carbon footprint.
2. MARKET	While decarbonization of the construction value chain progresses, focus is on reducing operational emissions in the built environment, and circular construction is progressively endorsed by norms and regulations globally. This results in a higher demand of low-carbon and circular building materials and of our Solutions & Products segment. Simultaneously, as the steel and energy industry decarbonize, the availability of supplementary materials such as fly ash or slag decreases. Holcim mitigates this risk by securing sources of limestone, construction demolition materials or byproducts from other industries but also by investing in calcined clay facilities and developing novel cements with new binders. By the progressive transition to decarbonized energy sources, Holcim's dependency on fossil fuel decreases.	As there are few regulatory incentives to use low-carbon products and to recycle, there is a limited increase in the sales of our low-carbon cement and concrete. The demand of our circular materials and our products and solutions will be driven by urbanization, the need to protect natural resources, and increased fossil fuel prices. By 2030, while the average clinker factor reduces moderately, the availability and costs of mineral components will remain virtually unchanged compared to today's levels. By 2050, the price of these materials timidly increases as some decarbonization of industries is underway leading to a limited negative impact. On the other hand, with the slower transition to decarbonized energy sources, the demand for fossil fuels remains strong.
3. TECHNOLOGY	Holcim will benefit from the overall decarbonization efforts in society due to a) the earlier readiness and affordability of breakthrough technologies, such as kiln electrification, hydrogen and most importantly CCUS; and b) efforts in our own value chain / suppliers, which will reduce our Scope 3 emissions. Additionally, we will expect the production of supplementary cementitious materials like calcined clay to mature.	Significant additional efforts will be needed from Holcim to reach its Scope 1 targets as governments are slow in implementing the necessary policies to scale up breakthrough technologies such as kiln electrification, hydrogen and CCUS and the network and infrastructure around it. Scope 3 targets are challenged as suppliers do not decarbonize at the necessary pace.
4. REPUTATION	In the short term, Holcim's cement production segment remains in the spotlight as a CO_2 intensive business, bringing reputational risks. However, as the net-zero roadmap is delivered and Holcim is seen as a keen contributor to mitigate climate change, its reputation, trust and credibility grows and the strategy is aligned with the expectations of the stakeholders.	The slow pace in required regulatory incentives will bring additional challenges to Holcim's decarbonization journey, increasing progressively the respective reputational risks.
5. PHYSICAL	Extreme precipitation and flooding impacting sites and supply chains in affected areas will require further protective measures and mitigation plans. Today, 30 percent of our sites are located in areas with medium to extremely high water stress, which explains why appropriate governance and management in water consumption, recycling and treatment are already required today.	Extreme weather events like extreme precipitation, flooding, drought and excessive heat days will increase significantly in frequency and intensity. In the long term, these may be significantly more intense and make protection measures at existing locations insufficient. This could have severe financial impacts on sites and supply chains and could potentially jeopardize the economic viability of some of our operations. Further risks, such as wildfire and windstorms, will increase and become significant threats. An opportunity is present with the development of our Solutions & Products business line which offers integrated solutions and systems specifically designed to tackle climate change challenges by increasing energy efficiency, providing cooling effects, extending the longevity of building materials and enhancing options to generate renewable energy.

MANAGEMENT DISCUSSION & ANALYSIS

Part of the Amazon headquarters, the Seattle Spheres are LEED® Gold certified, with a live rainforest and built with ECOPlanet, with 80 percent less CO_2 inside

IN THIS SECTION

This management discussion and analysis should be read in conjunction with the shareholders' letter and the individual reports for the Group operating segments.

GROUP PERFORMANCE

		2023	2022	±%	±% organic growth
Net sales	million CHF	**27,009**	29,189	-7.5 %	+6.1 %
Recurring operating costs	million CHF	**(20,935)**	(22,942)	-8.8 %	
Recurring EBITDA after leases	million CHF	**6,378**	6,554	-2.7 %	
Recurring EBIT	million CHF	**4,760**	4,752	+0.2 %	+14.7 %
Recurring EBIT margin	%	**17.6**	16.3	+1.3pp	
Operating profit (EBIT)	million CHF	**4,577**	3,221	+42.1 %	
Net income Group share	million CHF	**3,060**	3,308	-7.5 %	
Net income before impairment and divestments Group share	million CHF	**3,089**	2,218	+39.3 %	
Earnings per share before impairment and divestments[1]	CHF	**5.42**	3.66	+48.0 %	
Cash flow from operating activities	million CHF	**5,470**	4,562	+19.9 %	
CapEx	million CHF	**1,408**	1,435	-1.9 %	
Free Cash Flow after leases	million CHF	**3,705**	2,765	+34.0 %	
Return on Invested Capital (ROIC)	%	**10.6**	9.5	+1.1pp	
Net financial debt	million CHF	**7,896**	6,032	+30.9 %	
Debt leverage	times	**1.2**	0.9		

1 In 2022, EPS before impairment and divestments and before resolution with U.S. Department of Justice (DOJ) amounted to CHF 4.96.

FINANCIAL HIGHLIGHTS

27,009M

Net sales CHF
+6.1% organic growth
2022: CHF 29,189M

4,760M

Recurring EBIT CHF
+14.7% organic growth
2022: CHF 4,752M

3,705M

Free Cash Flow after leases CHF
58% cash conversion
2022: 3,544M[2]

10.6%

ROIC
2022: 9.5%

17.6%

Recurring EBIT margin
2022: 16.3%

5.42

EPS before impairment and divestments CHF
+9.2% EPS growth[2]
2022: 4.96[2]

2 Before resolution with U.S. Department of Justice (DOJ).

Year of highlights

Net sales reached CHF 27,009 million for the full year of 2023 representing an organic growth of 6.1 percent compared to the prior year. The organic net sales growth was driven by strong pricing in cement, aggregates and ready-mix.

Net sales growth was limited by a negative scope impact of 6.1 percent, mostly driven by the divestment of India. The appreciation of the Swiss Franc against several currencies also negatively affected the Net sales by 6.8 percent.

Recurring EBIT achieved a new record CHF 4,760 million for the full year 2023. Recurring EBIT margin reached out 17.6 percent demonstrating a significant margin expansion. This strong performance is the result of the Group's successful shift from volume to value in 2023, despite Solutions & Products impacted by destocking effects throughout 2023.

Recurring EBIT growth was impacted by 5.0 percent of negative scope impact, mostly driven by the divestment of India. The appreciation of the Swiss Franc against several currencies also negatively affected Recurring EBIT by 8.6 percent.

Earnings per share before impairment and divestments reached the record level of CHF 5.42 for the full year 2023 compared to CHF 4.96 in 2022 before DOJ resolution. Since 2018, Holcim delivered an outstanding growth in earnings for shareholders of 15.6 percent compound annual growth rate (CAGR).

Holcim delivered another record Free Cash Flow after leases of CHF 3,705 million with a record cash conversion of 58 percent. In 2023, Holcim's ratio of Net financial debt to Recurring EBITDA was at 1.2 times. The Net financial debt amounted to CHF 7,896 million as at the end of 2023.

Return on Invested Capital (ROIC) was 10.6 percent in 2023, achieving Holcim's Strategy 2025 target two years ahead of plan. These indicators reflect Holcim's financial strength and the strong balance sheet of the Group.

Decarbonization is driving profitable growth

To make decarbonization a driver of profitable growth, Holcim is notably investing in carbon capture, utilization and storage (CCUS) projects. Six full-scale CCUS projects across Europe have been selected for grants from the European Union (EU) Innovation Fund and will go live before 2030. These include projects in Belgium, Croatia, France, Greece, Germany and Poland.

Growing in most attractive markets

In 2023, net sales to external customers in the segment Solutions & Products reached CHF 5,608 million. This segment accounted for 21 percent of Group Net sales, up from 12 percentage points compared to 2018.

Continuing the expansion of the product portfolio in Solution & Products, 11 acquisitions were closed in 2023. The milestone roofing acquisition of Duro-Last was followed by the acquisitions of Indar, PASA, Quimexur in Latin America and FDT Flachdach Technologie and Cooper Standard Technical Rubber in Germany. Holcim expanded its business in precast, mortars and adhesives with Minerales y Agregados in Guatemala, Eco-Readymix in UK, HM Factory in Poland, Besblock in the UK and Artepref in Spain.

Holcim continued to expand its cement, aggregates and ready-mix concrete portfolio in mature markets with 17 bolt-on acquisitions in 2023 demonstrating Holcim's commitment to enhance its portfolio with significant growth and synergies.

Pursuing its ongoing portfolio optimization in 2023, Holcim has signed agreements to sell its business in Uganda, in South Africa and its participation in Mbeya Cement Company Limited in Tanzania.

On 28 January 2024, Holcim announced its intent to list its North American business in the U.S. with a full capital market separation. It will be subject to shareholder approval at an Extraordinary General Meeting, as well as other customary approvals.

Health & Safety

Health, Safety and Environment (HSE) are core values at Holcim. In 2023, Lost Time Injury Frequency Rate (LTIFR) dropped 19 percent to reach 0.43, with 98 percent of its sites and 48 percent of its countries reporting no lost-time injuries (LTIs).

Sadly, during 2023, two employees lost their lives. Eliminating fatalities remains Holcim's top priority.

Holcim improved its environmental performance, reducing dust emissions by 15 percent and SO_2 by five percent. The Group reduced dust emissions per ton of clinker by 11 percent, or 64 mg/Nm^3, surpassing its 2030 target of 75 mg/Nm^3, as well as with SO_2, emitted in 2023 at 229 mg/Nm^3, below the 2030 targets.

Sustainability at the core of Holcim's strategy

Holcim's strong sustainability focus is embedded within all operations and is oriented around four key pillars: climate & energy, nature, people and circular economy.

In keeping with the purpose to build progress for people and the planet, Holcim was the first global building materials and solutions company to have its 2030 and 2050 net-zero targets validated by the Science Based Targets initiative (SBTi) for all scopes.

In 2023, Holcim made strong progress towards its targets, which are in line with the 1.5°C framework. The Group reduced its clinker factor, used more alternative fuels and raw materials, and increased its use of renewable energy. We also continued investing in breakthrough technologies such as carbon capture utilization and storage. In 2023, Holcim secured six investments from the European Union (EU) Innovation Fund for its breakthrough carbon capture, utilization and storage (CCUS) projects.

Holcim is committed to create a high performance culture of empowerment, lifelong learning and development. A diverse and inclusive culture where everyone can develop the skills they need to thrive. With 63,448 employees worldwide, Holcim is driven to realize full potential and make a positive difference to the world.

At Holcim, circularity is seen as the business opportunity of the time, with 36.3 million tons of materials recycled across the Group's business in 2023, making the Group one of the world's largest recyclers.

Construction Demolition Materials (CDM) accounted for 8.4 million tons. Holcim's target is to reach at least 10 million tons of CDM by 2025 to build more new buildings from old ones. The Group currently operates 135 recycling centers with the ambition to raise this to 150 in Europe alone by 2030.

Holcim is committed to replenishing freshwater and increase biodiversity based on transformative rehabilitation plans. These goals were set out by the Nature strategy established in 2021 and are supported by the Nature Policy which was launched in 2023, also a first for the sector.

Sustainability-linked financing framework

Recognizing the role of sustainable finance in supporting the transition to a low-carbon and more resource-efficient economy, Holcim has updated its sustainability-linked financing framework into a sustainable finance framework which will enable the issuance of green finance instruments alongside sustainability-linked instruments to help work towards more ambitious climate goals.

The framework is aligned with best practices as confirmed by ISS ESG who issued the second-party opinion:

- The EU Taxonomy;
- The green bond principles and the sustainability-linked bond principles published by the International Capital Markets Association (ICMA), and
- The United Nations Sustainable Development Goals ("SDGs")

The framework will further support transparency and accountability with regards to the Group environmental impacts and sustainability strategy vis-à-vis investors, banks and other stakeholders in the market and society. By combining green and sustainability-linked features into a single document, Holcim demonstrates its ambition on environmental performance through quantifiable metrics, while also highlighting the key projects that support the continuous improvement of those metrics.

Holcim intends to pursue its journey with sustainable finance instruments in the capital, money and loan markets, putting core sustainability projects linked to climate, renewable energy, circular economy, clean transport and biodiversity at the heart of its financing strategy. To make a bigger impact, the company committed to reach more than 40 percent of sustainable financing by the end of 2025. This ratio has already been achieved in 2023.

FINANCING HIGHLIGHTS

FREE CASH FLOW AFTER LEASES AND CASH CONVERSION

CHF M

2023	58%	3,705
2022[1]	54%	3,544
2021	50%	3,264
2020	58%	3,249
2019	49%	3,019

1 Before resolution with U.S. Department of Justice (DOJ).

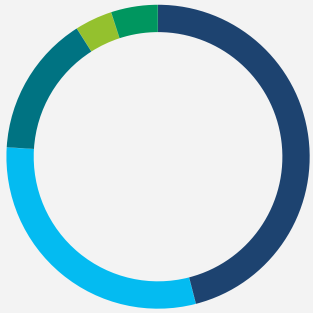
LEVERAGE RATIO × NET FINANCIAL DEBT

CHF M

2023	1.2x	7,896
2022	0.9×	6,032
2021	1.4×	9,977
2020	1.4×	8,483
2019	1.5×	10,110

CAPITAL MARKET FINANCING AS PER 31 DECEMBER 2023[1]

CHF 11,424M



EUR Bonds	46%
USD Bonds	30%
CHF Bonds	15%
GBP Bonds	4%
Others[2]	5%

1 After swap
2 USD and EUR private placements.

SUSTAINABILITY HIGHLIGHTS

CO_2 REDUCTION

20%

Reduction in CO_2 per net sales[1]

CIRCULAR CONSTRUCTION

+24%

Recycling of Construction Demolition Materials[2]

CCUS PROJECTS

6

CCUS projects in execution with EU funding

1 2023 Scope 1 + Scope 2 CO_2 emissions per million of net sales compared to 2022
2 Compared to 2022

Financing profile

Holcim has a strong financing profile with 81 percent of financial liabilities financed through various capital markets and 19 percent through banks and other lenders. There are no major positions with individual lenders. The average maturity of financial liabilities was 6.4 years as of 31 December 2023. The Group's maturity profile is well balanced with a large share of mid- to long-term financing.

Maintaining a favorable credit rating is one of the Group's objectives and Holcim therefore gives priority to achieving its financial targets while retaining a solid investment grade rating (current rating information is included on page 155). The average nominal interest rate on financial liabilities increased from 2.8 percent on 31 December 2022 to 3.2 percent on 31 December 2023.

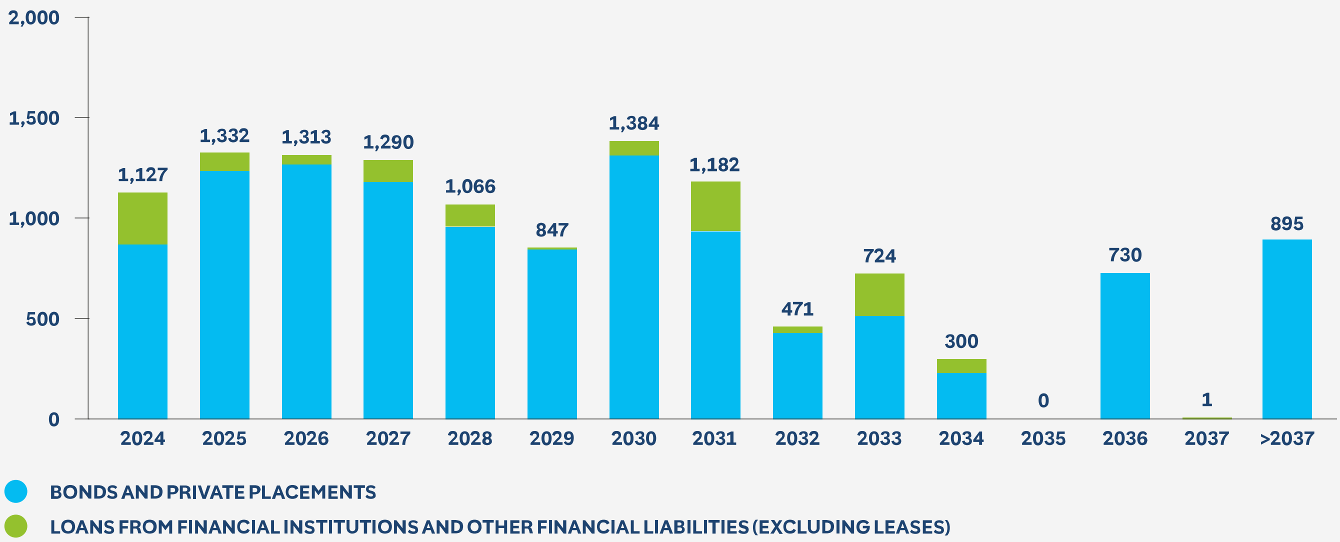
Note 14 contains detailed information on financial liabilities.

Liquidity

To secure liquidity, the Group held cash and cash equivalents of CHF 6,082 million on 31 December 2023. This cash is mainly invested in term deposits held with a large number of banks on a broadly diversified basis and in short-term money market funds. The counterparty risk is continually monitored on the basis of clearly defined principles as part of the risk management process. As of 31 December 2023, Holcim had unused committed credit lines of CHF 5,148 million.

Current financial liabilities as at 31 December 2023 of CHF 1,416 million are comfortably covered by existing cash, cash equivalents and unused committed credit lines.

DEBT MATURITY PROFILE
CHF M



Foreign exchange sensitivity

The Group has a global footprint, generating the majority of its results in currencies other than the Swiss franc. Only about two percent of net sales are generated in Swiss francs.

Foreign currency volatility has little effect on the Group's operating profitability. As the Group produces a very high proportion of its products locally, most sales and costs are incurred in the respective local currencies. The effects of foreign exchange movements are therefore largely restricted to the translation of local financial statements for the consolidated statement of income. As a large part of the foreign capital is financed with matching transactions in local currency, the effects of foreign currency translation on local balance sheets for the consolidated statement of financial position have not, in general, resulted in significant distortions in the consolidated statement of financial position.

The following sensitivity analysis presents the effect of the main currencies on selected key figures of the consolidated financial statements. The sensitivity analysis only factors in effects that result from the conversion of local financial statements into Swiss francs (translation effect). Currency effects from transactions conducted locally in foreign currencies are not included in the analysis.

The following table shows the effects of a hypothetical five percent depreciation of the respective foreign currencies against the Swiss franc.

Sensitivity analysis

Million CHF	2023	USD	EUR	CAD	GBP	Latin American basket (MXN, ARS, COP)	Asian basket (AUD, CNY, PHP)	Middle East African basket (NGN, DZD, EGP, IQD)
		Assuming a 5% strengthening of the Swiss Franc the impact would be as follows:						
Net sales	**27,009**	(444)	(240)	(129)	(91)	(113)	(95)	(61)
Recurring EBIT	**4,760**	(89)	(27)	(21)	(12)	(35)	(20)	(17)
Cash flow from operating activities	**5,470**	(81)	(50)	(23)	(10)	(25)	(17)	(21)
Net financial debt	**7,896**	(137)	(213)	13	(26)	7	10	10

Holcim is one of the pioneers in the growing discipline of impact valuation. The Group's journey started in 2014 when it published its first Global Integrated Profit & Loss statement.

Since then, the Group assesses annually its Economic, Social and Environmental impacts (Triple Bottom Line) in monetized terms and discloses it through its Integrated Profit & Loss Statement (IP&L). The IP&L complements the traditional financial and sustainability metrics. It enhances the understanding of long-term value creation for shareholders, society, and the environment, allowing Holcim to understand and share with its stakeholders the extent of its impacts.

The growing discipline of impact valuation
Economic, social, and environmental forces transform the operating landscape of business and have a growing influence on a company's cash flow and risk profile. So to protect shareholders and society, it is essential to identify and quantify these impacts in a transparent and comparable way. In June 2019, together with a diverse group of multinational companies, Holcim founded the Value Balancing Alliance to collectively develop a global impact measurement and valuation (IMV) standard for monetizing and disclosing the impacts companies have on society. This new sustainability measurement methodology will support the comparability of the long-term value contributions of each company.

Triple Bottom Line
The triple bottom line calculation is designed to show the cumulative effect of positive or negative monetized environmental, and social impacts. It starts with the gross value added (GVA) derived from the total procurement spend with suppliers and calculates the impacts related to upstream supply chain and to own operations to value total Triple Bottom Line of the company.

Supply chain – upstream
As an organization that purchases goods and services on a global scale, Holcim is committed to determine the impact it is generating throughout its supply chain.

Gross value added
The most positive impact occurs due to economic value added to society through procurement activities.

Socio-economic dimension
The monetized impact of health and safety incidents in the supply chain.

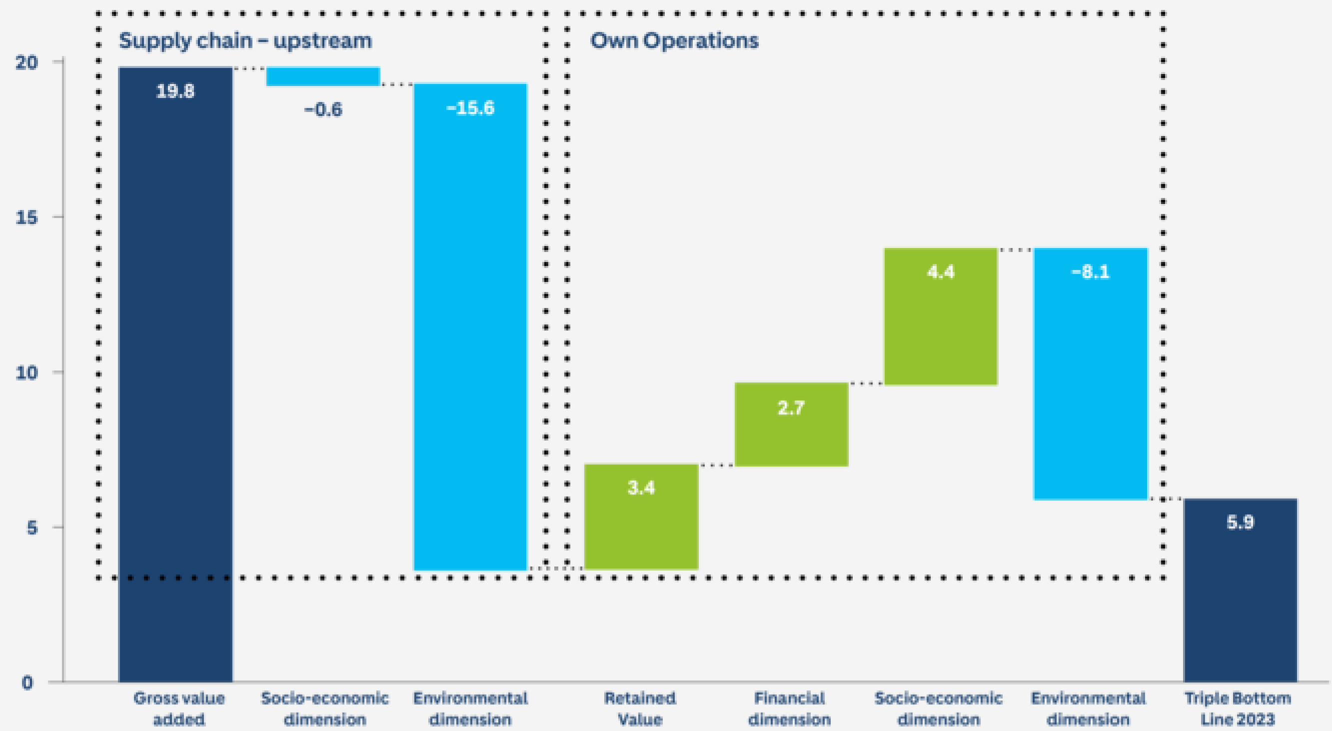
Environmental dimension
This includes the monetized impacts in the supply chain from:

- CO_2 emissions (Scope 3)
- air emissions of potentially noxious substances such as NOx, SO_2 and dust
- water consumption and pollution
- net biodiversity impact of land disturbed
- waste created

Own operations
Retained value
The sum of capital retained in the business calculated by taking Recurring EBITDA after leases and subtracting taxes, interest and dividends.

Financial dimension
Payments to Governments for income taxes, payments to creditors for financing and payments to shareholders in the form of dividends.

THE TRIPLE BOTTOM LINE TBL
INTEGRATED PROFIT & LOSS BRIDGE CHF BN



Socio-economic dimension

This includes the monetized impact from:

- Payment to Holcim employees through salaries
- Corporate social responsibility (CSR) spending on community-related projects and donations
- The monetized impact of health and safety incidents on operations
- Spending on talent development and education.

Environmental dimension

This includes the monetized impact on operations from:

- CO_2 emissions (Scope 1 and 2)
- air emissions of potentially noxious substances such as NO_X, SO_2 and dust
- water consumption, net biodiversity impact of land, disturbed and rehabilitated land
- net impact of waste recycled in the products and processes and the waste created.

Holcim made several methodology updates to the IP&L this year, including adjusting the price multipliers on a country by country basis, changing the source for the inflation rate, and updating the source of the water consumption multiplier. These methodology updates resulted in an increase in each price multiplier and an overall decrease in the Triple Bottom Line compared to 2022. In 2023, on an organic basis, Holcim's Triple Bottom Line grew. The positive impacts of "Strategy 2025 – Accelerating Green Growth" can be seen in this improvement. Higher procurement spend resulted in a higher Gross Value Added (GVA). The Socio-Economic dimension in Holcim's own operations improved as a result of an increase in the number of employees and consequently higher payments to employees through salaries and wages. The Environmental dimension of the Group's own operations also improved as a result of lower absolute CO_2 emissions, air emissions, water consumed, waste disposed and land disturbed complemented with a positive impact from increased use of waste derived resources in Holcim's production.

EU TAXONOMY

Background

The Taxonomy regulation, (EU) 2020/852, is a key instrument of the European Green Deal's sustainable finance strategy. It established a classification system which identifies the economic activities that are considered environmentally "sustainable", aiming to stimulate funding of the ecological transition by directing capital flows towards more sustainable activities and technologies.

The EU Taxonomy sets out conditions and criteria to assess the sustainability of economic activities. An activity is considered "eligible" if it is listed in the Delegated Acts by the European Commission. An eligible activity is considered environmentally sustainable (i.e an “eligible and aligned activity”) if it meets the following requirements:

1) Contributes substantially to at least one of the six environmental objectives, namely,

- Climate change mitigation
- Climate change adaptation
- Pollution prevention and control
- Transition to a circular economy
- Protection of water and marine resources
- Protection and restoration of biodiversity and ecosystems

2) Does no significant harm to any other objectives,

3) Complies with minimum safeguards.

In 2023, Holcim has put in place a sustainable finance framework which will enable the issuance of green finance instrument to finance activities that are aligned with the EU Taxonomy Regulation or that contribute to the transformation of cement activities so that they can fulfill the criteria in order to become aligned. Holcim has not yet issued any green instrument as of year end 2023. For more information, please refer to the Note 14 of the consolidated Financial Statements (page 337).

Holcim is listed on the Swiss Market Index (SMI) and as such the EU Taxonomy related disclosures are not currently mandatory. However, Holcim recognizes the important role the EU Taxonomy plays in directing green financing in Europe and as such has decided to voluntarily disclose some key requirements of the EU Taxonomy for the year ended 31 December 2023. Holcim considers the EU Taxonomy a tool to support its sustainability strategy by prioritizing Taxonomy alignment criteria in its decarbonization, circular economy, and sustainable product strategy. The activity-based criteria defined by EU Taxonomy connect the entire value chain of the construction industry where Holcim assumes a pivotal role.

Assessment of eligibility

Holcim’s activities considered eligible to EU Taxonomy correspond to those listed and described in the Climate Delegated Act in relation to the environmental objective Climate Change Mitigation ("CCM"), mainly including the following:

- CCM 3.5. Manufacture of energy efficiency equipment for buildings: Holcim has reviewed both the activity description and the substantial contribution criteria in order to identify the eligible activity of energy efficiency equipment for buildings. The eligible activity includes Holcim Elevate ISO boards manufactured in Europe and U.S., as well as Elevate spray foam manufactured and commercialized solely in the U.S. market. These insulation products are a part of Holcim’s Solutions and Products business segment.
- CCM 3.7. Manufacture of cement: this activity corresponds to Holcim’s cement business sub-segment. Ready-mix business sub-segment as a downstream activity of cement is not eligible based on the current delegated acts.

EU TAXONOMY ELIGIBLE ACTIVITIES

TOTAL SALES

	in million CHF	in percentage
Manufacture of energy efficiency equipment for buildings	833	3%
Manufacture of cement	11,222	42%
Non-eligible activities	14,954	55%

Non eligible activities

Holcim is evolving the process of identifying eligible activities notably in the recycling of waste, transport, renewable energy, and building renovations.

The disclosure in 2023 focuses on the two most material eligible activities. Additional eligible activities may be reported in the future years in line with the Climate Delegated Act, the Complementary Climate Delegated Act and the Environmental Delegated Act.

Assessment of alignment

To ensure an appropriate interpretation of the EU Taxonomy regulation and its technical screening criteria, Holcim has established working groups comprising internal and external industry and environmental experts. A prudent approach has been adopted in assessing Taxonomy alignment.

Assessment of Do No Significant Harm (DNSH) criteria based on Group policies and standards: For the applicable DNSH criteria, notably those defined in the Climate Delegated Act, Annex I, Appendices A to E, Group policies and standards on water, waste, and biodiversity have been leveraged to ensure our compliance.

Climate change adaptation: To meet EU Taxonomy requirements on DNSH criteria on climate change adaptation, the Group has implemented a climate resilience and adaptation program to identify and mitigate the risks and impacts of the current and future physical climate risks on economic activities, or on people, nature and assets, alongside a timescale up to 2050. The assessment is based on the 2050 Intergovernmental Panel on Climate Change (IPCC) RCP 8.5 pathway projection. All eligible activities including cement and above-mentioned insulation products have completed this risk and vulnerability assessment by location, and have defined adaptation action plans with an expected implementation within five years to reduce the material physical climate risks.

Minimum safeguards: These consist of criteria in respect of human rights and good business conduct in the areas of anti-bribery/anti-corruption, fair competition and taxation. Respect for human rights is fundamental to our ability to do business and we are committed to respecting and promoting human rights across our business(es). Holcim's commitment to respect and promote human and labor rights is aligned with the principles and values contained in the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises, and with the internationally recognized rights in the International Bill of Human Rights. Holcim applies high standards of Corporate Governance. Compliance with internal and external law and regulations including the areas of corruption, fair competition and taxation are among the principles of the Holcim Code of Business Conduct and are binding for the entire Group.

Specific considerations are included in our methodology to assess the Taxonomy alignment of different eligible economic activities:

For CCM 3.5. Manufacture of energy efficiency equipment for buildings:

- Pollution prevention and control: a screening has been performed for the full list of components for materials used at our insulation and spray foam manufacturing sites to ensure the compliance with Appendix C to Annex I of the Climate Delegated Act.
- Circular Economy: Respective to its product specific features and the manufacturing process, Holcim has assessed the availability and the adopted techniques that support the EU Taxonomy criteria including the use of secondary raw materials, durability, recyclability, easy disassembly, adaptability and the waste management program.

For CCM 3.7. Manufacture of cement:

- Manufacturing footprint: Each clinker or cement product is considered an activity with a specific manufacturing footprint including quarrying, clinker production, cement grinding, cement blending sites and is individually assessed against all applicable Taxonomy criteria across the end to end manufacturing process and the respective environmental impact.
- Climate change mitigation: Holcim uses the GCCA Sustainability Guidelines for the reporting of CO_2 emissions from cement manufacturing (previously WBCSD CSI Cement CO_2 and Energy Protocol version 3.1). CO_2 emissions from own production of mineral components used as a clinker substitute (such as calcined clay) are included in this calculation. Further referring to the EU Sustainable Finance Platform Technical Expert Group report of 2020, the following are excluded from the CO_2 calculation for clinker: a) non-kiln fuel emissions, b) direct or indirect CO_2 from the internal transit of materials after kiln, c) Scope 2 CO_2 from purchased electricity, d) CO_2 emissions from Holcim's own captive power plants.
- Pollution prevention and control: With regard to the emissions of SO_2, NOx and dust from kiln stacks, Holcim's Emission Monitoring and Reporting standards apply. Daily average results are calculated excluding "confidence interval" which is allowed under some country regulations, and are validated against the ranges defined by Best Available Techniques (BAT) Reference Document for the Production of Cement, Lime and Magnesium Oxide of the Industrial Emissions Directive 2010/75/EU.
- Protection of water and marine resources: For every manufacturing site, water risks are assessed based on the World Resources Institute (WRI) Aqueduct tool. Water Management Plans have been implemented for locations at above medium-high water risk. The compliance of water discharge is ensured by the implementation of Holcim Water Directive and Water Management Standard. Critical controls are required for containments, treatment, discharge monitoring and emergency response to ensure water quality is preserved.
- Protection and restoration of biodiversity and ecosystems: The biodiversity level of each manufacturing site is assessed using the International Union for Conservation of Nature (IUCN) methodology. We also assess their Biodiversity Importance Category (BIC). Sites located in or near globally or nationally recognized sensitive and protected areas, are considered BIC 1 or 2 and a Biodiversity Management Plan, which includes mitigation and compensation measures, is implemented.

EU Taxonomy CapEx plan

In accordance with its Sustainability strategy, Holcim has established its EU Taxonomy CapEx plan pursuant to the requirements of the EU Taxonomy regulation as an integral part of the annual strategy planning process. Holcim EU Taxonomy CapEx plan is established notably for aligning its cement activity to EU Taxonomy based on the objective of climate change mitigation and includes:

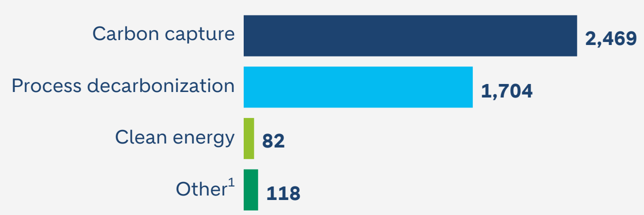
- 2023-2032 forecasts from individual cement plant development plans
- Group level prioritization on major CapEx projects including carbon capture, large plant modernization, and global assumptions on the capacity optimization and area target setting.

Cement is a transitional activity, however, the decarbonization of cement production, and the alignment of all plants with EU Taxonomy criteria, will not happen at short term and so Holcim considers a CapEx plan for a period of 10 years, the maximum duration as defined by the EU Taxonomy Regulation.

Holcim has planned a total of CHF 4.4 billion as EU Taxonomy CapEx plan for increasing Taxonomy-aligned cement activities during 2023-2032.

In 2023, CHF 177 million has been spent based on the EU Taxonomy CapEx plan for the activity of cement, and CHF 2 million for the installation of renewable energy technologies.

EU TAXONOMY CAPEX PLAN
2023–2032 (CHF M)



[1] Climate change adaptation, air emissions, water, biodiversity and other.

Explanation of key performance indicators

The consolidated EU Taxonomy KPIs comprise those of Holcim Ltd and its consolidated subsidiaries. In 2023, Holcim did not issue any environmentally sustainable bonds to finance Taxonomy-aligned activities, and therefore did not disclose adjusted KPIs for 2023.

Turnover

The turnover is defined as a net sales shown in the consolidated income statement pursuant to IFRS 15 Revenue recognition, referring to note 4.2 of the consolidated Financial Statements (page 311).

Taxonomy aligned sales correspond to the revenues from the activities that have met all Taxonomy criteria. Taxonomy aligned sales data are based on the actual reporting of January to November, extrapolated to 12 months based on the total actual sales of December.

Capital expenditure (CapEx)

Based on the definition in Annex I to the Delegated Act under Article 8 of the EU Taxonomy Regulation, the Taxonomy CapEx is determined as follows:

- CapEx Denominator: the total of additions of Property, Plant and Equipment and Intangible assets, including the addition of right-of-use assets for leases recognized under IFRS 16, and the addition of Property, Plant and Equipment and Intangible assets resulting from business combinations after the purchase price allocation. Refer to note 11 of the consolidated Financial Statements (page 326).
- CapEx Numerator: the total eligible CapEx corresponds to the CapEx associated with eligible activities of cement and insulation products (Elevate ISO and spray foam). Eligible and aligned CapEx is composed of three parts:
  - CapEx to expand aligned activities as part of the Taxonomy CapEx plan. For cement as a transitional activity, this covers CapEx to increase already Taxonomy-aligned activities and CapEx that allow Taxonomy-eligible activities to become aligned
  - CapEx to enable low-carbon operations mainly based on energy efficiency equipments
  - CapEx on already aligned cement activities determined by the allocation of the remaining CapEx between aligned and eligible but not aligned, based on the percentage of aligned sales volume by country
- Business combination: In 2023, the CapEx denominator includes CHF 1,154 million related to the additions to Property, Plant and Equipment and Intangible assets resulting from business combinations after the purchase price allocation, notably CHF 511 million from the Duro-Last acquisition. Holcim is still in a process of collecting data to assess the EU Taxonomy eligibility and alignment for newly acquired activities. Therefore, they are not included in Holcim's alignment KPIs.

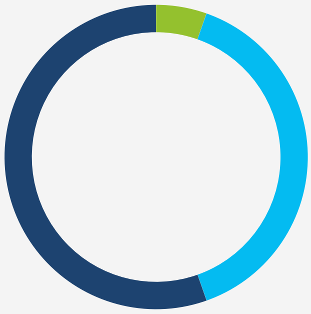
Operating expenditure (OpEx)

EU Taxonomy defines OpEx as direct non-capitalized costs that relate to research and development (R&D), building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of Property, Plant and Equipment by the undertaking or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets. Holcim considers that the EU Taxonomy OpEx is mainly composed of maintenance, R&D, lease and building renovation expenses. In 2023, the building renovation expenses have not yet been collected at the Group level for the purpose of EU Taxonomy reporting. The denominator therefore mainly includes the total maintenance and direct R&D expenses. Eligible and aligned maintenance OpEx for cement is calculated based on the total eligible maintenance expenses multiplied by the percentage of aligned sales volume per country. Eligible and aligned R&D OpEx is determined based on the review of individual projects which will help the eligible cement and insulation activities to meet the Taxonomy alignment criteria.

Processes for monitoring and reporting

In order to ensure consistency and quality, the EU Taxonomy alignment assessment is performed at Group level based on data collected from existing Group reporting systems and internal controls. Air emissions measurements are extracted on a daily basis from the cement industrial information systems with all plants integrated. Both financial and non-financial data reported for the Taxonomy assessment are signed off by the Country management as part of the annual financial certification process. A performance tracking process for EU Taxonomy has been put in place.

TURNOVER



	in million CHF	in percentage
Eligible and aligned	1,465	5.4%
Eligible but not aligned	10,590	39.2%
Not eligible	14,954	55.4%

CAPITAL EXPENDITURE (CAPEX)

	in million CHF	in percentage
Eligible and aligned	241	7.6%
Eligible but not aligned	971	30.4%
Not eligible	1,977	62.0%

OPERATING EXPENDITURE (OPEX)

	in million CHF	in percentage
Eligible and aligned	62	3.4%
Eligible but not aligned	915	50.4%
Not eligible	839	46.2%

Turnover

Financial year 2023	Year			Substantial Contribution Criteria [1,2]						
Economic Activities Million CHF	Code	Turnover	Proportion of Turnover in 2023	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity
A. Taxonomy Eligible Activities									
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
Manufacture of energy efficiency equipment for buildings	CCM3.5	833	3.1%	Y	N	N/EL	N/EL	N/EL	N/EL
Manufacture of cement	CCM3.7	632	2.3%	Y	N	N/EL	N/EL	N/EL	N/EL
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**1,465**	**5.4%**	**5.4%**	**0%**	**0%**	**0%**	**0%**	**0%**
Of which Enabling (E)[3]		833	3.1%	3.1%	0%	0%	0%	0%	0%
Of which Transitional (T)[4]		632	2.3%	2.3%					
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
Manufacture of cement	CCM3.7	10,590	39.2%	EL	EL	N/EL	N/EL	N/EL	N/EL
Turnover of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**10,590**	**39.2%**	**39.2%**	**0%**	**0%**	**0%**	**0%**	**0%**
A. Turnover of Taxonomy eligible activities (A.1+A.2)		**12,055**	**44.6%**	**44.6%**	**0%**	**0%**	**0%**	**0%**	**0%**
B. Taxonomy Non-eligible activities									
Turnover of Taxonomy non-eligible activities		**14,954**	**55.4%**						
Total (A+B)		**27,009**	**100.0%**						

1 Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective. N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective.
2 EL – Eligible. Taxonomy eligible activity for the relevant environmental objective. N/EL – Not eligible, Taxonomy non-eligible activity for the relevant environmental objective.
3 Enabling activities (E): an economic activity shall qualify as contributing substantially to one or more of the environmental objectives by directly enabling other activities to make a substantial contribution to one or more of those objectives, provided that such economic activity: (a) does not lead to a lock-in of assets that undermine long-term environmental goals, considering the economic lifetime of those assets; and (b) has a substantial positive environmental impact, on the basis of life-cycle considerations.
4 Transitional activities (T): activities for which there are no technologically and economically feasible low-carbon alternatives, but that support the transition to a climate-neutral economy in a manner that is consistent with a pathway to limit the temperature increase to 1.5 degrees Celsius above pre-industrial levels, for example by phasing out greenhouse gas emissions.

DNSH criteria ('Does Not Significantly Harm') [1]									
Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover in 2022	Category enabling activity	Category transitional activity
Y	Y	Y	Y	Y	Y	Y	–	E	
Y	Y	Y	Y	Y	Y	Y	–		T
Y	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	–		
Y	Y	Y	Y	Y	Y	Y	–	E	
Y	Y	Y	Y	Y	Y	Y	–		T

Capital expenditure (CapEx)

Financial year 2023	Year			Substantial Contribution Criteria [1, 2]					
Economic Activities Million CHF	Code	CapEx	Proportion of CapEx in 2023	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity
A. Taxonomy Eligible Activities									
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
Manufacture of energy efficiency equipment for buildings	CCM3.5	16	0.5%	Y	N	N/EL	N/EL	N/EL	N/EL
Manufacture of cement	CCM3.7	222	7.0%	Y	N	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of renewable energy technologies	CCM7.6	2	0.1%	Y	N	N/EL	N/EL	N/EL	N/EL
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**241**	**7.6%**	**7.6%**	**0%**	**0%**	**0%**	**0%**	**0%**
Of which Enabling (E)[3]		19	0.6%	0.6%	0%	0%	0%	0%	0%
Of which Transitional (T) [4]		222	7.0%	7.0%					
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
Manufacture of cement	CCM3.7	971	30.4%	EL	EL	N/EL	N/EL	N/EL	N/EL
CapEx of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**971**	**30.4%**	**30.4%**	**0%**	**0%**	**0%**	**0%**	**0%**
A. CapEx of Taxonomy eligible activities (A.1+A.2)		**1,212**	**38.0%**	**38.0%**	**0%**	**0%**	**0%**	**0%**	**0%**
B. Taxonomy Non-eligible activities									
CapEx of Taxonomy non-eligible activities		**1,977**	**62.0%**						
Total (A+B)		**3,189**	**100.0%**						

1 Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective. N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective.
2 EL – Eligible. Taxonomy eligible activity for the relevant environmental objective. N/EL – Not eligible, Taxonomy non-eligible activity for the relevant environmental objective.
3 Enabling activities (E): an economic activity shall qualify as contributing substantially to one or more of the environmental objectives by directly enabling other activities to make a substantial contribution to one or more of those objectives, provided that such economic activity: (a) does not lead to a lock-in of assets that undermine long-term environmental goals, considering the economic lifetime of those assets; and (b) has a substantial positive environmental impact, on the basis of life-cycle considerations.
4 Transitional activities (T): activities for which there are no technologically and economically feasible low-carbon alternatives, but that support the transition to a climate-neutral economy in a manner that is consistent with a pathway to limit the temperature increase to 1.5 degrees Celsius above pre-industrial levels, for example by phasing out greenhouse gas emissions.

DNSH criteria ('Does Not Significantly Harm')[1]									
Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx in 2022	Category enabling activity	Category transitional activity
Y	Y	Y	Y	Y	Y	Y	–	E	
Y	Y	Y	Y	Y	Y	Y	–		T
Y	Y	Y	Y	Y	Y	Y	–	E	
Y	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	–		
Y	Y	Y	Y	Y	Y	Y	–	E	
Y	Y	Y	Y	Y	Y	Y	–		T

Operating expenditure (OpEx)

Financial year 2023	Year			Substantial Contribution Criteria [1,2]					
Economic Activities Million CHF	Code	OpEx	Proportion of OpEx in 2023	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity
A. Taxonomy Eligible Activities									
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
Manufacture of energy efficiency equipment for buildings	CCM3.5	6	0.3%	Y	N	N/EL	N/EL	N/EL	N/EL
Manufacture of cement	CCM3.7	56	3.1%	Y	N	N/EL	N/EL	N/EL	N/EL
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**62**	**3.4%**	**3.4%**	**0%**	**0%**	**0%**	**0%**	**0%**
Of which Enabling (E)[3]		6	0.3%	0.3%	0%	0%	0%	0%	0%
Of which Transitional (T) [4]		56	3.1%	3.1%					
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
Manufacture of cement	CCM3.7	915	50.4%	EL	EL	N/EL	N/EL	N/EL	N/EL
OpEx of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**915**	**50.4%**	**50.4%**	**0%**	**0%**	**0%**	**0%**	**0%**
A. OpEx of Taxonomy eligible activities (A.1+A.2)		**977**	**53.8%**	**53.8%**	**0%**	**0%**	**0%**	**0%**	**0%**
B. Taxonomy Non-eligible activities									
OpEx of Taxonomy non-eligible activities		**839**	**46.2%**						
Total (A+B)		**1,816**	**100.0%**						

1 Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective. N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective.
2 EL – Eligible. Taxonomy eligible activity for the relevant environmental objective. N/EL – Not eligible, Taxonomy non-eligible activity for the relevant environmental objective.
3 Enabling activities (E): an economic activity shall qualify as contributing substantially to one or more of the environmental objectives by directly enabling other activities to make a substantial contribution to one or more of those objectives, provided that such economic activity: (a) does not lead to a lock-in of assets that undermine long-term environmental goals, considering the exconomic lifetime of those assets; and (b) has a substantial positive environmental impact, on the basis of life-cycle considerations.
4 Transitional activities (T): activities for which there are no technologically and economically feasible low-carbon alternatives, but that support the transition to a climate-neutral economy in a manner that is consistent with a pathway to limit the temperature increase to 1.5 degrees Celsius above pre-industrial levels, for example by phasing out greenhouse gas emissions.

DNSH criteria ('Does Not Significantly Harm')[1]									
Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx in 2022	Category enabling activity	Category transitional activity
Y	Y	Y	Y	Y	Y	Y	–	E	
Y	Y	Y	Y	Y	Y	Y	–		T
Y	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	–		
Y	Y	Y	Y	Y	Y	Y	–	E	
Y	Y	Y	Y	Y	Y	Y	–		T

NORTH AMERICA

		2023
Net sales to external customers	million CHF	6,711
Organic growth	%	+12.6 %
Recurring EBITDA after leases	million CHF	1,981
Organic growth	%	+12.3 %
Recurring EBIT	million CHF	1,483
Organic growth	%	+18.1 %

North America reached record net sales to external customers. Strong pricing and resilient demand drove the 12.6 percent growth on an organic basis. Cement, aggregates and ready-mix product lines experienced strong market demand in both the U.S. and Canada. Holcim's order book remained strong across all segments, with opportunities arising from the Infrastructure Investment and Jobs Act and the Inflation Reduction Act. Growth potential is further strengthened by investments in the energy sector and on-shoring of manufacturing activities.

Value-driven commercial approach and strong demand supported outstanding over-proportional Recurring EBIT growth of 18.1 percent on an organic basis and margin expansion of 0.7 percentage points resulting in Recurring EBIT margin of 21.7 percent.

Three value accretive bolt-on acquisitions were completed in 2023, expanding Holcim's current operating footprint and product offerings, generating significant synergies: Tezak Heavy Equipment and Pioneer Landscape Centers in the U.S. and Westridge Quarries in Canada.

The region has made significant strides in its decarbonization efforts and the expansion of low-carbon products in 2023. The company's focus on sustainable products and renewable energy initiatives have led to important achievements, aligning with Holcim global sustainability goals.

Holcim's ECOPlanet cement range demonstrates a commitment to low-carbon construction. These cements deliver at least 30 percent lower carbon footprint compared to ordinary cement. In 2023, the clinker factor improved by 1.8 percentage points as the volumes sold of OneCem (limestone Portland cement) increased to 82 percent of the total cement volumes sold, a significant rise from 57 percent in 2022.

ECOPact concrete represents nearly 23 percent of the region's ready-mix sales in 2023 and has contributed to reducing carbon emissions. This low-carbon concrete more than doubled its volumes from the previous year.

The region is advancing towards powering 37 percent of its operations with renewable energy, a considerable increase from 10 percent in 2022. Holcim signed two new PPAs to supply solar power and services for the plants in Portland and Alpena and a new virtual power purchase agreement for the Exshaw plant in Canada.

The region is investing approximately USD 100 million in the Ste. Genevieve (Missouri) Cement Plant. This investment will increase production capacity by over 600,000 tons of cement while reducing net CO_2 emissions by more than 400,000 tons per year. The expansion, set to begin in 2024 and completed by late 2025, will enhance the plant's production and logistics capabilities, including the installation of a fifth vertical cement grinding mill.

There are three carbon capture and storage projects in North America at an early development stage at the Ste. Genevieve (Missouri), Portland (Colorado) and Exshaw (Alberta) plants. The ambition is to capture over four million tons of CO_2 by 2030.

Overall, the region North America advancements in 2023 mark a significant step forward in the journey towards sustainability, emphasizing the strong commitment to decarbonize the building industry while maintaining high operational efficiency and product quality.

LATIN AMERICA

		2023
Net sales to external customers	million CHF	2,861
Organic growth	%	+20.8 %
Recurring EBITDA after leases	million CHF	1,109
Organic growth	%	+16.7 %
Recurring EBIT	million CHF	985
Organic growth	%	+15.4 %

Holcim's operations in Latin America achieved strong net sales and high margins, driven by strong demand and strategic initiatives.

Net sales to external customers grew by 20.8 percent on an organic basis driven by effective and differentiated pricing management. Recurring EBIT reached record levels with a robust growth of 15.4 percent on an organic basis. Strong focus was dedicated to mitigating the impacts of high inflation on costs.

This profit was largely fuelled by a strong performance in Mexico and effective price management in the face of high inflation and complex business environments in some countries, including Colombia and Argentina.

Cement demand across Latin America remained resilient despite these macroeconomic and sociopolitical challenges. In Mexico, the demand stayed stable driven by ongoing major infrastructure projects and the acceleration of the nearshoring trend.

The aggregates segment in the region showed significant expansion, particularly in Mexico, driven by new operations. Similarly, the ready-mix segment expanded, benefitting from new plants and leveraging Holcim's technical capabilities to participate in iconic infrastructure projects. Notable examples include the Dos Bocas Refinery, La Libertad Dam and the Maya Train.

The region's global brands made significant progress with the expansion of ECOPlanet cement and the increased market penetration of ECOPact concrete. ECOPlanet Fuerte and ECOPlanet Apasco are now CHF 1.1 billion net sales brand offering at least 30 percent lower CO_2 emissions versus Portland cement. The landmark Libertad Dam is being built to supply Mexico's second-largest city, Monterrey: it is the longest dam in Latin America and has been built exclusively using Holcim concrete, of which 90 percent (1.1 million m^3) is ECOPact concrete – saving some 80,000 tons of CO_2, equivalent to emissions from 10,000 homes per year. A photovoltaic park was commissioned to supply up to 35 percent of the electricity required to operate the Nagarote plant in Nicaragua. In addition, electric vehicles were introduced in Holcim's Cement, Ready-mix and administrative operations in Latin America, marking a step forward in sustainable practices.

These efforts and results align with Holcim's broader strategy of expanding its product range and investing in green initiatives. The region accelerated decarbonization with Specific Net CO_2 emissions per ton of cementitious down over 27kg/ton. The reduction of CO_2 emissions was driven by the substantial increase in the use of alternative fuels and the reduction of the clinker content.

EUROPE

		2023
Net sales to external customers	million CHF	7,284
Organic growth	%	+7.4 %
Recurring EBITDA after leases	million CHF	1,673
Organic growth	%	+16.8 %
Recurring EBIT	million CHF	1,202
Organic growth	%	+24.8 %

Excellent execution of the Group's shift from volume to value resulted in strong performance with record net sales, profitability and Recurring EBIT margin.

Net sales to external customers grew by 7.4 percent on an organic basis, driven by pricing execution and growth of high-value products. Strong organic Recurring EBIT growth and margin expansion continued despite mixed developments in Western European construction markets, with Eastern Europe delivering an excellent performance. Recurring EBIT increased by 24.8 percent on an organic basis with high positive price over cost. The region's Recurring EBIT margin expanded by 2.2 percentage points to reach 15.8 percent. The growth in Recurring EBIT was led by excellent performance across all the business segments.

Europe continued its strong momentum with a series of bolt-on acquisitions, reinforcing its growth strategy and commitment to sustainability. Sivyer Logistics and OCL Regeneration in the UK, Klaus Heinz Group in Germany and Larsinos in Greece were some of the important acquisitions closed by the region during the year, demonstrating Holcim's commitment to enhance its portfolio with significant growth and synergies.

On the decarbonization front, six full-scale CCUS projects across Europe have been selected for grants from the European Union (EU) Innovation Fund and will go live before 2030. These include projects in Belgium, Croatia, France, Greece, Germany and Poland. The financial backing from the EU Innovation Fund is a testimony to Holcim's leading role in carbon capture initiatives. The projects were selected for their highly scalable profile, mature technologies and advanced partnerships.

The cornerstone of Holcim's strategy in Europe is leadership in sustainability, circularity, and decarbonization. Europe aims to drive profitable growth while increasing Recurring EBIT margins, reducing CO_2 emissions by more than 60 percent, and growing its low-carbon solutions like ECOPact and ECOPlanet which have almost doubled in the past year.

The ECOCycle® circular technology platform is a key part of Holcim's strategy to support circular construction in Europe. It focuses on recycling construction demolition materials into new building solutions such as cement, concrete, and aggregates. This approach is key to decreasing natural resource use and minimizing environmental impacts, especially in urban areas. Holcim is expanding its ECOCycle® technology platform to 150 sites in Europe by 2030, aiming to recycle 20 million tons of construction demolition materials per year. This initiative is part of Holcim's broader strategy to make circularity a driver of profitable growth.

ASIA, MIDDLE EAST & AFRICA

		2023
Net sales to external customers	million CHF	3,982
Organic growth	%	+5.8 %
Recurring EBITDA after leases	million CHF	1,135
Organic growth	%	+11.6 %
Recurring EBIT	million CHF	898
Organic growth	%	+18.3 %

Asia, Middle East and Africa region demonstrated an excellent performance in 2023. Net sales to external customers grew by 5.8 percent on an organic basis, driven by strong market conditions in Australia and export growth in the Middle East and North Africa. Cement volumes were softer in China due to reduced construction activities. The region saw a substantial growth in net sales of aggregates and ready-mix, primarily in Australia, increasing by 14.1 percent and 14.6 percent respectively on an organic basis.

The region's focus on strong commercial actions and industrial performance improvements led to profitable organic growth. Australia was the key driver of the region's performance, with margin expansion across all segments. Good volume development and dynamic pricing in Algeria, Egypt and Iraq led the strong performance in the Middle East and Africa in 2023.

The region made notable progress in its sustainability and decarbonization roadmap. This includes an increased usage of alternative fuels in Egypt, China, Iraq and the Philippines, contributing to reduced net CO_2 emissions and mitigating the impact of energy inflation. Additionally, the region witnessed a strong momentum in its range of low-carbon products, boosting the sales of ECOPact and ECOPlanet.

The region also completed two bolt-on acquisitions in Australia and New Zealand in 2023, enhancing its operational footprint and product offerings. In November 2023, Holcim signed agreements to divest its businesses in Uganda and Tanzania. The agreement to divest its operations in South Africa was signed in the second quarter 2023 and is subject to obtaining applicable regulatory clearances.

These developments demonstrate Holcim's strategic focus on presence in core markets, enhancing its product offerings and committing to sustainability and decarbonization initiatives.

SOLUTIONS & PRODUCTS

		2023
Net sales to external customers	million CHF	5,608
Organic growth	%	-8.6 %
Recurring EBITDA after leases	million CHF	858
Organic growth	%	-8.6 %
Recurring EBIT	million CHF	614
Organic growth	%	-11.8 %

In line with “Strategy 2025 – Accelerating Green Growth”, Holcim has adapted its reporting by carving out the Solutions & Products segment from the geographies in order to fairly reflect its global performance.

Overall, Solutions & Products segment has been affected by the normalization of buying patterns and destocking in roofing that began in the fourth quarter of 2022 and persisted throughout 2023. As a result, Solutions & Products net sales to external customers and Recurring EBIT respectively declined 8.6 percent and 11.8 percent on an organic basis. The commercial roofing activity, particularly in North America, encountered notable challenges stemming from this destocking situation that ended in the third quarter of 2023. The activity largely normalized during the fourth quarter of 2023.

Residential roofing was less affected by destocking and benefited from a healthy and resilient demand from the re-roofing activities in the second half of 2023. Coupled with an improved and more cost efficient supply of raw materials, residential roofing demonstrated a strong growth in revenues and an expanding profitability.

In Europe, mortar solutions led by PRB in France delivered a solid growth, complemented by an effective cost management, leading to a significant increase in profitability.

Precast, asphalt and paving solutions remained overall firm and showed margin improvement thanks to an efficient cost management, except in Europe which saw softer trends. Disensa retail network is progressing steadily in Latin America with 218 new stores opened in 2023, leading to a total of 2,269 stores across Latin America.

Holcim continued to execute growth strategy in the segment with several acquisitions in 2023. The largest one, Duro-Last, a U.S. leader in commercial roofing systems, was acquired on 31 March. It complements Holcim’s integrated roofing offer through its leading brands, proprietary technologies, and custom-made solutions.

Ten bolt-on acquisitions have been completed in order to strengthen the leading positions spanning in Precast, Specialty Building Solutions and Roofing. These companies will reinforce Holcim’s footprint in Latin America and Europe, putting Holcim in a good position to deliver strong growth in 2024.

Responsibility statement

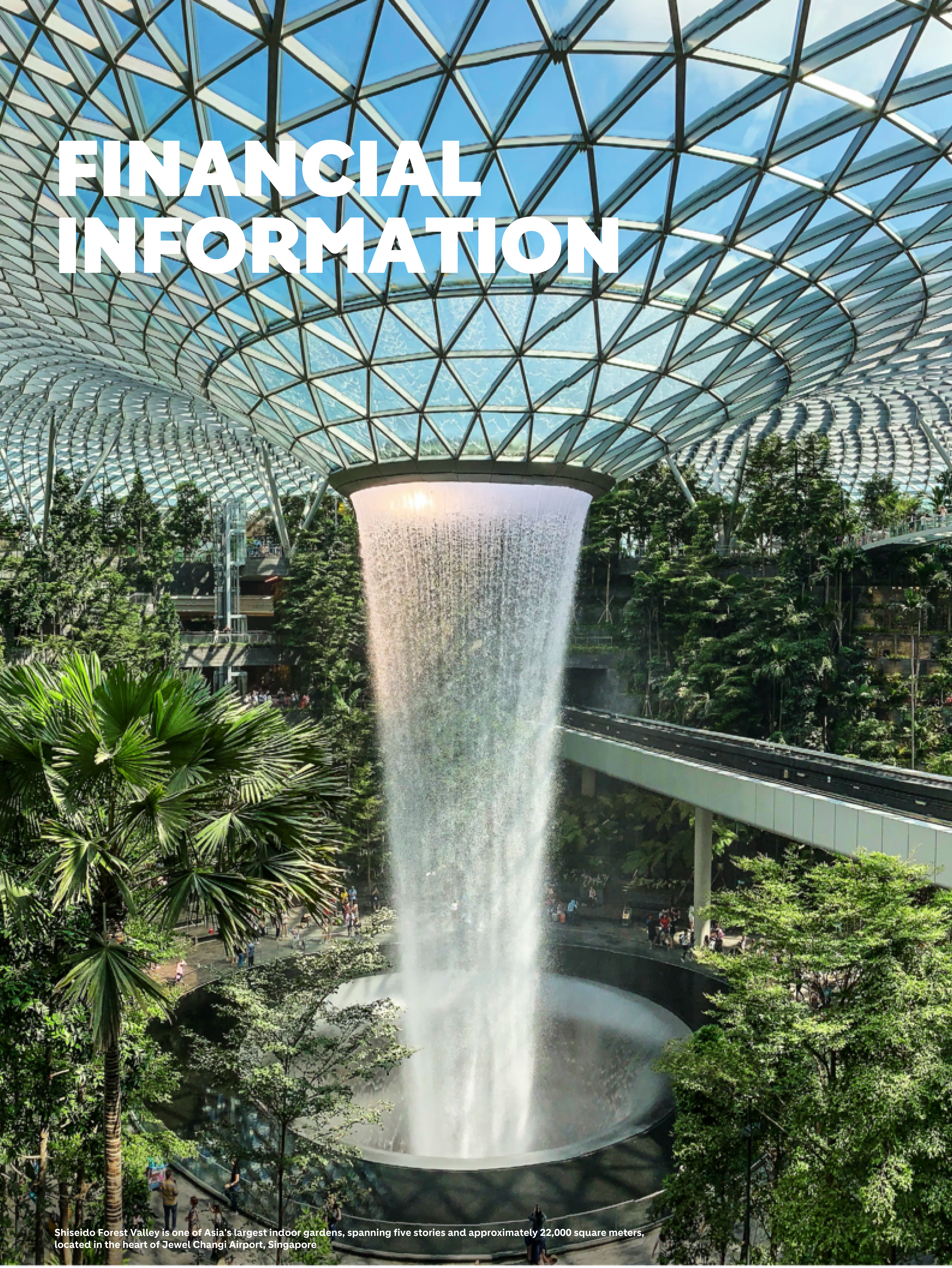
We certify that, to the best of our knowledge and having made reasonable inquiries to that end, the financial statements have been prepared in accordance with Applicable Accounting Standards and give a true and fair view of the assets and liabilities, and of the financial position and results of the Company and of its consolidated subsidiaries, and that this Annual Report provides a true and fair view of the evolution of the business, results and financial condition of the Company and of its consolidated subsidiaries, and a description of the main risks and uncertainties the Company and its consolidated subsidiaries are subject to.

Zug, 27 February 2024

JAN JENISCH
Chairman & Chief Executive Officer

STEFFEN KINDLER
Chief Financial Officer

FINANCIAL INFORMATION



Shiseido Forest Valley is one of Asia's largest indoor gardens, spanning five stories and approximately 22,000 square meters, located in the heart of Jewel Changi Airport, Singapore

FINANCIAL INFORMATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF INCOME OF HOLCIM

Million CHF	Notes	2023	2022
Net sales	3.3	**27,009**	**29,189**
Production cost of goods sold	4.3	**(15,511)**	(17,575)
Gross profit		**11,498**	**11,614**
Distribution and selling expenses		**(5,905)**	(6,611)
Administration expenses[1]		**(1,319)**	(2,089)
Share of profit of joint ventures	6.4	**304**	308
Operating profit		**4,577**	**3,221**
Profit on disposals and other non-operating income	5.2	**156**	2,199
Loss on disposals and other non-operating expenses	5.3	**(97)**	(424)
Share of profit of associates	6.9	**36**	17
Financial income	7.2	**198**	183
Financial expenses	7.3	**(697)**	(641)
Net income before taxes		**4,174**	**4,555**
Income taxes	8.2	**(999)**	(1,027)
Net income		**3,176**	**3,528**
Net income attributable to:			
Shareholders of Holcim Ltd		**3,060**	3,308
Non-controlling interests		**115**	220
Earnings per share in CHF			
Earnings per share	9	**5.37**	5.48
Fully diluted earnings per share	9	**5.35**	5.46

[1] On 18 October 2022, Lafarge S.A. resolved a previously disclosed inquiry by the U.S. Department of Justice into legacy operations in Syria during the country's civil war (see note 16.3). Under the terms of the resolution, Lafarge S.A. and its long-defunct subsidiary Lafarge Cement Syria paid a financial penalty of USD 778 million (CHF 767 million), which was recorded under Administration expenses in 2022.

The Alternative Performance Measures used in this report are defined on page 394.

CONSOLIDATED STATEMENT OF COMPREHENSIVE EARNINGS OF HOLCIM

Million CHF	Notes	2023	2022
Net income		**3,176**	**3,528**
Items that will be reclassified to the statement of income in future periods			
Currency translation effects			
– Exchange differences on translation		**(2,466)**	(1,250)
– Realized through statement of income[1]		**0**	1,140
– Tax effect	8.4	**(10)**	(23)
Cash flow hedges			
– Change in fair value		**25**	(277)
– Realized through statement of income		**(261)**	257
– Tax effect	8.4	**52**	14
Net investment hedges in subsidiaries			
– Change in fair value		**0**	3
– Realized through statement of income		**(11)**	0
Subtotal		**(2,672)**	**(135)**
Items that will not be reclassified to the statement of income in future periods			
Defined benefit plans			
– Remeasurements	15.3	**(281)**	(160)
– Tax effect	8.4	**89**	37
Share of other comprehensive earnings of associates and joint ventures			
– Change in fair value		**(2)**	0
Subtotal		**(194)**	**(123)**
Total other comprehensive earnings		**(2,866)**	**(258)**
Total comprehensive earnings		**309**	**3,270**
Total comprehensive earnings attributable to:			
Shareholders of Holcim Ltd		**339**	3,173
Non-controlling interests		**(30)**	96

1 In 2022, the currency translation effects realized through statement of income mainly relates to the divestments of the Group's businesses in India and Brazil (see note 2.3).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF HOLCIM

Million CHF	Notes	31.12.2023	31.12.2022
Cash and cash equivalents	14.3	**6,082**	9,824
Short-term derivative assets	14.5	**13**	118
Current financial receivables	12.3	**128**	128
Trade accounts receivable	10.2	**2,723**	2,674
Inventories	10.3	**2,807**	2,860
Prepaid expenses and other current assets	10.4	**849**	997
Assets classified as held for sale	13.2	**239**	183
Total current assets		**12,842**	**16,784**
Long-term financial investments and other long-term assets	12.2	**542**	459
Investments in associates and joint ventures	6.4, 6.9	**3,184**	3,323
Property, plant and equipment	11.2	**19,341**	20,356
Goodwill	11.3	**13,589**	13,675
Intangible assets	11.3	**2,127**	1,769
Deferred tax assets	8.4	**674**	610
Pension assets	15.3	**296**	469
Long-term derivative assets	14.5	**90**	157
Total non-current assets		**39,844**	**40,819**
Total assets		**52,686**	**57,603**

Million CHF	Notes	**31.12.2023**	31.12.2022
Trade accounts payable	10.5	**4,336**	4,269
Current financial liabilities	14.4	**1,416**	1,655
Current income tax liabilities		**801**	461
Other current liabilities		**1,899**	1,977
Short-term provisions	16.2	**348**	399
Liabilities directly associated with assets classified as held for sale	13.2	**104**	96
Total current liabilities		**8,904**	**8,857**
Long-term financial liabilities	14.4	**12,665**	14,475
Provision for pensions and other post-employment benefit plans	15.3	**587**	554
Long-term income tax liabilities	8.6	**170**	199
Deferred tax liabilities	8.4	**1,868**	2,187
Long-term provisions	16.2	**1,708**	1,718
Total non-current liabilities		**16,999**	**19,132**
Total liabilities		**25,903**	**27,989**
Share capital	17.2	**1,158**	1,232
Capital surplus		**16,672**	18,840
Treasury shares	17.2	**(811)**	(1,297)
Reserves		**8,978**	9,899
Total equity attributable to shareholders of Holcim Ltd		**25,997**	**28,674**
Non-controlling interests	2.5	**786**	940
Total shareholders' equity		**26,783**	**29,614**
Total liabilities and shareholders' equity		**52,686**	**57,603**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY OF HOLCIM

Million CHF	Share capital	Capital surplus	Treasury shares
Equity as at 1 January 2023	**1,232**	**18,840**	**(1,297)**
Net income			
Other comprehensive earnings			
Total comprehensive earnings			
Payout		**(1,414)**	
Subordinated fixed rate resettable notes[1]			
Hyperinflation[2]			
Change in treasury shares[3]		**(747)**	**(1,514)**
Cancellation of shares[3]	**(74)**		**2,000**
Share-based remuneration		**(7)**	
Acquisition of participation in Group companies			
Change in participation in existing Group companies			
Equity as at 31 December 2023[5]	**1,158**	**16,672**	**(811)**
Equity as at 1 January 2022	**1,232**	**20,386**	**(381)**
Net income			
Other comprehensive earnings			
Total comprehensive earnings			
Payout		**(1,330)**	
Subordinated fixed rate resettable notes[1]			
Hyperinflation[2]			
Change in treasury shares[3]		**(216)**	**(916)**
Share-based remuneration			
Disposal of participation in Group companies[4]			
Change in participation in existing Group companies			
Equity as at 31 December 2022[5]	**1,232**	**18,840**	**(1,297)**

1 See more information in note 17.1.
2 See more information in note 2.2.
3 The amount of CHF -1,514 million includes the impact of the share buyback program of CHF -1,550 million in 2023. In 2022, the amount of CHF -916 million includes the impact of the share buyback program of CHF -450 million. For more information, see note 17.2.
4 Related to the divestment of the Group's businesses in India (see note 2.3).
5 Equity as at 31 December 2023 includes CHF -132 million of currency translation adjustment relating to assets and directly associated liabilities classified as held for sale (2022: CHF -131 million).

Currency translation adjustments[5]	Other Reserves and Retained earnings	Total equity attributable to shareholders of Holcim Ltd	Non-controlling interests	Total shareholders' equity
(17,440)	27,339	28,674	940	29,614
	3,060	3,060	115	3,176
(2,349)	(372)	(2,721)	(145)	(2,866)
(2,349)	2,688	339	(30)	309
		(1,414)	(99)	(1,513)
	(221)	(221)		(221)
	124	124	21	145
	756	(1,506)		(1,506)
	(1,926)			0
		(7)		(7)
			8	8
(58)	66	8	(54)	(46)
(19,847)	28,825	25,997	786	26,783
(17,435)	23,884	27,685	2,788	30,473
	3,308	3,308	220	3,528
(5)	(129)	(135)	(123)	(258)
(5)	3,179	3,173	96	3,270
		(1,330)	(237)	(1,567)
	(22)	(22)		(22)
	84	84	15	99
	214	(918)		(918)
	3	3		3
			(1,723)	(1,723)
	(2)	(2)	1	(1)
(17,440)	27,339	28,674	940	29,614

CONSOLIDATED STATEMENT OF CASH FLOWS OF HOLCIM

Million CHF	Notes	2023	2022
Net income		**3,176**	**3,528**
Income taxes	8.2	**999**	1,027
Profit on disposals and other non operating items, non cash		**(68)**	(1,769)
Share of profit of associates and joint ventures	6.4, 6.9	**(340)**	(325)
Financial expenses, net	7.2, 7.3	**499**	458
Depreciation, amortization and impairment of operating assets	4.5	**2,076**	2,845
Employee benefits and other operating items		**(99)**	(60)
Change in inventories		**(83)**	(825)
Change in trade accounts receivable		**(123)**	(127)
Change in trade accounts payable		**308**	672
Change in other receivables and liabilities		**50**	(45)
Cash generated from operations		**6,395**	**5,380**
Dividends received		**216**	354
Interest received		**184**	111
Interest paid		**(622)**	(481)
Income taxes paid	8.3	**(702)**	(802)
Cash flow from operating activities (A)		**5,470**	**4,562**
Purchase of property, plant and equipment		**(1,505)**	(1,549)
Disposal of property, plant and equipment		**96**	114
Acquisition of participation in Group companies	2.3	**(1,975)**	(2,559)
Disposal of participation in Group companies	2.3	**6**	6,093
Purchase of financial assets, intangible and other assets		**(251)**	(255)
Disposal of financial assets, intangible and other assets		**159**	236
Cash flow from investing activities (B)	**19**	**(3,469)**	**2,081**
Payout on ordinary shares	9	**(1,414)**	(1,330)
Dividends paid to non-controlling interests		**(91)**	(234)
Net movement of treasury shares[1]	17.2	**(1,609)**	(895)
Repayment from subordinated fixed rate resettable notes		**(200)**	0
Coupon paid on subordinated fixed rate resettable notes		**(27)**	(22)
Net movement in current financial liabilities		**(16)**	(472)
Proceeds from long-term financial liabilities		**9**	1,747
Repayment of long-term financial liabilities		**(1,454)**	(1,685)
Repayment of long-term lease liabilities	14.7	**(357)**	(362)
Increase in participation in existing Group companies		**(64)**	0
Cash flow from financing activities (C)		**(5,223)**	**(3,252)**
Increase/(Decrease) in cash and cash equivalents (A + B + C)		**(3,223)**	**3,390**
Cash and cash equivalents as at the beginning of the period (net)		**9,757**	**6,615**
Increase/(Decrease) in cash and cash equivalents		(3,223)	3,390
Currency translation effects		(483)	(248)
Cash and cash equivalents as at the end of the period (net)	**14.3**	**6,052**	**9,757**

1 The net movement of treasury shares includes the cash out of CHF 1,609 million in 2023 and CHF 391 million in 2022 related to the share buyback program (see note 17.2).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As used herein, the terms “Holcim” or “Group” refer to Holcim Ltd (Switzerland) together with the companies included in the scope of consolidation.

1. Accounting policies

1.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IASB).

Due to rounding, numbers presented throughout this report may not add up precisely to the totals provided. All ratios and variances are calculated using the underlying amount rather than the presented rounded amount.

Critical estimates and assumptions

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of revenues, expenses, assets, liabilities and related disclosures at the date of the financial statements.

Estimates and judgments are continually evaluated, they are based on historical experience and additional factors, including expectations of future events that are believed to be reasonable under the circumstances.

Due to the nature of making estimates and assumptions relating to the future, the resulting accounting estimates could deviate from the related actual results.

Management also uses judgment in applying the Group’s accounting policies.

The following details the judgments, apart from those involving estimations, that management has made in the process of applying the Group’s accounting policies and which have a significant impact on the amounts recognized in the financial statements:

- Classification of a subsidiary or a disposal group as held for sale, with emphasis whether the sale is expected to be completed within one year from the date of classification as held for sale, and whether the proceeds expected to be received will exceed the carrying amount (note 13).
- Certain lease contracts entered into by the Group which include extension options that require an assessment of whether such options will be exercised. If it is reasonably certain that an extension option will be exercised, the period covered by the extension option is included in the lease liability. As part of this judgment, the Group considers all relevant facts and circumstances that create an economic incentive for it to exercise an extension option, including any expected changes in facts and circumstances from the commencement date until the exercise date of the option. Note 14.7 includes additional information about future payments covered by an extension option not included in the lease term.
- As part of Holcim's strategy to decarbonize its energy mix, the Group is entering into power purchase agreements (PPAs) through partnerships with power producers. These agreements are long-term contracts where Holcim is securing sourcing of power from renewable energy. The structure of the agreements may differ depending on the intention of the parties involved and as such entails applying judgment in determining whether the underlying contracts contain leases or embedded derivatives.

The following details the assumptions the Group makes about the future, and other major sources of estimation uncertainty at year end, that could have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

- Assumptions underlying the estimation of value in use in respect of cash-generating units for impairment testing purposes require the use of estimates such as long-term discount rates, growth rates, price, costs and sustainability related key assumptions (note 6, note 11.3).
- For all acquisitions of subsidiaries, the fair value of the consideration transferred (including any contingent consideration) and the fair value of the assets acquired and liabilities assumed involves a high degree of estimation and judgment (note 2.3).
- Liabilities and costs for defined benefit pension plans and other post-employment benefits are determined using actuarial valuations. The actuarial valuations involve making assumptions regarding discount rates, expected future salary increases and mortality rates which are subject to significant uncertainty due to the long-term nature of such plans (note 15.3).

- The measurement of site restoration and other environmental provisions requires long-term assumptions regarding the completion of raw material extraction, the costs of restoration and the phasing of the restoration work to be carried out (note 16.1).
- The recognition and measurement of provisions such as litigation provisions or indemnification provisions require an estimate of the expenditure and timing of the settlement. Litigation and claims to which the Group is exposed are assessed by management with the assistance of the legal department and in certain cases with the support of external specialized lawyers (note 16.2). Disclosures related to such provisions, as well as contingent liabilities, also require significant judgment (note 16.3).
- The recognition of deferred tax assets from tax losses carried forward requires an assessment of whether it is probable that sufficient future taxable profit will be available against which the unused tax losses can be utilized (note 8).
- The Group is subject to income taxes in numerous jurisdictions and the calculation of the Group's tax charge involves a degree of estimation and judgment in respect of certain items. There are many transactions and calculations where the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes liabilities for potential tax audit issues and uncertain tax positions based on management's estimate of whether additional taxes will be due and on the requirements of IFRIC 23 Uncertainty over Income Tax Treatments (note 8).

The critical estimates and assumptions related to climate change-related impacts are presented in note 1.3.

1.2 Adoption of new and amended IFRS Accounting Standards
The following amendments became effective as at 1 January 2023:

- IFRS 17 Insurance Contracts (including Amendments to IFRS 17 issued in June 2020 and Amendment to IFRS 17 – Initial Application of IFRS 17 and IFRS 9 – Comparative Information issued in December 2021).
  The adoption of IFRS 17 and related amendments to IFRS 9 have no impact on the Group financial statements.
- Amendments to IAS 8 – Definition of Accounting Estimates
  The adoption of the amendments to IAS 8 has no impact on the Group financial statements.
- Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies
  The adoption of the amendments to IAS 1 and IFRS Practice Statement 2 have resulted in a further streamlining of the narrative disclosures in the Group financial statements.
- Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
  The adoption of the amendments to IAS 12 has not materially impacted the Group financial statements.
- Amendments to IAS 12 – International Tax Reform – Pillar Two Model Rules
  The Organisation for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) published the Pillar Two model rules. These are aimed at ensuring that large corporate groups are subject to a minimum taxation at a 15 percent rate in each jurisdiction where they operate. The Group is in the scope of the Pillar Two Model Rules and has adopted the amendments to IAS 12 (note 8).
  It is unclear if the Pillar Two model rules create additional temporary differences, whether to remeasure deferred taxes for the Pillar Two model rules and which tax rate to use to measure deferred taxes. In response to this uncertainty, on 23 May 2023 and 27 June 2023, respectively, the IASB and AASB issued amendments to IAS 12 'Income taxes' introducing a mandatory temporary exception to the requirements of IAS 12 under which a company does not recognize or disclose information about deferred tax assets and liabilities related to the proposed OECD/G20 BEPS Pillar Two model rules. The Group applied the temporary exception at 31 December 2023.

The following amendments will become effective for annual periods beginning on or after 1 January 2024:

- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current
  The adoption of the amendments to IAS 1 concerning the classification of liabilities as current or non-current is not expected to materially impact the Group financial statements. The impact will be limited to potential additional disclosures on covenants and their monitoring.
- Amendments to IFRS 16, Leases – Lease Liability in a Sale and Leaseback
  The adoption of the amendments to IFRS 16 is not expected to materially impact the Group financial statements as the Group usually does not employ sale and leaseback transaction as a source of financing.
- Amendments to IAS 7 and IFRS 7 – Disclosures: Supplier Finance Arrangements
  Due to the limited utilization of Supply Chain Financing programs, the amendments to IAS 7 and IFRS 7 are not expected to have a material effect on the Group financial statements.

The following amendments will become effective for annual periods beginning on or after 1 January 2025:

- Amendments to IAS 21, Lack of Exchangeability
  Since the Group is active in countries with limited availability of hard currencies, the Group is currently assessing the potential impact of the adoption of the amendments to IAS 21.

The Group has not early adopted any new standards, interpretations or amendments that have been issued but are not yet effective in these consolidated financial statements.

1.3 Climate change-related impacts

The Group makes estimates and assumptions concerning the future, including climate-related matters. There is considerable uncertainty over these assumptions and how they will impact the Group's business operations and the cash flow projections. Holcim consistently evaluates these assumptions to be consistent with risk management and the commitments made by the company to investors and other stakeholders. The estimates and assumptions, notably those relating to assets and goodwill impairment, useful life of assets, CapEx and Research & Development, inventory valuation, financial expenses, recoverability of deferred tax assets, provisions and contingent liabilities and insurance costs have been based on the available information and regulations in place as of 31 December 2023.

Risk Management

On Holcim's journey to become the leader in innovative and sustainable building solutions, the risks in relation to the decarbonization of its own operations remain a key challenge. Based on Taskforce for Climate-related Financial Disclosures (TCFD) recommendations, Holcim assesses in a systematic way all potential impacts of climate-related risks: both transition risks (risks in relation to Holcim's decarbonization journey) and physical risks (physical impact of climate change on Holcim's assets and supply Chain).

Regarding transition risks, the decarbonization journey is exposed to major uncertainties, some of them being beyond Holcim's control. Unfavorable climate policies, slow market acceptance or unsuccessful investments in next generation technologies have the potential to affect Holcim's business activities and impair the achievements of the CO_2 targets. In addition, a perception as a high emitter of CO_2 could impact Holcim's reputation, thus reducing its attractiveness to investors and the workforce talent needed for deep decarbonization. With Holcim's strategic shift to become a leader in the transition to sustainable building, climate-related risk also entails the capacity to meet customers' product quality and decarbonization expectations. Indeed, the successful launch of low-carbon products under the global brands ECOPact and ECOPlanet exposes the Group to new threats in case the Group is unable to build a strong credibility with its customers, document and back-up environmental claims, develop strategic partnerships or promote a marketing and product-led approach within the Group.

The physical impact of climate change (such as increased regularity of extreme weather events and the scarcity of water has the potential to disrupt our operations on both on-site operations and transportation activities leading to higher logistics and transportation costs and reduced production capacities, business interruptions and even reputational damages. This may increase the Group's insurance costs due to the higher amounts at stake or more frequent insured cases.

The Group has taken a holistic approach to respond to the climate's risks. To accelerate green growth, Holcim is deeply transforming its business model in order to be a major player in decarbonizing buildings across the value chain, to eliminate emissions and build smarter and better with less.

Holcim's CO_2 reduction roadmap for 2030 and 2050 targets (net-zero pledge) was validated by SBTi. Holcim accelerates decarbonizing its own operations to become a net-zero company, by switching to renewable energy, developing new formulations, adopting green mobility and using advanced technologies such as carbon capture, utilization and storage (CCUS). In 2023, six full-scale projects were selected for EU Innovation grants to capture five million tons of CO_2 by 2030. Holcim's portfolio contains eight CCUS projects in development based on the selection of mature technologies and applications. The Group is also scaling up innovations and other solutions such as increasing the use of low-carbon raw materials from construction and demolition materials to the replacement of slag or fly ash by novel binders including calcined clay. Holcim continues to explore other opportunities such as smart design, novel binders, kiln electrification and use of hydrogen. However, in line with the financial reporting requirements, the business plans used for assets and goodwill impairment testing only include the future investment projects which have been approved as of 31 December 2023.

Impairment testing

The cash flow projections used in the impairment process are generally based upon a four-year financial planning period using business plans approved by Management. Cash flows beyond the planning period are extrapolated based on increasing sustainable cash flows. The business plans include among others, management's current view on market growth, pricing and costs. In any event, the growth rate used to extrapolate cash flow projections beyond the planning period does not exceed the long-term average growth rate for the relevant market for the products and country in which the cash-generating unit operates. The long-term average growth rate is based on the long-term inflation rate and Gross Domestic Product for the relevant market concerned as published by the International Monetary Fund (IMF).

Useful lives of assets

Useful lives of assets may be affected by the climate-related matters because of transitional risks such as obsolescence and legal restrictions or physical risks as there is the potential for operations to be adversely impacted by extreme variability in weather patterns. The change in useful lives has a direct impact on the amount of depreciation or amortization recognized each year. Management's review of useful lives has taken into consideration the impacts of the Group's 2030 targets. For the calculation of useful lives, the various input factors and the residual values are reviewed annually.

CapEx and Research & Development

The transition to lower emission technologies will impact the allocation of the future CapEx. The Group's Research & Development expenditures will be aligned with the Group's Research & Development strategy focusing on new and alternative technologies as a result of diverse research initiatives that will either impact CapEx or Research & Development costs in the statement of income depending on the success of the initiatives.

Sustainable finance framework

In 2023, Holcim has put in place a sustainable finance framework which will enable the issuance of green finance instruments to finance activities that are aligned with the EU Taxonomy Regulation or that contribute to the transformation of the Cement activities so that they can fulfill the criteria in order to become aligned. Green finance instruments are used for the funding of projects with a positive environmental impact, i.e. eligibility is based on their contribution to the attainment of lower emission manufacturing, development of energy-efficient building solutions as well as the sourcing of renewable energy and use of clean transportation. Holcim has not yet issued any green instrument as of year end 2023.

Sustainability-linked financing contains features through which the cost of funding relates to the meeting of specific sustainability performance targets. This could have an impact on the Group's financial expenses in the event the Group were not reach the targets that have been set.

Litigation and site restoration provisions

Climate-related matters may affect the level of provisions recognized, such as site restoration provision and litigation provision as a result of the levies imposed by governments for failure to meet climate-related targets or new regulations, requirements to remediate environmental damages on Holcim's sites or due to existing obligations now being considered more likely. Some contracts may become onerous as a result of climate-related changes, which would potentially decrease the Group's revenue or increase its operating costs.

2. Fully consolidated companies and non-controlling interests

2.1 Scope of consolidation

The consolidated financial statements comprise those of Holcim Ltd and of its subsidiaries. The list of principal consolidated companies is presented in note 2.4.

2.2 Accounting principles

Principles of consolidation

The Group consolidates a subsidiary if it has an interest of more than one half of the voting rights or otherwise it considers that it has power over the subsidiary when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the subsidiary unilaterally. Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured at the fair value of the consideration given at the date of exchange.

For each business combination, the Group measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed in the income statement in the Operating profit. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at fair value at the date of acquisition.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as of the acquisition date.

If the business combination is achieved in stages, the carrying amount of the Group's previously held equity interests in the acquiree is remeasured to fair value as at the acquisition date with any resulting gain or loss recognized in the statement of income.

Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration are recognized in the statement of income.

Contingent liabilities assumed in a business combination are recognized at fair value and subsequently measured at the higher of the amount that would be recognized as a provision and the amount initially recognized.

Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

Changes in the ownership interest of a subsidiary that does not result in loss of control are accounted for as an equity transaction. Consequently, if Holcim acquires or partially disposes of a non-controlling interests in a subsidiary, without losing control, any difference between the amount by which the non-controlling interests is adjusted and the fair value of the consideration paid or received is recognized directly in retained earnings. However, if the Group loses control of a subsidiary, it derecognizes all the assets (plus goodwill) and liabilities of the subsidiary including the carrying amount of any non-controlling interests.

Additionally, it reclassifies the currency translation adjustments relating to that subsidiary recognized in equity and records the resulting difference as a gain or loss on disposal in the statement of income.

It is common practice for the Group to write put options and acquire call options in connection with the remaining shares held by the non-controlling shareholders, mainly as part of a business combination. If the Group has acquired a present ownership interest as part of a business combination, the present value of the redemption amount of the put option is recognized as a financial liability with any excess over the carrying amount of the non-controlling interests recognized as goodwill. In such a case, the non-controlling interests is deemed to have been acquired at the acquisition date and therefore any excess arising should follow the accounting treatment as in a business combination. All subsequent fair value changes of the financial liability are recognized in the statement of income and no earnings are attributed to the non-controlling interests. However, where the Group has not acquired a present ownership interest as part of a business combination, the non-controlling interests continues to receive an allocation of profit or loss and is reclassified as a financial liability at each reporting date as if the acquisition took place at that date. Any excess over the reclassified carrying amount of the non-controlling interests and all subsequent fair value changes of the financial liability are recognized directly in retained earnings.

Foreign currency translation

The assets and liabilities of each of the Group's companies are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). Statements of income of foreign entities are translated into the Group's reporting currency (Swiss Francs) at average exchange rates for the year and statements of financial position are translated at the exchange rates prevailing on 31 December.

Goodwill arising from the acquisition of a foreign operation is expressed in the functional currency of the foreign operation and is translated into Swiss Francs at the closing rate of the reporting period (for more information see note 11.3).

Foreign currency transactions translated into the functional currency are accounted for at the exchange rate prevailing at the date of the transactions; gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of income, except when deferred outside the statement of income as qualifying cash flow hedges or net investment hedges.

Exchange differences arising on monetary items that form part of a company's net investment in a foreign operation are recognized in other comprehensive earnings (currency translation adjustment) and are fully reclassified to the statement of income should the Group lose control of a subsidiary, lose joint control over an interest in a joint arrangement or lose significant influence over an associate. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognized in the statement of income as part of the net gain or loss on sale, except for a partial disposal of a subsidiary without loss of control, where a proportionate share of the cumulative currency translation adjustments are re-attributed to non-controlling interests and not recognized in the statement of income.

In countries with limited foreign currency availability and where several exchange rates are available, the Group has applied the rate at which the future cash flows represented by the transaction or balance could have been settled if those cash flows had occurred at the measurement date. If exchangeability between two currencies is temporarily lacking, the rate used is the first subsequent rate at which exchanges could be made.

Hyperinflation

Since 31 December 2018, the Group applied IAS 29 Financial Reporting in Hyperinflationary Economies for Argentina. In accordance with IAS 29, the financial statements of Argentina are expressed in terms of the measuring unit current as of 31 December 2023 and 2022. Monetary assets and liabilities are not restated as they are already expressed in the measuring unit current at the end of the reporting period, whereas all non-monetary items such as Inventory, Property, Plant and Equipment and Equity recorded at historical rates are restated in terms of the measuring unit current at the end of December 2023 and 2022.

The resulting gain of CHF 25 million (2022: CHF 9 million) on the net liability monetary position was recorded as part of production cost of goods sold in the consolidated statement of income.

The restatement of equity by CHF 145 million (2022: CHF 99 million) was reflected as an increase in retained earnings, of which CHF 21 million (2022: CHF 15 million) was attributable to the non-controlling interests. The restated financial statements of Argentina are translated into Swiss Francs at the exchange rate applicable as of 31 December 2023 and 2022 and the organic growth of the country is adjusted to limit the impact of hyperinflation.

Inflation in Lebanon has increased significantly, and the three-year cumulative inflation exceeded 100 percent in July 2020. No hyperinflation accounting was applied for the consolidated financial statements as of 31 December 2023 and 2022, as the impact is considered immaterial.

Principal Exchange rates

		Statement of income Average exchange rates in CHF		Statement of financial position Closing exchange rates in CHF	
		2023	2022	**31.12.2023**	31.12.2022
100 Argentinian Peso	ARS	**0.09**	0.26	**0.09**	0.26
1 Australian Dollar	AUD	**0.60**	0.66	**0.57**	0.63
1 Canadian Dollar	CAD	**0.67**	0.73	**0.64**	0.68
1 Chinese Renminbi	CNY	**0.13**	0.14	**0.12**	0.13
100 Algerian Dinar	DZD	**0.66**	0.67	**0.63**	0.67
1 Euro	EUR	**0.97**	1.01	**0.93**	0.98
1 British Pound	GBP	**1.12**	1.18	**1.07**	1.11
100 Mexican Peso	MXN	**5.07**	4.75	**4.97**	4.72
100 Nigerian Naira	NGN	**0.10**	0.15	**0.07**	0.12
100 Philippine Peso	PHP	**1.61**	1.75	**1.52**	1.65
1 Polish Zloty	PLN	**0.21**	0.21	**0.21**	0.21
1 Romanian Leu	RON	**0.20**	0.20	**0.19**	0.20
1 US Dollar	USD	**0.90**	0.95	**0.84**	0.92

2.3 Changes in the scope of consolidation

As part of its strategy, Holcim has completed several acquisitions and disposals during the past two years.

Acquisition of businesses

Million CHF	Duro-Last	Others[1]	Total 2023	Malarkey Roofing Products	Others[1]	Total 2022
Assets acquired and liabilities assumed at acquisition date:						
Cash and cash equivalents	**10**	**37**	**47**	77	34	111
Other current assets	**112**	**172**	**284**	89	271	360
Property, plant and equipment	**68**	**424**	**492**	128	461	589
Intangible assets	**443**	**219**	**662**	193	363	557
Other long-term assets	**19**	**3**	**21**	4	(42)	(39)
Bank overdrafts	**0**	**(2)**	**(2)**	0	(20)	(20)
Other current liabilities	**(54)**	**(112)**	**(167)**	(46)	(190)	(236)
Long-term provisions	**(21)**	**(61)**	**(82)**	(31)	(10)	(42)
Other long-term liabilities	**(3)**	**(114)**	**(117)**	(59)	(43)	(102)
Fair value of net assets	**573**	**565**	**1,138**	**355**	**823**	**1,179**
Goodwill acquired:						
Fair value of net assets	**(573)**	**(565)**	**(1,138)**	(355)	(823)	(1,179)
Non-controlling interests	**0**	**8**	**8**	0	0	0
Fair value of net assets acquired	**(573)**	**(557)**	**(1,130)**	**(355)**	**(823)**	**(1,179)**
Total purchase consideration	**1,203**	**766**	**1,969**	1,315	1,433	2,748
Fair value of previously held equity interests	**0**	**6**	**6**	0	2	2
Goodwill acquired	**630**	**215**	**845**	**960**	**612**	**1,571**
Cash outflow on acquisitions:						
Total purchase consideration	**1,203**	**766**	**1,969**	1,315	1,433	2,748
Acquired cash and cash equivalents net of bank overdrafts	**(10)**	**(35)**	**(45)**	(77)	(14)	(91)
Deferred and advance considerations	**0**	**52**	**52**	0	(98)	(98)
Cash outflow from acquisitions	**1,193**	**782**	**1,975**	**1,238**	**1,321**	**2,559**

1 Including purchase price allocation refinements from prior year acquisitions.

Acquisition of Duro-Last in 2023

In February 2023, Holcim signed an agreement to acquire Duro-Last, a U.S. manufacturer of PVC roofing systems. The acquisition was completed on 31 March 2023 when Holcim acquired 100 percent of the voting equity shares for a consideration of CHF 1,203 million (USD 1,313 million) in cash.

The identifiable assets and liabilities of Duro-Last are recognized at fair value as at the effective date of the acquisition. The excess of the consideration over the fair value is recorded as goodwill. As at 31 December 2023, the purchase price allocation (PPA) was completed.

The goodwill arising from the acquisition amounts to CHF 630 million. The goodwill is attributable to the favorable presence of synergies, industrial know-how, assembled workforce and economies of scale expected from the acquisition. The goodwill recognized is largely deductible for income tax purposes.

The value of the Intangible assets acquired amounts to CHF 443 million and mainly reflects the recognition of customer relationships, trademark and technology. Duro-Last contributed CHF 325 million to the Group net sales for the period from 1 April 2023 to 31 December 2023. If the acquisition had occurred on 1 January 2023, Duro-Last's contribution to Group net sales would have been CHF 414 million.

The contribution of Duro-Last to the Group net income after deducting the related acquisition costs is not material. The contribution to the earnings per share is accretive from the first year.

The results of Duro-Last are reported within the Solutions & Products operating segment.

Acquisition of Malarkey Roofing Products in 2022

In December 2021, Holcim signed an agreement to acquire Malarkey Roofing Products (Malarkey), a U.S. company in the residential roofing market. The acquisition was completed on 28 February 2022 when Holcim acquired 100 percent of the voting equity shares for a consideration of CHF 1,315 million (USD 1,425 million) in cash.

As at 31 December 2022, the purchase price allocation (PPA) was completed with no material refinements. The final fair value of the net assets acquired was CHF 355 million.

Other acquisitions in the current reporting period

In 2023, Holcim mainly acquired the following businesses:

- Chrono Chape, a provider of on-site self-levelling screeds, France (January 2023)
- Nicem, a producer of grounded calcium carbonate, Italy (January 2023)
- Pioneer Landscape Centers, sand and aggregates quarries, United States (January 2023)
- Ol-Trans, a ready-mix concrete supplier, Poland (January 2023)
- Indar, a hardware wholesaler, Mexico (January 2023)
- Fanger Kies und Beton, a ready-mix concrete and aggregates producer, Switzerland (February 2023)
- Beton Zdrug d.o.o., an aggregates producer, Croatia (February 2023)
- HM Factory, a provider of precast concrete solutions, Poland (February 2023)
- FDT Flachdach Technologie GmbH, a manufacturer of thermoplastic roofs, Germany (March 2023)
- Sivyer Logistics, a producer of recycled construction and demolition materials, United Kingdom (March 2023)
- Tezak Heavy Equipment, an aggregates producer, United States (March 2023)
- Stones Business Development, an aggregates producer, Romania (March 2023)
- Westridge Quarries, an aggregates producer, Canada (April 2023)
- PASA, a producer of roofing and waterproofing solutions, Mexico (April 2023)
- Quitam (Quimexur), a producer of liquid membranes for roofing and waterproofing applications, Argentina (May 2023)
- Besblock Ltd, a supplier of precast materials, United Kingdom (May 2023)
- Minerales y Agregados, a producer of advanced mortars and adhesive, Guatemala (May 2023)
- Klaus Heinz Group, a ready-mix concrete and recycled construction and demolition materials producer, Germany (May 2023)
- Larsinos, a ready-mix concrete and aggregates producer, Greece (May 2023)
- Cooper Standard Technical Rubber GmbH, a manufacturer of highly durable and technical rubber products, Germany (July 2023)
- OCL Regeneration Ltd, a company specialized in highways waste recycling solutions, United Kingdom (August 2023)
- Vic Mix Pty Ltd, a ready-mix concrete supplier, Australia (September 2023)
- Elite Cements S.L., a coastal grinding station, Spain (October 2023)
- Ready-mix operations from AML Ltd, New Zealand (November 2023)
- A majority stake in Artepref, a provider of precast concrete solutions, Spain (December 2023)
- W.A.T.T. Recycling, waste management company that produces alternative fuels, Greece (December 2023)
- Eco-Readymix, a producer of mortar and ready mix concrete, United Kingdom (December 2023)

All acquisitions aggregated, excluding Duro-Last, contributed CHF 407 million to the Group net sales in 2023. If the acquisitions had occurred on 1 January 2023, the contribution to Group net sales would have been CHF 729 million.

Other acquisitions in the previous comparative period

In 2022, Holcim mainly acquired the following businesses:

- Concrecar, a ready-mix concrete supplier in Quintana Roo, Mexico (March 2022)
- FAMY Group, an aggregates supplier in France (April 2022)
- PRB Group, the biggest independent manufacturer of specialty building solutions in France (May 2022)
- The remaining 70 percent of Transport Stroy, a ready-mix concrete supplier based in Bulgaria resulting in the Group obtaining the control of its associate (May 2022)
- Cajun Ready Mix Concrete, a ready-mix concrete supplier in the Baton Rouge metropolitan area, Louisiana, U.S. (May 2022)
- General Beton, a ready-mix concrete and aggregates supplier in Romania (June 2022)
- The Aggregate and Asphalt business segments of Mathers Group in Montreal, Quebec, Canada (June 2022)
- Teko Mining Serbia, an aggregates and asphalt supplier in Serbia (July 2022)
- SES Foam LLC, a spray foam insulation company, U.S. (July 2022)
- Basic Construction Company, a sand and gravel operation, U.S. (August 2022)
- Cantillana, a specialty building solutions market leader in Belgium (September 2022)
- Wiltshire Heavy Building Materials, one of the leading building solutions and material circularity companies, United Kingdom (September 2022)
- Polymers Sealants North America division of Illinois Tool Works, a leader in coating, adhesive and sealant solutions, U.S. (October 2022)
- Izolbet, one of the leading players in the specialty building solutions market, Poland (October 2022)

All acquisitions aggregated, excluding Malarkey, contributed CHF 408 million to the Group net sales in 2022. If the acquisitions had occurred on 1 January 2022, the contribution to Group net sales would have been CHF 934 million.

Significant pending transactions

In 2023, Holcim initiated the following transactions:

- Holcim has signed an agreement to sell its business in Uganda to the Sarrai Group. Completion of the transaction is pending.
- Holcim has signed an agreement to sell its 65 percent participation in Mbeya Cement Company Limited in Tanzania to Amsons Group. Completion of the transaction is pending.
- Holcim has signed an agreement to sell Lafarge South Africa to Afrimat Limited. Completion of the transaction is subject to obtaining the respective regulatory clearances.

Disposals of businesses

In 2023, there were no material disposals of businesses.

In 2022, the disposals were as follows:

Million CHF	India	Brazil	Others	Total 2022
Cash and cash equivalents	876	102	3	981
Other current assets	904	104	24	1,032
Property, plant and equipment	2,545	711	28	3,284
Intangible assets	50	18	0	69
Other long-term assets	392	201	0	592
Other current liabilities	(1,130)	(136)	(23)	(1,288)
Long-term provisions	(82)	(68)	(1)	(152)
Other long-term liabilities	(230)	(62)	(3)	(295)
Net assets	**3,325**	**869**	**28**	**4,222**
Non-controlling interests	(1,723)	0	0	(1,723)
Net assets disposed of	**1,602**	**869**	**28**	**2,499**
Goodwill disposed	1,382	67	32	1,481
Cumulative other comprehensive income	961	169	23	1,154
Net gain (loss) on disposals before taxes	2,052	(188)	(22)	1,843
Tax and other expenses	139	18	17	174
Total disposal consideration	**6,138**	**935**	**78**	**7,151**
Disposed cash and cash equivalents net of bank overdrafts	(876)	(102)	(3)	(981)
Tax and disposal costs paid	(53)	(38)	0	(91)
Deferred consideration	0	0	15	15
Cash inflow from disposals	**5,208**	**794**	**90**	**6,093**

Disposal of the business in India in 2022

On 15 September 2022, Holcim divested 63.11 percent stake in Ambuja Cement at a share price of INR 385 (which includes 50.05 percent of ACC Limited) and the 4.48 percent direct stake in ACC Limited at a share price of INR 2,300 to the Adani Group, for a total consideration of CHF 6,138 million which resulted in a net gain before taxes of CHF 2,052 million.

Disposal of the business in Brazil in 2022

On 6 September 2022, Holcim divested 100 percent stake in Brazil (LafargeHolcim Brazil S.A.) for USD 961 million (CHF 935 million) to CSN (Companhia Siderúrgica Nacional) which resulted in a net loss before taxes of CHF 188 million.

Other divestments in the previous comparative period

In 2022, Holcim completed:

- The sale of its Northern Ireland cement business to Cookstown Cement Ltd (January 2022)
- The sale of its cement business in Zimbabwe, representing a 76.45 percent stake in the company, to Fossil Mines Pvt. Ltd. (December 2022).

2.4 Principal consolidated companies of the Group

The following table lists the principal subsidiaries controlled by Holcim Ltd, Grafenauweg 10, CH-6300 Zug. It includes all legal entities representing at least 30 percent of the net sales of the country in which it operates.

Region / Company	Country	Municipality	Share Capital as at 31 December 2023 in million local currency		Cement	Aggregates	Ready-Mix Concrete	Solutions & Products	Percent of interest
Asia Pacific									
Holcim (Australia) Pty Ltd	Australia	Chatswood	AUD	1,120		◆	●	▲	100.0%
LafargeHolcim Bangladesh Limited	Bangladesh	Dhaka	BDT	11,614	■	◆			29.4%
Jiangyou LafargeHolcim Shuangma Cement Co., Ltd	China	Jiangyou City	CNY	200	■				100.0%
Lafarge Dujiangyan Cement Co., Ltd.	China	Dujiangyan City	CNY	857	■	◆			75.0%
Holcim (New Zealand) Ltd	New Zealand	Christchurch	NZD	34	■	◆	●		100.0%
Holcim Philippines Inc.[2]	Philippines	Taguig City	PHP	6,452	■	◆		▲	96.8%
Latin America									
Holcim (Argentina) S.A.	Argentina	Cordoba	ARS	366	■	◆	●	▲	83.1%
Holcim (Colombia) S.A.	Colombia	Bogotà	COP	217,343	■	◆	●	▲	100.0%
Holcim (Costa Rica) S.A.	Costa Rica	San José	CRC	8,577	■	◆	●	▲	66.4%
Holcim (Ecuador) S.A.	Ecuador	Guayaquil	USD	61	■	◆	●	▲	92.2%
Cemento Holcim de El Salvador S.A. de C.V.	El Salvador	Antiguo Cuscatlán	USD	10	■			▲	95.4%
Holcim Concretos El Salvador, S.A. de C.V.	El Salvador	Colón	USD	n.m.[1]			●		94.0%
Société des Ciments Antillais	French West Indies	Baie-Mahault	EUR	3	■				69.7%
Minerales y Agregados S.A.	Guatemala	Guatemala city	GTQ	19				▲	52.0%
Holcim México Operaciones S.A. de C.V.	Mexico	Mexico City	MXN	5,877	■	◆	●	▲	100.0%
Holcim (Nicaragua) S.A.	Nicaragua	Managua	NIO	19	■		●	▲	52.3%

1 n.m.: not material.
2 Holcim Philippines is delisted from Manila Stock Exchange since November 2023.

Region / Company	Country	Municipality	Share Capital as at 31 December 2023 in million local currency		Cement	Aggregates	Ready-Mix Concrete	Solutions & Products	Percent of interest
Europe									
Holcim (Österreich) GmbH[2]	Austria	Vienna	EUR	3	■				70.0%
Holcim (Azerbaijan) O.J.S.C.	Azerbaijan	Baku	AZN	32	■				90.3%
Holcim (Belgique) S.A.	Belgium	Nivelles	EUR	110	■	◆	●		100.0%
Cantillana NV	Belgium	Sint-Martens-Latem	EUR	1				▲	100.0%
Holcim Solutions and Products EMEA BV	Belgium	Zaventem	EUR	9				▲	100.0%
Compaktuna BV	Belgium	Zwijnaarde	EUR	1				▲	100.0%
Holcim (Bulgaria) AD	Bulgaria	Beli Izvor	BGN	1	■		●		100.0%
Holcim (Hrvatska) d.o.o.	Croatia	Koromacno	EUR	38	■	◆	●		100.0%
Holcim (Cesko), a.s.[3]	Czech Republic	Cizkovice	CZK	1,143	■				68.0%
Lafarge Bétons	France	Issy les Moulineaux	EUR	38			●		100.0%
Lafarge Ciments	France	Issy les Moulineaux	EUR	113	■				100.0%
Lafarge Ciments Distribution	France	Issy les Moulineaux	EUR	17	■				100.0%
Lafarge Granulats	France	Issy les Moulineaux	EUR	19		◆			100.0%
PRB Produits de revêtement du Batiment	France	Les Achards	EUR	2				▲	100.0%
Holcim (Deutschland) GmbH	Germany	Hamburg	EUR	47	■				100.0%
Holcim (Süddeutschland) GmbH	Germany	Dotternhausen	EUR	6	■				100.0%
Holcim Kies und Splitt GmbH	Germany	Hamburg	EUR	n.m.[1]		◆			100.0%
Holcim Beton und Betonwaren GmbH	Germany	Hamburg	EUR	n.m.[1]			●		100.0%
Heracles General Cement Company S.A.	Greece	Lykovrysi	EUR	121	■			▲	100.0%
Lafarge Beton Industrial Commercial SA	Greece	Lykovrysi	EUR	29		◆	●		100.0%
Holcim Hungary Ltd.[4]	Hungary	Szentlőrinc	HUF	1,000	■				70.0%
Holcim (Italia) S.p.a.	Italy	Milano	EUR	26	■				100.0%
Holcim Aggregati Calcestruzzi s.r.l.	Italy	Milano	EUR	11		◆	●		100.0%
Lafarge Ciment (Moldova) S.A.	Moldova	Rezina	MDL	223	■				95.3%
Lafarge Cement S.A.	Poland	Małogoszcz	PLN	811	■	◆	●		100.0%
Lafarge Kruszywa SP z.o.o.	Poland	Warsaw	PLN	370		◆			100.0%
Izolbet SP z.o.o.	Poland	Gostynin	PLN	12				▲	100.0%
Holcim (Romania) S.A.	Romania	Bucharest	RON	205	■	◆	●		99.7%
Somaco Grup Prefabricate SRL	Romania	Bucharest	RON	50				▲	99.7%
LLC Holcim (Rus) Construction Materials[5]	Russia	Moscow	RUB	9	■			▲	100.0%
LLC Lafarge Aggregates and Concrete[5]	Russia	Karelia	RUB	11		◆			100.0%
Lafarge BFC Srbija doo Beocin[6]	Serbia	Beocin	RSD	5,124	■		●		100.0%
Holcim, Prodaja cementa, d.o.o.[7]	Slovenia	Trbovlje	EUR	6	■				70.0%
Holcim España, S.A.U[4]	Spain	Madrid	EUR	221	■		●	▲	100.0%
Holcim (Schweiz) AG	Switzerland	Zurich	CHF	71	■	◆			100.0%
Holcim Kies und Beton AG	Switzerland	Zurich	CHF	30		◆	●		100.0%
Holcim Trading Ltd	Switzerland	Zurich	USD	4					100.0%
Aggregate Industries UK Ltd.	United Kingdom	Leicester	GBP	n.m.[1]		◆	●	▲	100.0%
Lafarge Cauldon Limited	United Kingdom	Leicester	GBP	n.m.[1]	■				100.0%

1 n.m.: not material.
2 Former Lafarge Zementwerke GmbH.
3 Former Lafarge Cement a.s.
4 Certain companies have changed their names from Lafarge to Holcim.
5 In February 2024, the Russian entities were divested (see note 13).
6 Former Lafarge Beocinska Fabrika Cementa.
7 Former Lafarge Cement d.o.o.

Region / Company	Country	Municipality	Share Capital as at 31 December 2023 in million local currency	Cement	Aggregates	Ready-Mix Concrete	Solutions & Products	Percent of interest
North America								
Lafarge Canada Inc.	Canada	Toronto	CAD n.a.[2]	■	◆	●	▲	100.0%
Holcim (US) Inc.	USA	Chicago	USD n.m.[1]	■			▲	100.0%
Holcim - ACM Management, Inc.	USA	Chicago	USD n.m.[1]		◆	●	▲	100.0%
Holcim Solutions and Products US, LLC	USA	Nashville	USD n.a.[2]				▲	100.0%
Herbert Malarkey Roofing Company	USA	Portland	USD n.a.[2]				▲	100.0%
Middle East & Africa								
Lafarge Ciment de M'sila "LCM"	Algeria	Algiers	DZD 7,257	■				100.0%
Lafarge Ciment d'Oggaz "LCO"	Algeria	Algiers	DZD 3,848	■				100.0%
Cilas Spa	Algeria	Algiers	DZD 138	■				49.0%
Lafarge Cement Egypt S.A.E.	Egypt	Cairo	EGP 826	■				95.7%
Lafarge Ready Mix S.A.E.	Egypt	Cairo	EGP 635			●		100.0%
Bazian Cement Company Limited	Iraq	Sulaimaniyah	IQD 221,834	■			▲	70.0%
Karbala Cement Manufacturing Ltd	Iraq	Karbala	IQD 49,735	■				51.0%
Jordan Cement Factories Company P.S.C.	Jordan	Amman	JOD 60	■		●		50.3%
Bamburi Cement Limited	Kenya	Nairobi	KES 1,815	■				58.6%
Holcim (Liban) S.A.L.	Lebanon	Beirut	LBP 97,580	■				52.1%
Ashakacem Plc.	Nigeria	Gombe	NGN 1,120	■				83.8%
Lafarge Africa Plc.	Nigeria	Lagos	NGN 8,054	■				83.8%
Lafarge Industries South Africa (Pty) Ltd [3]	South Africa	Edenvale	ZAR 2,600	■		●		100.0%
Lafarge Mining South Africa (Pty) Ltd [3]	South Africa	Edenvale	ZAR 400	■	◆			100.0%
Mbeya Cement Company Limited [3]	Tanzania	Mbeya	TZS 5,636	■				65.0%
Lafarge Emirates Cement LLC	United Arab Emirates	Dubai	AED 323	■				100.0%
Readymix Gulf Co Limited L.L.C.	United Arab Emirates	Dubai	AED 8			●		69.4%
Hima Cement Ltd. [3]	Uganda	Kampala	UGX 19,080	■				71.0%

1 n.m.: not material.
2 n.a.: not applicable.
3 As at 31 December 2023, entities under divestment process, still subject to regulatory approvals.

Holcim Innovation Centers

The following table lists the legal entities where the majority of employees are dedicated to Research and Development (R&D) and Intellectual Property.

Company	Country	Municipality	Share Capital as at 31 December 2023 in million local currency	Percent of interest
Holcim Technology Ltd	Switzerland	Zug	CHF 10	100.0%
Holcim Innovation Center	France	Saint Quentin Fallavier	EUR 23	100.0%

Principal finance and holding companies

The following table lists the principal finance and holding companies controlled by Holcim. It includes all entities with more than CHF 500 million of assets and direct participation in operational companies or with external financing over CHF 100 million over the last two years.

Principal finance and holding companies

Company	Country	Municipality	Share Capital as at 31 December 2023 in million local currency		Percent of interest
Holcim Finance (Australia) Pty Ltd	Australia	Chatswood	AUD	n.m.[1]	100%
Holcim (Australia) Holdings Pty Ltd	Australia	Chatswood	AUD	1,444	100%
Holcibel S.A.	Belgium	Mons	EUR	691	100%
Holcim Investments (France) S.A.S.	France	Issy les Moulineaux	EUR	136	100%
Lafarge S.A.	France	Issy les Moulineaux	EUR	1,161	100%
Financière Lafarge S.A.S.	France	Issy les Moulineaux	EUR	4,069	100%
Société financière immobilière et mobilière "SOFIMO" S.A.S.	France	Issy les Moulineaux	EUR	1,055	100%
Holcim Auslandbeteiligungs GmbH	Germany	Hamburg	EUR	3	100%
Holcim Beteiligungs GmbH	Germany	Hamburg	EUR	102	100%
Holcim Gruppo (Italia) S.p.a.	Italy	Milan	EUR	9	100%
Holcim Finance (Luxembourg) S.A.	Luxembourg	Luxembourg	EUR	2	100%
Holcim US Finance (Luxembourg) S.A.	Luxembourg	Luxembourg	USD	n.m.[1]	100%
Holcim Sterling Finance (Netherlands) B.V.	Netherlands	Amsterdam	GBP	n.m.[1]	100%
Holchin B.V.	Netherlands	Amsterdam	EUR	n.m.[1]	100%
Holderfin B.V.	Netherlands	Amsterdam	EUR	4	100%
Caricement B.V.	Netherlands	Amsterdam	EUR	n.m.[1]	100%
Holcim Investments (Spain), S.L.	Spain	Madrid	EUR	174	100%
Holcim Continental Finance Ltd	Switzerland	Zug	CHF	50	100%
Holcim Helvetia Finance Ltd	Switzerland	Zug	CHF	10	100%
Holcim International Finance Ltd	Switzerland	Zug	CHF	50	100%
Holcim Group Services Ltd	Switzerland	Zug	CHF	1	100%
Holdertrade Ltd	Switzerland	Zug	CHF	2	100%
Marine Cement AG	Switzerland	Zug	CHF	15	100%
Aggregate Industries Holdings Limited	United Kingdom	Leicester	GBP	n.m.[1]	100%
Holcim Finance US LLC	USA	Wilmington	USD	n.a.[2]	100%
Holcim Participations (US) Inc.	USA	Chicago	USD	n.m.[1]	100%

1 n.m.: not material.
2 n.a.: not applicable.

Listed Group companies

Region	Company	Country	Municipality	Place of listing	Market capitalization at 31 December 2023 in local currency		Security code number
Asia Pacific	LafargeHolcim Bangladesh Limited	Bangladesh	Dhaka	Chittagong, Dhaka	BDT	80,483	BD0643LSCL09
Latin America	Holcim (Argentina) S.A.	Argentina	Cordoba	Buenos Aires	ARS	527,950	ARP6806N1051
	Holcim (Costa Rica) S.A.	Costa Rica	San José	San José	CRC	139,382	CRINC00A0010
	Holcim (Ecuador) S.A.	Ecuador	Guayaquil	Quito, Guayaquil	USD	1,045	ECP516721068
Middle East & Africa	Bamburi Cement Limited	Kenya	Nairobi	Nairobi	KES	13,012	KE0000000059
	Holcim (Liban) S.A.L.	Lebanon	Beirut	Beirut	USD	1,161	LB0000012833
	Lafarge Africa Plc.	Nigeria	Lagos	Lagos	NGN	507,396	NGWAPCO00002

2.5 Non-controlling interests

Following the divestment of its business in India in 2022, Holcim has no individually material non-controlling interests.

3. Segment reporting

3.1 Accounting principles

With the development and growth of the Solutions & Products segment, Holcim's segment reporting was changed in 2023 and adapted to the Strategy 2025 "Accelerating Green Growth". In 2023, Holcim continues to expand the Solutions & Products portfolio, from roofing, insulation tile adhesive and facade solutions, as well as asphalt and precast solutions. The change of segments has therefore been aligned with the internal management structure, reflecting the way Holcim's chief operating decision maker (i.e. the Group CEO) is regularly reviewing the operating results. The four regional segments of North America, Latin America, Europe and Asia, Middle East & Africa now include only the cement, aggregates and ready-mix concrete products. The separate segment of Solutions & Products is now reported globally. The corresponding information for 2022 has been restated.

The five segments are as follows:

North America
Latin America
Europe
Asia, Middle East & Africa
Solutions & Products

The four product lines are as follows:

Cement, which comprises clinker, cement and other cementitious materials (CEM)
Aggregates (AGG)
Ready-Mix Concrete (RMX)
Solutions & Products, which comprises precast, concrete products, asphalts, mortars, roofing systems, insulation tile adhesive, facade solution and contracting and services (S&P)

Group financing (including financing costs and financing income) and income taxes are managed on a Group basis and are not allocated to any operating segment. Segment revenues and segment results include transfers between segments. Those transfers are eliminated on consolidation.

3.2 Operating segments

Information by operating segment

	North America		Latin America	
	2023	2022[1]	**2023**	2022[1]
Statement of income (Million CHF)				
Net sales to external customers	**6,711**	6,336	**2,861**	2,853
Net sales to other segments	**139**	134	**25**	45
Total net sales	**6,849**	**6,470**	**2,887**	**2,897**
Recurring EBITDA after leases	**1,981**	**1,886**	**1,109**	**1,101**
Recurring EBITDA after leases margin in %	**28.9**	29.2	**38.4**	38.0
Recurring EBIT	**1,483**	**1,353**	**985**	**956**
Recurring EBIT margin in %	**21.7**	20.9	**34.1**	33.0
Operating profit (loss)	**1,449**	**1,290**	**980**	**956**
Operating profit (loss) margin in %	**21.2**	19.9	**33.9**	33.0
Reconciliation of measures of profit and loss to the consolidated statement of income				
Recurring EBITDA after leases	**1,981**	**1,886**	**1,109**	**1,101**
Depreciation and amortization of property, plant and equipment, intangible and other long-term assets	**(498)**	(534)	**(124)**	(145)
Recurring EBIT	**1,483**	**1,353**	**985**	**956**
Impairment of operating assets	**(12)**	(54)	**0**	0
Restructuring, litigation and other non-recurring costs	**(22)**	(9)	**(5)**	0
Operating profit (loss)	**1,449**	**1,290**	**980**	**956**
Profit on disposals and other non-operating income				
Loss on disposals and other non-operating expenses				
Share of profit of associates				
Financial income				
Financial expenses				
Net income before taxes				
Statement of financial position (million CHF)				
Investments in associates and joint ventures	**51**	52	**3**	3
Property, plant and equipment	**6,165**	6,534	**1,573**	1,509
Goodwill	**4,197**	4,514	**1,005**	888
Intangible assets	**191**	114	**21**	20
Reconciliation of measures of Statement of financial position (million CHF)				
Unallocated assets				
Total assets				
Personnel (unaudited)				
Number of personnel	**10,090**	9,703	**8,322**	7,390

1 Figures for 2022 have been restated due to the change in segment lines.
2 Russia is excluded from the key performance indicators since 1 March 2022 (see note 13).
3 The Board of Directors has decided to integrate key markets that share similar growth dynamics into one Asia, Middle East & Africa (AMEA) region. Martin Kriegner, Region Head Asia Pacific in 2022, was appointed to take over the responsibility of the broader AMEA region. The corresponding information for year 2022 has been restated. On 15 September 2022, Holcim divested 63.11 percent stake in Ambuja Cement and the 4.48 percent direct stake in ACC Limited, which is the main variance between year 2023 and 2022.
4 The results of Duro-Last and Malarkey are reported in the segment Solutions & Products (see note 2.3).
5 On 18 October 2022, Lafarge S.A. resolved a previously disclosed inquiry by the U.S. Department of Justice into legacy operations in Syria during the country's civil war (see note 16.3). Under the terms of the resolution, Lafarge S.A. and its long-defunct subsidiary Lafarge Cement Syria paid a financial penalty of USD 778 million (CHF 767 million), which is reflected in Corporate / Eliminations under the line "Operating profit (loss)".

	Europe[2]		Asia, Middle East Africa[3]		Solutions & Products[4]		Corporate/ Eliminations[5]		Total Group	
	2023	2022[1]	2023	2022[1]	2023	2022[1]	2023	2022[1]	2023	2022
	7,284	6,875	3,982	6,982	5,608	5,518	562	626	27,009	29,189
	333	331	264	221	23	32	(784)	(762)		
	7,617	7,205	4,246	7,203	5,632	5,550	(223)	(137)	27,009	29,189
	1,673	1,463	1,135	1,565	858	867	(377)	(328)	6,378	6,554
	22.0	20.3	26.7	21.7	15.2	15.6			23.6	22.5
	1,202	981	898	1,144	614	685	(422)	(365)	4,760	4,752
	15.8	13.6	21.2	15.9	10.9	12.3			17.6	16.3
	1,163	381	841	1,128	583	645	(440)	(1,178)	4,577	3,221
	15.3	5.3	19.8	15.7	10.4	11.6			16.9	11.0
	1,673	1,463	1,135	1,565	858	867	(377)	(328)	6,378	6,554
	(470)	(482)	(236)	(422)	(244)	(183)	(45)	(37)	(1,618)	(1,802)
	1,202	981	898	1,144	614	685	(422)	(365)	4,760	4,752
	(34)	(589)	(59)	(42)	(1)	0	7	0	(99)	(685)
	(5)	(11)	2	26	(30)	(39)	(25)	(813)	(84)	(846)
	1,163	381	841	1,128	583	645	(440)	(1,178)	4,577	3,221
									156	2,199
									(97)	(424)
									36	17
									198	183
									(697)	(641)
									4,174	4,555
	223	207	2,908	3,061					3,184	3,323
	6,576	6,677	3,602	4,291	1,383	1,316	42	29	19,341	20,356
	3,643	3,681	995	1,149	3,729	3,419	21	23	13,589	13,675
	211	176	119	97	1,400	1,288	185	75	2,127	1,769
									14,444	18,479
									52,686	57,603
	17,522	18,218	12,447	12,150	13,660	11,621	1,407	1,341	63,448	60,422

Information by product line

Million CHF	Cement[1] 2023	Cement[1] 2022	Aggregates 2023	Aggregates 2022
Statement of income and statement of cash flows				
Net sales to external customers	**12,159**	14,859	**3,310**	3,102
Net sales to other segments	**1,599**	1,482	**1,092**	1,093
Total net sales	**13,758**	**16,340**	**4,402**	**4,195**
– of which North America	**3,885**	3,638	**1,752**	1,620
– of which Latin America	**2,385**	2,516	**45**	48
– of which Europe[5]	**4,373**	4,060	**1,953**	1,877
– of which Asia, Middle East Africa[4]	**2,880**	5,795	**653**	650
– of which Corporate/Eliminations	**235**	331		
Recurring EBITDA after leases	**4,283**	**4,488**	**930**	**932**
Recurring EBITDA after leases margin in %	**31.1**	**27.5**	**21.1**	**22.2**
Recurring EBIT[7]	**3,301**	**3,301**	**644**	**646**
Recurring EBIT margin in %	**24.0**	**20.2**	**14.6**	**15.4**
CapEx[3]	**941**	**1,052**	**258**	**226**
Personnel (unaudited)				
Number of personnel	**26,830**	27,209	**9,705**	9,223

1 Cement, clinker and other cementitious materials.
2 Precast, concrete products, asphalt, mortars, roofing systems and contracting and services. The results of Duro-Last and Malarkey are reported in the product line Solutions & Products (for more information see note 3.2).
3 The CapEx consists of the purchase and disposal of property, plant and equipment.
4 The Board of Directors has decided to integrate key markets that share similar growth dynamics into one Asia, Middle East & Africa (AMEA) region. Martin Kriegner, Region Head Asia Pacific in 2022, was appointed to take over the responsibility of the broader AMEA region. The corresponding information for year 2022 have been restated. On 15 September 2022, Holcim divested 63.11% stake in Ambuja Cement and the 4.48% direct stake in ACC Limited, which is the main variance between year 2023 and 2022.
Therefore, 2022 Statement of income comprises their contribution until disposal.
5 Russia is excluded from the key performance indicators since 1 March 2022 (see note 13).
6 Excluding Trading activities.
7 Recurring EBIT includes corporate costs and trading.

Ready-mix concrete		Solutions & Products[2]		Corporate/Eliminations[6]		Total Group	
2023	2022	**2023**	2022	**2023**	2022	**2023**	2022
5,932	5,711	**5,608**	5,518			**27,009**	29,189
47	37	**23**	32	**(2,761)**	(2,644)		
5,979	**5,748**	**5,632**	**5,550**	**(2,761)**	**(2,644)**	**27,009**	**29,189**
1,976	1,928	**3,636**	3,758	**(905)**	(852)	**10,345**	10,092
712	535	**205**	75	**(261)**	(205)	**3,086**	2,968
2,312	2,220	**1,595**	1,539	**(1,246)**	(1,190)	**8,986**	8,507
979	1,065	**253**	268	**(278)**	(328)	**4,486**	7,451
		(58)	(90)	**(72)**	(70)	**105**	171
343	**267**	**823**	**868**			**6,378**	**6,554**
5.7	**4.7**	**14.6**	**15.6**			**23.6**	**22.5**
241	**137**	**574**	**668**			**4,760**	**4,752**
4.0	**2.4**	**10.2**	**12.0**			**17.6**	**16.3**
71	**31**	**133**	**117**	**5**	**9**	**1,408**	**1,435**
12,361	11,464	**14,204**	12,125	**348**	401	**63,448**	60,422

3.3 Information by country

	Net sales to external customers		Property, plant and equipment and intangible assets	
Million CHF	**2023**	2022	**2023**	2022
USA[1]	**7,912**	7,715	**6,102**	6,188
Canada	**2,591**	2,565	**2,169**	2,279
France	**2,197**	2,020	**2,087**	2,297
United Kingdom	**1,811**	1,800	**1,213**	1,215
Mexico	**1,803**	1,352	**685**	572
Australia	**1,264**	1,188	**855**	879
Switzerland	**852**	787	**871**	728
Germany	**825**	883	**642**	654
Others[2]	**7,753**	10,879	**6,843**	7,312
Total	**27,009**	**29,189**	**21,468**	**22,125**

[1] Including Trading activities.
[2] In 2022, Holcim divested its business in India (see note 2.3). 2022 Net sales to external customers comprise its contribution until disposal for CHF 2,521 million.

Net sales to external customers are based primarily on the location of assets (origin of sales) with the exception of the trading activities that are allocated to the delivery point (see note 3.2). There is no single external customer where net sales amount to 10 percent or more of the Group net sales.

4. Operating profit

4.1 Accounting principles

Operating profit excludes items that are not directly related to the Group's operating activities. These primarily relate to gains or losses on the disposal of material Property, Plant and Equipment, gains or losses on the sale of Group companies, associates and joint ventures, revaluation gains or losses on previously held equity interests, indemnification provisions, disputes with minority shareholders, share of profit (loss) of associates and financial income and expenses.

4.2 Revenue recognition

Revenue from the sale of the Group's core products is recognized when delivery has taken place and control of the goods has been transferred to the customer. The customer obtains control of the goods when the significant risks and rewards of products sold are transferred according to the specific delivery terms that have been formally agreed with the customer, generally upon delivery when the bill of lading is signed by the customer as evidence that they have obtained physical possession and accepted the products delivered to them.

The core products are often sold with volume discounts. Revenue from these sales is recognized based on the price specified on the invoice, net of estimated discounts. Accumulated experience is used to estimate and provide for the discounts, using the most likely amount. A liability is recognized for expected volume discounts in relation to sales made until the end of the reporting period. No element of financing is deemed present as the sales are made with credit terms largely ranging between 30 days and 60 days depending on the specific terms agreed to with the Group company concerned, which is consistent with market practice. Generally, cement, aggregates and ready-mix concrete are not returned as a customer will only accept these products once they have passed a stringent quality check at delivery point.

The Group offers separately priced extended warranties covering roofing systems, generally ranging from five to 30 years. Revenues from such activities are deferred and recognized in income over the life of the warranty on a straight line basis.

Contract liabilities, which is a Group company's obligation to transfer goods or services to a customer for which the entity has already received consideration, relate mainly to advance payments from customers which are disclosed in note 10.5 and to volume incentive programs and warranty programs. As of 31 December 2023, contract liabilities amounted to CHF 412 million (2022: CHF 395 million).

A trade receivable is recognized when the products are delivered to a customer as this is the point in time that the consideration becomes unconditional because only a passage of time is required before the payment is due.

Contract assets, which is a Group company's right to consideration that is conditional on something other than the passage of time, relate mainly to construction and paving activities and are immaterial on a Group level.

The Group is also involved in providing services in conjunction with the sale of its core products and is developing retail activities in certain markets. However, both these activities remain immaterial on Group level at this stage.

4.3 Production cost of goods sold

Million CHF	**2023**	2022
Material expenses	**(6,599)**	(6,941)
Fuel expenses[1]	**(982)**	(1,835)
Electricity expenses	**(1,270)**	(1,381)
Personnel expenses	**(2,111)**	(2,061)
Maintenance expenses	**(1,484)**	(1,480)
Depreciation, amortization and impairment	**(1,648)**	(2,375)
Other production expenses	**(1,352)**	(1,363)
Changes in inventory	**(65)**	(139)
Total	**(15,511)**	**(17,575)**

[1] The variation mainly relates to the divestment of Group's businesses in India in September 2022 (see note 2.3).

4.4 Research and development

Innovation through research and development projects plays a key part in the Group's activities. Holcim's innovation centers in Switzerland and in France, with more than 300 researchers and a worldwide network of laboratories are delivering breakthrough innovations to build the sustainable future of Holcim. The Holcim Innovation Hub, opened in September 2023, showcases Holcim's sustainable building solutions and contributes to co-create accelerated low-carbon, circular and energy-efficient building worldwide.

Research and development projects are carried out with a view to generate added value for customers through end user oriented products and services focusing on:

- Disruptive solutions to decarbonize building,
- Breakthrough technologies aiming at production systems improvements,
- Development of low-carbon products and solutions aiming at environmental protection and lowering the Group's environmental footprint, and
- Innovation through digital technology into all areas of Holcim's business, fundamentally changing how the Group operates and delivers value to customers
- Enabling sustainable construction and making sustainable building accessible for all, through houses of tomorrow projects
- Partnering with startups to expand on environmental product declarations and get access to innovate solutions

Included in the Group's Operating profit are the research and development costs of CHF 224 million (2022: CHF 229 million).

4.5 Summary of depreciation, amortization and impairment

Million CHF	2023	2022
Production facilities	**(1,648)**	(2,375)
Distribution and sales facilities	**(340)**	(369)
Administration facilities	**(88)**	(101)
Total depreciation, amortization and impairment of operating assets (a)	**(2,076)**	**(2,845)**
Of which net impairment charge relating to property, plant and equipment (note 11.2)	**(103)**	(676)
Of which net impairment charge relating to intangible assets (note 11.3)	**(2)**	(9)
Of which net impairment reversal relating to investments in joint ventures (note 6.4)	**6**	0
Depreciation, amortization and impairment of non-operating assets (note 5.3)	**0**	(34)
Total depreciation, amortization and impairment of non-operating assets (b)	**0**	**(34)**
Total depreciation, amortization and impairment (a + b)	**(2,076)**	**(2,878)**
Of which depreciation of property, plant and equipment (note 11.2)	**(1,424)**	(1,648)
Of which depreciation of right-of-use assets (note 11.2)	**(359)**	(358)
Of which amortization of intangible assets and other long-term assets	**(194)**	(153)
Of which total net impairment charge	**(99)**	(719)

5. Profit and loss on disposals and other non-operating items

5.1 Accounting principles

Profit and loss on disposals and other non-operating items comprise gains or losses on the disposal of material Property, Plant and Equipment, gains or losses on the sale of Group companies, associates and joint ventures, impact of other non-operating items that are not directly related to the Group’s operating activities such as revaluation gains or losses on previously held equity interests, indemnification provisions and disputes with minority shareholders.

5.2 Profit on disposals and other non-operating income

Million CHF	**2023**	2022
Gain on disposals before taxes	**48**	2,084
Dividends earned	**4**	8
Other	**105**	107
Total	**156**	**2,199**

In 2022, the “Gain on disposals before taxes” mainly includes:

• India gain on disposal of CHF 2,052 million, further information is disclosed in note 2.3

• Several gains on disposal of property, plant and equipment.

In 2023 and 2022, the position "Other" includes non-operating items such as the operating profit generated by the Russian operations since 1 March 2022 (see note 13).

5.3 Loss on disposals and other non-operating expenses

Million CHF	**2023**	2022
Loss on disposals before taxes	**(8)**	(311)
Depreciation, amortization and impairment of non-operating assets	**0**	(34)
Other	**(88)**	(79)
Total	**(97)**	**(424)**

In 2022, the “Loss on disposals before taxes” mainly resulted from the realization of currency translation differences following the divestment of the Group's business in Brazil (see note 2.3).

In 2023 and 2022, the position "Other" notably includes the expenses relating to the Group's activities that are not part of its operating cycle.

6. Investments in associates and joint ventures

6.1 Accounting principles

The Group, in the course of its business, may enter into arrangements where it will exercise joint control over entities resulting in classifying these operations as joint ventures or joint operations depending on the rights and obligations arising from the contractual arrangement. Alternatively, it may enter into arrangements where it holds 20 to 50 percent of the voting rights and exercises significant influence resulting in these companies being classified as associate companies.

Investments in associates and joint ventures are accounted for using the equity method of accounting.

The Group's share of profit of joint ventures is classified within Operating profit as these operations form an integral part of the Group's financial performance, reflecting its core business activities. The Group's share of profit of associates is classified below Operating profit.

Goodwill arising from an acquisition is included in the carrying amount of the investments in associates and joint ventures.

Equity accounting is discontinued when the carrying amount of the investment together with any long-term interest in a joint venture or in an associate reaches zero, unless the Group has either incurred or guaranteed additional obligations in respect of the joint venture or associate.

The Group tests joint ventures or associates for impairment only when there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment. Objective evidence of impairment includes events such as significant financial difficulties of the associate or joint venture, or information about significant changes with an adverse effect that have taken place in the economic environment in which the joint venture or associate operates, and indicates that the carrying amount of the joint venture or associate may not be recovered.

An impairment loss is only recognized when the carrying amount of the joint venture or associate exceeds its recoverable amount, being the higher of value in use and fair value less costs of disposal.

The recoverable amount of an investment in a joint venture or associate is assessed for each joint venture or associate, unless the joint venture or associate does not generate cash inflows from continuing use that are largely independent of those from other assets of the Group.

6.2 Main changes during the current reporting period

In 2023, Huaxin Cement in China repurchased and cancelled shares as a consequence of which Holcim's ownership rate increased from 41.46 percent to 41.81 percent.

6.3 Main changes during the previous comparative period

During 2022, Holcim sold its investment in a joint venture in Cuba and 0.38 percent of its stake in Huaxin Cement in China.

Investments in associates and joint ventures

Million CHF	**2023**	2022
Investments in associates	**237**	216
Investments in joint ventures	**2,947**	3,107
Total	**3,184**	**3,323**

6.4 Movements in investments in joint ventures

Million CHF	2023	2022
1 January	**3,107**	**3,455**
Share of profit of joint ventures	**304**	308
Dividends earned	**(204)**	(333)
Net acquisitions (disposals)	**15**	(64)
Reclassifications	**0**	17
Net Impairment reversal	**6**	0
Currency translation effects	**(271)**	(276)
Others	**(9)**	0
31 December	**2,947**	**3,107**

In 2023, “Net acquisitions (disposals)” mainly relates to the increase of 0.35 percent in Huaxin Cement in China.

In 2022, “Net acquisitions (disposals)” mainly relates to the divestment of its joint venture in Cuba and 0.38 percent of its stake in Huaxin Cement in China.

6.5 List of principal joint ventures

Principal joint ventures

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

Listed joint ventures

Region	Company	Country	Municipality	Place of listing	Market capitalization at 31 December 2023 in million local currency		Security code number
Asia, Middle East Africa	Huaxin Cement Co. Ltd. - cement A shares	China	Wuhan	Shanghai	CNY	16,709	CNE000000DC6
	Huaxin Cement Co. Ltd. - cement H shares	China	Wuhan	Hong Kong	HKD	4,959	CNE1000057N3
	LafargeHolcim Maroc S.A.	Morocco	Casablanca	Casablanca	MAD	44,988	MA0000012320

In 2022, Huaxin Cement Co. Ltd – B shares listed in Shanghai were converted to H shares listed in Hong Kong. To respect Hong Kong regulations, Holcim sold eight million Huaxin H shares (representing 0.38 percent of Holcim's stake) for a consideration of CHF 14 million.

6.6 Huaxin Cement Co. Ltd. (China)

As of 31 December 2023, the Group holds 41.8 percent (2022: 41.5 percent) of the voting rights in the joint venture company Huaxin Cement Co. Ltd.

The fair value of the investment in Huaxin Cement Co. Ltd. based on a quoted market price on 31 December 2023 amounted to CHF 968 million (2022: CHF 1,321 million).

Set out below is the summarized financial information for the material joint venture company Huaxin Cement Co. Ltd., which is accounted for using the equity method.

The carrying value of Huaxin Cement Co. Ltd. in the Group’s 2023 financial statements is based on an estimated equity as of 31 December 2023. However, since Huaxin Cement Co. Ltd. is a publicly listed company in China and has not yet published its financial statements for the year 2023, the disclosed amounts for the investment in the joint venture Huaxin Cement Co. Ltd. are as of 30 September 2023.

The summarized financial information presented below are the amounts included in the IFRS financial statements of Huaxin Cement Co. Ltd. as at 30 September 2023 and as at 31 December 2022. As of 30 September 2023, dividends of CHF 57 million (31 December 2022: CHF 123 million) were received from Huaxin Cement Co. Ltd.

Huaxin Cement Co. Ltd. – Statement of financial position

Million CHF	**30.09.2023**	31.12.2022
Cash and cash equivalents	**827**	938
Other current assets	**1,164**	1,076
Non-current assets	**6,596**	6,831
Total assets	**8,587**	**8,845**
Current financial liabilities	**777**	669
Other current liabilities	**1,325**	1,547
Long-term financial liabilities	**1,639**	1,662
Other non-current liabilities	**486**	574
Total liabilities	**4,227**	**4,452**
Net assets	**4,360**	**4,393**
Shareholders' equity (excluding non-controlling interests)	**3,799**	**3,928**

Huaxin Cement Co. Ltd. – Statement of comprehensive earnings

Million CHF	**Jan-Sep 2023**	Jan-Dec 2022
Net sales	**3,100**	**4,327**
Operating profit[1]	**430**	**628**
Profit on disposals and other non-operating expenses	**3**	1
Financial income	**12**	12
Financial expenses	**(46)**	(77)
Income taxes	**(86)**	(124)
Net income	**313**	**439**
Net income (excluding non-controlling interests)	**265**	**405**
Other comprehensive earnings	**(13)**	18
Total comprehensive earnings (excluding non-controlling interests)	**252**	**423**

[1] Of which CHF 358 million (2022: CHF 374 million) relate to depreciation and amortization.

Impairment test of the investment in Huaxin

The fair value of the investment in Huaxin Cement Co. Ltd. based on a quoted market price was 41 percent lower than the value in Holcim Group's statement of financial position as of 31 December 2023.

In application of the Group’s accounting policies, an impairment test was carried out as at 31 December 2023. Management has used the value in-use approach to calculate the recoverable amount of Huaxin Cement Co. Ltd., as per the same methodology and key assumptions as described in note 11.1. The long-term growth rate is based on the long-term inflation rate as published by the International Monetary Fund. The test result and a reasonably possible change in the main assumptions did not lead to recognition of any impairment on the investment in Huaxin Cement Co. Ltd. as at 31 December 2023.

6.7 Lafarge Maroc S.A.S. (Morocco)

As of 31 December 2023, the Group holds 50 percent (2022: 50 percent) of the voting rights in the joint venture company Lafarge Maroc S.A.S..

Set out below is the summarized financial information for the material joint venture Lafarge Maroc S.A.S., which is accounted for using the equity method.

The carrying value of Lafarge Maroc S.A.S. in the Group's 2023 financial statements is based on an estimated equity as of 31 December 2023. However, since Lafarge Maroc S.A.S. is the parent company of LafargeHolcim Maroc S.A, a publicly listed company in Morocco which has not yet published its financial statements for the year 2023, the disclosed amounts for the investment in the joint venture Lafarge Maroc S.A.S. are as of 30 June 2023.

The summarized financial information presented below are the amounts included in the IFRS financial statements of Lafarge Maroc S.A.S. as at 30 June 2023 and as at 31 December 2022. As of 30 June 2023, dividends of CHF 45 million (31 December 2022: CHF 83 million) were received from Lafarge Maroc S.A.S..

Lafarge Maroc S.A.S. – Statement of financial position

Million CHF	**30.06.2023**	31.12.2022
Cash and cash equivalents	**27**	37
Other current assets	**343**	305
Non-current assets	**2,131**	2,086
Total assets	**2,501**	**2,429**
Current financial liabilities	**142**	113
Other current liabilities	**320**	268
Long-term financial liabilities	**601**	584
Other non-current liabilities	**236**	228
Total liabilities	**1,299**	**1,193**
Net assets	**1,202**	**1,236**
Shareholders' equity (excluding non-controlling interests)	**790**	**813**

Lafarge Maroc S.A.S. – Statement of comprehensive earnings

Million CHF	**Jan-Jun 2023**	Jan-Dec 2022
Net sales	**556**	**1,100**
Operating profit[1]	**154**	**271**
Loss on disposals and other non-operating expenses	**(10)**	(10)
Financial expenses	**(17)**	(28)
Income taxes	**(55)**	(106)
Net income	**73**	**126**
Net income (excluding non-controlling interests)	**46**	**81**
Other comprehensive earnings	**(5)**	13
Total comprehensive earnings (excluding non-controlling interests)	**42**	**94**

[1] Of which CHF 45 million (2022: CHF 100 million) relate to depreciation and amortization.

6.8 Other joint ventures

In 2023 and 2022, there are no unrecognized share of losses relating to other joint ventures.

6.9 Movements in investments in associates

Million CHF	2023	2022
1 January	**216**	**259**
Share of profit of associates	**33**	17
Net impairment reversal	**4**	0
Subtotal	**36**	**17**
Dividends earned	**(8)**	(12)
Net acquisitions (disposals)	**1**	(22)
Reclassifications	**0**	(17)
Currency translation effects	**(12)**	(10)
Others	**3**	0
31 December	**237**	**216**

As of 31 December 2023 and 31 December 2022, the Group has no interests in associates that are considered as individually material.

There are no unrecognized share of losses relating to the above associates.

7. Financing items

7.1 Accounting principles

Financial income and expenses primarily relate to interest earned on cash and cash equivalents, interest expenses on borrowings, unwinding of discount on long-term provisions, net interest expense on retirement benefit plans, foreign exchange gains and losses and interest expenses on lease liabilities.

7.2 Financial income

Million CHF	2023	2022
Interest earned on cash and cash equivalents	**170**	108
Other financial income	**28**	75
Total	**198**	**183**

7.3 Financial expenses

Million CHF	2023	2022
Interest expenses	**(490)**	(400)
Interest expenses on lease liabilities	**(63)**	(50)
Fair value changes on financial instruments	**2**	(2)
Unwinding of discount on long-term provisions	**(7)**	(7)
Net interest expenses on retirement benefit plans	**(8)**	(8)
Impairment and write off of long-term financial assets	**(6)**	(2)
Other financial expenses	**(90)**	(142)
Foreign exchange loss, net	**(35)**	(30)
Total	**(697)**	**(641)**

Interest expenses relate primarily to financial liabilities measured at amortized cost. The increase in 2023 is a consequence of higher interest rates (see note 14.4).

Interest expenses include CHF 4 million (2022: CHF 5 million) of amortization of bonds and private placements, which were fair valued in previous years following a purchase price allocation exercise. At the end of December 2023, the remaining balance to amortize amounts to CHF 48 million (2022: CHF 57 million).

Interest expenses on lease liabilities include interest expenses related to ongoing lease contracts (see note 14.7).

Other financial expenses include costs for early bond redemptions, commitment fees on credit facilities, bank charges and accruals for interest related to ongoing legal and tax cases.

Foreign exchange losses are mainly due to unhedgeable receivables and payables denominated in currencies other than functional currencies.

8. Income taxes

8.1 Accounting principles

Income taxes

Holcim's business operations are subject to numerous income taxes imposed by state and local governments. Taxes recognized in the Group Consolidated Financial Statements reflect the Group's best estimate of the outcome based on the facts known at the balance sheet date in each individual country, including changes in tax laws or revised interpretations of existing tax rules and regulations, or on-going tax audits.

Significant judgment is often required in determining the Group's annual tax charges and in evaluating the Group tax positions. Although the Group believes the tax estimates are reasonable, the final determination of tax audits and any related disputes could be materially different from the Group's historical tax provisions and accruals, even if the Group assesses the tax positions in line with local tax laws and international guidelines such as those issued by the Organisation for Economic Cooperation and Development (OECD).

Deferred taxes

Deferred tax is provided, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Tax rates enacted or substantively enacted by the end of the reporting period are used to determine the deferred tax expense.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which deductible temporary differences or unused tax losses can be utilized. Deferred tax liabilities are recognized for taxable temporary differences arising from investments in subsidiaries, associates and interests in joint arrangements except where the Group is able to control the distribution of earnings from these respective entities and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is charged or credited in the statement of income, except when it relates to items credited or charged outside the statement of income, in which case the deferred tax is treated accordingly.

OECD Pillar 2

In December 2023, Switzerland enacted the relevant Ordinance for implementing the OECD/G20 Qualified Domestic Minimum Tax (QDMTT) from 1 January 2024. At the same time, Pillar Two legislation has been enacted or substantively enacted in a number of other jurisdictions in which the Group operates effective for the financial year beginning 1 January 2024.

As the Group is in scope of the Pillar Two legislation it has performed an assessment of the Group’s potential exposure to Pillar Two income taxes and does not expect it to have a significant impact on the Group's effective tax rate. This assessment is based on the 2023 country-by-country reporting and financial statements for the constituent entities in the Group. Based on the assessment, the Pillar Two effective tax rates in most of the jurisdictions in which the Group operates are above 15 percent. The Group does not expect a material exposure to Pillar Two income taxes in those jurisdictions where the transitional safe harbor relief does not apply and the Pillar Two effective tax rate is below 15 percent.

Holcim has applied the mandatory exception to recognizing and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes (see note 1.2).

8.2 Tax expenses

Million CHF	2023	2022
Current taxes	**(1,121)**	**(860)**
Deferred taxes	**122**	**(167)**
Relating to origination and reversal of temporary differences, tax losses and credits	**125**	(177)
Relating to changes in tax rates and legislation	**(3)**	10
Total	**(999)**	**(1,027)**

8.3 Reconciliation of tax rate

The expected tax charge is the result of applying the domestic statutory tax rates to net income (loss) before taxes. For the Group, the applicable tax rate varies from one year to the other depending on the relative weight of net income (loss) of each individual entity in the Group's profit as well as the changes in statutory tax rates.

Million CHF		2023		2022
Net income before taxes	**4,174**		4,555	
Impairment and net gain on disposals of Group companies	**44**		(1,042)	
Net income before impairment, divestments and taxes	**4,218**		3,513	
Group's expected tax charge / rate	**(966)**	**23%**	**(825)**	**23%**
Tax effects of:				
- Non-recoverable withholding taxes	**(67)**		(91)	
- Incentives for investment and development	**65**		68	
- Non-deductible items	**(90)**		(46)	
- Income not subject to tax	**59**		61	
- Uncertain tax positions[1]	**(194)**		52	
- Recognition / (derecognition) of deferred tax assets[2]	**185**		(99)	
- Changes in tax rates	**(3)**		10	
- Lafarge S.A. DOJ resolution[3]	**0**		(199)	
Tax effect of impairment and net gain on disposals of Group companies	**14**		41	
Group's effective tax charge / rate	**(999)**	**24%**	**(1,027)**	**23%**

[1] Increasing pressures on public revenues have led to heightened levels of tax authority audit, as a result, Holcim has increased its provisions for uncertain tax positions across various countries.
[2] Continued improvements in business performance have enabled additional deferred tax assets on tax losses to be recognized.
[3] On 18 October 2022, Lafarge S.A. resolved a previously disclosed inquiry by the U.S. Department of Justice into legacy operations in Syria during the country's civil war. Under the terms of the resolution, Lafarge S.A. and its long-defunct subsidiary Lafarge Cement Syria paid a financial penalty of USD 778 million (CHF 767 million), which was a non-tax deductible expense.

The Group's effective tax rate excluding impairment and divestments amounts to 24 percent (2022: 30 percent).

In 2023, total income taxes paid amounts to CHF 702 million (2022: CHF 802 million).

8.4 Deferred taxes

Deferred tax in the consolidated statement of financial position as follows:

Million CHF	2023	2022
Deferred tax assets	**(674)**	(610)
Deferred tax liabilities	**1,868**	2,187
Deferred tax liabilities net	**1,194**	**1,577**

The Group's recognition of deferred tax assets amounting to CHF 674 million (2022: CHF 610 million) reflects that the Group believes that sufficient taxable income will be generated to recover these assets in future periods. However, uncertainties regarding the future realization of recorded tax benefits on temporary differences and tax loss carryforwards from operations in various jurisdictions could result in material adjustments to the deferred tax assets recognized in future periods.

Change in deferred tax assets and liabilities

Million CHF	Property, plant and equipment	Intangible and other long-term assets	Provisions and defined benefit obligations	Other	Tax losses carryforward	Total
2023						
Deferred tax liabilities net as at 1 January 2023	**2,221**	**98**	**(149)**	**(143)**	**(450)**	**1,577**
Charged (credited)						
- to the statement of income	**13**	**(36)**	**(6)**	**(77)**	**(16)**	**(122)**
- to other comprehensive income[1]	**0**	**0**	**(89)**	**(41)**	**0**	**(130)**
Change in scope	**(14)**	**27**	**1**	**10**	**(1)**	**23**
Hyperinflation	**27**	**0**	**0**	**2**	**0**	**29**
Currency translation effects	**(183)**	**(41)**	**17**	**0**	**24**	**(183)**
Deferred tax liabilities net as at 31 December 2023	**2,064**	**48**	**(226)**	**(249)**	**(443)**	**1,194**
2022						
Deferred tax liabilities net as at 1 January 2022	**2,538**	**(78)**	**(100)**	**(142)**	**(680)**	**1,537**
Charged (credited)						
- to the statement of income	35	96	16	30	(9)	167
- to other comprehensive income[1]	0	0	(37)	9	0	(28)
Change in scope[2]	(218)	94	18	(21)	115	(12)
Hyperinflation	17	0	0	1	0	18
Currency translation effects	(152)	(13)	(46)	(20)	124	(106)
Deferred tax liabilities net as at 31 December 2022	**2,221**	**98**	**(149)**	**(143)**	**(450)**	**1,577**

[1] The tax effects upon other comprehensive earnings are included within the consolidated statement of comprehensive earnings on page 285.
[2] Change in scope in 2022 predominantly relates to divestment of India and Brazil.

8.5 Tax losses carryforward

Million CHF	Tax losses carryforward 2023	Tax effect 2023	Tax losses carryforward 2022	Tax effect 2022
Total tax losses carryforward	**6,475**	**1,458**	**7,733**	**1,715**
Of which reflected in deferred taxes	**(2,354)**	**(443)**	(2,421)	(450)
Total tax losses carryforward not recognized	**4,121**	**1,015**	**5,312**	**1,265**
Expiring as follows:				
Within 1 year	**16**	**3**	67	13
Between 2 and 5 years	**205**	**43**	231	46
Thereafter	**3,900**	**969**	5,014	1,206

In 2023, CHF 1,015 million (2022: CHF 1,265 million) of deferred tax assets on tax losses were not recognized as the Group considers it will not generate sufficient taxable income within the carryforward period to realize these deferred tax benefits in all jurisdictions where the Group operates.

8.6 Long-term income tax liabilities

The Group continually monitors its global tax position, and whenever uncertainties arise, the Group assesses the potential consequences and either accrues the liability or discloses a contingent liability in its financial statements, depending on the strength of the Group's position and the resulting risk of loss.

For the purpose of classifying an income tax liability as current or non-current, the Group analyses whether or not the extinguishment of such liability may occur within 12 months from the end of the reporting period and in particular whether or not the Group has the right to defer settlement beyond 12 months in each respective jurisdiction.

The long-term income tax liabilities of CHF 170 million (2022: CHF 199 million) includes the repatriation tax arising from the U.S. tax reform amounting to CHF 21 million (2022: CHF 39 million).

9. Earnings per share

	2023	2022
Basic earnings per share in CHF	**5.37**	**5.48**
Adjusted net income attributable to shareholders of Holcim Ltd (in million CHF)	**3,043**	3,291
Weighted average number of shares outstanding	**567,168,970**	600,878,329
Diluted earnings per share	**5.35**	**5.46**
Adjusted net income used to determine diluted earnings per share (in million CHF)	**3,043**	3,291
Weighted average number of shares for diluted earnings per share	**569,240,835**	602,227,449
Reconciliation of weighted average number of shares outstanding		
Weighted average number of shares outstanding	**567,168,970**	600,878,329
Adjustment for assumed exercise of share options and performance shares	**2,071,865**	1,349,119
Weighted average number of shares for diluted earnings per share	**569,240,835**	602,227,449
Reconciliation of net income attributable to shareholders of Holcim Ltd		
Net income attributable to shareholders of Holcim Ltd – as per statement of income (in million CHF)	**3,060**	3,308
Adjustment for net interest of hybrid bonds (in million CHF)[1]	**(17)**	(17)
Adjusted net income attributable to shareholders of Holcim Ltd (in million CHF)	**3,043**	3,291

[1] Holcim issued two subordinated perpetual notes: EUR 500 million at an initial fixed coupon of three percent in April 2019 and CHF 200 million at an initial fixed coupon of 3.5 percent in November 2018. On 7 December 2023, Holcim exercised the redemption option on the CHF 200 million subordinated perpetual note. (see note 17.1).

In conformity with the decision taken at the Annual General Meeting of shareholders on 4 May 2023, a dividend of CHF 2.50 per registered share for the financial year 2022 was paid out of the foreign capital reserves from tax capital contributions on 12 May 2023. This resulted in a total payment of CHF 1,414 million.

10. Working capital

10.1 Accounting principles

Trade accounts receivable

Trade accounts receivable are initially recognized at their invoiced amounts less any deductions such as trade discounts.

The Group applies the IFRS 9 simplified approach with expected lifetime credit losses (ECL). Therefore, the Group does not track changes in credit risk, but instead recognizes a credit loss allowance based on a lifetime ECL at each reporting period.

The lifetime ECL calculation includes possible default events on the trade accounts receivable over the entire holding period of the receivable.

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined by using the weighted average cost method. The cost of finished goods and work in progress comprises raw materials and additives, direct labor, other direct costs and related production overheads. Cost of inventories includes transfers from equity of gains or losses on qualifying cash flow hedges relating to inventory purchases.

10.2 Trade accounts receivable

Million CHF	2023	2022
Trade accounts receivable – associates and joint ventures	**61**	66
Trade accounts receivable – third parties	**2,663**	2,608
Net carrying amount	**2,723**	**2,674**

Maturity of accounts receivable

	2023			2022		
Million CHF	Gross carrying amount	Lifetime expected credit loss allowance	Net carrying amount	Gross carrying amount	Lifetime expected credit loss allowance	Net carrying amount
Not overdue	**2,007**	**(25)**	**1,981**	1,959	(27)	1,931
Overdue 1 to 89 days	**661**	**(15)**	**646**	642	(4)	638
Overdue 90 to 180 days	**57**	**(15)**	**43**	67	(10)	57
Overdue more than 180 days	**205**	**(152)**	**53**	205	(157)	48
Total	**2,929**	**(206)**	**2,723**	**2,873**	**(199)**	**2,674**

The allowance in the table above relates to accounts receivable for which a lifetime expected credit loss is recognized. See note 14.6 for further details.

In some cases, trade accounts receivable are factored to third parties but the total amount is not considered material for the Group.

10.3 Inventories

Million CHF	2023	2022
Raw materials and additives	**475**	539
Semi-finished and finished products	**1,629**	1,597
Fuels	**185**	226
Parts and supplies	**519**	499
Total	**2,807**	**2,860**

In 2023, the Group recognized inventory write-downs to net realizable value of CHF 9 million (2022:CHF 15 million) relating mainly to Parts and Supplies.

10.4 Prepaid expenses and other current assets

Million CHF	2023	2022
Prepaid expenses and accruals	**210**	222
Other current assets	**163**	198
Other receivables – associates and joint ventures	**7**	7
Other receivables – third parties	**469**	570
Total	**849**	**997**

10.5 Trade accounts payable

Million CHF	2023	2022
Trade accounts payable – associates and joint ventures	**116**	116
Trade accounts payable – third parties	**3,949**	3,877
Advance payments from customers – third parties	**271**	276
Total	**4,336**	**4,269**

11. Property, Plant and Equipment, goodwill and Intangible Assets

11.1 Accounting principles

Property, Plant and Equipment

Property, Plant and Equipment is valued at acquisition or construction cost less depreciation and impairment losses.

Cost includes transfers from equity of any gains or losses on qualifying cash flow hedges. Depreciation is charged to amortize the cost of Property, Plant and Equipment over their estimated useful lives, using the straight-line method, on the following bases:

Land and mineral reserves	No depreciation except on land with raw material reserves (unit-of-production method)
Buildings and installations	20 to 40 years
Machinery and equipment	3 to 30 years

Useful lives of assets may be affected by climate-related matters because of transitional risks such as obsolescence and legal restrictions or physical risks as there is the potential for operations to be adversely impacted by extreme variability in weather patterns. The change in useful lives has a direct impact on the amount of depreciation or amortization recognized each year. Management's review of useful lives has taken into consideration the impact of the Group's 2030 targets. For the calculation of useful lives, the various input factors and the residual values are reviewed annually.

Costs are only included in the asset's carrying amount when it is probable that economic benefits associated with the item will flow to the Group in future periods and the cost of the item can be measured reliably. Costs include the initial estimate of the costs for dismantling and removing the item and for restoring the site on which it is located. All other repairs and maintenance expenses are charged to the statement of income during the period in which they are incurred.

Mineral reserves are valued at cost and are depreciated based on the unit-of-production method over their estimated commercial lives.

Costs incurred to gain access to mineral reserves (typically stripping costs) are capitalized and depreciated over the life of the quarry, which is based on the estimated tons of raw material to be extracted from the reserves.

Interest costs on borrowings to finance construction projects, which necessarily take a substantial period of time to get ready for their intended use, are capitalized during the period of time that is required to complete and prepare the asset for its intended use. All other borrowing costs are expensed in the period in which they are incurred.

Government grants received are recognized when it has reasonable assurance that it will comply with the relevant conditions and the grant will be received. Government grants are deducted from Property, Plant and Equipment and reduce the depreciation charge accordingly.

Goodwill and impairment testing

Goodwill arises in a business combination and is the excess of the consideration transferred to acquire a business over the underlying fair value of the net identified assets acquired. Such goodwill is tested annually for impairment or whenever there are impairment indicators, and is carried at cost less accumulated impairment losses.

Following a business combination, goodwill is allocated to a cash-generating unit or to a group of cash-generating units that are expected to benefit, among others, from the synergies of the business combination. The Group's cash-generating units (CGU) are defined on the basis of the relevant market normally country- or product-related. For the purpose of impairment testing, the Group's cash-generating units are aggregated into an operating segment, which is the level reviewed by the Group CEO (i.e. chief operating decision maker). Therefore, the change in segments in 2023 (Note 3.1) was replicated in the allocation to the segments used for impairment testing as well. At the date of change, Holcim performed an assessment and concluded that no impairment of goodwill would have arisen in 2023 if testing had continued to be performed on the previous basis. The discount rate is determined on country level and therefore disclosed as a range on the operating segment level. The aggregated carrying amount of goodwill that is being monitored at the operating segment level is detailed in note 11.3.

For the goodwill impairment test, the recoverable amount of a cash-generating unit is determined at the higher of its value in use and its fair value less costs of disposal. Management has used the value in use approach to calculate the recoverable amount of the cash-generating unit. The aggregated recoverable amount of the operating segment is then compared to its aggregated carrying amount. An impairment loss is recognized if the aggregated carrying amount of the operating segment exceeds its aggregated recoverable amount. The value in use is determined based on future discounted cash flows using the weighted average cost of capital (WACC). The discount rate reflects the current assessment of the time value of money and the risks specific to the CGU (essentially country risk).

The WACC used for the impairment test is a post-tax discount rate and is applied to post-tax cash flows. There is no material difference in the outcome of the impairment test using the discount rate applied when compared to using a pre-tax discount rate for pre-tax cash flows.

Cash flow projections are generally based on a four-year financial planning period using business plans approved by management. Cash flows beyond the planning period are extrapolated based on increasing sustainable cash flows. Business plans include among others, Management's current view on market growth, pricing and costs. In any event, the growth rate used to extrapolate cash flow projections beyond the planning period does not exceed the long-term average growth rate for the relevant market for the products and country in which the cash-generating unit operates. The long- term average growth rate is based on the long-term inflation rate and Gross Domestic Product for the relevant market concerned as published by the International Monetary Fund (IMF).

On disposal of a subsidiary or joint operation, the portion of the goodwill from the related operating segment is allocated to the subsidiary or joint operation disposed of and is included in the determination of profit or loss on disposal.

Impairment losses relating to goodwill cannot be reversed in future periods.

Goodwill arising from an acquisition of joint ventures and associated companies is included in the carrying amount of the net investment in an associate or a joint venture and is not separately recognized. Refer to note 6 for further details.

Sustainability and goodwill impairment testing

Sustainability is a key factor considered by the Group in any investment decision. To reach its 2030 targets, the Group continues to invest in process decarbonization, carbon efficient construction, circular economy, clean energy, biodiversity, air and water.

Accelerating its net zero ambition, Holcim announced in 2023 its ambition to reach 420 kilograms of CO_2 per ton of cementitious materials by 2030 and to invest CHF 2 billion in carbon capture, utilization and storage projects by 2030 to capture five million tons of CO_2 per year. In line with the financial reporting requirements, the business plans include the future investment projects which have been approved as of 31 December 2023.

Carbon pricing is applicable in several markets where the Group operates, notably in Europe. It is reflected in the production cost assumptions in the business plans.

The Group continues to monitor the emergence of new CO_2 regulatory pronouncements, which are factored into the business plans once enacted. Accordingly, the reform of the European Union Emissions Trading Scheme (EU ETS), adopted by the European Council and Parliament in April 2023, according to which free CO_2 emissions allowances granted to industry under EU ETS will be gradually phased out between 2026 and 2034 and similarly the newly introduced Carbon Border Adjustment Mechanism (CBAM) starting from 2026 are considered in the business plans.

Holcim already anticipated the developments of the existing and future European regulatory framework and a specific European roadmap has been developed and aligned with our Strategy 2025 and 2030 decarbonization target.

Sensitivity analysis and goodwill impairment testing (see note 11.3)

Discount rates

A sensitivity analysis was performed on the discount rates at the cash-generating units' level, which accordingly is at the relevant market level normally country- or product-related and then aggregated into an operating segment for goodwill impairment purposes.

Recurring EBITDA margin

Price and costs are also considered as key assumptions impacting the Recurring EBITDA margin. Therefore, the sensitivity on those key assumptions is tested through the Long-term Recurring EBITDA margin variability.

Long-term growth rate

No sensitivity analysis is run on long-term growth rate, as it is offset by the inflation rates included in the discount rates.

Intangible assets

Expenditure on acquired customer relationships, trademarks, mining rights, software, patented and unpatented technology and other Intangible assets are capitalized and amortized using the straight-line method over their estimated useful lives, but not exceeding 25 years, except for mining rights which are depleted on a volume basis. Customer lists were mainly acquired as part of the acquisition of Elevate in 2021, Malarkey in 2022 and Duro-Last in 2023.

Impairment of non-financial assets

At each reporting date, the Group assesses whether there is any indication that a non-financial asset may be impaired. If any such indication exists, the recoverable amount of the non-financial asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual non-financial asset, the Group calculates the recoverable amount of the smallest cash generating unit to which the non-financial asset belongs. The recoverable amount is the higher of an asset's or cash generating unit's fair value less costs of disposal and its value in use. If the calculated recoverable amount of a non-financial asset or cash generating unit is less than its carrying amount, the carrying amount of the non-financial asset or cash generating unit is reduced to its recoverable amount. Impairment losses are recognized immediately in the statement of income.

The Group assesses whether there is an indication that an impairment loss recognized in prior periods for an asset or cash generating unit other than goodwill may no longer exist or may have decreased. Where an impairment loss subsequently reverses, the carrying amount of the non-financial asset or cash generating unit is increased to the revised estimate of its recoverable amount. However, this increased amount cannot exceed the carrying amount that would have been determined if no impairment loss had been recognized for that non-financial asset or cash generating unit in prior periods. A reversal of an impairment loss is recognized immediately in the statement of income.

11.2 Property, Plant and Equipment

Million CHF	Land and mineral reserves	Buildings and installations	Machinery and equipment	Construction in progress	Total
2023					
At cost of acquisition	**7,291**	**8,826**	**24,447**	**1,134**	**41,698**
Accumulated depreciation/impairment	**(2,346)**	**(4,724)**	**(14,224)**	**(48)**	**(21,342)**
Net book value as at 1 January	**4,945**	**4,103**	**10,223**	**1,086**	**20,356**
Acquisitions[1]	**160**	**118**	**208**	**6**	**492**
Divestments	**(1)**	**(1)**	**(2)**	**0**	**(3)**
Additions	**9**	**7**	**20**	**1,492**	**1,529**
Lease additions	**42**	**94**	**328**	**0**	**464**
Disposals	**(25)**	**(7)**	**(24)**	**6**	**(51)**
Modifications and reassessments of leases	**2**	**(2)**	**(11)**	**0**	**(11)**
Reclassifications	**36**	**219**	**829**	**(1,124)**	**(39)**
Depreciation	**(172)**	**(336)**	**(1,276)**	**0**	**(1,784)**
Hyperinflation[2]	**39**	**34**	**92**	**8**	**174**
Impairment charge	**(40)**	**(31)**	**(26)**	**(5)**	**(103)**
Currency translation effects	**(356)**	**(338)**	**(884)**	**(106)**	**(1,684)**
Net book value as at 31 December	**4,641**	**3,861**	**9,477**	**1,363**	**19,341**
At cost of acquisition	**7,025**	**8,608**	**23,453**	**1,405**	**40,491**
Accumulated depreciation/impairment	**(2,384)**	**(4,746)**	**(13,976)**	**(42)**	**(21,149)**
Net book value as at 31 December	**4,641**	**3,861**	**9,477**	**1,363**	**19,341**
2022					
At cost of acquisition	7,739	10,322	28,260	1,453	47,774
Accumulated depreciation/impairment	(2,387)	(5,063)	(15,822)	(61)	(23,333)
Net book value as at 1 January	**5,352**	**5,259**	**12,438**	**1,392**	**24,441**
Acquisitions[1]	162	156	255	15	589
Divestments[1]	(361)	(821)	(1,691)	(410)	(3,284)
Additions	28	12	21	1,544	1,605
Lease additions	73	77	247	0	397
Disposals	(19)	(1)	(26)	(3)	(49)
Modifications and reassessments of leases	(5)	(3)	(11)	0	(20)
Reclassifications	120	164	1,073	(1,368)	(11)
Depreciation	(193)	(383)	(1,430)	0	(2,006)
Hyperinflation[2]	25	22	60	5	112
Impairment charge	(37)	(292)	(305)	(42)	(676)
Currency translation effects	(201)	(87)	(408)	(47)	(743)
Net book value as at 31 December	**4,945**	**4,103**	**10,223**	**1,086**	**20,356**
At cost of acquisition	7,291	8,826	24,447	1,134	41,698
Accumulated depreciation/impairment	(2,346)	(4,724)	(14,224)	(48)	(21,342)
Net book value as at 31 December	**4,945**	**4,103**	**10,223**	**1,086**	**20,356**

[1] See more information in note 2.3.
[2] See more information in note 2.2.

In 2022, following the agreement signed by the Group to sell its business in Russia (see note 13), an impairment of CHF 580 million was recorded in the line "production cost of goods sold" in the reportable segment Europe related to the assets to be divested, comprised largely of three integrated cement plants and one grinding station.

As of 31 December 2023 and 2022, there is no pledged carrying amount in Property, Plant and Equipment.

"Property, Plant and Equipment" includes owned Property, Plant and Equipment and right-of-use assets for lease contracts, as described below:

- Land: Land is leased for production sites and distribution facilities;
- Buildings and installations: Buildings and installations include buildings and installations for production purposes as well as office rent;
- Machinery, equipment and vehicles: Machinery and equipment are used in the manufacturing and distribution processes. Heavy mobile equipment, trucks and vehicles are leased for production and transportation purposes.

Right-of-use assets

Million CHF	Land	Buildings and installations	Machinery, equipment and vehicles	Total right-of-use assets
2023				
Net book value as of 1 January	**400**	**274**	**618**	**1,293**
Acquisitions	**20**	**19**	**22**	**61**
Lease additions	**43**	**94**	**327**	**464**
Depreciation	**(57)**	**(64)**	**(238)**	**(359)**
Modifications and reassessments of leases and others	**2**	**(2)**	**(11)**	**(11)**
Currency translation effects	**(23)**	**(19)**	**(47)**	**(89)**
Net book value as of 31 December	**385**	**302**	**672**	**1,359**
2022				
Net book value as of 1 January	**420**	**254**	**646**	**1,319**
Acquisitions	0	24	13	37
Divestments	(11)	(1)	(25)	(36)
Lease additions	73	77	247	397
Depreciation	(58)	(63)	(237)	(358)
Modifications and reassessments of leases and others	(5)	(7)	(11)	(22)
Currency translation effects	(20)	(10)	(15)	(45)
Net book value as of 31 December	**400**	**274**	**618**	**1,293**

11.3 Goodwill and Intangible assets

Million CHF	Goodwill	Intangible assets
2023		
At cost of acquisition	**15,289**	**3,154**
Accumulated amortization/impairment	**(1,615)**	**(1,385)**
Net book value as at 1 January	**13,675**	**1,769**
Acquisitions[1]	**845**	**662**
Reclassification	**0**	**11**
Additions	**0**	**42**
Amortization	**0**	**(191)**
Impairment charge	**0**	**(2)**
Hyperinflation[2]	**21**	**0**
Currency translation effects	**(951)**	**(165)**
Net book value as at 31 December	**13,589**	**2,127**
At cost of acquisition	**14,992**	**3,577**
Accumulated amortization/impairment	**(1,403)**	**(1,451)**
Net book value as at 31 December	**13,589**	**2,127**
2022		
At cost of acquisition	15,985	3,040
Accumulated amortization/impairment	(2,030)	(1,594)
Net book value as at 1 January	**13,954**	**1,446**
Acquisitions[1]	1,571	557
Divestments[1]	(1,481)	(69)
Reclassification	0	(15)
Additions	0	33
Amortization	0	(153)
Impairment charge	0	(9)
Hyperinflation[2]	13	0
Currency translation effects	(383)	(21)
Net book value as at 31 December	**13,675**	**1,769**
At cost of acquisition	15,289	3,154
Accumulated amortization/impairment	(1,615)	(1,385)
Net book value as at 31 December	**13,675**	**1,769**

[1] See more information in note 2.3.
[2] See more information in note 2.2.

Emission rights

The initial allocation of emission rights granted is recognized at nominal amount (nil value). Where a Group company has emissions in excess of the emission rights granted, it will recognize a provision for the shortfall based on the market price at that date. The emission rights are held for compliance purposes only and therefore the Group does not intend to speculate with these in the open market.

Impairment testing of goodwill

Key assumptions used for value-in-use calculations in respect of goodwill 2023

Operating segments (Million CHF)[1]	Carrying amount of goodwill	Currency	Post-tax discount rates[2]	Long-term growth rates[2]	Rec. EBITDA margins Terminal value
North America	**4,197**	**USD/CAD**	**6.7%**	**2.1%**	**32.6%**
Latin America	**1,005**	**Various**	**8.2%-56.4%**	**1.5%-52.9%**	**36.2%**
Europe	**3,643**	**Various**	**5.9%-13.9%**	**1.0%-5.0%**	**22.6%**
Asia, Middle East and Africa[3]	**995**	**Various**	**6.6%-45.2%**	**1.5%-39.4%**	**30.0%**
Solutions & Products[4]	**3,729**	**Various**	**6.2%-8.3%**	**1.6%-2.5%**	**23.1%**
Others	**21**	**USD**	**5.9%**	**1.0%**	**n.a**
Total	**13,589**				

[1] With the development and growth of the segment Solutions & Products, Holcim's segment reporting was changed in 2023 and adapted to the Strategy 2025 "Accelerating Green Growth". The four regional operating segments of North America, Latin America, Europe and Asia, Middle East & Africa only include the products cement, aggregates and ready-mix concrete. The separate segment of Solutions & Products is reported globally.

[2] The discount rates, long-term growth rates and Recurring EBITDA margin are determined on the relevant market level normally country- or product-related, and therefore disclosed as a range at the operating segment level.

[3] Including a post-tax discount rate of 9.5 percent for China.

[4] Including goodwill of CHF 630 million resulting from the acquisition of Duro-Last in 2023.

Key assumptions used for value-in-use calculations in respect of goodwill 2022

To allow comparability with the current year, the change in segments in 2023 was replicated in the allocation to the segments previously reported:

Operating segments (Million CHF)	Carrying amount of goodwill	Currency	Post-tax discount rates[1]	Long-term growth rates[1]	Rec. EBITDA margins Terminal value
North America	4,514	USD/CAD	7.2%	2.0%	28.7%
Latin America	888	Various	8.6%-45.0%	1.0%-40.1%	36.0%
Europe	3,681	Various	6.5%-15.2%	1.0%-5.0%	20.9%
Asia, Middle East and Africa	1,149	Various	7.1%-32.7%	1.5%-20.0%	23.8%
Solutions & Products[2]	3,419	Various	6.6%-8.9%	1.6%-2.5%	25.5%
Others	23	USD	6.5%	1.0%	n.a.
Total	**13,675**				

[1] The discount rates, long–term growth rates and Recurring EBITDA margin are determined on the relevant market level normally country- or product-related, and therefore disclosed as a range at the operating segment level.

[2] Including goodwill of CHF 960 million resulting from the acquisition of Malarkey in 2022.

In 2023 and in 2022, no goodwill impairment charge was recognized.

Sensitivity analysis

With regard to the assessment of value in-use of the different operating segments, management concluded that a reasonably possible change in the post-tax discount rate or in the long-term Recurring EBITDA margin, would not cause their carrying amounts to exceed their recoverable amounts.

12. Financial investments and other financial assets

12.1 Accounting principles

Financial investments and other financial assets consist of:

a) "Financial investments – third parties" are strategic equity investments which are classified at fair value through other comprehensive earnings.

b) "Long-term receivables – associates and joint ventures" are classified as receivables at amortized cost as the Group intends to hold the assets to maturity to collect contractual cash flows.

c) "Long-term receivables – third parties" are classified as receivables at amortized cost as the Group intends to hold the assets to maturity to collect contractual cash flows.

d) "Other long-term assets" are classified as receivables at amortized cost and comprise notably of various deposits in connection with on-going legal and tax cases.

Financial assets at amortized cost are measured using the effective interest method.

All purchases and sales of long-term financial assets are recognized on trade date, which is the date that the Group commits to purchase or sell the asset. The purchase cost includes transaction costs, except for derivative instruments.

Strategic equity investments are investments where the Group generally owns less than 20 percent of the shares and where it does not exercise control, joint control or significant influence and which it intends to hold for long-term strategic purposes. Gains and losses arising from changes in the fair value of strategic equity investments at fair value through other comprehensive earnings are included in other reserves until the asset is disposed of, at which time the cumulative gain or loss previously recognized in other reserves is transferred to retained earnings.

Financial assets measurement

At initial recognition, in the case of a financial asset not at fair value through profit or loss, the Group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of income.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

a) Debt instruments
Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group classifies its debt instruments:

- Loans and receivables at amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in the statement of income when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- Financial assets at fair value through profit or loss: Assets that do not meet the criteria for amortized cost and are held for trading are measured at fair value through profit or loss. Gains and losses on debt investments that are subsequently measured at fair value through profit or loss and are not part of a hedging relationship are recognized in the statement of income and presented net in the statement of income in the period in which they arise. Interest income from these financial assets is included in financial income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

b) Equity instruments at fair value
The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on strategic equity investments at fair value through other comprehensive earnings, there is no subsequent reclassification of fair value gains and losses to the statement of income. Dividends from such investments continue to be recognized in the statement of income when the Group's right to receive payments is established.

12.2 Long-term financial investments and other long-term assets

Million CHF	2023	2022
Financial investments – third parties	**155**	137
Financial investments – unconsolidated group companies	**98**	0
Long-term receivables – associates and joint ventures	**78**	88
Long-term receivables – third parties	**78**	79
Deferred charges	**33**	49
Other long-term assets	**101**	105
Total	**542**	**459**

Long-term receivables and other long-term assets are primarily denominated in AUD, NGN and EUR. The repayment dates vary between one and 26 years (2022: one and 27 years).

In 2023, Financial investments – unconsolidated Group companies related to the acquisition in December 2023 of three subsidiaries in Europe (W.A.T.T. Recycling in Greece, majority stake in Artepref in Spain and Eco-Readymix in the United Kingdom) that is subject to the provisional purchase price allocation exercise to be completed in 2024 (see note 2.3).

12.3 Current financial receivables

Million CHF	2023	2022
Marketable securities	**5**	6
Current financial receivables – associates and joint ventures	**13**	14
Current financial receivables – third parties	**109**	108
Total	**128**	**128**
Of which pledged/restricted	**25**	29

13. Assets and related liabilities classified as held for sale

13.1 Accounting principles

Non-current assets (or disposal groups) are classified as held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use.

13.2 Assets and related liabilities classified as held for sale

Assets and related liabilities classified as held for sale as of 31 December 2023 (and 31 December 2022) includes the assets and liabilities of Russia and a cement plant in China.

Million CHF	**2023**	2022
Inventories	**33**	46
Other current assets	**87**	50
Property, plant and equipment	**94**	62
Intangible assets	**26**	25
Assets classified as held for sale	**239**	**183**
Current liabilities	**71**	68
Long-term liabilities	**32**	27
Liabilities directly associated with assets classified as held for sale	**104**	**96**
Net assets classified as held for sale	**136**	**87**

Russia

On 29 March 2022, the Holcim Board of Directors decided to initiate the process to exit the Russian market in line with the company's values to operate in the most responsible manner.

On 13 December 2022, the Group signed an agreement, which was amended on 18 May 2023 and 2 October 2023, to sell its business in Russia and consequently, classified the assets and the related liabilities as held for sale. The transaction was closed in February 2024.

The assets divested comprised largely of three integrated cement plants and one grinding station in the reportable segment Europe. An impairment of CHF 623 million of which CHF 580 million in Property, Plant and Equipment, CHF 9 million in Intangible assets and CHF 34 million in current assets has been charged in 2022.

Effective from 1 March 2022, Russia is excluded from Holcim key performance indicators (notably net sales, Recurring EBIT and Free Cash Flow after leases). The operating profit generated by the Russian operations since 1 March 2022 is therefore included in the line "Profit on disposals and other non-operating income" (see note 5).

14. Net financial debt

14.1 Accounting principles

Cash and cash equivalents

Cash and cash equivalents are financial assets. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with maturities of three months or less from the date of acquisition and are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents is presented net of bank overdrafts.

Derivative instruments and hedging

The Group mainly uses derivative financial instruments in order to reduce its exposure to changes in interest rates, foreign currency exchange rates and commodity prices. The Group enters into foreign exchange contracts and interest rate swaps to hedge certain exposures relating to debt, foreign exchange contracts to hedge firm commitments for the acquisition of certain Property, Plant and Equipment and into swaps and options in order to manage its exposure to commodity risks.

Derivatives are regarded as hedging instruments under Hedge accounting relationships unless they are not designated as hedges in which case they will be classified as Held for Trading. Financial derivatives expected to be settled within twelve months after the end of the reporting period are classified as Current Liabilities or Current Assets. For cash flow hedges, gains and losses are recorded in the cash flow hedging reserve, a separate component of Equity, and recycled to the statement of income or as a basis adjustment to Inventory or Property, Plant and Equipment as the hedged transaction occurs.

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognizing the resulting gain or loss is dependent on the nature of the item being hedged. On the date a derivative contract is entered into, the Group designates certain derivatives as either (a) a hedge of the fair value of a recognized asset or liability (fair value hedge) or (b) a hedge of a particular risk associated with a recognized asset or liability, such as future interest payments on floating rate debt (cash flow hedge) or (c) a hedge of a foreign currency risk of a firm commitment or highly probable forecast transaction (cash flow hedge) or (d) a hedge of a net investment in a foreign entity (accounted for similarly to a cash flow hedge).

Changes in the fair value of derivatives that are designated and qualify as fair value hedges and that are highly effective are recorded in the statement of income, along with any changes in the fair value of the hedged asset or liability that is attributable to the hedged risk.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in the cash flow hedging reserve within Equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognized immediately in the statement of income.

Where the firm commitment results in the recognition of an asset, for example, Property, Plant and Aquipment, or a liability, the gains or losses previously deferred in the cash flow hedging reserve are transferred from Equity and included in the initial measurement of the non-financial asset or liability. Otherwise, amounts deferred in Equity are transferred to the statement of income and classified as income or expense in the same periods during which the cash flows, such as hedged firm commitments or interest payments, affect the statement of income.

The Group documents at the inception of hedging transactions the economic relationship between hedging instruments and hedged items, including whether the hedging instrument is expected to offset changes in cash flows of hedged items, and its risk management objective and strategy.

Long-term financial liabilities

Bank loans acquired and bonds issued are recognized initially at fair value (i.e. the proceeds received), net of transaction costs incurred. Subsequently, bank loans and bonds are stated at amortized cost, using the effective interest method, with any difference between proceeds (net of transaction costs) and the redemption value being recognized in the statement of income over the term of the borrowings.

Financial liabilities that are due within twelve months after the end of the reporting period are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability until more than twelve months after the reporting period. The repayment of the current portion of such liabilities is shown in the statement of cash flows in the line “Repayment of long-term financial liabilities”.

14.2 Net financial debt

Million CHF	31.12.2022	Cash flows	Non cash flows	31.12.2023
Current financial liabilities[1]	1,655	(36)	(203)	**1,416**
Long-term financial liabilities	14,475	(1,802)	(8)	**12,665**
Gross financial debt	**16,130**	**(1,837)**	**(211)**	**14,081**
Derivative assets	(275)	0	171	**(103)**
Cash and cash equivalents	(9,824)	3,242	500	**(6,082)**
Net Financial Debt	**6,032**	**1,404**	**460**	**7,896**

[1] Including bank overdraft cash flow movement for CHF -20 million.

Million CHF	2023	2022
Net Financial Debt as at the beginning of the period	**6,032**	**9,977**
Cash flow from operating activities	**(5,470)**	(4,562)
Cash flow from investing activities	**3,469**	(2,081)
Payout on ordinary shares	**1,414**	1,330
Dividends paid to non-controlling interests	**91**	234
Coupon paid on subordinated fixed rate resettable notes	**27**	22
Net movement of treasury shares[1]	**1,609**	895
Increase in participation in existing Group companies	**64**	0
Repayment from subordinated fixed rate resettable notes[3]	**200**	0
Total cash effective movements as per statement of cash flows	**1,404**	**(4,162)**
Change in scope[2]	**142**	(124)
Currency translation effects	**(293)**	(183)
Increase in long-term lease liabilities	**477**	400
Others	**134**	123
Total non cash effective movements	**460**	**216**
Net Financial Debt as at the end of the period	**7,896**	**6,032**

[1] Net movement of treasury shares includes cash out of CHF 1,609 million in 2023 and CHF 391 million in 2022 related to the share buyback program (see note 17.2).
[2] Change in scope predominantly relates to acquisitions (see note 2.3).
[3] For more information, see note 17.1.

14.3 Cash and cash equivalents

Million CHF	2023	2022
Cash at banks and on hand	**2,808**	3,181
Short-term deposits[1]	**3,274**	6,643
Total	**6,082**	**9,824**
Bank overdrafts	**(31)**	(66)
Cash and cash equivalents for the purpose of the consolidated statement of cash flows	**6,052**	**9,757**

[1] Of which CHF 373 million (2022: CHF 827 million) are investments in money market funds.

14.4 Financial liabilities

Million CHF	2023	2022
Current financial liabilities – associates and joint ventures	**32**	11
Current financial liabilities – third parties	**125**	190
Current portion of long-term financial liabilities	**1,177**	1,421
Derivative liabilities (note 14.5)	**82**	33
Total current financial liabilities	**1,416**	**1,655**
Long-term financial liabilities – associates and joint ventures	**1**	0
Long-term financial liabilities – third parties	**11,784**	13,288
Derivative liabilities (note 14.5)	**880**	1,187
Total long-term financial liabilities	**12,665**	**14,475**
Total	**14,081**	**16,130**
Of which secured	**0**	79

Details of total financial liabilities

Million CHF	2023	2022
Loans from financial institutions	**277**	586
Bonds and private placements	**11,424**	12,972
Total loans and bonds	**11,701**	**13,558**
Lease liabilities (note 14.7)	**1,419**	1,351
Derivative liabilities (note 14.5)	**962**	1,220
Total	**14,081**	**16,130**

“Loans from financial institutions” include amounts due to banks and other financial institutions. Repayment dates vary between one and eleven years (2022: one and twelve years). As per the loan agreements, the Group is required to comply with certain provisions or covenants. As of 31 December 2023, the Group complied with its debt covenants in all respects.

As of 31 December 2023, the unused committed credit lines totalled CHF 5,148 million (2022: CHF 5,404 million).

Financial liabilities by currency

	2023			2022		
Currency	Million CHF	In %	Interest rate[1]	Million CHF	In %	Interest rate[1]
EUR	**6,902**	**49.0**	**+2.4%**	8,416	52.2	+1.8%
USD	**4,084**	**29.0**	**+5.4%**	4,633	28.7	+5.2%
CHF	**1,883**	**13.4**	**+1.2%**	1,853	11.5	+0.9%
GBP	**677**	**4.8**	**+2.5%**	673	4.2	+2.5%
CAD	**230**	**1.6**	**+4.4%**	220	1.4	+3.7%
AUD	**63**	**0.4**	**+5.3%**	68	0.4	+4.4%
NGN	**23**	**0.2**	**+16.1%**	48	0.3	+15.9%
Others	**219**	**1.6**	**+5.1%**	219	1.4	+5.1%
Total	**14,081**	**100.0**	**+3.2%**	**16,130**	**100.0**	**+2.8%**

[1] Weighted average nominal interest rate on financial liabilities at 31 December.

Information on the maturity of financial instruments is disclosed in note 14.6.

Bonds and private placements as at 31 December

Nominal value		Nominal interest rate	Term	Description[1]	Net book value in CHF[2]	Net book value in CHF[2]
Million					**2023**	2022
Holcim Ltd						
CHF	150	1.00%	2015–2025	Bonds	**150**	150
CHF	440	1.00%	2018-2024	Bonds	**440**	440
Lafarge S.A.						
USD	483	7.13%	2006–2036	Bonds	**454**	502
Holcim Finance (Luxembourg) S.A.						
EUR	320	3.00%	2014–2024	Bonds guaranteed by Holcim Ltd	**297**	314
EUR	33	2.00%	2016–2026	Schuldschein loan guaranteed by Holcim Ltd	**30**	32
EUR	152	1.46%	2016–2023	Schuldschein loan guaranteed by Holcim Ltd	**0**	149
EUR	869	1.38%	2016–2023	Bonds guaranteed by Holcim Ltd	**0**	854
EUR	1,150	2.25%	2016–2028	Bonds guaranteed by Holcim Ltd, swapped into floating interest rates in 2019	**957**	950
EUR	750	1.75%	2017-2029	Bonds guaranteed by Holcim Ltd	**692**	731
EUR	500	0.50%	2019-2026	Bonds guaranteed by Holcim Ltd (bond exchange)	**442**	460
EUR	500	2.38%	2020-2025	Bonds guaranteed by Holcim Ltd	**464**	491
EUR	850	0.50%	2020-2031	Bonds guaranteed by Holcim Ltd (sustainability-linked), swapped into USD and floating interest rate	**639**	620
EUR	500	0.13%	2021-2027	Bonds guaranteed by Holcim Ltd, swapped into USD and floating interest rate	**417**	415
EUR	650	0.63%	2021-2033	Bonds guaranteed by Holcim Ltd, swapped into USD	**471**	454
EUR	500	0.63%	2021-2030	Bonds guaranteed by Holcim Ltd	**460**	486
EUR	1,000	0.50%	2021-2030	Bonds guaranteed by Holcim Ltd, partially swapped into floating interest rate	**853**	869
EUR	300	1.38%	2021-2036	Private placement guaranteed by Holcim Ltd	**276**	291
EUR	500	1.50%	2022-2025	Bonds guaranteed by Holcim Ltd	**464**	491
EUR	150	1.63%	2022-2026	Private placement guaranteed by Holcim Ltd (sustainability-linked)	**139**	147
Holcim US Finance (Luxembourg) S.A.						
USD	50	4.20%	2013–2033	Bonds guaranteed by Holcim Ltd	**42**	46
USD	100	2.24%	2021-2031	Private placement guaranteed by Holcim Ltd (sustainability-linked)	**84**	92
USD	50	7.65%	2001-2031	Private placement guaranteed by Holcim Ltd	**42**	46
USD	250	6.88%	2009–2039	Bonds guaranteed by Holcim Ltd	**205**	224
USD	250	6.50%	2013–2043	Bonds guaranteed by Holcim Ltd	**205**	225
Holcim Sterling Finance (Netherlands) B.V.						
GBP	300	3.00%	2017–2032	Bonds guaranteed by Holcim Ltd	**318**	329
GBP	250	2.25%	2021-2034	Bonds guaranteed by Holcim Ltd, partially swapped into CHF and floating interest rate	**231**	232
Holcim (US) Inc.						
USD	33	4.35%	1999–2032	Industrial revenue bonds – Mobile Dock & Wharf, with floating interest rate (early repaid)	**0**	31
USD	25	4.15%	2003–2033	Industrial revenue bonds – Holly Hill, with floating interest rate (early repaid)	**0**	23
USD	27	3.92%	2009–2034	Industrial revenue bonds – Midlothian, with floating interest rate (early repaid)	**0**	25
Subtotal					**8,774**	**10,120**

1 With fixed rates unless indicated.
2 Includes adjustments for fair value hedge accounting, where applicable.
Sustainability-linked instrument.

Nominal value		Nominal interest rate	Term	Description[1]	Net book value in CHF[2]	Net book value in CHF[2]
Million					**2023**	2022
Subtotal					**8,774**	**10,120**
Holcim International Finance Ltd						
USD	15	3.20%	2016–2023	Schuldschein loan guaranteed by Holcim Ltd	**0**	14
USD	38	4.38%	2018-2024	Schuldschein loan guaranteed by Holcim Ltd	**32**	35
USD	28	5.61%	2018-2023	Schuldschein loan guaranteed by Holcim Ltd, with floating interest rates	**0**	26
USD	60	4.59%	2018-2025	Schuldschein loan guaranteed by Holcim Ltd	**50**	55
USD	60	5.81%	2018-2023	Schuldschein loan guaranteed by Holcim Ltd, with floating interest rates	**0**	55
USD	65	6.32%	2022-2025	Schuldschein loan guaranteed by Holcim Ltd, with floating interest rate (sustainability-linked)	**55**	60
USD	58	6.47%	2022-2027	Schuldschein loan guaranteed by Holcim Ltd, with floating interest rate (sustainability-linked)	**48**	53
USD	25	6.72%	2022-2029	Schuldschein loan guaranteed by Holcim Ltd, with floating interest rate (sustainability-linked)	**21**	23
Holcim Finance US LLC						
USD	400	3.50%	2016–2026	Bonds guaranteed by Holcim Ltd	**336**	368
USD	590	4.75%	2016–2046	Bonds guaranteed by Holcim Ltd	**485**	531
Holcim Continental Finance Ltd						
EUR	109	1.32%	2018-2024	Schuldschein loan guaranteed by Holcim Ltd	**101**	107
EUR	5	1.68%	2018-2025	Schuldschein loan guaranteed by Holcim Ltd	**5**	5
EUR	2	2.22%	2018-2028	Schuldschein loan guaranteed by Holcim Ltd	**1**	1
EUR	55	4.67%	2022-2025	Schuldschein loan guaranteed by Holcim Ltd, with floating interest rates (sustainability-linked)	**51**	54
EUR	42	2.11%	2022-2027	Schuldschein loan guaranteed by Holcim Ltd (sustainability-linked)	**38**	41
EUR	250	4.82%	2022-2027	Schuldschein loan guaranteed by Holcim Ltd, with floating interest rates (sustainability-linked)	**232**	245
EUR	59	2.53%	2022-2029	Schuldschein loan guaranteed by Holcim Ltd (sustainability-linked)	**54**	57
EUR	86	5.07%	2022-2029	Schuldschein loan guaranteed by Holcim Ltd, with floating interest rates (sustainability-linked)	**79**	84
EUR	24	2.99%	2022-2032	Schuldschein loan guaranteed by Holcim Ltd (sustainability-linked)	**22**	24
Holcim Helvetia Finance Ltd						
CHF	300	0.25%	2021-2027	Bonds guaranteed by Holcim Ltd	**300**	301
CHF	145	0.13%	2021-2027	Bonds guaranteed by Holcim Ltd	**145**	145
CHF	185	0.50%	2021-2031	Bonds guaranteed by Holcim Ltd, swapped into floating interest rates	**171**	157
CHF	325	0.38%	2022-2026	Bonds guaranteed by Holcim Ltd, swapped into floating interest rates (sustainability-linked)	**321**	312
CHF	100	1.00%	2022-2032	Bonds guaranteed by Holcim Ltd (sustainability-linked)	**101**	101
Total					**11,424**	**12,972**

1 With fixed rates unless indicated.
2 Includes adjustments for fair value hedge accounting, where applicable.
Sustainability-linked instrument.

Sustainability-linked financing

Recognizing the role of sustainable finance in supporting the transition to a low-carbon and more resource efficient economy, Holcim has updated its sustainability-linked financing framework into a sustainable finance framework. This new framework will enable the issuance of green finance instruments alongside sustainability-linked instruments to help work towards more ambitious climate goals. The framework is aligned with best practices as confirmed by ISS ESG who issued the second-party opinion:

- The European Taxonomy;
- The green bond principles and the sustainability-linked bond principles published by the International Capital Markets Association (ICMA);
- The United Nations Sustainable Development Goals (“SDGs”).

The framework will further support transparency and accountability with regards to the Group environmental impacts and sustainability strategy vis-à-vis investors, banks and other stakeholders in the market and society. By combining green and sustainability-linked features into a single document, Holcim will holistically demonstrate its ambition on environmental performance through quantifiable metrics, while also highlighting the key projects that support the continuous improvement of those metrics.

Holcim intends to pursue its journey with sustainable finance instruments in the capital, money and loan markets, putting core sustainability projects linked to climate, renewable energy, circular economy, clean transport and biodiversity at the heart of its financing strategy. To make a bigger impact, the company is committed to reaching more than 40 percent of sustainable financing by the end of 2025.

At the end of 2023, the sustainable financing ratio stands at 40 percent.

14.5 Derivative financial instruments

Derivative liabilities are included in financial liabilities (note 14.4) and derivative assets are separately disclosed in the consolidated statement of financial position. The Group has assessed the effects of existing netting arrangements in place for financial instruments and these were considered to be immaterial.

Derivative assets and liabilities

Million CHF	Fair value assets 2023	Fair value liabilities 2023	Nominal amount 2023	Fair value assets 2022	Fair value liabilities 2022	Nominal amount 2022
Fair value hedges						
Interest rate	**0**	**578**	**4,053**	0	834	4,256
Total fair value hedges	**0**	**578**	**4,053**	**0**	**834**	**4,256**
Cash flow hedges						
Interest rate	**82**	**0**	**664**	77	0	728
Currency	**1**	**5**	**231**	2	4	243
Cross-currency	**0**	**225**	**2,201**	0	325	2,395
Commodity	**19**	**124**	**816**	176	52	966
Total cash flow hedges	**102**	**354**	**3,913**	**256**	**381**	**4,331**
Held for trading						
Currency	**1**	**30**	**1,919**	19	5	2,749
Total held for trading	**1**	**30**	**1,919**	**19**	**5**	**2,749**
Total	**103**	**962**	**9,884**	**275**	**1,220**	**11,337**

14.6 Financial risks associated with operating activities

Group Risk Management

Group Risk Management supports the Board of Directors, the Executive Committee and the management teams of the countries in analyzing the overall risk exposure. Group Risk Management aims to systematically identify, monitor and manage major risks the Group encounters. All types of risks from industry, operations, finance and legal, up to the external business environment are considered including compliance, sustainability and reputational aspects. Risks are understood as the effect of uncertainty on business objectives which can be an opportunity or a threat. The risk horizon includes long-term strategic risks but also short- to medium-term business risks. Potential risks are identified and evaluated at an early stage and monitored. Mitigating actions are proposed and implemented at the appropriate level so that risk management remains a key responsibility of the management.

The Group's risk map is established by strategic, operational and topical risk assessments which are combined into a Group risk report. Besides the Countries, the Board of Directors, the Executive Committee and Corporate Function Heads are involved in the risk assessment during the Group's management cycle. The results of the annual Group risk process are presented to the Executive Committee and the conclusions reported to the Board of Directors and the Audit Committee.

Country risk

Holcim operates in many countries across the world and is exposed, directly or indirectly, to the effects of economic, political and social instability such as trade protectionism, foreign exchange volatility, geopolitical tensions, terrorism, civil war and unrest. Holcim's broad geographic footprint exposes the Group to the adverse consequences of shifts in the geopolitical dynamics, which can spark social unrest, government interventionism leading to a reduced access to utilities and raw materials, changes in the sanctions environment and supply chain disruptions.

Financial risk management

The Group's activities expose it to a variety of financial risks, including liquidity, interest rate, foreign exchange, commodity and credit risk. The Group's overall risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments such as foreign exchange contracts, commodity and interest rate swaps to hedge certain exposures. The Group does not enter into derivative or other financial transactions which are unrelated to its business needs or for speculative purposes.

Financial risk management within the Group is governed by policies approved by key management personnel. It provides principles for overall risk management as well as policies covering specific areas such as interest rate risk, foreign exchange risk, credit risk, use of derivative financial instruments and investing of cash.

Liquidity risk

Group companies need liquidity to meet their obligations. Individual companies are responsible for raising internal and external credit lines to cover the liquidity needs, subject to guidance by the Group.

The Group monitors its liquidity risk by using a recurring liquidity planning tool and maintains cash, readily realizable marketable securities and unused committed credit lines to meet its liquidity requirements. In addition, the strong creditworthiness of the Group allows it to access international financial markets for financing purposes.

Cash is primarily invested with highly rated banks or money market funds and is readily accessible in the respective entities.

Contractual maturity analysis

	Contractual undiscounted cash flows							
Million CHF	Within 1 year	Within 2 years	Within 3 years	Within 4 years	Within 5 years	Thereafter	Total	Carrying amount
2023								
Trade accounts payable and others[1]	**4,314**	**0**	**0**	**0**	**0**	**0**	**4,314**	**4,314**
Loans from financial institutions	**176**	**53**	**36**	**5**	**3**	**5**	**277**	**277**
Bonds, private placements and commercial paper notes	**870**	**1,241**	**1,296**	**1,229**	**1,070**	**6,307**	**12,013**	**11,424**
Interest payments	**248**	**229**	**204**	**178**	**168**	**1,222**	**2,248**	**122**
Lease liability payments	**326**	**281**	**226**	**188**	**126**	**436**	**1,583**	**1,419**
Derivative financial instruments net[2]	**233**	**201**	**180**	**213**	**106**	**443**	**1,376**	**859**
Total	**6,167**	**2,005**	**1,942**	**1,813**	**1,473**	**8,413**	**21,812**	
2022								
Trade accounts payable and others[1]	4,248	0	0	0	0	0	4,248	4,248
Loans from financial institutions	248	303	13	18	1	4	587	586
Bonds, private placements and commercial paper notes	1,099	896	1,308	1,365	1,277	7,913	13,858	12,972
Interest payments	287	267	238	211	187	1,522	2,712	142
Lease liability payments	306	269	211	159	118	429	1,492	1,351
Derivative financial instruments net[2]	47	82	106	124	187	500	1,046	945
Total	**6,235**	**1,817**	**1,876**	**1,877**	**1,770**	**10,368**	**23,943**	

[1] Trade accounts payable and others include trade accounts payable and payables related to purchase of property, plant and equipment included in other current liabilities.
[2] The contractual cash flows include both cash in- and outflows.

The maturity profile is based on contractual undiscounted amounts, including both interest and principal cash flows, and is based on the earliest date on which Holcim could be required to pay. Contractual interest cash flows relating to a variable interest rate are calculated based on the rates prevailing as of year-end.

The table below shows outflows (inflows) for net and gross settled derivatives entered into for the purpose of managing financial risks. Additional information is disclosed in note 14.5.

Cash outflows / (inflows) for derivatives financial instruments

	Within 1 year	Within 2 years	Within 3 years	Within 4 years	Within 5 years	Thereafter	Total	Carrying amount
2023								
Net settled derivatives	**161**	**157**	**136**	**131**	**74**	**215**	**874**	**601**
Gross settled derivatives	**72**	**43**	**44**	**82**	**32**	**228**	**501**	**258**
- of which inflows	**(2,221)**	**(99)**	**(99)**	**(564)**	**(77)**	**(1,831)**	**(4,891)**	
- of which outflows	**2,293**	**142**	**142**	**646**	**109**	**2,058**	**5,391**	
Total	**233**	**201**	**180**	**213**	**106**	**443**	**1,376**	**859**
2022								
Net settled derivatives	(18)	6	30	48	50	48	164	632
Gross settled derivatives	65	76	76	76	137	452	883	313
- of which inflows	(3,048)	(44)	(44)	(44)	(536)	(1,811)	(5,527)	
- of which outflows	3,113	120	120	120	673	2,262	6,409	
Total	**47**	**82**	**106**	**124**	**187**	**500**	**1,046**	**945**

Interest rate risk

Interest rate risk arises from movements in interest rates which could affect the Group's financial result and market values of its financial instruments. The Group is primarily exposed to fluctuations in interest rates on its financial liabilities at floating rates which may cause variations in the Group's financial result. The exposure is mainly addressed through the management of the fixed/floating ratio of financial liabilities. To manage this mix, the Group may enter into interest rate swap agreements, in which it exchanges periodic payments based on notional amounts and agreed-upon fixed and floating interest rates. The Group is also exposed to the evolution of interest rates and credit markets for its future refinancing, which may result in a lower or higher cost of financing. The Group constantly monitors credit markets and the aim of its financing strategy is to achieve a well-balanced maturity profile to reduce both the risk of refinancing and large fluctuations of its financing cost.

The Group's risk management policy for interest rate risk is to maintain interest rate risk at an acceptable level, while minimizing interest expense over the long term in accordance with the Group's funding strategy. As a consequence thereof, under the Group's risk management policy, the Group may enter into derivative contracts which are designated as either cash flow hedges or fair value hedges, as appropriate and also include the hedging of forecasted transactions.

Interest rate sensitivity

The Group's sensitivity analysis has been determined based on the interest rate exposure relating to the Group's financial liabilities at a variable rate on a post hedge basis corresponding to CHF 4,118 million as of 31 December 2023.

A one percentage point change is used when the interest rate risk is reported internally to key management personnel and represents management's assessment of a reasonably possible change in interest rates.

On 31 December 2023, a one percentage point shift in interest rates, with all other assumptions held constant, would result in approximately CHF 39 million (2022: CHF 44 million) of annual additional/ lower financial expenses before tax on a post hedge basis.

Foreign exchange risk

The Group's global footprint exposes it to foreign exchange risks.

The translation of foreign operations into the Group reporting currency leads to currency translation effects. The Group may hedge certain net investments in foreign entities with foreign currency borrowings or other instruments. To the extent that the net investment hedge is effective, all foreign exchange gains or losses are recognized in equity and included in currency translation adjustments.

Due to the local nature of the construction materials business, foreign exchange risk is limited. However, for many Group companies, income will be primarily in local currency, whereas debt servicing and a significant amount of capital expenditures may be in foreign currencies. As a consequence thereof, under the Group’s risk management policy, the Group may enter into derivative contracts which are designated as either cash flow hedges or fair value hedges and may also include the hedging of forecasted transactions.

Foreign exchange sensitivity

The Group’s sensitivity analysis has been performed based on the Group’s net transaction exposure that arises on monetary financial assets and liabilities at 31 December that are denominated in a foreign currency. The Group’s net foreign currency transaction risk mainly arises from CHF, USD and EUR against the respective currencies the Group operates in.

A five percent change is used when the net foreign currency transaction risk is reported internally to key management personnel and represents management’s assessment of a reasonably possible change in foreign exchange rates.

A five percent change in CHF, USD and EUR against the respective currencies the Group operates in would have an immaterial impact on foreign exchange (loss) gains on a post hedge basis in both the current and prior year.

Impacts on equity due to derivative instruments are considered as immaterial based on the shareholders’ equity of the Group.

Commodity risk

The Group is subject to commodity risk with respect to price changes mainly in the electricity, natural gas, petcoke, coal, oil, refined products and sea freight markets. Under the Group’s risk management policy, the Group uses derivative instruments to hedge part of its exposure to these risks. Derivative instruments are generally limited to swaps and standard options.

Effects of hedge accounting

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

Ineffectiveness is recognized on hedges where the cumulative change in the designated component value of the hedging instrument exceeds on an absolute basis the change in value of the hedged item attributable to the hedged risk. Ineffectiveness may arise if there is a difference in the principal terms of the hedging instrument and designated hedged risk, from credit valuation of the hedging instrument or timing of the transaction changes from what was originally estimated.

The effects of applying hedge accounting on the Group's financial position and performance are as follows for cash flow, fair value and net investment hedge accounting relationships:

a) Cash flow hedge accounting

The change in fair value of hedging instruments under cash flow hedge accounting in 2023 was CHF 25 million (2022: CHF -277 million). The change in related hedged items was CHF -25 million (2022: CHF 277 million) and no ineffectiveness was recorded to the consolidated statement of income in 2023 and 2022.

Cash flow hedge – hedging instruments: maturity analysis	**2023**	2022
Foreign exchange forwards	**2024**	2023
Commodity swaps and options	**2024–2037**	2023–2032
Cross currency swaps	**2027–2034**	2027–2034

When a hedging instrument expires, is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, the cumulative gain or loss deferred in equity at that time remains in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset such as property, plant and equipment or inventory against which the cumulative gains and losses is adjusted. When the forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in Equity is immediately reclassified to the consolidated statement of income.

Closing balance in the cash flow hedge reserve for hedges that are accounted as cash flow hedge is CHF -51 million (2022: CHF 177 million).

b) Fair value hedge accounting

The change in fair value of hedging instruments under fair value hedge accounting in 2023 was CHF 283 million (2022: CHF -729 million). The change in related hedged items was CHF -283 million (2022: CHF 729 million) and no amount was recorded as ineffectiveness directly to the consolidated statement of income in 2023 and 2022 for fair value hedges.

Fair value hedge – hedging instruments: maturity analysis	**2023**	2022
Interest rate swaps	**2026–2034**	2026–2034

When a hedging instrument expires, is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, the cumulative gain or loss recorded in the carrying value of the hedged item is amortized over the life of the hedged item using the effective interest rate. When the hedged item is sold or terminated, the cumulative gains and losses recorded in the carrying value are recognized in financial income (expense).

c) Net investment hedge accounting

The change in the fair value of hedging instruments under net investment hedge accounting in 2023 was CHF 0 million (2022: CHF 3 million). The change in related hedged items was CHF 0 million (2022: CHF -3 million) and no amount was recorded as ineffectiveness directly to the consolidated statement of income in 2023 and 2022 for net investment hedges.

No outstanding hedging instruments as of 31 December 2023 and 31 December 2022.

When a hedging instrument expires, is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, the cumulative gain or loss deferred in equity remains in equity and will be reclassified to profit (loss) on disposal when forecast transaction occurs (i.e. disposal of a subsidiary).

Closing balance in the foreign currency translation reserve for hedges that are accounted as net investment hedge is CHF 19 million (2022: CHF 31 million).

Credit risk

Credit risks arise, among others, from the possibility that customers may not be able to settle their obligations as agreed. To manage this risk, the Group periodically assesses the financial reliability of its customers.

Credit risks, or the risk of counterparties defaulting, are constantly monitored. Counterparties to financial instruments consist of a large number of established financial institutions. The Group does not expect any counterparty to be unable to fulfil its obligations under its respective financing agreements. At year end, Holcim has no significant concentration of credit risk with any single counterparty or group of counterparties.

The Group considers the probability of default upon initial recognition of accounts receivable based on lifetime expected credit losses by considering available reasonable and supportable historical and forward-looking information.

The Group considers the probability of default upon initial recognition of long-term loans and receivables and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period by considering available reasonable and supportable historical and forward-looking information.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, in the consolidated statement of financial position.

The following credit risk modelling applies for financial assets:

a) Accounts receivable

For accounts receivable, the Group applies the IFRS 9 simplified approach in calculating expected lifetime credit losses (ECL).

b) Long-term loans and receivables

The Group uses three categories for long-term loans and receivables which reflect their credit risk and how the loan loss provision is determined for each of those categories.

Summary of the assumptions underpinning the Group's expected credit loss model is as follows:

Category	Definition
Performing	Customers have a low risk of default and a strong capacity to meet contractual cash flows
Non-performing	Interest and/or principal repayments are past due and credit risk level shows an increase
Write-off	Based on observable data the payments will not be collected

Each exposure is allocated to a credit risk category at initial recognition based on available information about the borrower. Exposures are subject to ongoing monitoring which may result in an exposure being moved to a different credit risk category.

Over the term of the loans, the Group accounts for its credit risk by providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, the company considers historical loss rates for each category of customers and adjusts for forward looking macroeconomic data. No significant changes to estimation techniques or assumptions were made during the reporting period.

Capital structure

The Group's objectives when managing capital are to secure the Group's financial needs as a going concern as well as to cater for its growth targets, in order to provide returns to shareholders and benefits for other stakeholders and to maintain a solid investment grade rating.

The Group manages the capital structure and makes adjustments to it in light of changes in economic conditions, business activities, investment and expansion programs and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, increase debt or sell assets to reduce debt.

Fair value estimation

The fair value of publicly traded financial instruments is generally based on quoted market prices at the end of the reporting period.

For non-publicly traded financial instruments, the fair value is determined by using a variety of methods, such as the discounted cash flow method and option pricing models. The valuation methods seek to maximize the use of observable market data existing at the end of the reporting period.

The fair value of current financial assets and liabilities at amortized cost is assessed to approximate their carrying amounts due to the short-term nature of these financial instruments.

Fair values as of 31 December 2023

Million CHF	IFRS 9 category	Carrying amount (by measurement basis) Amortized cost	Fair value level 1	Fair value level 2	Fair value level 3	Total	Comparison fair value
Current financial assets							
Cash and cash equivalents	Financial assets	6,082				6,082	
Trade accounts receivable	Receivables at amortized cost	2,723				2,723	
Current financial receivables	Receivables at amortized cost	128				128	
Short-term derivative assets	Held for hedging at fair value			12		12	
Short-term derivative assets	Held for trading at fair value			1		1	
Long-term financial assets							
Long-term receivables	Loans at amortized cost	156				156	156 [1]
Financial investments third parties	Strategic equity investments at fair value through other comprehensive earnings			155		155	
Long-term derivative assets	Held for hedging at fair value			90		90	
Current financial liabilities							
Trade accounts payable and others[2]	Financial liabilities at amortized cost	4,314				4,314	
Current financial liabilities (excluding derivative liabilities)	Financial liabilities at amortized cost	1,334				1,334	
Derivative liabilities	Held for hedging at fair value			52		52	
Derivative liabilities	Held for trading at fair value			30		30	
Long-term financial liabilities							
Long-term financial liabilities (excluding derivative liabilities)	Financial liabilities at amortized cost	11,785				11,785	11,533 [3]
Derivative liabilities	Held for hedging at fair value[4]			850	30	880	

[1] The comparison fair value for long-term receivables consists of level 2 fair value measurements.
[2] Trade accounts payable and others include payables related to the purchase of property, plant and equipment included in other liabilities.
[3] The comparison fair value for long-term financial liabilities consists of CHF 9,397 million level 1 and CHF 2,137 million level 2 fair value measurements.
[4] In 2023, the derivatives held for hedging classified as level 3 are linked to long-term virtual power purchase agreements.

Fair values as of 31 December 2022

		Carrying amount (by measurement basis)				
Million CHF	IFRS 9 category	Amortized cost	Fair value level 1	Fair value level 2	Total	Comparison fair value
Current financial assets						
Cash and cash equivalents	Financial assets	9,824			9,824	
Trade accounts receivable	Receivables at amortized cost	2,674			2,674	
Current financial receivables	Receivables at amortized cost	128			128	
Short-term derivative assets	Held for hedging at fair value			99	99	
Short-term derivative assets	Held for trading at fair value			19	19	
Long-term financial assets						
Long-term receivables	Loans at amortized cost	168			168	168 [1]
Financial investments third parties	Strategic equity investments at fair value through other comprehensive earnings			137	137	
Long-term derivative assets	Held for hedging at fair value			157	157	
Current financial liabilities						
Trade accounts payable and others[2]	Financial liabilities at amortized cost	4,248			4,248	
Current financial liabilities (excluding derivative liabilities)	Financial liabilities at amortized cost	1,622			1,622	
Derivative liabilities	Held for hedging at fair value			28	28	
Derivative liabilities	Held for trading at fair value			5	5	
Long-term financial liabilities						
Long-term financial liabilities (excluding derivative liabilities)	Financial liabilities at amortized cost	13,288			13,288	12,573 [3]
Derivative liabilities	Held for hedging at fair value			1,187	1,187	

[1] The comparison fair value for long-term receivables consists of level 2 fair value measurements.
[2] Trade accounts payable and others include payables related to the purchase of Property, Plant and Equipment included in other liabilities.
[3] The comparison fair value for long-term financial liabilities consists of CHF 9,975 million level 1 and CHF 2,598 million level 2 fair value measurements.

The table above shows the carrying amounts and fair values of financial assets and liabilities.

The levels of fair value hierarchy used are defined as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. The types of assets carried at level 1 fair value are equity and debt securities listed in active markets;
- Level 2 fair value measurements are those derived from valuation techniques using inputs for the asset or liability that are observable market data, either directly or indirectly. Such valuation techniques include the discounted cash flow method and option pricing models. For example, the fair value of interest rate and currency swaps is determined by discounting estimated future cash flows, and the fair value of forward foreign exchange contracts is determined using the forward exchange market at the end of the reporting period; and
- Level 3 fair value measurements are those derived from valuation techniques using inputs for the asset or liability that are not based on observable market data. In 2023, the hedging derivative instruments classified as level 3 are linked to long-term virtual power purchase agreements. In 2022, there were no financial assets and liabilities allocated to level 3.

There have been no transfers between the different hierarchy levels in 2023 and 2022.

14.7 Leases

At inception of a contract, the Group assesses whether it contains a lease under IFRS 16 Leases and accordingly recognizes a right-of-use asset and a lease liability if it meets the definition of a lease, with the exception of short-term leases and leases of low value assets.

The lease liability is measured at commencement date at the present value of the future lease payments, discounted with the interest rate implicit in the lease or, if not readily determinable, with the lessee's respective incremental borrowing rate. Future lease payments include in-substance fixed payments, variable lease payments depending on an index or rate and payments under termination and extension options when these are reflected in the lease term. The lease term comprises the noncancellable lease term together with the period covered by extension options, if assessed as reasonably certain to be exercised, and termination options, if assessed as reasonably certain not to be exercised. Non-lease components in contracts are separated from lease components and accordingly accounted for in Operating profit on a cost incurred basis.

The right-of-use asset is recognized at the commencement date at cost, which includes the amount of the lease liability recognized, any lease payments made at or before the commencement date of the lease, initial direct costs incurred and an estimate of costs to be incurred in dismantling and removing the underlying asset or restoring the asset to the condition agreed with the lessor. Unless the Group is reasonably certain to exercise a purchase option, the right-of-use assets are depreciated on a straight line basis over the shorter of its estimated useful life and lease term. Right-of-use assets are subject to the impairment requirements under IAS 36 Impairments of Assets. The right-of-use assets recorded as of 31 December 2023 are outlined in note 11.2.

In the event that the tax base of a right-of-use asset is not the same as its carrying amount for IFRS purposes on initial recognition of a lease contract, the Group recognizes the deferred tax impact arising on the temporary difference between the carrying amount of the right-of-use asset and its tax base. The same treatment as above also applies to the initial recognition of the lease liability.

As of 31 December 2023, the current portion of the long-term lease liability included in "current financial liabilities" amounts to CHF 289 million (2022: CHF 277 million) and the long-term lease liabilities included in "long-term financial liabilities" amounts to CHF 1,130 million (2022: CHF 1,074 million).

Various contracts entered into by the Group include extension options, which provide the Group with greater flexibility in terms of future procurement of assets and services. Extension options are included in the lease liability only if they are assessed by management as being reasonably certain to be exercised. The undiscounted future lease payments relating to periods covered by extension options not included in the lease liability at year end amount to CHF 88 million (2022: CHF 95 million).

Additional information related to leases

Million CHF	**2023**	2022
Statement of income		
Expenses for short-term lease payments	**(107)**	(75)
Expenses for variable lease payments	**(42)**	(72)
Cash outflow for leases		
Cash outflow for short-term, low value and variable leases[1]	**(151)**	(147)
Payment of interest[1]	**(63)**	(53)
Payment of lease liabilities[2]	**(357)**	(362)
Total	**(571)**	**(562)**

[1] Included within cash flow from operating activities.
[2] Included within cash flow from financing activities.

In certain lease agreements of machinery, equipment and vehicles, variable lease payments are included based on operating hours used, kilometers travelled or output. These leases provide greater flexibility in terms of usage, such as for certain types of trucks and vehicles where operating levels depend on production capacity and demand.

The contractual undiscounted future cash outflows for leases included in lease liabilities as at 31 December 2023 are disclosed in note 14.6.

15. Employee benefits and share compensation plans

15.1 Accounting principles

Employee benefits – Defined benefit plans

Some Group companies provide defined benefit pension (pension) or other post-employment benefit plans for employees. The Group uses professionally qualified independent actuaries to value the defined benefit obligations on a regular basis. The obligation and costs of pension benefits are determined using the projected unit credit method. The projected unit credit method considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past service costs, which comprise plan amendments and curtailments, and gains or losses on the settlement of pension benefits, are recognized immediately in the statement of income when they occur.

Remeasurements, which comprise actuarial gains and losses on the pension and other post-employment obligations, the return on plan assets and changes in the effect of the asset ceiling excluding amounts in net interest, are recognized directly in other comprehensive earnings and are not reclassified to the statement of income in a subsequent period. The pension and other post-employment obligations are measured as the present value of estimated future cash flows using discount rates that are determined by reference to the interest rates on high quality corporate bonds, with the currency and terms of the corporate bonds consistent with the currency and estimated terms of the pension and other post-employment obligations.

A net pension asset is recorded only to the extent that it does not exceed the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost for pension and other post-employment plans charged to the statement of income consists of service cost (current service cost, past service cost and curtailments as well as gains or losses on settlements) and the net interest expense. The service costs are recorded in “Production cost of goods sold”, “Distribution and selling expenses” or “Administration expenses” based on the beneficiaries of the plans; the net interest expense is recorded in “Financial expenses” (note 7.3).

Employee benefits – Defined contribution plans

In addition to the defined benefit plans described above, some Group companies sponsor defined contribution plans based on local practices and regulations. The Group’s contributions to defined contribution plans are charged to the statement of income in the period to which the contributions relate.

Employee benefits – Other long-term employment benefits

Other long-term employment benefits include long-service leave or sabbatical leave, medical aid, jubilee or other long-service benefits, long-term disability benefits and, if they are not expected to be settled wholly within twelve months after the year end, profit sharing, variable and deferred compensation.

The measurement of these obligations differs from defined benefit plans in that all remeasurements are recognized immediately in the statement of income.

Employee benefits – Share compensation plans

The Group operates various equity-settled share-based compensation plans. The fair value of the employee services received in exchange for the grant of the options or shares is recognized as an expense. The total amount to be expensed is determined by reference to the fair value of the equity instruments granted. The amounts are charged to the statement of income over the relevant vesting periods and adjusted to reflect actual and expected levels of vesting.

15.2 Group risks management

The Group operates a range of defined benefit pension schemes and similar contingent obligation schemes across various countries. The assets and liabilities of these schemes may experience significant volatility based on prevailing market conditions.

These unforeseen deficits may require cash contributions to fund unrecoverable amounts, which could vary significantly from year to year due to external factors. These contributions may in turn impact the Group's financial results.

To mitigate these risks, where possible, the Group has taken measures to close, freeze, and terminate these defined benefit pension schemes and has deployed scheme-appropriate asset allocations in order to mitigate volatility and optimize investment returns.

The Group participates in several union-sponsored multiemployer pension plans in the United States. These plans are susceptible to substantial deficits arising from market conditions, business decisions, trustee decisions, plan failures, and the actions and decisions of other contributing employers. The Group, however, has minimal control over the management of these plans. There is material risk that substantial cash contributions could be required in the future to meet outstanding obligations under these plans. Fulfilling the Group's obligations may have a material impact on the Group's reported financial results. Currently, the financial condition of these plans is not disclosed in the Group's financial reports.

A comprehensive review of all these plans has been initiated with the primary objective of gaining a thorough understanding of their financial circumstances. The aim is to explore all available options to mitigate risks and reduce the Group's actual and potential financial obligations. It's important to note that the Group's ability to take action is constrained, as participation in these plans is contingent upon negotiations with bargaining unions.

15.3 Employee benefits

Personnel expenses and number of personnel

The Group's total personnel expenses, including social charges, are recognized in the relevant expenditure line by function in the consolidated statement of income, amounting to CHF 4,493 million (2022: CHF 4,388 million). As of 31 December 2023, the Group employed 63,448 FTEs (2022: 60,422 FTEs).

Defined benefit pension plans

Oversight of the Group's pension plans is carried out by the Pension and Benefits Governance team, an interdisciplinary team comprising of representatives from Finance, Human Resources and Legal functions. This team serves as a center of expertise for all issues relating to pension and other post-employment benefits which makes recommendations to the Group Chief Financial Officer (CFO). A documented directive is used as the foundation for management actions and decisions.

The Group's principal defined benefit pension plans are situated in the United Kingdom, Switzerland and North America . They respectively represent 53 percent (2022: 49 percent), 24 percent (2022: 21 percent) and 15 percent (2022: 24 percent) of the Group's total defined benefit obligation for pensions. These main plans are funded through legally separate trustee managed funds. The cash funding of these plans, which may sometimes include special payments, is designed to ensure that past, present and future contributions should be sufficient to meet future liabilities.

Where feasible, defined benefit pension schemes have been closed and frozen. Given the potential for substantial volatility in the assets and liabilities of these plans, several strategic actions are continuously under consideration and implementation to mitigate and eliminate, where possible, the associated risks. Those include for example employing investment strategies that consider the benefit obligations and selective settlements.

Unfunded pension plans are mainly plans outside of the qualification limits of tax regimes, plans which do not require advanced funding, retirement indemnity schemes, or end of service benefits where benefits are vested only if the employee is still employed by the company at the retirement date.

United Kingdom (UK)

The companies operate three defined benefit pension plans in the UK: the Lafarge UK pension plan, the Aggregate Industries pension plan and the Ronez 2000 pension plan. Pensions payable to employees are determined by average final salary and length of service. Independent boards of Trustees manage the plans, with the Lafarge UK pension plan and Aggregate Industries pension plans registered under UK tax law, while the Ronez 2000 pension plan is located in the Channel Islands. All three plans are closed to new entrants and are frozen to future accrual. Funding deficits within these plans, if any, are addressed through employer contributions. These contributions are negotiated every three years based on plan valuations carried out by independent actuaries.

As for the Lafarge UK pension plan, based on the 30 June 2021 funding valuation, no deficit repair contributions were required, as the plan had a funding surplus at this date.

For the Aggregate Industries pension plan, based on the 5 April 2021 funding valuation and in recognition of contributions of GBP 85 million being paid in after the valuation date, a contribution schedule was agreed with no further contributions until 30 June 2025, with monthly deficit repair contributions then payable until 31 March 2027 to remove the funding deficit.

As of the 31 December 2021 funding valuation for the Ronez 2000 pension plan, no deficit repair contributions were required, as the plan had a funding surplus at this date.

In relation to risk management and asset allocation, the Boards of Trustees aim to ensure that they can fulfil their obligations to the beneficiaries of the plans, both in the short and long-terms. While prioritizing this primary objective, the Boards of Trustees target to maximize the long-term investment return while appropriately minimizing risk and volatility. The Boards of Trustees are responsible for the plans' long-term investment strategies but usually delegate strategy design and monitoring to Investment Committees.

Switzerland

In Switzerland, the pension plans of the Swiss entities are structured as cash balance benefit plans and are accounted for as a defined benefit plans. Contributions, from both employer and employees, are determined in the various pension fund rules based on age-related sliding scales of percentages of salary. Under Swiss law, the pension fund annually guarantees the vested benefit amount to its members. Additionally, interest above legal requirements may be added to member balances at the discretion of the Board of Trustees (composed of half employer and half employees' representatives). Upon reaching retirement date, members have the right to take their retirement benefit as a lump sum, an annuity, or a combination of both, with the balance converted to a fixed annuity at the rates defined in the fund rules. The Board of Trustees, may also increase the annuity at their discretion, contingent on the plan's funded status and the availability of sufficient free funds, as determined according to Swiss statutory valuation rules. These Swiss pension plans comply with the regulatory framework, ensuring a minimum level of benefits.

Consolidated Swiss entities maintain pension plans in six different pension funds. The two primary pension funds for the Swiss entities are Holcim Pension Fund and Pension Fund of Holcim Switzerland. These funds exclusively cover Holcim employees, accounting for 95 percent of the consolidated plan assets and liabilities in Switzerland.

North America (United States and Canada)

The companies operate both defined contribution plans and defined benefit pension plans. The majority of the defined benefit pension plans are closed to new entrants and frozen to future accruals. Under defined benefit pension plans, pensions payable to employees depend on average final salary and length of service within the Group. For defined contribution plans, benefits depend on accrued contributions with returns at retirement.

The Group companies are obligated to contribute a minimum amount annually to the defined benefit pension plans, which is determined actuarially and is comprised of service costs, if any, but also of administrative expenses, as well as payments toward any existing deficits.

In North America, the Group companies generally meet the minimum required contributions as prescribed under applicable pension legislation. Occasionally, additional voluntary amounts are considered and remitted as advanced contributions.

Various responsibilities are delegated to Pension Committees. These committees are tasked with defining and managing long-term investment strategies aimed at mitigating risks, including interest rate risks and longevity risks. Assets in North America include a certain proportion which hedge the liability swings against interest rate movements. These assets primarily invested in fixed income investments, particularly intermediate and longer-term securities.

In 2022, a buy-in contract was acquired from an insurer. This contract reimburses the Canadian Salaried defined benefit plan for future benefit payments not covered under one of the previous buy-in contracts. Under this arrangement, the plan retains the responsibility for paying the benefits to all participants, with the insurance company reimbursing the plan for the covered portion of the benefits when they are disbursed. Consequently, there is no net ongoing cash flow to the plans for the covered portion of benefits, as the buy-in contract funds the cost of providing these benefits. This effectively fixes the cost of the covered benefits and eliminates future volatility of the covered benefit obligation. The purchase of the buy-in contract utilized assets from the pension trust and is accounted for at fair value as an investment of the trust. Since 2021, buy-in contracts were secured from an insurance company. On 28 February 2023, the Group decided to terminate the Canadian Salaried defined benefit plan leading to freeze of pay-linkage. Following regulatory approval, the plan is obligated to settle benefits, and the liquidation process must commence leading to a net curtailment gain of CAD 15 million (CHF 10 million) in 2023.

On 31 December 2022, the LafargeHolcim U.S. Consolidated Union Pension Plan was merged into the LafargeHolcim U.S. Pension Plan, which was subsequently terminated as of 31 May 2023. Effective 13 November 2023, the buy-in contracts were converted to buy-out contracts in conjunction with the plan termination. All liabilities were transferred to the insurer with Holcim holding no further benefit obligation.

The Group participates in several union-sponsored multi-employer pension plans in the United States. These plans are susceptible to substantial deficits arising from market conditions, business decisions, trustee decisions, plan failures, and the actions and decisions of other contributing employers. The Group however, has minimal control over the management of these plans, which are accounted for as defined contribution plans. A comprehensive review of all these plans have been initiated with the primary objective of fully understanding their financial circumstances. The aim is to explore all options available to mitigate risks and reduce the Group’s actual and potential financial obligations. It's important to note that the Group's ability to take action is constrained, as participation in these plans is contingent upon negotiations with bargaining unions.

Status of the Group’s defined benefit plans

The status of the Group’s defined benefit plans, based on actuarial assumptions, is determined in accordance with IAS 19 Employee Benefits rules. The tables provide reconciliations of defined benefit obligations and plan assets, as well as the funded status for the defined benefit pension plans, to the amounts recognized in the statement of financial position.

Reconciliation of post-employment defined benefit plans to the statement of financial position

Million CHF	2023	2022
Net liability (asset) arising from defined benefit pension plans	**143**	(75)
Net liability arising from other post-employment defined benefit plans	**147**	160
Net liability	**291**	**85**

Million CHF	2023	2022
Present value of funded obligations	**4,816**	5,365
Fair value of plan assets	**(5,174)**	(6,053)
Plan surplus of funded obligations	**(358)**	**(689)**
Present value of unfunded obligations	**507**	503
Effect of asset ceiling	**142**	271
Net liability from funded and unfunded plans	**291**	**85**
Reflected in the statement of financial position as follows:		
Pension assets	**(296)**	(469)
Provision for pensions and other post-employment defined benefit plans	**587**	554
Net liability	**291**	**85**

	Defined benefit pension plans		Other post-employment defined benefit plans	
Million CHF	2023	2022	2023	2022
Amounts recognized in the statement of income are as follows:				
Current service costs	**(41)**	(59)	**(2)**	(2)
Past service costs (including curtailments)	**19**	7	**0**	1
Settlements	**(7)**	0	**1**	0
Net interest expense[1]	**0**	(2)	**(7)**	(6)
Special termination benefits	**(2)**	(2)	**0**	0
Total recorded in the statement of income	**(31)**	**(56)**	**(8)**	**(8)**
Amounts recognized in other comprehensive earnings are as follows:				
Actuarial gains (losses) arising from changes in demographic assumptions	**35**	7	**2**	(4)
Actuarial gains (losses) arising from changes in financial assumptions	**(125)**	2,243	**(9)**	34
Actuarial gains (losses) arising from experience adjustments	**(197)**	(138)	**3**	6
Return on plan assets excluding interest income	**(129)**	(2,160)	**0**	0
Change in effect of asset ceiling excluding interest income	**135**	(151)	**0**	0
Total recorded in other comprehensive earnings	**(280)**	**(199)**	**(4)**	**36**

[1] Interests on asset ceiling amount to CHF 6 million.

Reconciliation of present value of funded and unfunded obligations

	Defined benefit pension plans		Other post-employment defined benefit plans	
Million CHF	2023	2022	2023	2022
Opening balance as per 1 January	**5,708**	**8,659**	**160**	**201**
Change in scope	**28**	(188)	**0**	0
Current service costs	**41**	59	**2**	2
Interest expense	**242**	170	**7**	6
Contribution by the employees	**17**	24	**0**	0
Actuarial (gains) losses	**286**	(2,112)	**4**	(36)
Benefits paid	**(416)**	(477)	**(13)**	(15)
Past service costs (including curtailments)	**(19)**	(7)	**0**	(1)
Settlements	**(519)**	(1)	**(1)**	0
Special termination benefits	**2**	2	**0**	0
Currency translation effects and reclassifications	**(193)**	(421)	**(12)**	2
Closing balance as per 31 December	**5,176**	**5,708**	**147**	**160**
Of which:				
United Kingdom	**2,813**	2,856	**0**	0
North America (United States and Canada)	**696**	1,297	**110**	115
Switzerland	**1,302**	1,216	**0**	0
Others	**365**	338	**37**	45

Reconciliation of fair value of plan assets

	Defined benefit pension plans		Other post-employment defined benefit plans	
Million CHF	2023	2022	2023	2022
Opening balance as per 1 January	**6,053**	**9,068**	**0**	**0**
Change in scope	**2**	(176)	**0**	0
Interest income	**247**	169	**0**	0
Return on plan assets excluding interest income	**(129)**	(2,160)	**0**	0
Contribution by the employer	**98**	62	**13**	15
Contribution by the employees	**17**	24	**0**	0
Benefits paid	**(416)**	(477)	**(13)**	(15)
Settlements	**(526)**	(2)	**0**	0
Currency translation effects and reclassifications	**(173)**	(456)	**0**	0
Closing balance as per 31 December	**5,174**	**6,053**	**0**	**0**
Of which:				
United Kingdom	**2,899**	3,208	**0**	0
North America (United States and Canada)	**561**	1,178	**0**	0
Switzerland	**1,603**	1,549	**0**	0
Others	**110**	119	**0**	0

Plan asset allocation

	Defined benefit pension plans	
Million CHF	**2023**	2022
Equity instruments	**19 %**	17 %
Real estate investments	**18 %**	15 %
Debt instruments	**38 %**	32 %
Insurance contracts	**13 %**	21 %
Cash and cash equivalents	**5 %**	5 %
Other assets	**6 %**	10 %
Total plan assets	**100 %**	**100 %**

Plan assets based on non-quoted prices represent 31 percent (2022: 25 percent) of the total plan assets and mainly consist of insurance policies and real estate investments.

In some of the plans, Liability-Driven Investment (LDI) strategies are in place and consists in using index-linked government bonds and swaps to hedge the plans against liquidity risk and change in interest rates or inflation yields.

The value of insurance contracts is determined based on the membership and benefit payable under the contract using the IAS 19 Employee Benefits assumptions.

The other assets mainly consist of hedge funds and various other hedging instruments.

Principal actuarial assumptions (weighted average) used at the end of the reporting period for defined benefit pension plans

	Total Group		United Kingdom		North America		Switzerland	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022
Discount rate in %	**3.8%**	4.4%	**4.6%**	4.9%	**4.7%**	5.1%	**1.4%**	2.2%
Life expectancy in years after the age of 65	**23.0**	22.7	**23.4**	23.6	**24.0**	22.8	**23.5**	23.4

Weighted average duration of defined benefit pension plans

	Total Group		United Kingdom		North America		Switzerland	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022
Weighted average duration in years	**11.9**	11.5	**12.7**	12.2	**9.6**	10.9	**12.3**	11.3

Sensitivity analysis as per 31 December 2023 on defined benefit pension plans

Impact on the defined benefit obligation	Total Group		United Kingdom		North America		Switzerland	
Million CHF	**Increase**	**Decrease**	**Increase**	**Decrease**	**Increase**	**Decrease**	**Increase**	**Decrease**
Discount rate (±0.5% change in assumption)	**(277)**	**307**	**(164)**	**177**	**(30)**	**37**	**(69)**	**77**
Life expectancy in years after the age of 65 (±1 year change in assumption)	**191**	**(193)**	**124**	**(126)**	**19**	**(19)**	**41**	**(42)**

Sensitivity analysis as per 31 December 2022 on defined benefit pension plans

Impact on the defined benefit obligation	Total Group		United Kingdom		North America		Switzerland	
Million CHF	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (±0.5% change in assumption)	(310)	349	(164)	179	(71)	83	(60)	66
Life expectancy in years after the age of 65 (±1 year change in assumption)	192	(196)	115	(114)	39	(40)	36	(37)

The sensitivity analysis above may not be representative of the actual change in the defined benefit pension plans as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Moreover, it is worth considering that, for most funded plans, liability hedging strategies (such as LDI investments) are used to mitigate the impact of changes in financial assumptions on the net pension liability.

15.4 Share compensation plans

The total personnel expense arising from the Holcim share compensation plans amounted to CHF 34.3 million in 2023 (2022: CHF 37.0 million) as presented in the following table:

Million CHF	Personnel expenses 2023	Personnel expenses 2022
Employee share purchase plan	**0.6**	0.8
Restricted shares	**7.1**	8.7
Performance Share Plan and Performance Option Plan	**26.6**	27.4
Total	**34.3**	**37.0**

All shares granted under these plans are either purchased from the market or derived from treasury shares.

Description of plans

Employee share purchase plan

Holcim offers an employee share-ownership plan. This plan entitles employees to acquire a limited amount of discounted Holcim Ltd shares, i.e. 50 shares at 50 percent of the market value and further shares at 70 percent of the market value based on the prior-month average share price. The shares cannot be sold for a period of two years from the date of purchase.

Restricted shares

Half of the annual incentive amount for the Executive Committee is paid in blocked Holcim Ltd shares during the first quarter of the following financial year. The share price used to convert the annual incentive amount into a number of shares is the average of the three closing share prices preceding the award date. The shares are blocked for a period of three years from the award date.

Restricted share awards are also granted for senior management at hire, compensating for share awards forfeited from previous employer. The vesting of these restricted shares reflects the vesting dates of forfeited awards.

Board compensation consists of an annual retainer which is paid half in shares subject to a five-year restriction period.

Option plans granted before the merger of Lafarge and Holcim in July 2015

The two option plans granted before the merger of Lafarge and Holcim in July 2015 have expired at the end of December 2023.

Performance share plan and performance option plan

Performance shares and/or options are granted to executives and senior management for their contribution to the continuing success of the business. These shares and options will be delivered after a three-to-five-year vesting period following the grant date and are subject to internal and external performance conditions. Performance options have a maturity of ten years.

Information related to awards granted through the plans is presented below:

	2023		2022	
	Performance shares	Performance options	Performance shares	Performance options
1 January	**1,693,752**	**4,975,608**	**1,727,510**	**3,935,840**
Granted	**624,896**	**669,649**	659,416	1,039,768
Forfeited	**(190,086)**	**(609,641)**	(143,938)	0
Delivered	**(544,926)**	**0**	(549,236)	0
31 December	**1,583,636**	**5,035,616**	**1,693,752**	**4,975,608**

- 624,896 (2022: 659,416) performance shares at the weighted average fair value of CHF 57.92 per share (2022: CHF 44.98) were granted in 2023. Performance shares are subject to a three-year vesting period. Internal performance conditions are attached to the shares and are based on Earnings per share before impairment and divestments, Group Return on Invested Capital (ROIC) and Sustainability indicators (CO_2 emitted, quantity of waste recycled, freshwater withdrawn).
- 669,649 (2022: 1,039,768) performance options at a fair value of CHF 3.77 (2022: CHF 2.47) were granted in 2023. Performance options are subject to a five-year vesting period. External conditions are attached to the options and are based on Holcim's relative total shareholder return (TSR) compared to a group of peer companies. The valuation of the performance options is based on the Enhanced American Model (calculation of the fair value without considering the performance condition) and a Monte Carlo simulation (estimation of the expected achievement factor).

Performance option plan

Movements in the number of options outstanding and their related weighted average exercise prices are as follows:

		Weighted average exercise price	Number 2023	Number 2022
1 January	**CHF**	**48.73**	**5,208,931**	**4,321,144**
Granted	CHF	57.59	**669,649**	1,039,768
Forfeited	CHF	51.28	**(609,641)**	(18,899)
Exercised	CHF	50.19	**(28,420)**	0
Expired	CHF	66.04	**(192,303)**	(133,082)
31 December	**CHF**	**48.93**	**5,048,216**	**5,208,931**
Of which exercisable at the end of the year			**12,600**	233,323

Underlying assumptions for the fair value of the performance options granted in 2023 and 2022 are presented below:

Grant date	**01 March 2023**
Share price at grant date	**57.92**
Exercise price	**57.59**
Expected dividend yield (continuous)[1]	**+4.0%**
Expected volatility of stock[2]	**+26.8%**
Risk-free interest rate	**+2.0%**
Expected life of the options	**7.5 years**

[1] Continuously compounded dividend yield based on expected future dividend payments according to Thomson Reuters.
[2] Based on a historical volatility over the most recent period that is commensurate with the expected term of the options.

Grant date	**01 March 2022**
Share price at grant date	44.98
Exercise price	46.14
Expected dividend yield (continuous)[1]	+4.8%
Expected volatility of stock[2]	+27%
Risk-free interest rate	+0.3%
Expected life of the options	7.5 years

[1] Continuously compounded dividend yield based on expected future dividend payments according to Thomson Reuters.
[2] Based on a historical volatility over the most recent period that is commensurate with the expected term of the options.

Outstanding options

28,420 options were exercised in 2023. Options outstanding at the end of the year have the following expiry dates and give the right to acquire one registered share of Holcim Ltd at the exercise prices as listed below:

Option grant date	Expiry date		Exercise price	Number 2023	Number 2022
2015[1]	2023	CHF	66.85	**0**	144,970
2015[1]	2023	CHF	63.55	**0**	47,333
2015	2025	CHF	50.19	**12,600**	41,020
2018	2028	CHF	55.65	**0**	232,150
2019	2029	CHF	49.92	**1,071,329**	1,095,619
2020	2030	CHF	45.62	**1,684,944**	1,785,497
2021	2031	CHF	51.07	**748,368**	822,574
2022	2032	CHF	46.14	**906,671**	1,039,768
2023	2033	CHF	57.59	**624,304**	0
Total				**5,048,216**	**5,208,931**

[1] Options granted before the merger of Lafarge and Holcim in July 2015.

16. Provisions and contingencies

16.1 Accounting principles

Site restoration and other environmental provisions

The Group provides for the costs of restoring a site where a legal or constructive obligation exists. The estimated future costs for known restoration requirements are determined on a site-by-site basis and are calculated based on the present value of estimated future costs. The cost of raising a provision before exploitation of the raw materials has commenced is included in Property, Plant and Equipment and depreciated over the life of the site. The effect of any adjustments to the provision due to further environmental damage as a result of exploitation activities is recorded through operating costs over the life of the site, in order to reflect the best estimate of the expenditure required to settle the obligation at the end of the reporting period. Changes in the measurement of a provision that result from changes in the estimated timing or amount of cash outflows, or a change in the discount rate, are added to or deducted from the cost of the related asset to the extent that they relate to the asset's installation, construction or acquisition. All provisions are discounted to their present value.

Climate-related matters may affect the level of provisions recognized such as site restoration provisions as a result of levies imposed by the governments for failure to meet climate-related targets or new regulations and requirements to remediate environmental damages on Holcim's sites.

Specific business risks provisions

Specific business risks comprise litigation provisions, provisions for contractual risks recorded in connection with purchase price allocations and service-type warranties. Provisions for litigation mainly relate to antitrust and commercial disputes, environmental claims and product liabilities and are set up to cover legal and administrative proceedings.

Service-type warranties are provided by the Group in the form of separately priced extended warranties covering roofing systems, generally ranging from 5 to 30 years. Revenues from such activities are deferred and recognized into income over the life of the warranty on a straight-line basis.

The timing of cash outflows of provisions for litigation is uncertain since it will largely depend upon the outcome of administrative and legal proceedings.

The sensitivity associated with certain provisions led management to limit the extent of the disclosure discussed above as it believes it could seriously prejudice the position of the Group.

Restructuring provisions

The provision for restructuring only includes direct expenditures arising from the restructuring, notably severance payments, early retirement costs, costs for notice periods not worked and other costs directly linked largely with the closure of the facilities.

Other provisions

Other provisions include liabilities with cash flows of uncertain timing or amount which cannot be included in the above categories.

Contingent liabilities

Contingent liabilities arise from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of Holcim. They are accordingly disclosed in the notes to the financial statements.

16.2 Provisions

Million CHF	Site restoration and other environmental provisions	Specific business risks provisions	Restructuring provisions	Other provisions	Total 2023	Total 2022
1 January	**730**	**480**	**51**	**856**	**2,117**	**2,120**
Change in scope	17	13	0	55	**85**	(83)
Reclassification	0	0	0	0	**0**	(3)
Provisions recognized	77	62	13	132	**284**	395
Provisions used during the year	(51)	(21)	(18)	(40)	**(130)**	(145)
Provisions reversed during the year	(13)	(19)	(7)	(131)	**(170)**	(130)
Unwinding of discount and discount rate changes	7	0	0	1	**8**	(4)
Currency translation effects	(52)	(35)	(3)	(48)	**(138)**	(33)
31 December	**715**	**480**	**36**	**825**	**2,056**	**2,117**
Of which short-term provisions	63	66	25	194	**348**	399
Of which long-term provisions	652	414	11	631	**1,708**	1,718

As of 31 December 2023, other provisions of CHF 825 million mainly comprise provisions for health insurance and pensions schemes which do not qualify as benefit obligations, provisions related to sales taxes, other taxes and indemnification provisions.

16.3 Contingencies, guarantees and commitments

Contingencies

In the ordinary course of its business, the Group is involved in lawsuits, claims of various natures, investigations and proceedings, including product liability, commercial, competition, environmental, health and safety matters, etc. The Group operates in countries where political, economic, social and legal developments could have an impact on the Group's operations.

In connection with disposals of businesses, the Group provided customary indemnification warranties notably related to accounting, tax, compliance with laws, litigation, labor and environmental matters. Holcim and its subsidiaries have received or may receive in the future notices of claims arising from such indemnification warranties.

The Group is exposed to varying degrees of uncertainty related to tax matters and regulatory reviews and audits. The Group accounts for its income taxes on the basis of its own internal analyses, supported by external advice, if appropriate. The Group continually monitors its global tax position, and whenever uncertainties arise, the Group assesses the potential consequences and either accrues the liability or discloses a contingent liability in its financial statements, depending on the strength of the Group's position and the resulting risk of loss.

As of 31 December 2023, the Group's contingencies amounted to CHF 706 million (2022: CHF 615 million).

Except for what has been provided for as disclosed in note 16.2, the Group has concluded that due to the uncertainty with some of the matters mentioned below, the potential losses from some of these cases cannot be reliably estimated. There are no further single matters pending that the Group expects to be material in relation to the Group's business, financial result or results of operations.

The following is a description of the material legal and tax matters currently ongoing.

Legal and tax matters with new developments since last reporting period

The criminal proceedings in France against Lafarge S.A. related to its legacy operations in Syria during the country's civil war in 2013 and 2014 are pending with the investigating judges in Paris. Lafarge S.A. was put under formal investigation on 28 June 2018 for complicity in crimes against humanity, financing of terrorism, deliberate endangerment of life of others and customs violations. The Court of Appeal decided on 7 November 2019 to drop one of the charges, complicity in crimes against humanity. The Supreme Court reviewed the Court of Appeal's decision and decided on 7 September 2021 to refer the case back to the Court of Appeal who decided on 18 May 2022 to uphold the charge. The Supreme Court reviewed the Court of Appeal's second decision and decided on 16 January 2024 to uphold the charge of complicity in crimes against humanity and to drop the charge of deliberate endangerment of life of others. These decisions are not rulings on the merits of the case and Lafarge S.A. continues to cooperate fully with the French judicial authorities.

In December 2022, January, July, December 2023, and February 2024, five civil lawsuits were filed in the U.S. District Court for the Eastern District of New York against Lafarge S.A. by individuals who were injured or killed in terrorist attacks in Syria, Iraq, Libya, Jordan, France, Spain, Turkey, and Niger from 2012 to 2017, or their heirs and family members. Lafarge Cement Holding Limited and Lafarge Cement Syria SA have also been named defendants in all five lawsuits. The lawsuits assert claims under the U.S. Antiterrorism Act, including allegations that Lafarge S.A. aided and abetted the terrorist organizations that committed, planned or authorized these attacks. None of the lawsuits have specified the amount of the damages claimed. It is difficult to predict at this early stage the outcome of these matters, including the timing or any possible impact on Lafarge S.A.. There is also a risk that additional plaintiffs will join these lawsuits or commence separate actions based on the same conduct. Lafarge S.A., Lafarge Cement Holding Limited, and Lafarge Cement Syria SA are aggressively defending the actions. They have brought motions to dismiss in the first three lawsuits and also intend to bring a motion to dismiss in the fourth and fifth lawsuits. As of the present date, the court has not ruled on these motions.

There has been litigation in Hungary for a number of years related to the ownership of assets and damage compensation in the context of the privatization of one of the former Holcim cement plants in Hungary. The plant was closed a number of years ago and remains inactive and the Group believes the plant is illegally occupied by the counterparty in the litigation. The litigation related to the ownership of assets was closed in 2023. The litigation regarding damage compensation is ongoing in courts in Hungary and Holcim will continue to defend its legal position.

On 28 May 2014, the Administrative Council for Economic Defense ("CADE") ruled that Holcim Brazil (subsequently LafargeHolcim (Brasil) S.A., now under the control of CSN Cimentos S.A.) along with other cement producers had engaged in price collusion and other anti-competitive behavior. The ruling includes behavioral remedies prohibiting certain greenfield projects, divestment of a ready-mix plant, and M&A activities and fines against the defendants. This order became enforceable on 21 September 2015 and applies to LafargeHolcim Brazil, which has been fined CHF 122 million (BRL 509 million) as at the date of the order. In September 2015, LafargeHolcim Brazil filed an appeal against the order, offering a cement plant as guarantee to support its appeal. The fine and the behavioral remedies imposed by CADE were suspended by two decisions of the court of first instance on 29 September 2016 and 21 October 2016. This suspension will remain in effect until the completion of the substantive proceedings against the CADE ruling. During 2019, CADE challenged the guarantee offered, as well as the venue of the proceedings, however, both requests were rejected by the lower court with an appeal pending. On the substantive proceedings, an expert in economics was appointed by the court in 2020, and his economic report was presented during 2022. In 2023, both parties filed their final statements before the court of first instance. Following the divestment of LafargeHolcim Brazil to CSN, the Group provided an indemnification guarantee for the fine including interests which as of the closing date of 6 September 2022 was CHF 163 million (BRL 849 million).

Previously disclosed legal matters with no developments since last reporting period

In July 2016, LafargeHolcim (Brasil) S.A. received an assessment from the Brazilian Internal Revenue Service, claiming the reversal of deducted goodwill for the years 2011 and 2012. The amount in dispute is CHF 75 million (BRL 431 million). After challenging the assessment, the company received a favorable decision from the Administrative Tax Appeals Council in August 2018. The Brazilian Internal Revenue Service (BRA IRS) has appealed this decision before the Superior Administrative Chamber, still pending a judgment. In November 2018, LafargeHolcim (Brasil) S.A. received a further assessment from the Brazilian Internal Revenue Service, again claiming reversal of deducted goodwill for the years 2013 and 2014. The amount in dispute for this case is CHF 61 million (BRL 351 million). The company challenged it and received a favorable decision at the 1st Administrative Level. The BRA IRS appealed to the CARF (Administrative Tax Appeals Council), and its merit judgment is still pending. In December 2019 LafargeHolcim (Brasil) S.A. received a third assessment on the same topic, referring to the year 2015. The amount in dispute for this year is CHF 5 million (BRL 28 million). The company has challenged it at 1st Administrative Level, had an unfavorable decision and appealed in November 2020 to the Administrative Tax Appeals Council. In 2022, the Group divested LafargeHolcim (Brasil) S.A., but will continue to be liable for these assessments.

The Competition Commission of India ("CCI") issued in June 2012 and, after a successful appeal, again in August 2016 an order imposing a penalty as of the closing date 15 September 2022 CHF 60 million (INR 4,900 million) on the divested subsidiary Lafarge India for which the Group provided an indemnification guarantee. The order found Lafarge India together with other cement producers in India to have engaged in price coordination and imposed penalties on the cement companies and their trade association. The company appealed the order before the Competition Appellate Tribunal ("COMPAT"). As per the interim order passed by COMPAT in 2016, the company placed a deposit of 10 percent of the penalty amounts with a financial institution with a lien in favor of COMPAT. In May 2017, all matters pending before COMPAT were transferred to the National Company Law Appellate Tribunal ("NCLAT"). In July 2018, the NCLAT dismissed the appeal of Lafarge India (now known as Nuvoco Vistas Corporation) against the CCI order and upheld the fine imposed. The company filed an appeal with the Supreme Court which was admitted on 5 October 2018 and the interim order passed by COMPAT was directed to be continued. The tentative next date of hearing before the Supreme Court will possibly be during 2024.

Following the divestment of Ambuja Cements Ltd. ("ACL") and ACC Limited ("ACC") to the Adani Group in 2022, Holcim's exposure to the CCI case is limited to the previously divested subsidiary Lafarge India.

Legal matters resolved in the comparative reporting period

On 18 October 2022, Lafarge SA resolved a previously disclosed inquiry by the U.S. Department of Justice ("DOJ") into legacy operations in Syria during the country's civil war. The resolution provides for a three-year term of probation with certain conditions. The DOJ determined that appointment of an independent compliance monitor was unnecessary based on Lafarge SA's remediation and Holcim's compliance program and internal controls.

Guarantees

At 31 December 2023, the Group's guarantees issued in the ordinary course of business amounted to CHF 942 million (2022: CHF 850 million).

Commitments

In the ordinary course of business, the Group enters into purchase commitments for goods and services including power purchase agreements, buy and sell investments, associated companies and Group companies or portions thereof. It is common practice for the Group to make offers or receive call or put options in connection with such acquisitions and divestments. As part of its strategy to decarbonize its energy mix, the Group enters into power purchase agreements to secure sourcing of power from renewable energy.

At 31 December 2023, the Group's commitments amounted to CHF 2,202 million (2022: CHF 2,696 million) and included CHF 1,737 million (2022: CHF 2,235 million) related to the purchase of various products, inventories and services and CHF 464 million (2022: CHF 461 million) related to the purchase of Property, Plant and Equipment and Intangible assets. The Group's commitments decreased mainly due to movements in foreign currency exchange rates and commodity prices.

17. Shareholders' information

17.1 Equity

On 31 December 2023, the Group's subordinated fixed rate resettable perpetual notes carried in equity amounted to CHF 550 million (2022: CHF 750 million).

Issue	Currency	Coupon	Nominal Amount (Million)
5 April 2019	EUR	3.00%	500

On 7 December 2023, Holcim exercised the redemption option on the CHF 200 million subordinated fixed rate resettable perpetual notes issued on 28 November 2018 at an initial fixed coupon of 3.5 percent.

In accordance with the provisions of IAS 32 Financial Instruments – Presentation, and given their characteristics, these instruments were accounted for in equity in the Group's consolidated financial statements.

Incremental costs directly attributable to the issuance of ordinary shares and share options are recognized as a deduction from equity, net of any tax effects. Treasury shares (own equity instruments held by the Group) are accounted for as a reduction of equity at acquisition cost and are not subsequently remeasured. When shares are sold out of treasury shares, the resulting profit or loss is recognized in equity, net of tax.

17.2 Information on share capital

Number of registered shares 31 December	**2023**	2022
Total outstanding shares	**561,823,424**	**588,564,084**
Treasury shares		
Share buyback program	**0**	9,301,384
Other treasury shares	**17,301,182**	18,063,591
Total treasury shares	**17,301,182**	**27,364,975**
Total issued shares	**579,124,606**	**615,929,059**
Shares out of conditional share capital		
Reserved for convertible bonds	**1,422,350**	1,422,350
Total shares out of conditional share capital	**1,422,350**	**1,422,350**
Total shares	**580,546,956**	**617,351,409**

The par value per share is CHF 2.00. The share capital amounts to nominal CHF 1,158 million (2022: CHF 1,232 million) and the carrying amount of the treasury shares amounts to CHF 811 million (2022: CHF 1,297 million).

In 2022, Holcim initiated a share buyback program of up to CHF 2 billion. Under this program, Holcim repurchased 36,804,453 shares on a second trading line on SIX Swiss Exchange. This is equivalent to 6.0 percent of its share capital before capital reduction in 2023, for a total amount of CHF 2 billion at an average purchase price of CHF 54.3 per share. Cancellation of the repurchased shares was approved at the Annual General Meeting held on 4 May 2023. As a result, the share capital of Holcim Ltd reduced to CHF 1,158 million divided into 579,124,606 shares on 1 June 2023.

Swiss tax regulations prescribe to use at least 50 percent from the capital contribution reserves for shares purchased back to be liquidated. The nominal value of CHF 2.00 per share is tax exempt. For the shares bought back as of 31 December 2023, the domestic capital contribution reserves are affected by a reduction of CHF 963 million (CHF 747 million in 2023 and CHF 216 million in 2022).

Number of registered shares 31 December	**2023**	2022
Total issued shares as per 1 January	**615,929,059**	**615,929,059**
Share buyback program	**(36,804,453)**	0
Total issued shares as per 31 December	**579,124,606**	**615,929,059**

18. Related party transactions

The main related parties are the associates and joint ventures companies, the members of the Board of Directors and the members of the Executive Committee.

Key management compensation

Board of Directors

In 2023, 10 non-executive members of the Board of Directors received in total compensation of CHF 3.4 million (2022: CHF 4.6 million) of which CHF 1.9 million was paid in cash (2022: CHF 2.6 million), CHF 0.02 million in the form of social security contributions (2022: CHF 0.02 million), and CHF 1.3 million in shares (2022: CHF 1.9 million). Other compensation paid totaled CHF 0.1 million (2022: CHF 0.2 million).

The total compensation of the Board of Directors as well as the compensation structure and levels remained unchanged from the previous year.

Executive Committee

The total annual compensation for the twelve members of the Executive Committee for 2023 amounted to CHF 33.6 million (2022: CHF 34.8 million). This amount comprises base salaries, other fixed pay and annual incentive of CHF 21.9 million (2022: CHF 23.3 million), equity-based long-term incentive of CHF 8.4 million (2022: CHF 9.0 million), employer contributions to social security and pension plans of CHF 3.3 million (2022: CHF 2.6 million).

Compensation for former members of governing bodies

In 2023, CHF 0.2 million was provided to a former member of the Executive Committee. During 2022, no payments were made to former members of the Executive Committee.

During 2023 and 2022, no payments were made to parties closely related to members of the governing bodies.

Loans granted to members of governing bodies

There were no loans granted to members of the Executive Committee, members of the Board of Directors or to parties closely related to members of governing bodies outstanding on 31 December 2023 and 2022.

Other transactions

As part of the employee share purchase plan, Holcim manages employees' shares. It sells Holcim Ltd shares to employees and purchases shares in the open market. In 2023 and 2022, the company did not purchase any Holcim Ltd shares from members of the Executive Committee.

Transactions with associates and joint ventures

The transactions and the outstanding balances of the Group with associates and joint ventures are summarized in the table below:

Million CHF	**2023**	2022
Net sales	**259**	116
Purchase of goods	**(263)**	(250)
Trade accounts receivable	**61**	66
Other current receivables	**10**	7
Current financial receivables	**13**	14
Long-term financial receivables	**78**	88
Trade accounts payable	**116**	116
Other current liabilities	**3**	0
Current financial liabilities	**32**	11
Long-term financial liabilities	**1**	0

19. Cash flow from investing activities

Million CHF	Notes	2023	2022
Purchase of property, plant and equipment net			
Replacements		**(1,017)**	(979)
Proceeds from sale of property, plant and equipment		**96**	114
Capital expenditures on property, plant and equipment to maintain productive capacity and to secure competitiveness		**(921)**	**(865)**
Expansion investments		**(487)**	(570)
Total purchase of property, plant and equipment net (a)		**(1,408)**	**(1,435)**
Acquisition of participation in Group companies (net of cash and cash equivalents acquired)	**2.3**	**(1,975)**	**(2,559)**
Disposal of participation in Group companies (net of cash and equivalents disposed of)	**2.3**	**6**	**6,093**
Purchase of financial assets, intangible and other assets			
Purchase of financial investments including associates and joint ventures		**(16)**	(9)
Purchase of other financial assets, intangible and other assets		**(235)**	(246)
Total purchase of financial assets, intangible and other assets		**(251)**	**(255)**
Disposal of financial assets, intangible and other assets			
Disposal of financial investments including associates and joint ventures		**6**	17
Disposal of other financial assets, intangible and other assets		**153**	219
Total disposal of financial assets, intangible and other assets		**159**	**236**
Total (purchase) disposal of financial assets, intangible and other assets businesses net (b)		**(2,061)**	**3,516**
Total cash flow from investing activities (a + b)		**(3,469)**	**2,081**

20. Events after the reporting period

On 28 January 2024, Holcim announced its intent to list its North American business in the U.S. with a full capital market separation. It will be subject to shareholder approval at an Extraordinary General Meeting, as well as other customary approvals.

On 30 January 2024, Holcim acquired Mendiger Basalt, a producer of aggregates and recycled construction demolition materials in Germany.

On 31 January 2024, Holcim acquired ZinCo, a manufacturer and designer of sustainable green roofing systems based in Germany.

On 2 February 2024, Holcim completed the disposal of its business in Russia.

In February 2024, Holcim announced a new share buyback program, planned for CHF 1 billion, with the share cancellation to be approved at the Annual General Meeting 2025.

21. Authorization of the financial statements for issuance

The consolidated financial statements were authorized for issuance by the Board of Directors of Holcim Ltd on 27 February 2024 and are subject to shareholder approval at the Annual General Meeting of shareholders scheduled for 8 May 2024.

TO THE GENERAL MEETING OF HOLCIM LTD, ZUG

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To the General Meeting of
Holcim Ltd, Zug

Zurich, 27 February 2024

Report of the statutory auditor

Report on the audit of the consolidated financial statements

Opinion
We have audited the consolidated financial statements of Holcim Ltd and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of income, Consolidated statement of comprehensive earnings, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements (pages 284 to 372) give a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and comply with Swiss law.

Basis for opinion
We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of the Group in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession, as well as those of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Key audit matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the consolidated financial statements.

Impairment of goodwill and long-lived assets

Area of focus	As described in note 6 and note 11 of the consolidated financial statements, the Group has CHF 13'589m of goodwill and CHF 24'652m long-lived assets subject to impairment test (property, plant and equipment, intangible assets, as well as investments in associates and joint ventures), the sum of which represents 73% of total assets. Management performed annual impairment tests for all Cash Generating Units ("CGUs") to which goodwill has been allocated as of 31 December 2023. Management also reviewed all Cash Generating Units ("CGUs") and operating segments for their design and for any indicators of impairment and impairment reversal as of 31 December 2023. In addition, the fair value of the investment in Huaxin Cement Co. Ltd. based on the quoted market price, was 41% lower than the value in-use in Holcim Group's statement of financial position as of 31 December 2023. Therefore, an impairment test has also been performed for the equity-accounted investment in Huaxin, to compare the carrying amount of the investment with the higher of value in-use or fair value less cost of disposal as per IAS 28. The value in-use approach to calculate the recoverable amount of Huaxin Cement Co. Ltd. follows the same methodology and relies on the same key assumptions as the one used for goodwill and long-lived assets, and which is further described in note 11.1. The impairment assessment requires management to estimate future cash flows based on several assumptions related to future profitability, including revenue growth, Recurring EBITDA margins, the determination of an appropriate discount rate and long-term growth rate. The outcome of the impairment assessments could vary significantly based on the judgments applied on the different assumptions. In the year ended 31 December 2023, impairment charges of CHF 105m have been recorded against long-lived assets. Management has performed a sensitivity analysis and concluded that a reasonably possible change in the key assumptions, particularly, post-tax discount rate, or in the Recurring EBITDA margin, would not lead to an impairment in goodwill and long-lived assets.

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Our audit response

Our audit procedures included obtaining an understanding of the Group's impairment testing process, the controls implemented by management in testing for impairment and the determination of key assumptions used in the impairment valuation tests.

We confirmed that the value in use approach to calculate the recoverable amount of Huaxin Cement Co. Ltd. follows the same methodology and relies on the same key assumptions as the one used for goodwill and long-lived assets.

Therefore, we performed the below procedures consistently between all asset groups.

We recalculated the mathematical accuracy of the discounted cash flow models and compared the extracted inputs to the source documents.

We performed an independent assessment of impairment indicators, including challenging management's sensitivity analysis by performing an independent sensitivity analysis utilizing management's models.

We considered management's determination of CGUs for long-lived assets' impairment testing and management's determination that goodwill is monitored at the operating segment level for goodwill impairment testing. We considered whether there existed any contradictory evidence by reviewing internal financial reporting presented to the Board of Directors, CEO and executive committee and other information included in the Annual Report. We held discussions with the CEO and Regional Executives to understand both the process of evaluating results, monitoring performance and how decisions are made on the allocation of capital. In addition, we obtained an understanding of how the performance of members of the Group's management is monitored, and bonuses determined.

We agreed the underlying cash flow forecasts to the Board-approved plans.

We held discussions with management to identify areas where Holcim's 2030 sustainability targets will impact future cash flows. We have performed procedures to confirm that the impact of these projects had been appropriately taken into consideration.

We validated whether the Group's goodwill and long-lived assets impairment methodology was appropriate and tested the clerical accuracy of the impairment models.

We assessed management's historical forecasting accuracy, whether estimates have been determined on a consistent basis across the Group and where relevant, compared management's prior year models for testing impairment with the current year models.

We considered the adequacy of management's disclosures in respect of long-lived assets and goodwill impairment testing and whether they appropriately disclose the sensitivities and the impacts of the change in the level at which goodwill impairment testing is undertaken.

Further, we performed the following substantive procedures on the key assumptions:

Recurring EBITDA margin
We analyzed the individual components of the Recurring EBITDA margin, including market growth, cement prices and cost components, and benchmarked these against external sources.
We performed a lookback analysis on the historical trends as well as held discussions with regional and country management to corroborate their views on the market developments on the four-year forecast.

Discount rates
We involved internal valuation specialists to develop an independent estimate of the relevant discount rates and compared these to discount rates used by management.

Long-term growth
We performed a reconciliation to confirm that the long-term growth rate used to extrapolate cash flow projections beyond the planning period does not exceed the combination of long-term inflation rate and Gross Domestic Product growth rate for the relevant market.

Our audit procedures did not lead to any reservations regarding the valuation, presentation and disclosure of goodwill and long-lived assets.

Contingent Liabilities

Area of focus The group is involved in lawsuits, claims of various natures, investigations and proceedings, as disclosed in note 16.3 to the consolidated financial statements.

In particular, the criminal proceedings in France against Lafarge SA related to legacy operations in Syria during the country's civil war are still ongoing. The courts' decisions at this stage are not rulings on the merits of the case and Lafarge SA continues to cooperate fully with the French judicial authorities.

In addition, and pertaining to the same legacy operations, five civil lawsuits were filed in the U.S. District Court for the Eastern District of New York against Lafarge SA, and its subsidiaries Lafarge Cement Syria and Lafarge Cement Holding Limited, by individuals who were injured or killed in terrorist attacks in Syria, Iraq, Libya, Jordan, France, Spain, Turkey and Niger from 2012 to 2017, or their heirs and family members.

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Management has concluded, considering all available evidence, including advice from both external and internal legal counsels, that the outcome of the above-mentioned legal proceedings cannot be reliably estimated.

Consequently, no liabilities have been recognized, and an estimate of the contingent liability in relation to these matters cannot be quantified and therefore disclosed as of 31 December 2023.

Our audit response

We gained an understanding of the Group's design and implementation of processes and controls for the identification and evaluation of legal proceedings and regulatory investigations at the different levels of management, including those charged with governance, as well as for the continuous assessment and recording of the related contingent liabilities and provisions required by IAS 37 Provisions, contingent liabilities and contingent assets.

We enquired the Group Head Legal and Compliance and the Group's external legal counsels as to the current status of the proceedings and their professional assessment of their outcome and obtained written legal opinions when deemed necessary.

We obtained minutes of meetings of the Board of Directors. We assessed whether any of the evidence obtained contradicted management's assessment.

We assessed the adequacy of the related disclosures made in the consolidated financial statements.

Our audit procedures did not lead to any reservations regarding the valuation, presentation and disclosure of contingent liabilities.

Divestment of the Russian business

Area of focus

As disclosed in notes 11.2 and 13.2 to the consolidated financial statements, the Group signed an agreement on 13 December 2022, which was amended on 18 May 2023 and 2 October 2023, to sell its business in Russia. The transaction was closed subsequent to year-end on 2 February 2024. As a result, management has maintained the classification of the assets and the related liabilities as held for sale in the consolidated balance sheet.

The accounting treatment applied to the Russian operations as of 31 December 2023 involves the application of management's judgment over the classification of the assets and liabilities of the Russian business as of 31 December 2023.

The assets to be divested comprised largely of three integrated cement plants and one grinding station in the reportable segment Europe.

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Our audit response

We obtained management's assessment of classification of the Russian business as held-for-sale and assessed it in relation to the relevant accounting standards.

We reviewed the final sale purchase agreement.

We obtained confirmation from the external legal counsel that the sale transaction has been completed in accordance with the terms of the transaction documents agreed by the parties.

We reassessed, that management's valuation assessment of the Russian business as of 31 December 2022 is unchanged as of 31 December 2023 including the recorded impairment charges.

We assessed the adequacy of the related disclosures made in the consolidated financial statements.

Our audit procedures did not lead to any reservations regarding the valuation, presentation and disclosure related to the Holcim's Russian operations.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements, the remuneration report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the consolidated financial statements

The Board of Directors is responsible for the preparation of the consolidated financial statements, which give a true and fair view in accordance with IFRS Accounting Standards and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the

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Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISA and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERTsuisse's website at: https://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

Report on other legal and regulatory requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Ernst & Young Ltd

Jacques Pierres	Daniel Zaugg
Licensed audit expert (Auditor in charge)	Licensed audit expert

HOLDING COMPANY RESULTS

Statement of income Holcim Ltd

Million CHF	Notes	2023	2022
Dividend income – Group companies		**1,137**	7,387
Financial income – Group companies		**265**	229
Financial income – Third parties		**18**	7
Other income	2	**328**	496
Total income		**1,748**	**8,119**
Financial expenses – Group companies		**(175)**	(374)
Financial expenses – Third parties		**(14)**	(31)
Other expenses	3	**(806)**	(521)
Impairment of financial investments and financial receivables – Group companies	4	**(28)**	(5,366)
Total expenses		**(1,023)**	**(6,292)**
Net income before taxes		**725**	**1,827**
Income taxes		**(38)**	(23)
Net income		**687**	**1,804**

Statement of financial position Holcim Ltd

Million CHF	Notes	2023	2022
Cash and cash equivalents		**371**	2,730
Current financial receivables – Group companies		**162**	479
Current financial receivables – Third parties		**228**	245
Other current receivables – Group companies		**150**	144
Other current receivables – Third parties		**6**	4
Total current assets		**917**	**3,602**
Non-current financial receivables – Group companies	5	**4,828**	4,814
Financial investments – Group companies	6	**32,779**	33,307
Other assets		**0**	76
Total non-current assets		**37,607**	**38,197**
Total assets		**38,524**	**41,799**
Current interest-bearing liabilities – Group companies		**284**	807
Current interest-bearing liabilities – Third parties	7	**440**	14
Other current liabilities – Group companies		**73**	79
Other current liabilities – Third parties		**151**	164
Total current liabilities		**948**	**1,064**
Non-current interest-bearing liabilities – Group companies		**4,591**	5,182
Non-current interest-bearing liabilities – Third parties	8	**150**	590
Other non-current liabilities – Third parties		**113**	0
Total non-current liabilities		**4,854**	**5,772**
Total liabilities		**5,802**	**6,836**
Share capital	13	**1,158**	1,232
Capital reserves from tax capital contributions			
– Domestic	9	**551**	1,298
– Foreign		**12,154**	13,567
Statutory retained earnings		**2,531**	2,531
Voluntary retained earnings			
– Retained earnings		**16,452**	15,828
– Net income		**687**	1,804
Treasury shares	9	**(811)**	(1,297)
Total shareholders' equity		**32,722**	**34,963**
Total liabilities and shareholders' equity		**38,524**	**41,799**

Holcim Ltd, with registered office in Zug, is the ultimate holding company of Holcim Group which comprises subsidiaries, associated companies and joint ventures around the world. During the reporting period, Holcim Ltd employed fewer than ten employees (2022: fewer than ten employees).

1. Accounting Policies

Basis of preparation

The financial statements of Holcim Ltd comply with the requirements of the Swiss accounting legislation of the Swiss Code of Obligations (SCO). Holcim Ltd is presenting consolidated financial statements according to IFRS® Accounting Standards. As a result, these financial statements and notes do not include additional disclosures, cash flow statement or a management report.

Due to rounding, numbers presented throughout this report may not add up precisely to the totals provided. All ratios and variances are calculated using the underlying amount rather than the presented rounded amount.

Accounting principles applied

Other income and expenses

Non-monetary assets and liabilities are carried at historical rates. Monetary assets and liabilities in foreign currencies are translated at year-end exchange rates. Realized exchange gains and losses and all unrealized exchange losses arising from these as well as those from business transactions are recorded as other income or other expenses. Unrealized exchange gains on non-current assets and liabilities are deferred.

Cash and cash equivalents

Cash and cash equivalents are bank accounts and short-term deposits, highly liquid and readily convertible to known amounts of cash with maturities of three months or less from the date of acquisition.

Financial receivables

Financial receivables are valued at acquisition cost less any impairment of value.

The CO_2 certificates are classified as current financial receivables and valued at acquisition costs less impairment of the value. The result of the sales of the CO_2 certificates is recorded in other income and other expenses.

Financial investments

Financial investments are initially recognized at cost. Investments in Holcim Group subsidiaries are assessed annually and in case of an impairment adjusted to their recoverable amount.

Other assets

Other assets contain goodwill and other Intangible assets, which are capitalized and amortized over a period between three and seven years.

Interest-bearing liabilities

Interest-bearing liabilities are valued at nominal value. Any bond premium is accrued over the duration of the bond so that at maturity the balance sheet amount will equal the amount that is due to be paid.

Provisions

Provisions are made to cover general business risks.

Treasury shares

Treasury shares are recognized at acquisition cost and deducted from equity. Gains and losses on the sale are recognized in the statement of income.

2. Other income

The other income contains intangible property related fees of CHF 259 million (2022: CHF 229 million) and other income of CHF 69 million (2022: CHF 267 million).

3. Other expenses

The other expenses contain stewardship, project and litigation expenses of CHF 363 million (2022: CHF 282 million), administrative expenses of CHF 15 million (2022: CHF 15 million), other expenses of CHF 83 million (2022: CHF 91 million) and net foreign exchange losses of CHF 345 million (2022: CHF 133 million).

4. Impairment of financial investments and financial receivables – Group companies

In the reporting period there have been impairments on financial investments and financial receivables in the amount of CHF 28 million (2022: CHF 5,366 million).

5. Non-current financial receivables – Group companies

The non-current financial receivables amount to CHF 4,828 million (2022: CHF 4,814 million). In 2022, Holcim Ltd granted a subordinated loan of USD 3,500 million to a fully owned subsidiary.

6. Financial investments – Group companies

The principal direct and indirect subsidiaries and other holdings of Holcim Ltd are shown in note 2.4 to the Group's consolidated financial statements.

7. Current interest-bearing liabilities – Third parties

Million CHF	**2023**	2022
1.00% fixed, Bond, 2018-2024	**440**	0
Other current debt	**0**	14
Total	**440**	**14**

8. Non-current interest-bearing liabilities – Third parties

Million CHF	**2023**	2022
1.00% fixed, Bond, 2015-2025	**150**	150
1.00% fixed, Bond, 2018-2024	**0**	440
Total	**150**	**590**

9. Treasury shares movements in equity

		Number held by Holcim Ltd	Million CHF	Average price per share in CHF	Number held by subsidiaries	Reserve for treasury shares held by subsidiaries in Million CHF	Average price per share in CHF
01.01.2023	Opening	**27,364,975**	**1,297**	**47.4**	**0**	**0**	**0.0**
2023	Purchases share buyback program	**27,503,069**	**1,550**	**56.4**	**0**	**0**	**0.0**
2023	Cancellation of shares from share buyback program	**(36,804,453)**	**-2,000**	**54.3**	**0**	**0**	**0.0**
2023	Sales and delivery for remuneration plans	**(762,409)**	**-36**	**46.9**	**0**	**0**	**0.0**
31.12.2023	**Closing**	**17,301,182**	**811**	**46.9**	**0**	**0**	**0.0**
01.01.2022	Opening	7,919,042	382	48.2	0	0	0.0
2022	Purchases share buyback program	9,301,384	450	48.4	0	0	0.0
2022	Other purchases	10,953,722	504	46.0	0	0	0.0
2022	Sales and delivery for remuneration plans	(809,173)	-39	47.9	0	0	0.0
31.12.2022	**Closing**	**27,364,975**	**1,297**	**47.4**	**0**	**0**	**0.0**

The Annual General Meeting approved the cancellation of shares repurchased under the share buyback program announced in November 2022 and completed in May 2023. Under this program, Holcim repurchased 36,804,453 shares, this is equivalent to 6.0 percent of its share capital before capital reduction in 2023, for a total amount of CHF 2 billion at an average purchase price of CHF 54.3 per share.

Swiss tax regulations prescribe to use at least 50 percent from the capital contribution reserves for shares purchased back to be liquidated. The nominal value of CHF 2.00 per share is tax exempt. For the shares bought back as of 31 December 2023, the domestic capital contribution reserves are affected by a reduction of CHF 963 million (CHF 747 million in 2023 and CHF 216 million in 2022).

10. Contingent liabilities

Million CHF	2023	2022
Guarantees in favor of subsidiaries to cover capital and interest of bonds, private placements, Schuldschein loans, credit facilities and commercial paper programs	**12,643**	14,799
Guarantees for committed credit lines, utilization CHF 0 million (2022: CHF 0 million)	**5,104**	5,581
Total	**17,747**	**20,380**

Holcim Ltd is part of a value added tax group and therefore jointly liable to the Swiss Federal Tax Administration for the value added tax liabilities of the other members.

Holcim Ltd guarantees Holcim Finance (Luxembourg) S.A. any amount needed to fulfill its obligations from financing agreements.

11. Share interests of Board of Directors and Executive Committee

Shares owned by Board of Directors

On 31 December 2023, the members of the Board of Directors held a total of 669,873 (2022: 712,437) registered shares in Holcim Ltd. This number comprises privately acquired shares and those allotted under the Group's participation and compensation schemes.

Name	Position	Shares held as of 31 December 2023	Shares held as of 31 December 2022
Beat Hess	Chairman (until 4 May 2023)	**n/a**	116,928
Jan Jenisch	Chairman (since 4 May 2023)	**600,000**	531,000
Hanne B. Sørensen	Vice-Chairwoman	**20,105**	17,114
Philippe Block	Member	**5,039**	3,150
Kim Fausing	Member	**5,039**	3,150
Leanne Geale	Member	**1,102**	0
Patrick Kron	Member (until 4 May 2023)	**n/a**	9,276
Naina Lal Kidwai	Member	**7,006**	5,117
Ilias Läber	Member	**9,102**	8,000
Jürg Oleas	Member	**15,474**	13,585
Claudia Sender Ramirez	Member	**7,006**	5,117
Total		**669,873**	**712,437**

Ownership of shares and options: Executive Committee

As of 31 December 2023, the members of the Executive Committee held a total of 951,339 (2022: 924,815) registered shares in Holcim Ltd. This figure includes both privately acquired shares and those allocated under participation and the Group's compensation schemes.

Furthermore, at the end of 2023, the Executive Committee held a total of 1,994,360 (2022: 2,208,613) performance options (at target) and 301,600 (2022: 373,970) performance shares (at target); these arose as a result of the participation and compensation schemes of various years. Options are issued solely on registered shares in Holcim Ltd. One option entitles the holder to buy one registered share in Holcim Ltd.

Number of shares and options held by Executive Committee members as of 31 December 2023

Name	Position	Total number of shares owned	Total number of performance options held (at target)	Total number of performance options held (at maximum)	Total number of performance shares held (at target)	Total number of performance shares held (at maximum)
Jan Jenisch	CEO	600,000	1,023,681	2,047,362	129,445	258,890
Nollaig Forrest	Member	0	5,581	11,162	6,745	13,490
Mathias Gaertner	Member	21,463	n/a	n/a	n/a	n/a
Jamie Gentoso	Member	22,139	79,703	159,405	24,646	49,292
Feliciano González Muñoz	Member	69,506	193,205	386,409	26,673	53,346
Miljan Gutovic	Member	84,909	201,503	403,005	28,724	57,448
Steffen Kindler	Member	1,000	17,005	34,009	9,241	18,482
Martin Kriegner	Member	91,124	210,462	420,923	28,428	56,856
Oliver Osswald	Member	50,000	208,066	416,132	28,724	57,448
Toufic Tabbara	Member	11,198	55,154	110,308	18,974	37,948
Total		**951,339**	**1,994,360**	**3,988,715**	**301,600**	**603,200**

Number of shares and options held by Executive Committee members as of 31 December 2022

Name	Position	Total number of shares owned	Total number of performance options held (at target)	Total number of performance options held (at maximum)	Total number of performance shares held (at target)	Total number of performance shares held (at maximum)
Jan Jenisch	CEO	531,000	948,902	1,897,804	136,956	273,912
Magali Anderson	Member	32,502	128,632	257,264	28,746	57,492
Mathias Gaertner	Member	9,266	31,944	63,887	12,230	24,460
Jamie Gentoso	Member	11,834	56,763	113,526	18,452	36,904
Feliciano González Muñoz	Member	48,111	170,532	341,064	28,746	57,492
Miljan Gutovic	Member	58,793	177,086	354,172	30,343	60,686
Martin Kriegner	Member	73,296	197,822	395,643	30,537	61,074
Oliver Osswald	Member	43,011	194,656	389,311	30,956	61,912
Géraldine Picaud	Member	114,281	270,061	540,121	44,224	88,448
Toufic Tabbara	Member	2,721	32,215	64,429	12,780	25,560
Total		**924,815**	**2,208,613**	**4,417,221**	**373,970**	**747,940**

12. Significant shareholders

According to the share register and disclosed through notifications filed with Holcim Ltd and the SIX Swiss Exchange, shareholders owning 3 percent or more are as follows:

Percentage of shares outstanding	2023	2022
Thomas Schmidheiny[1]	**6.4**	8.1
BlackRock Inc.[2]	**5.2**	4.9
Dodge & Cox[3]	**3.2**	3.0
Martin and Rosmarie Ebner[4]	**3.1**	< 3.0
UBS Fund Management (Switzerland) AG[5]	**3.0**	< 3.0
Holcim AG[6]	**< 3.0**	4.4

[1] Excluding the shares of the family members; Thomas Schmidheiny directly and indirectly held 6.4 percent as per 31 December 2023.
[2] BlackRock Inc. declared holdings of 5.2 percent as per 24 June 2023.
[3] Dodge & Cox declared holdings of 3.2 percent as per 29 June 2023.
[4] Martin and Rosmarie Ebner declared holdings of 3.1 percent as per 17 June 2023.
[5] UBS Fund Management (Switzerland) AG declared holdings of 3.0 percent as per 27 June 2023.
[6] Holcim Ltd's participation fell under 3.0 percent as per 16 June 2023.

The individual reports can be accessed on the reporting and publication platform of the Disclosure Office of SIX Swiss Exchange under *ser-ag.com/significant-shareholders.*

13. Share capital

As of 31 December 2023, Holcim Ltd share capital amounts to CHF 1,158 million (2022: CHF 1,232 million) and consists of 579,124,606 registered shares (2022: 615,929,059) with a nominal value of CHF 2.00 each.

The Annual General Meeting approved the cancellation of shares repurchased under the share buyback program announced in November 2022 and completed in May 2023. Under this program, Holcim repurchased 36,804,453 shares, this is equivalent to 6.0 percent of its share capital before capital reduction in 2023.

14. Events after the reporting period

On 28 January 2024, Holcim announced its intent to list its North American business in the U.S. with a full capital market separation. It will be subject to shareholder approval at an Extraordinary General Meeting, as well as other customary approvals.

In February 2024, Holcim announced a new share buyback program, planned for CHF 1 billion, with the share cancellation to be approved at the Annual General Meeting 2025.

APPROPRIATION OF AVAILABLE EARNINGS AND DISTRIBUTION FROM THE CAPITAL RESERVES FROM TAX CAPITAL CONTRIBUTIONS

Appropriation of available earnings

Million CHF	**2023**	2022
Available earnings:		
Retained earnings	**16,452**	15,828
Net income of the year	**687**	1,804
Total available earnings	**17,139**	**17,632**
Balance to be carried forward	**17,139**	**17,632**

The Board of Directors proposes to the Annual General Meeting of shareholders to carry the balance forward to the new accounts.

Distribution from the foreign capital reserves from tax capital contributions

Million CHF	**2023**	2022
Capital reserves from tax capital contributions:		
– Domestic	**551**	1,298
– Foreign	**12,154**	13,567
Total available capital reserves from tax capital contributions	**12,705**	**14,865**
Proposed distribution from the foreign capital reserves from tax capital contributions	**(1,573)**	(1,472)
Balance to be carried forward	**11,132**	**13,393**

The Board of Directors proposes to the Annual General Meeting of shareholders a distribution from the foreign capital reserves from tax capital contributions and payout of CHF 2.80 (2022: CHF 2.50) per registered share up to an amount of CHF 1,573 million[1].

[1] There is no payout on treasury shares held by Holcim. As per 31 December 2023 treasury shares holdings amounted to 17,301,182 registered shares.

TO THE GENERAL MEETING OF HOLCIM LTD, ZUG

Building a better working world

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To the General Meeting of
Holcim Ltd, Zug

Zurich, 27 February 2024

Report of the statutory auditor

Report on the audit of the financial statements

Opinion
We have audited the financial statements of Holcim Ltd (the Company), which comprise the statement of financial position as at 31 December 2023, the statement of income for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 380 to 386) comply with Swiss law and the Company's articles of incorporation.

Basis for opinion
We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Key audit matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's responsibilities for the audit of the financial statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

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Financial investments – Group companies

Areas of focus	Holcim Ltd holds financial investments in Group companies with a carrying amount of CHF 32,779m as at 31 December 2023, which represents 85% of the Company's total assets. According to the Swiss CO para 960, each investment held is valued individually. In case of specific indications that assets have been overvalued or that provisions are too low, the values must be reviewed and adjusted, if necessary. The Company's note in respect of the accounting policies on financial investments is included in Note 1 of the statutory financial statements. The principal direct and indirect subsidiaries and other holdings of Holcim Ltd are disclosed on pages 301 to 304 of the consolidated financial statements. The assessment of the carrying value of investments includes certain complexity and judgement. It is related to the value of the underlying assets held by each investment which themselves depends on the value of other underlying assets. Management has developed valuation models that depend on estimation of the future earnings and the discount rates applied. Due to this complexity and judgment in relation to whether the carrying amount of the financial investments is supported through their value in use calculated on the basis of budgeted future cash flows, this area represents a key audit matter.
Our audit response	We assessed the Company's accounting policy in respect of financial investments valuation. We obtained an understanding of the internal controls surrounding the valuation process for financial investments valuation and assessed their design and implementation. We assessed, with involvement of our valuation specialists, the valuation methodology, the underlying assumptions and the mathematical accuracy of the valuation models. Our procedures included assessment of the assumptions and methodologies used by the Company in its value-in-use calculation and discount rates applied. We analyzed, for each financial investment, the excess of the recoverable amount over carrying amount. We compared the amount of investment impairment recognized in the financial statements with impairment assessment in the valuation models. Our audit procedures did not lead to any reservations concerning the valuation, presentation and disclosure of investments in group companies.

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Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements, the remuneration report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the financial statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website at: https://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

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Report on other legal and regulatory requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings and the proposed repayment from the foreign capital reserves from tax capital contribution comply with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd

Jacques Pierres	Daniel Zaugg
Licensed audit expert (Auditor in charge)	Licensed audit expert

5-YEAR-REVIEW HOLCIM GROUP

		2023	2022	2021	2020	2019
Statement of income						
Net sales	million CHF	**27,009**	29,189	26,834	23,142	26,722
Gross profit	million CHF	**11,498**	11,614	11,536	9,689	11,281
Recurring EBITDA after leases	million CHF	**6,378**	6,554	6,562	5,616	6,177
Recurring EBIT	million CHF	**4,760**	4,752	4,612	3,676	4,102
Recurring EBIT margin	%	**17.6**	16.3	17.2	15.9	15.4
Operating profit (EBIT)	million CHF	**4,577**	3,221	4,401	3,371	3,833
Depreciation, amortization and impairment of operating assets	million CHF	**(2,076)**	(2,845)	(2,337)	(2,515)	(2,559)
Income taxes	million CHF	**999**	1,027	963	717	806
Tax rate	%	**24**	23	26	26	24
Net income	million CHF	**3,176**	3,528	2,681	2,002	2,513
Net income – shareholders of Holcim Ltd	million CHF	**3,060**	3,308	2,298	1,697	2,246
Statement of cash flows						
Cash flow from operating activities	million CHF	**5,470**	4,562	5,045	4,618	4,825
Free Cash Flow after leases	million CHF	**3,705**	2,765	3,264	3,249	3,019
Investments in property, plant and equipment for maintenance net	million CHF	**(921)**	(865)	(829)	(647)	(911)
Investments in property, plant and equipment for expansion	million CHF	**(487)**	(570)	(591)	(379)	(486)
(Purchase) Disposal of financial assets, intangible and other assets and businesses net	million CHF	**(2,061)**	3,516	(3,291)	(205)	1,178
Statement of financial position						
Current assets	million CHF	**12,842**	16,784	13,696	10,886	12,210
Non-current assets	million CHF	**39,844**	40,819	46,188	42,338	46,100
Total assets	million CHF	**52,686**	57,603	59,885	53,224	58,310
Current liabilities	million CHF	**8,904**	8,857	9,745	8,178	9,144
Non-current liabilities	million CHF	**16,999**	19,132	19,666	16,422	17,667
Total shareholders' equity	million CHF	**26,783**	29,614	30,473	28,625	31,449
Shareholders' equity as % of total assets	%	**50.8**	51.4	50.9	53.8	54.0
Non-controlling interests	million CHF	**786**	940	2,788	2,553	2,933
Net financial debt	million CHF	**7,896**	6,032	9,977	8,483	10,110
Personnel						
Number of personnel		**63,448**	60,422	69,672	67,409	72,452

Cautionary statement regarding forward-looking statements

This document contains forward-looking statements relating to the Group's future business, development and economic performance. Such forward-looking statements do not constitute forecasts regarding results or any other performance indicator, but rather trends or targets, as the case may be, including with respect to plans, initiatives, events, products, solutions and services, their development and potential. Although Holcim believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions as at the time of publishing this document, investors are cautioned that these statements are not guarantees of future performance. Actual results may differ materially from the forward-looking statements made in this document as a result of a number of risks and uncertainties, many of which are difficult to predict and generally beyond the control of Holcim, including but not limited to the risks described in this annual report and uncertainties related to the market conditions and the implementation of our plans. Accordingly, we caution you against relying on forward-looking statements. Holcim assumes no obligation to update or alter forward-looking statements whether as a result of new information, future events or otherwise.

Disclaimer

The complete annual report for Holcim Ltd is published in English and is available on holcim.com. A printed extract of the annual report will be available in English and German from April 2024. The English version is legally binding.

Financial reporting calendar

	Date
Results for the first quarter	25 April 2024
Annual General Meeting of shareholders	8 May 2024

DEFINITION OF ALTERNATIVE PERFORMANCE MEASURES USED IN THIS REPORT

Like-for-like / Organic Growth

Organic Growth information factors out changes in the scope of consolidation (such as divestments and acquisitions occurring in the current year and the prior year) and currency translation effects (current year figures are converted with prior year exchange rates in order to calculate the currency effects).

Recurring operating costs

The recurring operating costs indicator represents all recurring costs. It is defined as:

+/− Recurring EBITDA after leases
− Net sales
− Share of profit of joint ventures

Recurring EBITDA

The Recurring EBITDA (earnings before interest, tax, depreciation and amortization) measures the performance of the Group excluding the impacts of non-recurring items. It is defined as:

+/− Operating profit/loss (EBIT)
− Depreciation, amortization and impairment of operating assets
− Restructuring, litigation and other non-recurring costs

Recurring EBITDA margin

The Recurring EBITDA margin measures the profitability of the Group excluding the impacts of non-recurring items. It is defined as the Recurring EBITDA divided by net sales.

Recurring EBITDA after leases

The Recurring EBITDA after leases (earnings before interest, tax, depreciation and amortization) measures the performance of the Group including the impacts of lease depreciation and excluding the impacts of non-recurring items. It is defined as the Recurring EBITDA less the depreciation of right-of-use assets.

Recurring EBIT

The Recurring EBIT is defined as Operating profit/loss (EBIT) adjusted for restructuring, litigation, other non-recurring costs and for impairment of operating assets.

Recurring EBIT margin

The Recurring EBIT margin measures the profitability of the Group excluding the impacts of restructuring, litigation and other non-recurring costs. It is defined as the Recurring EBIT divided by net sales.

Restructuring, litigation and other non-recurring costs

Restructuring, litigation and other non-recurring costs relate to significant items that, because of their exceptional nature, cannot be viewed as inherent to the Group's ongoing performance, such as strategic restructuring, major items relating to antitrust fines and other business-related litigation cases.

Profit (loss) on disposals and other non-operating items

Profit and loss on disposals and other non-operating items comprise gains or losses on the disposal of material property, plant and equipment, gains or losses on the sale of Group companies, associates and joint ventures, impact of other non-operating items that are not directly related to the Group's operating activities such as revaluation gains or losses on previously held equity interests, indemnification provisions and disputes with minority shareholders.

Operating profit/loss (EBIT) before impairment

The Operating profit/loss (EBIT) before impairment measures the profit earned from the Group's core business activities excluding impairment charges which, because of their exceptional nature, cannot be viewed as inherent to the Group's ongoing activities. It is defined as:

+/− Operating profit/loss
− Impairment of goodwill and long-term assets

Net income/loss before taxes, impairment and divestments

Net income/loss before taxes, impairment and divestments excludes impairment charges and capital gains and losses arising on disposals of investments which, because of their exceptional nature, cannot be viewed as inherent to the Group's ongoing activities. It is defined as:

+/− Net income/loss before taxes
− Gains and losses on disposals of Group companies
− Impairment of goodwill and long-term assets

Net income/loss before impairment and divestments

Net income/loss before impairment and divestments excludes impairment charges and capital gains and losses arising on disposals of investments which, because of their exceptional nature, cannot be viewed as inherent to the Group's ongoing activities. This indicator is net of taxation and is defined as:

+/− Net income/loss
− Gains and losses on disposals of Group companies, net of taxation
− Impairment of goodwill and long-term assets, net of taxation

EPS (Earnings per share) before impairment and divestments

The EPS (Earnings per share) before impairment and divestments measures the theoretical profitability per share of stock outstanding based on a net income/loss before impairment and divestments. It is defined as Net income/loss before impairment and divestments attributable to the shareholders of Holcim Ltd divided by the weighted average number of shares outstanding.

CapEx or CapEx Net (Net Maintenance and Expansion CapEx)

The CapEx or CapEx Net (Net Maintenance and Expansion CapEx) measures the cash spent to maintain or expand its asset base. It is defined as:

+ Expenditure to increase existing or create additional capacity to produce, distribute or provide services for existing products (expansion) or to diversify into new products or markets (diversification)
+ Expenditure to sustain the functional capacity of a particular component, assembly, equipment, production line or the whole plant, which may or may not generate a change of the resulting cash flow
− Proceeds from sale of property, plant and equipment.

Employee benefits and other operating items

Employee benefits and other operating items reflect the non-cash impact on the operating profit of the employee benefits schemes net of any cash payments, the non-cash impact of the specific business risks provisions net of any cash payments, the non-cash share based compensation expenses and any other non-cash operating expenses.

Change in other receivables and liabilities

Change in other receivables and liabilities includes the net change of other receivables and liabilities that are not already disclosed separately in the consolidated statement of cash flows or that are not of a tax or of a financial nature.

Free Cash Flow after leases

The Free Cash Flow after leases (also referred as Free Cash Flow) measures the level of cash generated by the Group after spending cash to maintain or expand its asset base. It is defined as:

+/− Cash flow from operating activities
− Net Maintenance and Expansion CapEx
− Repayment of long-term lease liabilities

Free Cash Flow margin

The Free Cash Flow margin measures the efficiency of the Group to convert net sales into cash. It is defined as Free Cash Flow after leases divided by net sales.

Net financial debt ("Net debt")

The Net financial debt ("Net debt") measures the financial debt of the Group after deduction of the cash. It is defined as:

+ Financial liabilities (short-term and long-term) including derivative liabilities
− Cash and cash equivalents
− Derivative assets (short-term and long-term)

Debt leverage

The Net financial debt to Recurring EBITDA ratio is used as an indicator of financial risk and shows the number of years it would take the Group to repay its debt if Recurring EBITDA and net debt are held constant.

Working Capital days on sales (count-back)

The Working Capital days on sales is an efficiency ratio measuring the level of trade accounts receivable, trade accounts payable and inventories in comparison to sales of the current month and the previous months until the respective balance is covered. It is defined as:

+ Days sales outstanding
+ Days inventories outstanding
− Days payables outstanding

Invested Capital
The Invested Capital measures total funds invested by shareholders, lenders and any other financing sources.

It is defined as:

+ Total shareholders' equity
+ Net financial debt
− Assets classified as held for sale
+ Liabilities classified as held for sale
− Current financial receivables
− Long-term financial investments and other long-term assets

Net Operating Profit/loss After Tax ("NOPAT")
It is defined as:

+/− Net Operating Profit (loss) (being the Recurring EBIT and share of profit of associates)
− Income Taxes (determined by applying the Group's effective tax rate to the Net Operating Profit/loss as defined above)

ROIC (Return On Invested Capital)
The ROIC (Return On Invested Capital) measures the Group's ability to efficiently use Invested Capital. It is defined as Net Operating Profit (loss) After Tax (NOPAT) divided by the average Invested Capital. The average is calculated by adding the Invested Capital at the beginning of the period to that at the end of the period and dividing the sum by 2 (based on a rolling 12-month calculation). In case of material change in scope during the year, the Average Invested Capital is adjusted pro rata temporis.

Cash conversion
The cash conversion measures the Group's ability to convert profits into available cash. It is defined as Free Cash Flow after leases divided by Recurring EBITDA after leases.

Personnel (FTE)
Personnel (FTE) measures the number of full time equivalent own personnel (FTE) assigned to functions and tasks.

Net CO_2 emissions (kilogram per ton of cementitious material)
Net CO_2 emissions are CO_2 emissions from the calcination process of the raw materials and the combustion of traditional kiln and non-kiln fuels. Cementitious materials refer to clinker production volumes, mineral components consumed in cement production and mineral components processed and sold externally.

CO_2 per net sales
The absolute CO_2 (thousand metric tons) emissions Scope 1 and Scope 2 divided by millions of net sales.

EcoPact
ECOPact is Holcim's low-carbon concrete product range that delivers equal or better performance than conventional concrete and has at least 30 percent lower CO_2 emissions compared with a local concrete using Ordinary Portland Cement (OPC alternatively known as CEM I) in the same strength class.

EcoPlanet
ECOPlanet is Holcim's range of low-carbon cement that delivers equal or better performance than conventional cement and has at least at 30 percent lower CO_2 emissions compared to Ordinary Portland Cement (OPC alternatively known as CEM I).

Specific Freshwater withdrawal (liter per ton of cementitious material)
Total volume of freshwater withdrawn by the cement plant divided by the total production of cementitious material.

Lost time injury frequency rate (LTIFR)
Number of on-the-job injuries that require a person to stay away from work for a day or more per one million hours worked.

Green CapEx
The Sustainability Capital Expenditures with significant positive impact on Process Decarbonization, Clean Energy, Carbon Efficient Construction, Circular Economy, Biodiversity, Air & Water and Communities such as but not limited to carbon capture, waste heat recovery, 3D printing, electrical fleet, calcined clay technology, alternative fuels & raw materials installations.

Waste derived resources
Waste derived resources is the sum of all waste raw materials and fuels consumed in the production processes as well as recycled materials processed sold externally. This includes alternative raw materials, alternative fuels, industrial mineral components, returned concrete, recycled aggregates and asphalt. Construction Demolition Materials are included in waste derived resources.

Construction Demolition Materials (CDM)
CDM recycled volume is generated from construction, renovation, repair and demolition of houses, large building structures, roads, bridges, piers and dams. This includes alternative raw materials, recycled aggregates, asphalt and return concrete reused in Cement, Aggregates, Ready-mix concrete, Asphalt and Concrete Products. CDM is equivalent to construction and demolition waste (CDW) as defined by the EU Waste Framework Directive.

Contribution in Social Initiatives
Any initiatives Holcim puts in place to address social issues and to contribute to society that are not primarily motivated by generating a direct financial return to the Group’s business such as but not limited to housing & infrastructure, health, education & skills, environment, cultural and recreational.

Sustainable financing
Any committed financing instrument drawn and undrawn with a sustainability feature which includes performance-based (sustainability KPI, ESG linked) or use-of-proceed-based products (green, social, transition bonds) incurred by the parent company or consolidated entities.

Green bond
Green bond is a fixed-income instrument which enables the funding of green eligible projects as defined by the Green Bond Principles and endorsed by the International Capital Markets Association (ICMA). A green bond has a dedicated use of proceeds in projects that are sustainable and socially responsible such as projects in the field of renewable energy, carbon capture, clean transportation, and circular economy.

Thermal Substitution Rate (TSR)
Thermal substitution rate (TSR) corresponds to the relation of thermal energy consumption of alternative fuels to the total amount of thermal energy consumption in the cement kiln system.

Ton
Refers to a Metric ton, or 1,000 kg.

This set of definitions can be found on the Group's website:
holcim.com/alternative-performance-measures

Reconciliation of Alternative Performance measures

Reconciling measures of Profit and Loss to the Consolidated statement of income

Million CHF	2023	2022
Net sales	**27,009**	**29,189**
Recurring Operating costs	**(20,935)**	(22,942)
Share of profit of joint ventures	**304**	308
Recurring EBITDA after leases	**6,378**	**6,554**
Depreciation and amortization of property, plant and equipment, intangible and other long-term assets	**(1,618)**	(1,802)
Recurring EBIT	**4,760**	**4,752**
Restructuring, litigation and other non-recurring costs	**(84)**	(846)
Impairment of operating assets	**(99)**	(685)
Operating profit	**4,577**	**3,221**

Million CHF	2023	2022
Recurring EBITDA after leases	**6,378**	**6,554**
Depreciation of right-of-use assets	**359**	358
Recurring EBITDA	**6,737**	**6,912**

Million CHF	2023	2022
Net income before taxes, impairment and divestments	**4,218**	**3,513**
Impairment of goodwill and long-term assets	**(99)**	(719)
Gain on disposals of Group companies	**55**	1,761
Net income before taxes	**4,174**	**4,555**

Million CHF	2023	2022
Net income before impairment and divestments Group share	**3,089**	2,218
Net income before impairment and divestments Non-controlling interests	**116**	228
Net income before impairment and divestments	**3,205**	**2,446**
Impairment of goodwill and long-term assets, net of taxation	**(82)**	(682)
Gain on disposals of Group companies, net of taxation	**53**	1,764
Net income	**3,176**	**3,528**
EPS before impairment and divestments in CHF	**5.42**	**3.66**

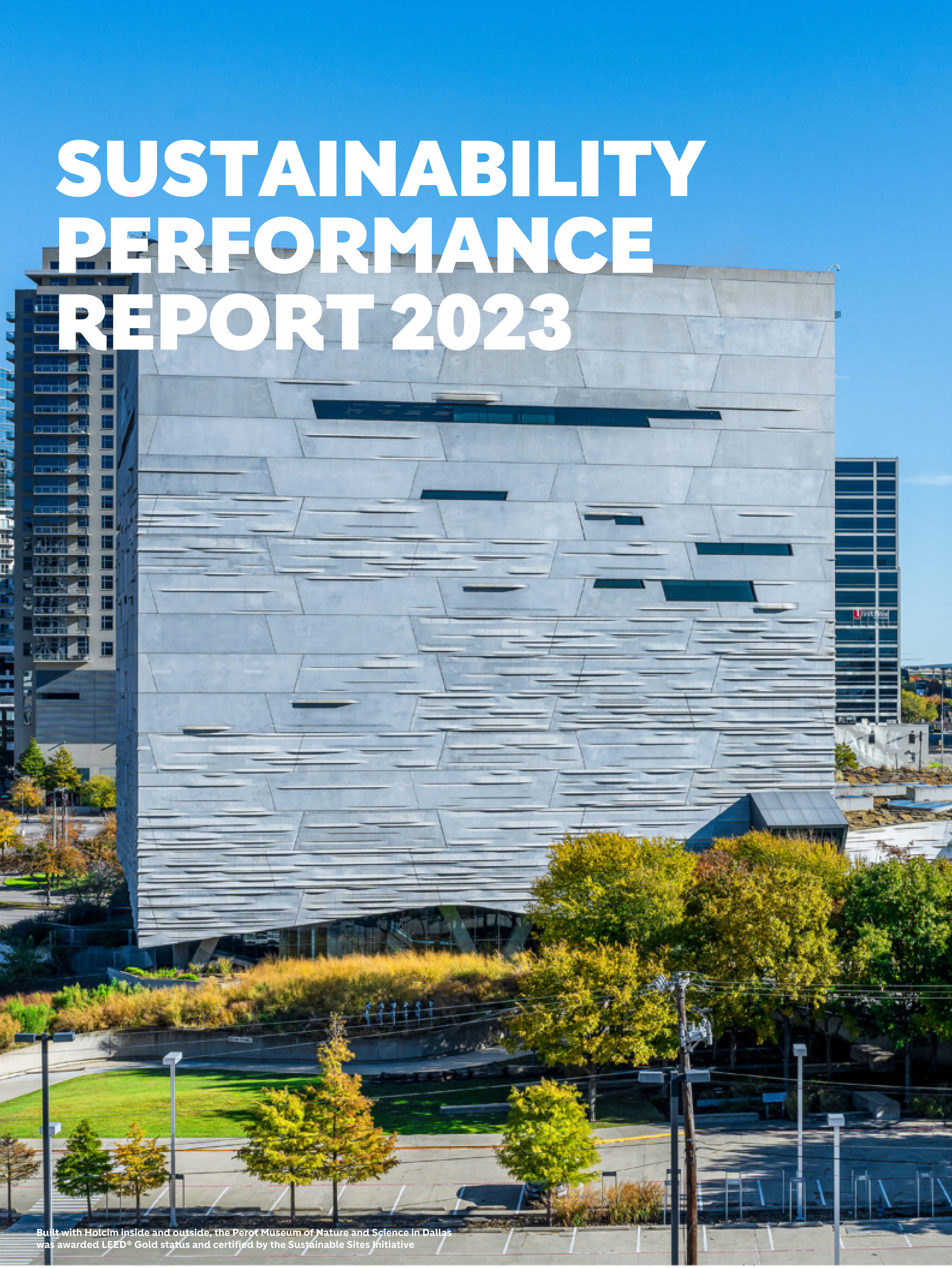
Reconciling measures of Free Cash Flow to the Consolidated statement of Cash Flows

Million CHF	2023	2022
Cash flow from operating activities	**5,470**	**4,562**
Purchase of property, plant and equipment	**(1,505)**	(1,549)
Disposal of property, plant and equipment	**96**	114
Repayment of long-term lease liabilities	**(357)**	(362)
Free Cash Flow after leases	**3,705**	**2,765**

Reconciling measures of Net financial debt to the Consolidated statement of financial position

Million CHF	2023	2022
Current financial liabilities	**1,416**	1,655
Long-term financial liabilities	**12,665**	14,475
Cash and cash equivalents	**(6,082)**	(9,824)
Short-term derivative assets	**(13)**	(118)
Long-term derivative assets	**(90)**	(157)
Net financial debt	**7,896**	**6,032**

SUSTAINABILITY PERFORMANCE REPORT 2023



Built with Holcim inside and outside, the Perot Museum of Nature and Science in Dallas was awarded LEED® Gold status and certified by the Sustainable Sites Initiative

IN THIS SECTION

PERFORMANCE DATA TABLES

Part of Amazon's global headquarters, the Seattle Spheres, built with ECOPlanet, are home to more than 40,000 plants from the cloud forest regions of over 30 countries

PERFORMANCE AGAINST TARGETS

Unit key

Mt – million tons
M GJ – million gigajoules
MJ – million joules
MJ/t – million joules per ton
Mm^3 – million cubic meters
CHF – Swiss Francs
NR – Not reported
% – percentage
$kgCO_2/t$ – kilograms of carbon dioxide per ton
L/t – liters per ton
L/m^3 – liters per cubic
– number
ha – hectares
CHFm – million Swiss francs
ton – metric ton
g/t – grams per ton
mg/t – milligrams per ton
LTIs – Lost Time Injuries

	Unit	Base Year	Baseline	Target	Target Year	Current Performance	Achieved to Date
Specific CO_2 emissions - Net (Scope 1) - Cement only	$kgCO_2/t$	2018	590	420	2030	545	-7.6 %
Specific CO_2 emissions - Gross (Scope 1) - Cement only	$kgCO_2/t$	2018	623	-23.30 %	2030	587	-5.8 %
CO_2 emissions - electricity (Scope 2) - Cement only	$kgCO_2/t$	2018	46	-65.00 %	2030	36	-22.7 %
CO_2 indirect emissions from purchased fuels (Scope 3)	$kgCO_2/t$ purchased fuels	2020	286	-20.00 %	2030	283	-1.1 %
CO_2 indirect emissions from purchased clinker and cement (Scope 3)	$kgCO_2/t$ per ton CLC	2020	710	-25.10 %	2030	702	-1.2 %
CO_2 indirect emissions from downstream transportation (Scope 3)	$kgCO_2/t$ per ton transported	2020	10.8	-24.30 %	2030	8.6	-20.2 %
Cement Specific freshwater withdrawal	L/t	2018	377	-33.00 %	2030	298	-21.0 %
Aggregates Specific freshwater withdrawal	L/t	2018	225	-20.00 %	2030	192	-14.6 %
Ready-Mix Specific freshwater withdrawal	L/m^3	2018	212	-15.00 %	2030	206	-3.0 %
Waste derived resources - all segments	Mt	2018	n/a	TBC	2030	36.3	
Construction demolition materials (CDM)	Mt	2020	6.6	12	2030	8.5	1.9
Circularity ratio - Cement (waste used / production volumes)	%	2020	22	30	2030	21.6	-0.4
Recycling ratio - all segments (waste used / sales volumes)	%	2020	8.5	17	2030	7.2	-1.3
High ESG impact suppliers qualified (% spend)	%	2017	n/a	100 %	2022	93	
Specific dust emissions	g/t	2018	121	75	2030	64.1	-56.9
Specific NOx emissions	g/t	2016	1,513	1,100	2030	1,188.6	-324.5
Specific SO_2 emissions	g/t	2016	357	230	2030	229.7	-127.3
Cumulative contribution to create positive social impact	CHFm	2021	n/a	350	2030	90.8	26 %

PERFORMANCE DATA TABLES

ENVIRONMENT

ENERGY[1]

	Unit	2021	2022	2023
Energy consumption total	M GJ	437	431	420
Thermal energy consumption	M GJ	384	376	367
Thermal energy consumption fossil fuels – coal	M GJ	87	71	54
Thermal energy consumption fossil fuels – petcoke	M GJ	79	78	79
Thermal energy consumption fossil fuels – oil	M GJ	30	29	29
Thermal energy consumption fossil fuels – gas	M GJ	90	94	98
Thermal energy consumption fossil fuels – other traditional fossil fuels	M GJ	8	8	7
Thermal energy mix of clinker production – alternative fuels (ex biomass)	M GJ	58	61	62
Thermal energy mix of clinker production – biomass	M GJ	32	34	38
Electrical energy consumption	M GJ	54	55	52
Electrical energy – own generation – renewable	M GJ	1	1	1
Electrical energy – renewable PPAs	M GJ	2	3	3
Electrical energy – other renewable (grid)	M GJ	8	10	10
Electrical energy (non-renewable)	M GJ	42	41	38

[1] 2021 data is restated as per 2023 Consolidation

ENVIRONMENT

ABSOLUTE GHG EMISSIONS[1]

	Unit	2021	2022	2023
Absolute Scope 1 emissions – gross	Mt	81	78	**75**
Absolute Scope 2 emissions (market-based)	Mt	5	5	**5**
Absolute Scope 3 emissions – total	Mt	53	47	**47**
Absolute S3 emissions – Cat 1 – Purchased goods & services	Mt	9.1	9.0	**8.3**
Absolute S3 emissions – Cat 2 – Capital goods	Mt	0.1	0.1	**0.2**
Absolute S3 emissions – Cat 3 – Fuel and Energy	Mt	5.8	5.5	**5.3**
Absolute S3 emissions – Cat 4 – Upstream transportation & distribution	Mt	4.6	4.7	**4.4**
Absolute S3 emissions – Cat 5 – Waste generated in own operations	Mt	0.2	0.1	**0.1**
Absolute S3 emissions – Cat 6 – Business travel	Mt	0.0	0.0	**0.0**
Absolute S3 emissions – Cat 7 – Employee commuting	Mt	0.1	0.1	**0.1**
Absolute S3 emissions – Cat 8 – Upstream leased assets	Mt	0.1	0.1	**0.1**
Absolute S3 emissions – Cat 9 – Downstream Transportation & distribution	Mt	2.6	2.6	**2.2**
Absolute S3 emissions – Cat 10 – Processing of sold products	Mt	2.3	1.5	**1.9**
Absolute S3 emissions – Cat 11 – Use of sold products	Mt	0.0	0.0	**0.0**
Absolute S3 emissions – Cat 12 – End of life treatment of sold products	Mt	1.0	1.0	**1.4**
Absolute S3 emissions – Cat 13 – Downstream leased assets	Mt	0.0	0.0	**0.0**
Absolute S3 emissions – Cat 14 – Franchises	Mt	0.1	0.0	**0.0**
Absolute S3 emissions – Cat 15 – Investments	Mt	27.0	22.5	**23.1**
Absolute emissions (Scope 1, 2 & 3)	Mt	139	131	**127**

ABSOLUTE SCOPE 1 EMISSIONS BY SOURCE[1]

	Unit	2021	2022	2023
CO_2 emissions – Gross (Scope 1)	Mt	81	78	**75**
CO_2 emissions from raw materials	Mt	52	51	**49**
CO_2 emissions from fossil fuels	Mt	24	22	**21**
CO_2 emissions from alternative fuels (non-biomass)	Mt	5	5	**5**
CO_2 emissions from alternative fuels (biomass)	Mt	4	3	**4**

ABSOLUTE SCOPE 1 EMISSIONS BY REGION[1]

	Unit	2021	2022	2023
CO_2 emissions – Gross (Scope 1) – Asia Middle East & Africa	Mt	31	29	**28**
CO_2 emissions – Gross (Scope 1) – Europe	Mt	23	22	**20**
CO_2 emissions – Gross (Scope 1) – LATAM	Mt	11	11	**11**
CO_2 emissions – Gross (Scope 1) – North America	Mt	16	16	**16**

SPECIFIC SCOPE 3 EMISSIONS[1]

	Unit	2021	2022	2023
CO_2 indirect emissions from purchased fuels	$kgCO_2$/t purchased fuels	314	285	**283**
CO_2 indirect emissions from purchased clinker and cement	$kgCO_2$/t CLC	706	709	**702**
CO_2 indirect emissions from downstream transportation	$kgCO_2$/t transported	10	10	**9**

ENERGY & GHG (GCCA KPIS) – CEMENT PLANTS ONLY

	Unit	2021	2022	2023
Specific CO_2 emissions – Net (Scope 1)[2] – as reported	$kgCO_2$/t	553	562	**545**
Specific CO_2 emissions – Net (Scope 1) – 2023 Consolidation	$kgCO_2$/t	572	562	**545**
Specific CO_2 emissions – Gross (Scope 1)[3] – as reported	$kgCO_2$/t	581	602	**587**
Specific CO_2 emissions – Gross (Scope 1) – 2023 Consolidation	$kgCO_2$/t	609	602	**587**
Specific CO_2 emissions – Electricity (Scope 2) – market based – as reported	$kgCO_2$/t	34	37	**36**
Specific CO_2 emissions – Electricity (Scope 2) – market based – 2023 Consolidation	$kgCO_2$/t	39	37	**36**
Specific heat consumption of clinker production – as reported	MJ/t	3,520	3,654	**3,664**
Specific heat consumption of clinker production – 2023 Consolidation	MJ/t	3,640	3,654	**3,664**
Thermal Substitution Rate (TSR): alternative fuels plus biomass – as reported	%	21	28	**30**
Thermal Substitution Rate (TSR): alternative fuels plus biomass – 2023 Consolidation	%	26	28	**30**
Thermal Substitution Rate (TSR): biomass – as reported	%	8	10	**11**
Thermal Substitution Rate (TSR): biomass – 2023 Consolidation	%	9	10	**11**

1 2021 data is restated as per 2023 Consolidation.
2 Reported as kg/t cementitious material. See note 10 for the definition of cementitious material.
3 Gross CO_2 emissions are the total emissions resulting from the calcination of limestone and the emissions resulting from the burning of fossil-based fuels and pre-treated waste-derived fuels. Compared with gross CO_2 emissions, net CO_2 emissions do not include CO_2 from alternative fuels.

ENVIRONMENT

WATER	Unit	2021	2022	2023
Cement, aggregates and RMX				
Cement Specific freshwater withdrawal – as reported	L/t	259	304	**298**
Cement Specific freshwater withdrawal – 2023 Consolidation	L/t	315	304	**298**
Aggregates Specific freshwater withdrawal	L/t	219	218	**192**
Ready-Mix Specific freshwater withdrawal	L/m^3	207	202	**206**
Sites in water-risk areas[4]	%	30	24	**28**
Sites in water risk areas with recycling system in place	%	79	76	**76**
Water-positive sites in water risk areas	%	7	4	**4**
Water discharge compliant with regulations	%	96	99	**98**
ALL SEGMENTS (EXCLUDING CAPTIVE POWER PLANTS)				
Specific freshwater consumption (L/t of product)	L/t	127	141	**129**
Total water withdrawal	Mm^3	140	118	**114**
Total freshwater withdrawal	Mm^3	118	104	**98**
Total freshwater withdrawal from groundwater	Mm^3	32	34	**32**
Total freshwater withdrawal from surface water	Mm^3	60	45	**41**
Total freshwater withdrawal from municipal water supplies or third parties	Mm^3	13	11	**12**
Total freshwater withdrawal from quarries	Mm^3	12	14	**14**
Non-freshwater withdrawal	Mm^3	11	8	**9**
Rainwater harvested	Mm^3	11	6	**7**
Total water discharge	Mm^3	50	35	**35**
Water discharge to ground or soil infiltration	Mm^3	8	5	**7**
Water discharge to surface water	Mm^3	41	29	**26**
Water discharge to offsite treatment or third parties	Mm^3	1.0	0.8	**0.9**
Water discharge to Seawater	Mm^3	0.0	0.3	**1.7**
Total water consumption	Mm^3	90	83	**78**
Sites equipped with a water recycling system	#	1,434	1,331	**1,347**
CAPTIVE POWER PLANTS				
Total water withdrawal	Mm^3	129	128	**118**
Total freshwater withdrawal	Mm^3	118	119	**109**
Total freshwater withdrawal from groundwater	Mm^3	1	0	**0**
Total freshwater withdrawal from surface water	Mm^3	117	119	**109**
Total freshwater withdrawal from municipal water supplies or third parties	Mm^3	0	0	**0**
Total freshwater withdrawal from quarries	Mm^3	0	0	**0**
Non-freshwater withdrawal	Mm^3	8	9	**9**
Rainwater harvested	Mm^3	4	0	**0**
Total water discharge	Mm^3	121	127	**118**
Water discharge to ground or soil infiltration	Mm^3	0	0	**0**
Water discharge to surface water	Mm^3	121	118	**109**
Water discharge to offsite treatment	Mm^3	0	0	**0**
Water discharge to Seawater	Mm^3	0	9	**9**
Total water consumption	Mm^3	8	0	**0**
Sites equipped with a water recycling system	#	19	4	**4**

[4] Figures calculated using the Aqueduct Water Risk tool. Reflects sites in risk categories: Medium-high, High, Extremely High.

ENVIRONMENT

BIODIVERSITY

	Unit	2021	2022	2023
Quarries assessed using BIRS methodology – Active only	%	40	51	**67**
Quarries assessed using BIRS methodology – Active and non-active	%	35	48	**64**
Quarries with rehabilitation plan in place[5]	%	93	100	**100**
Quarries with biodiversity importance[6]	#	266	256	**294**
Quarries with biodiversity importance with biodiversity management plans in place	%	94	100	**100**
Total rehabilitated area (active quarries)	ha	14,048	13,115	**12,349**
Total rehabilitated area (all areas)[7]	ha	19,989	17,448	**14,855**

RECYCLING WASTE

	Unit	2021	2022	2023
Waste derived resources – all segments[8] – as reported	Mt	54	34	**36**
Waste derived resources – all segments – 2023 Consolidation	Mt	31	34	**36**
Alternative raw materials contained in cement	%	13	9	**10**
Alternative raw materials contained in concrete	%	4	3	**4**
Alternative raw materials contained in asphalt	%	17	19	**20**
Circularity ratio – cement (waste used / production volumes) – as reported	%	24	20	**22**
Circularity ratio – cement (waste used / production volumes) – 2023 Consolidation	%	19	20	**22**
Recycling ratio – all segments (waste used / sales volumes)	%	9	7	**7**
Construction demolition materials (CDM)	Mt	6.6	6.8	**8.4**

INTERNAL WASTE (INCLUDING CAPTIVE POWER PLANTS)

	Unit	2021	2022	2023
Internal hazardous waste recycled or recovered	Mt	0.01	0.01	**0.03**
Internal non-hazardous waste recycled or recovered	Mt	0.87	0.92	**1.16**
Internal hazardous waste disposed	Mt	0.02	0.02	**0.03**
Internal non-hazardous waste disposed	Mt	0.99	1.04	**0.88**

ENVIRONMENTAL MANAGEMENT SYSTEMS (EMS) AND COMPLIANCE

	Unit	2021	2022	2023
Cement sites with an ISO 14001 certification	%	81	77	**75**
Cement sites with an EMS equivalent to ISO 14001	%	95	94	**94**
Aggregates sites with an ISO 14001 certification	%	19	16	**18**
Aggregates sites with an EMS equivalent to ISO 14001	%	79	66	**66**
RMX sites with an ISO 14001 certification	%	21	20	**22**
RMX sites with an EMS equivalent to ISO 14001	%	66	59	**59**
Number of countries reporting severe non-compliance cases	#	4	3	**5**
Fines and penalties paid	CHFm	2.5	0.6	**0.5**

[5] This number refers to the number of quarries having a quarry rehabilitation plan compliant with Holcim's internal requirements.
[6] According to categorizations introduced in 2018 following Fauna & Flora International (FFI) recommendations, which we have been incrementally implementing.
[7] The decrease in rehabilitated area is the result of a change in ownership of several quarries.
[8] Includes alternative raw material industrial mineral components (consumed and sold externally), alternative fuels, the volume of returned concrete recycled, secondary and/or recycled aggregates, and recycled asphalt.

ENVIRONMENT

AIR EMISSIONS

AIR EMISSIONS	Unit	2021	2022	2023
Clinker produced with continuous monitoring of dust, NOx, and SO_2 emissions	%	89	93	**93**
Clinker produced with monitoring of dust, NOx, and SO_2 emissions	%	96	99	**100**
Coverage				
Overall: Production with comprehensive emission monitoring	%	72	79	**92**
Dust: Production with dust measurement	%	99	99	**100**
NOx: Production with NOx measurement	%	97	100	**100**
SO_2: Production with SO_2 measurement	%	96	100	**100**
VOC: Production with VOC measurement	%	80	92	**97**
Mercury: Production with Mercury measurement	%	84	86	**100**
Dioxins/furans: Production with dioxins/furans measurement	%	85	90	**95**
HM1: Production with HM1 measurement	%	86	89	**96**
HM2: Production with HM2 measurement	%	85	90	**96**
Emissions				
Total dust emissions	ton	11,448	6,706	**5,824**
Total NOx emissions	ton	162,344	111,005	**108,033**
Total SO_2 emissions	ton	37,732	21,870	**20,875**
Total VOC emissions	ton	5,294	4,096	**4,208**
Total mercury emissions	ton	1.4	1.1	**1.6**
Total dioxins/furans emissions	g	4.2	3.2	**3.5**
Total HM1 emissions	ton	2.8	1.0	**1.6**
Total HM2 emissions	ton	23.8	33.8	**33.2**
Specific emissions (clinker)				
Specific dust emissions	g/t	82	71	**64**
Specific NOx emissions	g/t	1,163	1,177	**1,189**
Specific SO_2 emissions	g/t	270	232	**230**
Specific VOC emissions	g/t	38	43	**46**
Specific mercury emissions	mg/t	10	12	**18**
Specific dioxins/furans emissions[9]	mg/t	30	34	**39**
Specific HM1 emissions	mg/t	20	11	**17**
Specific HM2 emissions	mg/t	171	358	**365**

PRODUCTS AND SOLUTIONS

PRODUCTS AND SOLUTIONS	Unit	2021	2022	2023
Total raw material consumption – all segments	Mt	533	432	**444**
Clinker produced	Mt	140	94	**91**
Clinker consumed	Mt	134	90	**87**
Cement filers consumed (Limestone, gypsum, MIC, etc)	Mt	54	31	**31**
Cement produced	Mt	188	121	**118**
Mineral components (slag, fly ash, etc) produced	Mt	3	3	**3**
Cementitious material produced[10]	Mt	197	128	**125**
Aggregates produced	Mt	257	252	**265**
Asphalt produced	Mt	10	10	**10**
RMX produced	Mm^3	46	45	**44**
Clinker factor (average % of clinker in cements)[11]	%	70.1	73.0	**71.8**
Production clinker factor	%	75.5	74.8	**73.5**
Net sales of sustainable solutions[12]	%	30	32	**25**

9 As part of our efforts to recycle waste from other industries, we increased processing of third-party contaminated soil, leading to higher dioxins/furans, operating in compliance with the regulatory framework.
10 Cementitious material is defined following the GCCA definition: Total clinker produced plus mineral components consumed for blending and production of cement substitutes, including clinker sold but excluding clinker bought.
11 Cements is defined as total cements produced, excluding clinker sold, including clinker bought. It includes Portland, blended and slag cements and direct fly ash sales.
12 Net sales of sustainable solutions follows our financial reporting consolidation scope including acquisitions and divestments. The decrease in 2023 is the result of the divestments of India and Brazil.

SOCIAL

PEOPLE: SOCIAL INITIATIVE

	Unit	2021	2022	2023
Total contribution to create positive social impact	CHFm	43.5	22.5	**24.8**
Of which: Contribution by partners to create positive social impact	%	20	8	**8**
Total contribution to:				
Housing and infrastructure	%	23	24	**28**
Community initiatives on Health, Education & Skills and Other	%	66	57	**55**
Project management	%	11	19	**17**
Type of contribution:				
Social investment and inclusive business projects	%	89	78	**79**
Donations (cash and in kind)	%	11	22	**21**
Total number of beneficiaries[13]	Million	4	3	**2**
Rural roads renovated or built as part of our social initiatives	km	454	328	**481**
Hospitals owned and managed by Holcim, open for dependents and community members	#	49	18	**13**
Schools owned and managed by Holcim, open for dependents and community members	#	36	19	**19**
Volunteering	Hours	26,801	32,666	**47,750**
Volunteering during paid working hours	%	91	73	**84**

PEOPLE: HUMAN RIGHTS

	Unit	2021	2022	2023
Human rights assessments conducted in the last three years – Group Reporting Units (GRUs) – cumulative	%	100	100	**100**
Human rights assessments conducted in the last three years – sites	%	75	98	**100**
Human Rights assessment and action plan status signed off by country Exco during the reporting year	%	100	98	**98**
People receiving training on Human Rights topics	#	16,742	12,566	**18,654**
Stakeholder engagement plans available and reviewed in last three years – cement, grinding sites	%	90	92	**95**

[13] A direct beneficiary is defined as a person who was directly involved in the project or benefited from its implementation. Whenever possible, we count the exact number of beneficiaries (number of community members trained). When precise measurement is not possible (e.g. beneficiaries of a new hospital or bridge built by Holcim), estimates are made based on scientific methods such as social research, expert interviews or the like.

SOCIAL

HEALTH & SAFETY

HEALTH & SAFETY	Unit	2021	2022	2023
Fatalities (activities under our direct control)				
By location				
On site	#	4	8	**2**
Offsite	#	0	0	**0**
By personnel category				
Employees	#	2	1	**2**
Contractors	#	2	7	**0**
Lost Time Injury Frequency Rate (LTIFR)				
LTIFR employees (# of LTIs per million work hours)	#	0.43	0.58	**0.56**
LTIFR contractors (# of LTIs per million work hours)	#	0.36	0.45	**0.24**
LTIFR employees and contractors on site (# of LTIs per million work hours)	#	0.39	0.53	**0.43**
Total Injury Frequency Rate (TIFR)				
TIFR employees (# of injuries per million work hours)	#	3.37	4.06	**4.45**
TIFR contractors (# of injuries per million work hours)	#	1.61	2.30	**2.57**
TIFR employees and contractors on site (# of injuries per million work hours)	#	2.43	3.32	**3.68**
Occupational Illness Frequency Rate (OIFR)				
OIFR employees (# of occupational illness per million work hours)	#	0.19	0.23	**0.47**
OIFR contractors (# of occupational illness per million work hours)	#	0.09	0.07	**0.13**
OIFR employees and contractors on site (# of occupational illness per million work hours)	#	0.14	0.16	**0.33**
Other				
On site Third-Party Fatalities (cement sites)	#	0	0	**0**
Workforce represented on Health & Safety committees	%	95	95	**93**
Number of employee fatalities per 10,000 directly employed	#	0.28	0.17	**0.31**
Number of Lost Time Injuries (LTIs) (directly employed)	#	61	68	**68**
Total number of LTIs – onsite and off site	#	169	106	**88**
Cement sites with an ISO 45001 certification	%	26	21	**21**
Cement sites with a management system equivalent to ISO 45001	%	38	36	**37**
Aggregates sites with an ISO 45001 certification	%	17	14	**17**
Aggregates sites with a management system equivalent to ISO 45001	%	34	28	**30**
RMX sites with an ISO 45001 certification	%	16	16	**17**
RMX sites with a management system equivalent to ISO 45001	%	33	34	**34**

EMPLOYEES BY EMPLOYMENT CONTRACT AND AGE INTERVAL

EMPLOYEES BY EMPLOYMENT CONTRACT AND AGE INTERVAL	Unit	2021	2022	2023
Full-time employees	%	99	98	**98**
Part-time employees	%	1	2	**2**
Permanent employees	%	96	94	**94**
Fixed-term contract employees	%	4	6	**6**
Employees under the age of 30	%	13	14	**15**
Employees between 30 and 50	%	59	56	**55**
Employees above 50	%	28	30	**31**
Gender diversity				
Women at senior management level	%	18	20	**21**
Women at all management levels	%	21	25	**26**
Women at non-management level	%	12	13	**14**
Women in total workforce	%	15	17	**18**
Turnover				
Overall employee turnover rate	%	16	17	**16**
Voluntary employee turnover rate	%	8	9	**8**
Hirings	%	15	20	**19**
Development				
Hours of training per employee (management level)	#	30	29	**30**
Hours of training per employee (non-management level)	#	19	18	**21**
Managers who had an annual performance review	%	87	87	**84**
Non-managers who had an annual performance review	%	46	45	**38**

GOVERNANCE

SOCIAL, GOVERNMENT AND ECONOMIC RELATIONS

SOCIAL RELATIONS	Unit	2021	2022	2023
Entities having strike actions over one week duration	#	1	2	**1**
Entities where employees are covered by collective agreements	%	75	72	**70**
Employees covered by collective agreements	%	NR	88	**87**
Government relations				
Political donations[14]	CHF	12,111	0	**60,000**
Countries making political donations	#	1	0	**1**
Total subsidies	CHFm	41.3	80	**66**
Entities receiving subsidies	%	10	15	**13**
Economic relations				
Membership of trade associations and chambers of commerce	CHFm	19.3	14.6	**13.6**

SUPPLY CHAIN DUE DILIGENCE

	Unit	2021	2022	2023
ESG Risk Identification				
Holcim GRUs with due diligence process in place[15]	%	100	100	**95**
Suppliers from national markets	%	92	91	**90**
Suppliers identified as having potential high ESG impact	%	39	35	**36**
Spend covered by Suppliers with potential high ESG impact	%	54	58	**60**
Spend with “assessed” potential high ESG impact Suppliers	%	73	95	**93**
Supplies non-compliant with Suppliers Code of Conduct	%	NR	NR	**1**
ESG Risk Management				
Non-compliant Suppliers with corrective action plan	%	NR	NR	**85**
Non-compliant Suppliers who improved sustainability performance	%	NR	NR	**43**
Non-compliant Suppliers canceled due to non-compliance	%	NR	NR	**1**

PRODUCING ASSETS INCLUDED IN EVALUATION

	Unit	2021	2022	2023
Cement producing sites including grinding and blending	#	266	147	**148**
Aggregates sites	#	447	474	**499**
Asphalt sites	#	85	86	**83**
Ready-mix sites	#	1,198	1,165	**1,179**
Quarries operated	#	701	647	**648**

14 Figures exclude Political Action Committee (PAC) contributions in the USA. These amounted to USD 33,326 in 2023. Holcim Switzerland donated each CHF 20,000 to major national political parties for the National Parliamentary elections in 2023.
15 In 2023, only 4 new acquisitions have yet to implement Holcim due diligence processes.

Consolidation rules for non-financial KPIs

Scope of consolidation

The consolidation scope for non-financial reporting is aligned with financial reporting and includes Holcim Ltd and its subsidiaries. The list of principal consolidated entities is presented in Note 2.4 of the Consolidated Financial Statements.

Divestments and acquisitions

For business(es) divested during the year, data are excluded for the entire year. For business(es) acquired during the year, data are included for the entire year. There have been no significant divestments in 2023. The 2021 figures are restated as per 2023 consolidation in the CO_2 and Energy Section. Key metrics have been shown "as reported" and "under the 2023 Consolidation scope" in separated lines. Unless stated otherwise, all prior year figures for other indicators are "as published in the reporting year."

When a new site is acquired by Holcim, its policies and procedures for non-financial reporting may not necessarily be in line with Holcim standards. Accordingly, new sites have up to the second reporting year after acquisition to meet and report performance according to Holcim standards.

METHODS OF DATA COLLECTION AND REPORTING METHODOLOGIES

Extrapolation

To accelerate the reporting process and align with the financial reporting timeline some data is based on eleven months of data (as at 30 November) and extrapolated to estimate annual values. This includes:

- For Employees, hours of training per employee
- For environmental data, including air emissions, non-cement CO_2 emissions, and water indicators including consumption and discharge

Other indicators are based on 12 months data or no extrapolation is required as they do not necessarily change between November and December (for example, environmental certifications and hectares rehabilitated.)

Controls

Controls put in place to ensure data quality and robustness include:

- Principle sustainability KPIs, namely those in relation to Holcim's cement business (Scope 1 and 2 emissions of cement activities, Freshwater withdrawal) and Circular Economy volumes (Waste Derived Resources), are reported monthly through Holcim's financial reporting process and are subject to the same level of internal controls. This includes an annual certification process to review the main action plans in progress and to confirm management responsibility at each relevant level of the Group organization on the quality of both internal control and financial reporting.
- The Axiom digital reporting and analytics platform, as well as internally developed proprietary spreadsheet-based import templates used in 2023, included built-in validation rules to ensure robustness of data reported. This includes highlighting when a value is outside an expected range or shows a significant deviation from previously reported data, requiring an explanatory comment.
- A robust workflow process is in place requiring a validation of the data and explanations by two managers for each questionnaire.
- Validation dashboards have been developed to allow entities and subject matter experts to identify values that are out of range.
- Data (such as production, contribution to social initiatives and number of employees) are checked against other reporting streams such as SAP and technical reports, as well as for consistency.
- Scope 3 KPIs are available on a quarterly basis, leveraging a data lake to automate extraction from underlying data sources and calculations for each of the Scope 3 categories. The report includes automated controls and sensitivity analysis and is supported by a sign off by the relevant functions responsible for the underlying data.

Economic indicators

- In 2023, data on net sales of sustainable solutions were collected through Holcim's financial reporting process on a monthly basis, complemented with a country-specific annual survey for sales associated with affordable housing and water.

- Data on supplier assessments was collected through proprietary spreadsheet-based import questionnaire templates and respective protocols: the Holcim Sustainable Procurement questionnaire. Data are gathered at Country/Group Reporting Unit level and cover all business segments and their industrial production sites. The Sustainable Procurement questionnaire was conducted covering 49 entities representing more than 98 percent of our total procurement spend.

Environmental indicators

Environmental performance indicators follow the reporting guidelines of the GCCA (previously the World Business Council for Sustainable Development – Cement Sustainability Initiative (WBCSD CSI).

In 2023, environmental data were collected through the Axiom digital reporting and analytics tool as well as proprietary spreadsheet-based import templates. Reporting guidelines for environmental reporting were issued to ensure proper reporting, highlighting new and updated environmental indicators as well as changes in reporting scope as needed.

All sites that were active during the reporting year have been considered eligible to be included under the environmental reporting. For sites that were active less than six months, their impact has been estimated based on their production and Group averages.

For environmental data, cement terminals are not considered material, and therefore can be excluded from the consolidation.

- Scope 1, Scope 2 and energy: We use the GCCA Sustainability Guidelines for the monitoring and reporting of CO_2 emissions from cement manufacturing (Previously WBCSD CSI Cement CO_2 and Energy Protocol version 3.1) to calculate CO_2 emissions between the 1990 baseline and the reporting year. To calculate Scope 2 emissions we align with the GHG Protocol Scope 2 Guidance. Extensive work on ascertaining the most accurate available emissions factors is continually being conducted. The reporting coverage of the CO_2 data is 100 percent. Default CO_2 emissions factors for fuels are taken from the GCCA Sustainability Guidelines. Operations can overwrite these default values if more precise values or measurements are available.

- Scope 3 emissions: We apply the GHG protocol to estimate CO_2 emissions for all 15 categories. We select the GHG calculation methods that appropriately reflects the most material GHG emissions and serves the decision-making process to achieve reduction targets. We apply the following criteria to select calculation methods: 1. The relative size of the emissions 2. Data availability 3. Data quality 4. The cost and effort required to apply each method.

  Method per category:
  Category 1 and 3: for the most material purchased goods and for all fuels, we use the "average-data method", combining primary data from our operating systems (eg volumes purchased in each country) with emission factors extracted from LCA database (Gabi)

  Category 1 purchased Clinker and Cement: we use the "average-data method", combining primary data from our operating systems (eg volumes purchased in each country) with emission factors extracted from the sector database GCCA-GNR with national averages updated on annual basis.

  Category 3: for electricity, we use the "average-data method", combining primary data from our operating systems (e.g. volumes purchased in each country) with emission factors extracted from IEA, for WTT and T&D linked to the country grid.

  Category 4 and 9: for transportation, we use the "distance-based method", combining primary data from our operating systems (eg volumes transported, KM driven, vehicle types, payload) with HBEFA fuel models and emission factors extracted from LCA database (Gabi).

  Category 5: we use average-method combining primary data (volumes of waste generated in our operation, classified by waste type) with emission factors extracted from LCA database (Gabi), related to waste treatment process (according to each waste type).

  Category 7: we estimate CO_2 from employee commuting, modelling fuel consumption based on number of employees per country and an average kilometers travelled per year (including a percentage of home office), assuming the use of an average car, with an emission factor extracted from LCA database (Gabi).

  Category 10: we use the "site-specific" method combining primary data (volumes sold) with Scope 1 and 2 from specific sites (reference sites processing sold goods) in each country.

  Category 12: we use an average-method combining primary data (volumes sold) with emission factors extracted from LCA database (Gabi), related to waste treatment process at the end of life (according to each waste type)

Category 14: we estimate CO_2 emissions from our retail franchises, modelling energy consumption in commercial buildings per m^2, per country.

Category 15, we use "primary data", capturing Scope 1 and 2 emissions from our Joint ventures and applying the percentage in relation to our equity ratio.

For all other categories (low impact), we use a "spend-based" method, combining primary data from spend for each category in each country and the kg CO_2 per Swiss Franc extracted from a macroeconomic database (Exiobase).

Procurement spend and transportation volumes used for Scope 3 calculations are based on 12 rolling month data from November 2022 to October 2023.

- Air Emissions: We use the GCCA Sustainability Guidelines for the monitoring and reporting of emissions from cement manufacturing (previously WBCSD CSI Guidelines for Emissions Monitoring and Reporting in the Cement Industry Protocol (2012)). Emission levels can be measured continuously or based on spot measurement. Information is always available at kiln level. If an emission component has not been measured in 2023 due to travel or other restrictions, the 2022 measurement has been used to estimate the performance at kiln level. If no measurement was available in 2022, the 2023 Group average has been used to estimate the Group's absolute impact.
- Percentage of production with measurement: The full production from a kiln is included in this coverage only when the emission of the respective pollutant(s) is monitored, otherwise the production covered by measurement from the kiln is considered zero. For the percentage of production with comprehensive emission monitoring, the full production from a kiln is included only when emissions of all pollutants (dust, NOx, SO_2, VOC/THC, heavy metals (Hg, Cd, Tl, Sb, As, Pb, Cr, Co, Cu, Mn, Ni and V), PCDD/F) are monitored.
- Water: The GCCA Sustainability Guidelines for the monitoring and reporting of water in cement manufacturing (previously the CSI Protocol for Water Reporting) has been used as a reference to measure the water performance of the Group. Data from captive power plants are reported separately. The coverage of water data is 98 percent on average.
- Waste and recycling: Waste comprises all forms of solid or liquid waste (excluding wastewater) and is defined as hazardous or non-hazardous based on the legislation of the country in which the site operates. Overburden from quarry activity is not classified as waste.
- Waste-derived resources: Data reported for waste-derived resources include alternative raw materials, industrial mineral components (consumed and/or processed and sold externally), alternative fuels, volume of returned concrete recycled, secondary and/or recycled aggregates and recycled asphalt.
- Biodiversity and quarries: Quarries that have been assessed using Biodiversity Indicator Reporting System (BIRS) and those with rehabilitation plans in place are aligned with the Holcim Directive on Quarry Rehabilitation and Biodiversity. The key requirements go far beyond legal compliance and include measures respecting the mitigation hierarchy (avoid, minimize, restore and offset) and a biodiversity management plan for sites assessed as of high biodiversity value.

Health and safety (H&S)
H&S performance indicators follow the GCCA Sustainability Guidelines for the monitoring and reporting of safety in cement and concrete manufacturing, issued in March 2023.

H&S data is gathered at site level and further consolidated at Country/Group Reporting Unit level, and covers all business segments and their industrial production sites, including corporate and above country, regional and service entities.

In 2023, H&S data were collected through Holcim's reporting system: iCare | HSE Incident management module. Data are segregated according to onsite and offsite incidents, and cover employees, contractors and third parties. The hours worked that are used to calculate incident rates for employees and contractors are calculated and/or estimated locally by business units.

Human Resources indicators

In 2023, Human Resources (HR) data was primarily collected through the HR software platform and complemented where necessary with additional indicators collected though the annual Human Resources questionnaire.

Data is gathered at Country/Group Reporting Unit level and covers all business segments and their industrial production sites, including corporate and above country, regional and service entities.

Human Rights and Social Initiatives indicators

In 2023, social impact data were collected through Holcim's reporting system and respective protocol: the annual human rights and social impact questionnaire. Information about spending on social initiatives was reported through Holcim's financial reporting process on a quarterly basis, at the Country/Group Reporting Unit level, and covers all business segments and their industrial production sites.

The 2023 human rights and social impact data are derived from a survey covering 66 entities representing 95 percent of the total Group workforce and include majority-owned entities and managed assets. We collect information on, among other aspects, the entities' implementation of the human rights approach, human rights assessment and action plans, stakeholder engagement activities and community engagement structures, specific impact indicators of social initiatives, volunteering activities, political donations and subsidies.

The total contribution to create positive social impact is a cumulative KPI from 2021 to 2030. In 2023, it is calculated by including the total spend on the social initiatives made by Holcim to implement social impact projects and donations. It also includes third-party contributions, which are the resources received through external partnerships to implement social initiatives led by Holcim in the countries.

Holcim differentiates four categories for the social initiatives, which are:

- Housing and Infrastructure: Initiatives that facilitate access to housing and infrastructure for the community, such as affordable housing solutions, building or improving community facilities (emergency relief shelters, sanitation, parks, rural roads, etc.).
- Health: Health awareness campaigns, vaccination programs, general healthcare services and building or improving hospital infrastructure.
- Education and Skills: Road safety, lectures in partnership with schools and universities, livelihood and income-generation programs, professional training targeting the community and building or improving school infrastructure.
- Other: Environmental management and awareness, cultural, recreational or other initiatives to contribute to positive social impact.

Under Human Rights and Social Impact reporting, data such as number of community advisory panels, number of engagements with key stakeholders at site level, and complaints related to human rights, environmental impact and other potential risks are recorded. Furthermore, any conflicts with stakeholders that sites may have or expect in the future, and how such conflicts are addressed, are captured. Also, countries report on the latest version of their human rights assessments and the status of implementation of their human rights action plans.

Reporting cycle

The Holcim Group will continue to report annually.

Independent verifier's limited assurance report on a selection of non-financial information

To the Executive Committee,

Further to your request and in our quality as an independent verifier, member of the network of one of the statutory auditors of the entity Holcim (hereafter "Entity"), we present our report on a selection of non-financial information consisting in selected consolidated environmental, social initiative, and health & safety indicators (hereafter "Sustainability Indicators") and other non-financial reporting processes consisting in human resources, human rights and other social initiative related information ("Non-Financial Reporting Processes"), that the Entity has chosen to prepare in accordance with its protocols consisting in external standards elaborated by the Global Concrete and Cement Association (previously the World Business Council for Sustainable Development - Cement Sustainability Initiative (WBCSD-CSI)) completed with Entity-specific procedures (hereafter the "Guidelines"), for the year ended on 31 December 2023, presented in its Integrated Annual Report (hereafter "Report") and listed in Appendix 1.

Our Limited Assurance Conclusion
Based on the procedures we have performed as described under the "Nature and scope of procedures" and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Indicators taken as a whole are not fairly presented, in all material respects, in accordance with the Guidelines. In addition, nothing has come to our attention that causes us to believe that the Non-Financial Reporting Processes are not implemented, in all material respects, as described in the section "Methodology and consolidation 2023" of the sustainability chapter of the Report and in accordance with the Guidelines.

Understanding how Holcim has Prepared the Sustainability Indicators
The absence of a commonly used general accepted reporting framework or a significant body of established practice on which to draw to evaluate and measure sustainability information allows for different, but acceptable, measurement techniques that can affect comparability between entities and over time.

Consequently, the Sustainability Indicators need to be read and understood together with the Guidelines and the basis of preparation set out in the section "Methodology and consolidation 2023" of the sustainability chapter of the Report, which the Entity has used to prepare the Sustainability Indicators.

The Entity's responsibility
As part of this voluntary approach, it is the responsibility of the Entity to:

- select or establish suitable criteria for the preparation of the Sustainability Indicators;
- prepare the Sustainability Indicators and to implement the Non-Financial Reporting Processes in accordance with the Guidelines, a summary of which is included in the section "Methodology and consolidation 2023" of the sustainability chapter of the Report;
- design, implement and maintain the internal control procedures it deems necessary to ensure that the Sustainability Indicators are free from material misstatement, whether due to fraud or error.

Responsibility of the independent verifier:
It is our role, in response to the Entity's request, based on our work, to:

- plan and perform the engagement to obtain limited assurance about whether the Non-Financial Reporting Processes were implemented as described in the section "Methodology and consolidation 2023" of the sustainability chapter of the Report and in accordance with the Guidelines;
- express a limited assurance conclusion about whether the Sustainability Indicators are free from material misstatement, whether due to fraud or error;
- report our conclusion to the Executive Committee of Holcim.

As we are engaged to form an independent conclusion on the Sustainability Indicators and the Non-Financial Reporting Processes as prepared by management, we are not permitted to be involved in their preparation as doing so may compromise our independence.

It is not our responsibility to report on the entire Report for the year ended on the 31 December 2023 or on the compliance with other applicable legal provisions.

Independence and quality control
Our independence is defined by the French Code of Ethics for Statutory Auditors (Code de déontologie) of our profession and by the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants.

In addition, our firm applies International Standard on Quality Management 1, which requires us to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Means and resources
Our work engaged the skills of eight people between November 2023 and February 2024 and took place over a total duration of intervention of about 18 weeks.

We conducted a dozen interviews with people responsible for preparing the Sustainability Indicators and the Non-Financial Reporting Processes, representing in particular the Human Resources, the Health and Safety, the Procurement and the Sustainable Development directions.

Nature and scope of procedures
We have performed a limited assurance engagement in accordance with the international standard ISAE 3000 (revised)[1] (International Standard on Assurance Engagements).

1. Review of the non-financial reporting processes
We undertook interviews with the people responsible for the collection and preparation of the information at the headquarters level and at the country level for a selection of entities, in order to:

- assess the suitability of the questionnaires and definitions used, in relation to their relevance, completeness, reliability, neutrality and understandability;
- verify the implementation of the process for the collection and compilation of the information.

2. Limited assurance on a selection of Sustainability Indicators
We undertook interviews with people responsible for the preparation of the Sustainability Indicators in the Sustainable Development and Health & Safety Departments, in charge of the data collection process and, when applicable, the people responsible for internal control processes and risk management, in order to:

- assess the suitability of the Guidelines for reporting, in relation to their relevance, completeness, reliability, neutrality, and understandability, taking into consideration, if relevant, the best practices of the industry;
- verify the implementation of the process for the collection, compilation, processing and control for completeness and consistency of the Sustainability Indicators and identify the procedures for internal control and risk management related to the preparation of the Sustainability Indicators.

We determined the nature and extent of our tests and inspections based on the nature and importance of the Sustainability Indicators, in relation to the characteristics of the Entity, its social and environmental issues, its strategy in relation to sustainable development and industry best practices:

- at the Entity level, we consulted documentary sources and conducted interviews to corroborate the qualitative information (organization, policies, actions, etc.), implemented analytical procedures on the quantitative information and verified, on a test basis, the calculations and the compilation of the information, and also verified their coherence and consistency with the other information presented in the Report.
- at the level of the representative selection of sites and entities that we selected[2], based on their activity, their contribution to the consolidated indicators, their location and a risk analysis, we undertook interviews to verify the correct application of the procedures and undertook detailed tests on the basis of samples, consisting in verifying the calculations made and linking them with supporting documentation. The sample selected therefore represented on average 12% of the hours worked used for the calculation of safety indicators, and between 3% and 33% of the environmental information[3].

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Paris-La Défense
February 27, 2024

The Independent Verifier
EY & Associés

Partner, Sustainable Development
Christophe Schmeitzky

[1] ISAE 3000 (revised): "Assurance Engagements other than audits or reviews of historical information"
[2] Four cement plants: Malagueño (Argentina), Msila (Algeria), Saint Genevieve (U.S. CEM) and Malogoszcz (Poland), and 4 Group Reporting Units (GRU): Argentina, Algeria, U.S. CEM and Poland.
[3] On average, 11% of production (cement (23%), aggregates (6%), RMX (3%)), 30% of cement net CO_2 emissions (Scope 1), 29% of absolute gross Scope 1 emissions, 33% of absolute Scope 2 emissions, 18% of waste-derived resources, 26% of air emissions, 30% of cement energy consumption, 6% of other segments energy consumption, 8% of quarries operated and 17% of cement freshwater withdrawal.

APPENDIX 1: SELECTION OF NON-FINANCIAL INFORMATION

The Sustainability Indicators

Products and solutions

- Total raw material consumption – all segments
- Clinker produced
- Cement produced
- Cementitious materials produced
- Aggregates produced
- RMX produced
- Clinker factor (average % of clinker in cements)

Recycling and waste

- Waste-derived resources – all segments
- Internal hazardous waste recycled or recovered
- Internal non-hazardous waste recycled or recovered
- Internal hazardous waste disposed
- Internal non-hazardous waste disposed
- Construction demolition materials (CDM) recycled

CO_2 and energy

- Energy consumption total
- Thermal energy consumption
- Electrical energy consumption
- Absolute Scope 1 emissions – gross
- Absolute Scope 2 emissions (market-based)
- Absolute Scope 3 emissions - total
- Absolute Scope 3 emissions per category of emissions (as defined by the GHG Protocol)
  - Category 1 – Purchased goods and services
  - Category 2 – Capital goods
  - Category 3 – Fuel- and energy-related activities
  - Category 4 – Upstream transportation and distribution
  - Category 5 – Waste generated in operations
  - Category 6 – Business travel
  - Category 7 – Employee commuting
  - Category 8 – Upstream leased assets
  - Category 9 – Downstream transportation and distribution
  - Category 10 – Processing of sold products
  - Category 11 – Use of sold products
  - Category 12 – End-of-life treatment of sold products
  - Category 13 – Downstream leased assets
  - Category 14 – Franchises
  - Category 15 – Investments
- Specific CO_2 emissions - Net (Scope 1) - Cement Only
- Specific CO_2 emissions - Gross (Scope 1) - Cement Only
- CO_2 emissions - electricity (Scope 2) - Cement only
- CO_2 indirect emissions from purchased fuels (Scope 3)
- CO_2 indirect emissions from purchased clinker and cement (Scope 3)
- CO_2 indirect emissions from downstream transportation (Scope 3)

Water

- Cement Specific freshwater withdrawal
- Aggregates Specific freshwater withdrawal
- Ready Mix Specific freshwater withdrawal
- Total water withdrawal

Environmental management systems (EMS) and compliance

- Cement sites with an ISO 14001 certification

Biodiversity

- Quarries assessed using BIRS methodology – active only
- Active quarries with rehabilitation plans in place
- Active quarries with biodiversity importance
- Active quarries with biodiversity importance having ongoing Biodiversity Management Plans in place

Air emissions

- Clinker produced with continuous monitoring of dust, NOx and SO_2 emissions
- Clinker produced with monitoring of dust, NOx and SO_2 emissions
- Total dust, NOx, SO_2, VOC, mercury, dioxin/furans emissions
- Specific dust, NOx, SO_2, VOC, mercury, dioxin/furans emissions

People: Social initiatives

- Total contribution to create positive social impact

Health and safety

- Fatalities (employees and contractors)
- Lost Time Injury Frequency Rate (employees and contractors) on site
- Total Injury Frequency Rate (employees and contractors) on site

The Non-Financial Reporting Processes

Reporting processes covering

- Human Resources-related information, including Group employees per employment contract and age interval, gender diversity, turnover, development and social dialogue
- Human Rights- and Stakeholder-related information, including number of beneficiaries and human rights assessments

GRI CONTENT INDEX 2023

Holcim Ltd has reported in accordance with GRI Standards for the period from 1 January 2023 to 31 December 2023

With the disclosures in the Integrated Annual Report 2023 and related documents on our website, Holcim has reported in accordance with GRI 2021 Standards for the period from 1 January 2023 to 31 December 2023. A content index matching the GRI Standard Disclosures with information included in our reporting is included below. Material topics are indicated in the Materiality Matrix on page 223 of the Integrated Annual Report 2023.

In the materiality review, the following topics were identified as material:

- Business ethics and compliance
- Greenhouse gas emissions
- Health and safety
- Corporate governance
- Sustainable products, innovation and technology

Where we have data available on other GRI topics and disclosures we have also included these data and relevant links (where applicable) in the content index.

AR: 2023 Integrated Annual Report

GRI INDEX

GRI Standard/ Other Source	Disclosure	Report Location / Website / Omissions / Explanations
General Disclosures		
GRI 2: General Disclosures 2021	2-1 Organizational details	AR: page 295
	2-2 Entities included in the organization's sustainability reporting	AR: page 295 – Principle consolidated companies of the Group AR: page 412 – Scope of consolidation
	2-3 Reporting period, frequency and contact point	AR: page 372, 412, and 415
	2-4 Restatements of information	AR: page 412 – Changes in scope of consolidation
	2-5 External assurance	AR: page 388 AR: page 416
	2-6 Activities, value chain and other business relationships	AR: pages 26–27; 116-119; 146–149 Segment descriptions AR: pages 276–280 *holcim.com/sustainable-procurement*
	2-7 Employees	We report total employees per segment, percentage of female employees per management level, employees per employment type and by age. AR: page 410 AR: pages 132–137; 356 Breakdown of permanent and temporary employees by gender and region: Disclosure is omitted because information is unavailable.
	2-8 Workers who are not employees	AR: page 410 Omission: Information unavailable
	2-9 Governance structure and composition	AR: pages 160–191 – Structure and committees *holcim.com/governance*
	2-10 Nomination and selection of the highest governance body	AR: page 166 – Nomination, Compensation and Governance Committee *holcim.com/committees*
	2-11 Chair of the highest governance body	AR: page 162 – Corporate governance section *holcim.com/board-of-directors*
	2-12 Role of the highest governance body in overseeing the management of impacts	AR: page 168 – Organizational Rules/areas of responsibility
	2-13 Delegation of responsibility for managing impacts	AR: page 167 – Health, Safety and Sustainability Committee
	2-14 Role of the highest governance body in sustainability reporting	The Integrated Annual Report is reviewed by the Board and Executive Committee before publication. Policies and directives that guide our business toward ESG performance (found on the Our ESG Commitments page of our website) are reviewed and approved by relevant Board committees and Exco members.
	2-15 Conflicts of interest	See Articles of Incorporation and committee charters for Organizational Rules, including processes to ensure conflicts of interest are prevented and mitigated. Cross-board membership, cross-sharing with suppliers, existence of controlling shareholders, and related parties and their transactions are disclosed in the AR.
	2-16 Communication of critical concerns	Critical concerns are communicated to the Ethics, Integrity & Risk Committee. Total number and the nature of critical concerns: Disclosure has been omitted due to confidentiality constraints.
	2-17 Collective knowledge of the highest governance body	AR: page 165 *holcim.com/board-of-directors*
	2-18 Evaluation of the performance of the highest governance body	AR: page 165
	2-19 Remuneration policies	We disclose remuneration information as required by the Corporate Governance Directive of the SIX Swiss Exchange and the disclosure rules of the Swiss Code of Obligations. AR: pages 192–217 Compensation Report
	2-20 Process to determine remuneration	AR: pages 192–217 Compensation Report
	2-21 Annual total compensation ratio	AR: page 206
	2-22 Statement on sustainable development strategy	AR: pages 8–11 (Chairman and CEO statement) AR: page 56 (CSO Statement)
	2-23 Policy commitments	*holcim.com/esg-policies*

GRI INDEX

GRI Standard/ Other Source	Disclosure	Report Location / Website / Omissions / Explanations
	2-24 Embedding policy commitments	We embed policy commitments for responsible business conduct throughout our activities and business relationships. For example, see: *holcim.com/climate-action* *holcim.com/human-rights* *holcim.com/health-safety*
	2-25 Processes to remediate negative impacts	AR: page 144 Human Rights Impact Assessment *holcim.com/human-rights-social-policy* *holcim.com/human-rights-directive*
	2-26 Mechanisms for seeking advice and raising concerns	AR: pages 171–172 (Compliance Program); 220 (Risk and Control) Global Integrity Line under: *holcim.com/human-rights*
	2-27 Compliance with laws and regulations	AR: pages 367-368
	2-28 Membership associations	*holcim.com/sustainability/esg*
	2-29 Approach to stakeholder engagement	AR: page 144 *holcim.com/human-rights-social-policy* *holcim.com/human-rights-directive*
	2-30 Collective bargaining agreements	AR: page 411
Material Topics		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	AR: pages 222–223
	3-2 List of material topics	AR: pages 222–223
Economic Performance		
GRI 3: Material Topics 2021	3-3 Management of material topics	AR: page 258
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	AR: page 264 *holcim.com/ipl-statement* *holcim.com/reports-payments-government*
	201-2 Financial implications and other risks and opportunities due to climate change	AR: pages 236–251
	201-3 Defined benefit plan obligations and other retirement plans	AR: page 355
	201-4 Financial assistance received from government	AR: page 411 – Government relations
Market Presence		
GRI 3: Material Topics 2021	3-3 Management of material topics	AR: pages 276–280
GRI 202: Market Presence 2016	202-1 Ratios of standard entry-level wage by gender compared to local minimum wage	In 2023, at entry level, our Group countries reported paying a median of 33 percent above minimum wage where a minimum wage was in place. We do not collect this information by gender.
	202-2 Proportion of senior management hired from the local community	Omission: Information unavailable.
Indirect Economic Impacts		
GRI 3: Material Topics 2021	3-3 Management of material topics	AR: page 264
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	We report on total contribution to create positive social impact. AR: page 409 – People: Social Initiative
	203-2 Significant indirect economic impacts	*holcim.com/ipl-statement*

GRI INDEX

GRI Standard/ Other Source	Disclosure	Report Location / Website / Omissions / Explanations
Procurement Practices		
GRI 3: Material Topics 2021	3-3 Management of material topics	*holcim.com/sustainable-supply-chain* *holcim.com/sustainable-procurement*
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	AR: page 411 National market suppliers account for 90 percent of suppliers at Group level and 90 percent of total spend
Anti-Corruption		
GRI 3: Material Topics 2021	3-3 Management of material topics	AR: pages 171–172 *holcim.com/anti-bribery-and-corruption-policy*
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	AR: pages 171–172 AR: page 227 – Key operational risks – legal and compliance risks *holcim.com/code-of-business-conduct* *holcim.com/anti-bribery-and-corruption-policy*
	205-2 Communication and training about anti-corruption policies and procedures	AR: pages 171–172
	205-3 Confirmed incidents of corruption and actions taken	AR: pages 171–172
Anti-Competitive Behavior		
GRI 3: Material Topics 2021	3-3 Management of material topics	AR: pages 171–172 *holcim.com/code-of-business-conduct*
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anticompetitive behavior, anti-trust, and monopoly practices	AR: pages 366-368
Tax		
GRI 3: Material Topics 2021	3-3 Management of material topics	AR: page 320 *holcim.com/our-approach-tax*
GRI 207: Tax 2019	207-1 Approach to tax	*holcim.com/our-approach-tax*
	207-2 Tax governance, control, and risk management	*holcim.com/tax-transparency-report*
	207-3 Stakeholder engagement and management of concerns related to tax	*holcim.com/tax-transparency-report*
	207-4 Country-by-country reporting	Omission: Information unavailable. We do not report this information globally. Reporting on our 20 largest countries is included in the Tax Transparency Report.
Materials		
GRI 3: Material Topics 2021	3-3 Management of material topics	AR: page 100 AR: page 407 – Recycling and Waste *holcim.com/circular-economy*
GRI 301: Materials 2016	301-1 Materials used by weight or volume	AR: page 408 – Total raw material consumption
	301-2 Recycled input materials used	AR: page 407 – Alternative raw materials substitution rate
	301-3 Reclaimed products and their packaging materials	Omission: Not applicable. Circular Economy is one of the pillars of our Sustainability Strategy, and we track the amount of our products that contain recycled materials. The majority of our products are shipped in bulk with no packaging material.

GRI INDEX

GRI Standard/ Other Source	Disclosure	Report Location / Website / Omissions / Explanations
Energy		
GRI 3: Material Topics 2021	3-3 Management of material topics	AR: pages 78–83, 250 AR: page 404 *holcim.com/climate-action*
GRI 302: Energy 2016	302-1 Energy consumption within the organization	AR: page 404
	302-2 Energy consumption outside of the organization	Omission: Information unavailable. Scope 3 CO_2 emissions are reported in the AR page 404, and the Integrated Profit and Loss Statement contains information on upstream energy impacts. *holcim.com/ipl-statement*
	302-3 Energy intensity	AR: page 405
	302-4 Reduction of energy consumption	AR: pages 78–83 AR: page 404
	302-5 Reductions in energy requirements of products and services	Omission: Not applicable.
Water and Effluents		
GRI 3: Material Topics 2021	3-3 Management of material topics	*holcim.com/water*
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	AR: page 124 AR: page 406
	303-2 Management of water discharge-related impacts	AR: page 406 *holcim.com/water* *holcim.com/esg-water-directive*
	303-3 Water withdrawal	AR: page 406 *holcim.com/water*
	303-4 Water discharge	AR: page 406
	303-5 Water consumption	AR: page 406
Biodiversity		
GRI 3: Material Topics 2021	3-3 Management of material topics	*holcim.com/biodiversity*
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	AR: page 407 (Quarries with biodiversity importance)
	304-2 Significant impacts of activities, products and services on biodiversity	AR: pages 124–127 AR: page 407 *holcim.com/biodiversity-management-plans*
	304-3 Habitats protected or restored	AR: page 407
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Omission: Information unavailable. This is collected at site level, but we do not currently collate this information globally.

GRI INDEX

GRI Standard/ Other Source	Disclosure	Report Location / Website / Omissions / Explanations
Emissions		
GRI 3: Material Topics 2021	3-3 Management of material topics	AR: pages 70–93 AR: page 405 *holcim.com/climate-action*
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	AR: pages 70–93 AR: page 405 *holcim.com/climate-action*
	305–2 Energy indirect (Scope 2) GHG emissions	AR: pages 70–93 AR: page 405 *holcim.com/climate-action*
	305-3 Other indirect (Scope 3) GHG emissions	AR: pages 70–93 AR: page 405 *holcim.com/climate-action*
	305-4 GHG emissions intensity	AR: pages 70–93 AR: page 405 *holcim.com/climate-action*
	305-5 Reduction of GHG emissions	AR: pages 70–93 AR: page 405 *holcim.com/climate-action*
	305-6 Emissions of ozone-depleting substances (ODS)	Omission: Not applicable. Emissions of ozone-depleting substances in our manufacturing processes are negligible.
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	AR: page 138 AR: page 408
Waste		
GRI 3: Material Topics 2021	3-3 Management of material topics	*holcim.com/environment*
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	*holcim.com/environment*
	306-2 Management of significant waste-related impacts	*holcim.com/environment*
	306-3 Waste generated	AR: page 407
	306-4 Waste diverted from disposal	AR: page 407
	306-5 Waste directed to disposal	AR: page 407
Supplier Environmental Assessment		
GRI 3: Material Topics 2021	3-3 Management of material topics	AR: page 146 *holcim.com/sustainable-supply-chain* *holcim.com/sustainable-procurement*
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	All new suppliers are qualified according to our Sustainable Procurement Directive and Code of Business Conduct for Suppliers. AR: page 411 (Spend with “assessed” potential high ESG impact Suppliers) *holcim.com/sustainable-procurement*
	308-2 Negative environmental impacts in the supply chain and actions taken	AR: page 411 (Suppliers with a corrective action plan) *holcim.com/sustainable-procurement*

GRI INDEX

GRI Standard/ Other Source	Disclosure	Report Location / Website / Omissions / Explanations
Employment		
GRI 3: Material Topics 2021	3-3 Management of material topics	AR: pages 132–137 AR: page 410 *holcim.com/group-human-resources-policy* *holcim.com/code-of-business-conduct*
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	AR: page 410 and annex to this document
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Omission: Information unavailable. We will collect data and report on this disclosure in the medium term.
	401-3 Parental leave	Omission: Information unavailable. We will collect data and report on this disclosure in the medium term.
Labor/Management Relations		
GRI 3: Material Topics 2021	3-3 Management of material topics	*holcim.com/group-human-resources-policy* *holcim.com/code-of-business-conduct*
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Omission: Information unavailable. Not collated globally. However, all operations are required to adhere to local law and agreements as well as Holcim internal standards and policies.
Occupational Health and Safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	AR: page 138 AR: page 410 *holcim.com/health-safety*
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	AR: page 138 AR: page 410 *holcim.com/hse-mangement-standard*
	403-2 Hazard identification, risk assessment, and incident investigation	AR: page 138 *holcim.com/hse-mangement-standard*
	403-3 Occupational health services	AR: page 138 *holcim.com/hse-mangement-standard* (section 3.3.5.6)
	403-4 Worker participation, consultation, and communication on occupational health and safety	AR: page 138 AR: page 410 *holcim.com/hse-mangement-standard*
	403-5 Worker training on occupational health and safety	In 2023, Group companies reported 604,537 hours of training on Health and Safety for direct employees. *holcim.com/hse-mangement-standard*
	403-6 Promotion of worker health	AR: page 138 *holcim.com/hse-mangement-standard*
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	H&S is an integral part of our Sustainable Procurement program: *holcim.com/sustainable-procurement*
	403-8 Workers covered by an occupational health and safety management system	AR: page 410
	403-9 Work-related injuries	AR: page 138 AR: page 410
	403-10 Work-related ill health	AR: page 410 (OIFR)

GRI INDEX

GRI Standard/ Other Source	Disclosure	Report Location / Website / Omissions / Explanations
Training and Education		
GRI 3: Material Topics 2021	3-3 Management of material topics	AR: page 410
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	AR: page 410 Management level by gender in annex to this document.
	404-2 Programs for upgrading employee skills and transition assistance programs	Omission: Currently not collected globally. We will collect data and report on this disclosure in the medium to long term.
	404-3 Percentage of employees receiving regular performance and career development reviews	AR: page 410 Broken down by gender and management level in the annex of this document.
Diversity and Equal Opportunity		
GRI 3: Material Topics 2021	3-3 Management of material topics	AR: page 410 *holcim.com/code-of-business-conduct* *holcim.com/group-diversity-inclusion-standard* *holcim.com/additional-diversity-indicators*
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Details of the members of the Board and of the Exco, including age, are provided in the AR, Corporate Governance section (pages 180-191). Female representation per management level is reported in the AR on page 410 .
	405-2 Ratio of basic salary and remuneration of women to men	AR: page 217 *holcim.com/additional-diversity-indicators*
Non-Discrimination		
GRI 3: Material Topics 2021	3-3 Management of material topics	*holcim.com/group-human-resources-policy* *holcim.com/code-of-business-conduct*
GRI 406: Nondiscrimination 2016	406-1 Incidents of discrimination and corrective actions taken	AR: page 172
Freedom of Association and Collective Bargaining		
GRI 3: Material Topics 2021	3-3 Management of material topics	AR: page 411 *holcim.com/group-human-resources-policy* *holcim.com/code-of-business-conduct*
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Salient risk assessment: Determination of country risk level. The risk level of each operating context with regard to business-related human rights issues is determined based on the UN Human Development Index (HDI) and the Freedom House Index (FH). Mitigation measures and programs reported on the website: *holcim.com/human-rights-directive* *holcim.com/sustainable-procurement*
Child Labor		
GRI 3: Material Topics 2021	3-3 Management of material topics	AR: page 173 *holcim.com/human-rights* *holcim.com/human-rights-directive*
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Salient risk assessment: Determination of country risk level. The risk level of each operating context with regard to business-related human rights issues is determined based on the UN HDI and the FH. Mitigation measures and programs reported on the website: *holcim.com/human-rights-directive* *holcim.com/sustainable-procurement*

GRI INDEX

GRI Standard/ Other Source	Disclosure	Report Location / Website / Omissions / Explanations
Forced or Compulsory Labor		
GRI 3: Material Topics 2021	3-3 Management of material topics	AR: page 173 *holcim.com/human-rights* *holcim.com/human-rights-directive*
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Salient risk assessment: Determination of country risk level. The risk level of each operating context with regard to business-related human rights issues is determined based on the UN HDI and the FH. Mitigation measures and programs reported on the website: *holcim.com/human-rights-directive* *holcim.com/sustainable-procurement*
Security Practices		
GRI 3: Material Topics 2021	3-3 Management of material topics	*holcim.com/security-resilience-policy*
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Monitored through the annual social questionnaire. In 2023, Group countries reported 72 percent of security guards were trained in the organization's human rights policies or specific procedures and their application to security.
Rights of Indigenous Peoples		
GRI 3: Material Topics 2021	3-3 Management of material topics	*holcim.com/people-communities* *holcim.com/human-rights*
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	Monitored through human rights assessments and action plans. In 2023, three Group countries reported seven findings (high, medium or low risk) and related actions in operations related to the rights of indigenous peoples.
Local Communities		
GRI 3: Material Topics 2021	3-3 Management of material topics	*holcim.com/people-communities*
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	AR: page 409 (under People: Human rights)
	413-2 Operations with significant actual and potential negative impacts on local communities	In 2023, 56 Group companies identified 582 actual and potential issues (high, medium or low risk) related to different topics, such as dust emissions, security-related violations, freedom to speak up and grievance mechanisms, that could negatively impact local communities. These are included in the human rights action plans, and implementation of the defined actions is periodically monitored. As part of the annual human rights and stakeholder questionnaire, in 2023, 118 new or ongoing grievances relating to the impacts of operations were recorded by 33 Group companies.
Supplier Social Assessment		
GRI 3: Material Topics 2021	3-3 Management of material topics	*holcim.com/sustainable-supply-chain* *holcim.com/sustainable-procurement*
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	All new suppliers are qualified according to our Sustainable Procurement Directive and Code of Business Conduct for Suppliers. AR: page 411 (Spend with "assessed" potential high ESG impact Suppliers) *holcim.com/sustainable-supply-chain* *holcim.com/sustainable-procurement*
	414-2 Negative social impacts in the supply chain and actions taken	AR: page 411 (Spend with "assessed" potential high ESG impact Suppliers) *holcim.com/sustainable-supply-chain* *holcim.com/sustainable-procurement*
Public Policy		
GRI 3: Material Topics 2021	3-3 Management of material topics	*holcim.com/public-policy* *holcim.com/responsible-lobbying-advocacy-directive*
GRI 415: Public Policy 2016	415-1 Political contributions	AR: page 411 (Government relations) *holcim.com/code-of-business-conduct*

GRI INDEX

GRI Standard/ Other Source	Disclosure	Report Location / Website / Omissions / Explanations
Customer Health and Safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	Omission: Not a material topic.
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Omission: Information is not currently collated at a global level. This is not one of our most material issues.
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Omission: Information is not currently collated at a global level. This is not one of our most material issues.
Marketing and Labeling		
GRI 3: Material Topics 2021	3-3 Management of material topics	AR: page 244 All of our products are labeled with the legally required information about material composition. Additionally, we provide voluntary information through Environmental Product Declarations (EPD) for certain products.
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Omission: Information is not currently collated at a global level. This is not one of our most material issues.
	417-2 Incidents of non-compliance concerning product and service information and labeling	Omission: Information is not currently collated at a global level. This is not one of our most material issues.
	417-3 Incidents of non-compliance concerning marketing communications	Omission: Information is not currently collated at a global level. This is not one of our most material issues.
Customer Privacy		
GRI 3: Material Topics 2021	3-3 Management of material topics	Omission: Not a material topic. Holcim is committed to protecting our customers' and employees' privacy. We are strongly dedicated to handling personal data responsibly, diligently and in compliance with all legal requirements. State-of-the-art professional standards are applied to protect the integrity and security of personal data.
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Omission: Information is not currently collated at a global level. This is not one of our most material issues.

GRI CONTENT INDEX 2023 CONTINUED

GRI INDEX

ANNEX

Turnover by gender, age group and segment

Age Group	Men	Women	Total
Under 30	28 %	25 %	28 %
30–50	15 %	16 %	15 %
Over 50	14 %	14 %	14 %
Total	16 %	17 %	16 %

Segment	%
North America	26
LATAM	17
Europe	13
AMEA	13
Solutions & Products	9

Training by gender and management level

	Average training hours
Management level (men)	28
Management level (women)	30
Management level total	28
Non-management (men)	18
Non-management (women)	25
Non-management total	19

Performance appraisal by management level and gender

	% with annual performance review
Management level (men)	76
Management level (women)	78
Management level total	76
Non-management (men)	35
Non-management (women)	54
Non-management total	38

Holcim Ltd has reported in accordance with SASB Construction Materials Sustainability Accounting Standard for the period from 1 January 2023 to 31 December 2023

As of August 2022, the International Sustainability Standards Board (ISSB) of the IFRS Foundation assumed responsibility for the SASB Standards. The ISSB has committed to maintain, enhance and evolve the Sustainability Accounting Standards Board (SASB) Standards and encourages preparers to continue to use the SASB Standards. The SASB Standards guide the disclosure of financially material sustainability information by companies to their investors. SASB Standards identify the subset of environmental, social and governance (ESG) issues most relevant to financial performance in 77 industries. The SASB Standards focus on financially material issues because their mission is to help businesses around the world report on the sustainability topics that matter most to their investors. Although there is much ESG and sustainability information disclosed publicly, often it can be difficult to identify and assess which information is most useful for making finance-related decisions. SASB identifies financially material issues, which are the issues that are reasonably likely to impact the financial condition or operating performance of a company and therefore are most important to investors.

The material issues identified by SASB for the Construction Materials sector are:

- GHG emissions
- Air quality
- Energy management
- Water management
- Waste and hazardous materials management
- Biodiversity impacts
- Workforce health and safety
- Product Innovation
- Pricing Integrity and Transparency

AR: 2023 Integrated Annual Report

SASB INDEX

SASB reference	Description	Page, comment, performance
Greenhouse Gas Emissions		
EM-CM-110a.1	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	We report this in our annual disclosure to the CDP. We post our annual CDP disclosures on our website. In our 2023 submission (reflecting 2022 data) we list all carbon pricing regulations which impact our operations and the percentage of Scope 1 and Scope 2 emissions covered by the regulations. See sections C11.a and C11.b *holcim.com/cdp*
EM-CM-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	AR: pages 70–73 AR: page 403 *holcim.com/climate-action*
Air Quality		
EM-CM-120a.1	Air emissions of the following pollutants: • NO_X (excluding N_2O) • SO_X • Particulate matter (Dust-PM_{10}) • Dioxins/furans • Volatile Organic Compounds (VOCs) • Polycyclic aromatic hydrocarbons (PAHs) • Heavy metals	AR: page 408 We report annually on all emissions with the exception of polycyclic aromatic hydrocarbons (PAHs) in our Sustainability Performance Report. We report not only absolute emissions of these substances but also specific emissions by both clinker and cementitious material. The only PAH we consider material and measure is benzene, and this is measured as required by the Global Cement and Concrete Association. Our measurements of benzene emissions in 2023 were: Total benzene emissions (tons): 215 Specific benzene emissions: • Grams/ton clinker: 2.4
Energy Management		
EM-CM-130a.1	Total energy consumed	AR: page 404
EM-CM-130a.1	Percentage grid electricity	85 percent of 2023 electricity consumption was from the grid.
EM-CM-130a.1	Percentage alternative energy	AR: page 404 • Thermal energy percentage of alternative fuels (excluding biomass): 17 • Thermal energy percentage biomass: 10 • Total thermal substitution rate (cement plants only): 30 percent
EM-CM-130a.1	Percentage renewable	AR: page 404
Water Management		
EM-CM-140a.1	Total water withdrawn	AR page 406 We report water withdrawn from a number of sources for all segments and for captive power plants separately.
EM-CM-140a.1	Total water consumed	AR page 406 We report total water consumed for all segments and for captive power plants separately.
EM-CM-140a.1	Percentage in regions with High or Extremely High Baseline Water Stress	AR page 406 We measure and report on the number of sites located in Medium-High to Extremely High water risk areas according to the WRI Aqueduct tool. The concept of water risk includes not only water stress but also water quality, regulatory and reputational risks. In 2023, 28 percent of our sites (cement, aggregates and ready mix) were located in such areas.

SASB INDEX

SASB reference	Description	Page, comment, performance
Waste Management		
EM-CM-150a.1	• Amount of waste generated • Percentage of hazardous waste • Percentage of recycled	AR: page 407 In 2023, we generated a total of 2.1 million tons of waste. Of this, 0.06 million tons (2.8 percent) was hazardous waste, and 0.93 million tons (57 percent) was recycled or recovered.
Biodiversity Impacts		
EM-CM-160a.1	Description of environmental management policies and practices for active sites	Our management policies and practices are documented in our Quarry rehabilitation and biodiversity Directive *holcim.com/esg-quarry-rehabilitation-and-biodiversity-directive*
EM-CM-160a.2	Terrestrial acreage disturbed, percentage of impacted area restored	AR page 407 • In 2023, the total rehabilitated area was 14,855 ha • Total of disturbed areas was 52,629 ha • Percentage restored was 28 percent
Workforce Health & Safety		
EM-CM-320a.1	• Total recordable incident rate (TRIR) • Near-miss frequency rate (NMFR) for direct employees and contract employee	AR page 410 We report in our Sustainability Performance Report TIFR and OIFR, which are calculated with a denominator of one million hours, but added together cover 99 percent of the same scope as TRIR. 2023 TRIR employees – 0.94 (per 200,000 hours worked) 2023 TRIR contractors onsite – 0.53 (per 200,000 hours worked) NMFR employees and contractors – 6.4 (per 200,000 hours worked)
EM-CM-320a.2	Number of reported cases of silicosis	In 2023, we had 0 reported cases of silicosis.
Product Innovation		
EM-CM-410a.1	Percentage of products that qualify for credits in sustainable building design and construction certifications (% sales by revenue)	We do not currently collect this specific information. However, we collect data on our portfolio of sustainable solutions, which in 2023 amounted to 25 percent of net sales. The largest contributor was low-carbon cements and concrete.
EM-CM-410a.2	Total addressable market and share of market for products that reduce energy, water, and/or material impacts during usage and/or production	We do not currently have this information.
Pricing Integrity & Transparency		
EM-CM-520a.1	Total amount of monetary losses as a result of legal proceedings associated with cartel activities, price fixing, and antitrust activities	AR: pages 367–368 Detailed description of ongoing legal proceedings (including anti-competition) is provided.
Activity Metric		
EM-CM-000.A	Production by major product line	AR: page 408 See “Products and solutions” section for details of production per product line.

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

The following sections comprise the report on non-financial matters in accordance with Art. 964b of the Swiss Code of Obligations. The advisory vote on the report at the Annual General Meeting is limited to the content of these sections.

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

CONTENT INDEX

Art. 964b content requirement	Section	Page reference
Description of the business model	• Delivering record results	pages 16–33
Environmental matters, in particular CO_2 goals	• Sustainability performance highlights • Climate Report • Performance against targets	pages 62–63 pages 64–121 page 403
Employee-related issues	• Holcim people • Health, Safety & Environment	pages 132–137 pages 138–139
Social issues and respect for human rights	• Human rights and our communities • Just transition • Report on due diligence and transparency in relation to minerals and metals from conflict-affected areas and child labor	pages 140–145 pages 116–119 pages 173–174
Supply chain	• Sustainable Supply Chain • Report on due diligence and transparency in relation to minerals and metals from conflict-affected areas and child labor	pages 146–149 pages 173–174
Combating corruption	• Corporate governance • Compliance program – performance with integrity	page 160 pages 171–172
Material risks	• Risk and control • Material priorities • Climate and nature risks and opportunities • Scenario analysis	pages 220–235 pages 222–223 pages 236–251 pages 252–255
Non-financial performance indicators	• Compliance program – performance with integrity • Sustainability Performance Report 2023 • Scope and methodology • Assurance statement	pages 171–172 pages 400–411 pages 412–415 pages 416–418

CLIMATE-RELATED DISCLOSURES

In 2023, we made great strides on our mission to decarbonize building. From our operations to construction and making buildings sustainable in use, we are decarbonizing building across its life cycle for a net-zero future.

Holcim is at the forefront of ESG reporting, showcasing an unwavering commitment to transparency and environmental responsibility. Pioneering the adoption of Taskforce on Climate-Related Financial Disclosures (TCFD) guidelines, the company has consistently led the disclosure of its risks and opportunities. For three consecutive years, Holcim has unveiled comprehensive climate reports, and the latest publication is fully integrated within the company's Annual Report, highlighting a holistic approach to reporting. Moreover, Holcim's decarbonization targets for 2030 and 2050 are aligned with its sector's new 1.5°C science-based framework, confirming its commitment to decarbonize building in line with the most advanced science.

CONTENT INDEX

About this document
This complete edition of the Holcim 2023 Integrated Annual Report (English only) is legally binding, and is available at *holcim.com/annual-report-2023.*
An extract of this Annual Report will be available in English and German in March 2024.

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ABOUT HOLCIM

Holcim is a global leader in innovative and sustainable building solutions with net sales of CHF 27.0 billion in 2023. Driven by its purpose to build progress for people and the planet, its 63,448 employees are on a mission to decarbonize building, while improving living standards for all. The company empowers its customers across all regions to build better with less, with its broad range of low-carbon and circular solutions, from ECOPact and ECOPlanet to our circular technology platform ECOCycle®. With its innovative systems, from Elevate roofing to PRB insulation, Holcim makes buildings more sustainable in use, driving energy efficiency and green retrofitting. With sustainability at the core of its strategy, Holcim is becoming a net-zero company with 1.5°C targets validated by SBTi.

More information is available on *holcim.com*

INTEGRATED REPORTING

This report applies the principles of Integrated Reporting to show how we manage the company sustainably, as well as the financial and non-financial value we created in 2023.

For TCFD-guided disclosures see page 238 of the complete 2023 Integrated Annual Report.

In 2022, the SBTi validated Holcim's 2030 targets as aligned with a 1.5°C scenario.

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Page 41: Grupo DAGS
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