

EXPANDING POSSIBILITIES



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“Circularity must underpin every step of the construction process.”

DIRK E. HEBEL

Karlsruher Institut für Technologie, Germany and member,
Holcim Foundation Academic Committee

SEIZING THE OPPORTUNITIES AHEAD

“Strategy 2022 – Building for Growth” set the foundation for our transformation to become the global leader in innovative and sustainable building materials and solutions.

Under that strategy we embarked on an ambitious journey of portfolio transformation, using key strategic divestments to fund a series of value-enhancing acquisitions (see map). Most of the bolt-on acquisitions have been in Ready-Mix Concrete and Aggregates, primarily located in mature markets.

In 2021 we crossed a new milestone in our transformation with the acquisition of Firestone Building Products (see box), a leader in commercial flat roofing systems, ranging from cool to green roofs. This acquisition advances our goal to expand Solutions & Products to reach 30% of net sales by 2025. Adding to this ambition we recently announced

our agreement to acquire Malarkey Roofing Products in the US (see next page), a leader in the complementary residential roofing space. Growing closer to our customers, the Solutions & Products business will expand its range of integrated solutions and systems from construction and energy efficiency to repair and refurbishment.

We continue to pursue strategic acquisitions to expand our Solutions and Products portfolio, such as the recently announced agreement to acquire PRB Group, a leader in specialty building solutions with advanced technologies ranging from energy-efficiency to renovation (see page 3).

BOLT-ON ACQUISITIONS

North America (5)
Europe (7)

DIVESTMENTS

Brazil (signed)
Northern Ireland
Zambia & Malawi
Indian Ocean

ACCELERATING TRANSFORMATION & GROWTH





OFF TO A FAST START

The 2021 acquisition of Firestone Building Products kicked off our ambitions to become a global leader in roofing. It is also the foundation for our Solutions & Products business to reach 30% of net sales by 2025.

The flat roofing market is driven by several key long-term trends, including population growth, urbanization and sustainable construction. Cool roofs, green roofs and solar roofs in particular

are helping to solve urbanization challenges through design by providing thermal insulation for more energy-efficient buildings, all the way to reducing the urban heat island effect.

With Firestone, we have also gained a highly motivated team that is already achieving growth at record pace with double-digit sales this year, driven by innovative and sustainable products, with 18% of sales generated from

products introduced in the last five years. Building on this strong platform, our ambition is to double net sales in roofing systems to USD 4 billion by 2025.

In 2021 we leveraged our existing distribution channels by expanding the Gaco brand of roofing systems in Latin America. Further geographical expansion will follow.

EXPANDING SOLUTIONS & PRODUCTS

We are off to a strong start to our “Strategy 2025 – Accelerating Green Growth” with the acquisition of Malarkey Roofing Products, expanding our Solutions & Products business to become a global leader in roofing systems.



MALARKEY ROOFING PRODUCTS

In December 2021 we signed an agreement to acquire Malarkey Roofing Products, a leading company in the US residential roofing market with projected 2022 net sales of USD 600 million and projected 2022 EBITDA of USD 120 million. Malarkey Roofing Products has a track record of double-digit growth in the highly profitable USD 19 billion US residential roofing market. Malarkey is fully complementary to Firestone Building Products' leadership in the commercial segment, positioning us as a full roofing provider. Malarkey's strong brand recognition is driven by its leadership in innovation and sustainability with a highly circular business model.

Malarkey Roofing Products provides complete solutions for residential roofing needs from roofing shingles to ice and water barriers. With production facilities in Oregon, California and Oklahoma, Malarkey Roofing Products has a strong presence from the West to the South of the US that is highly complementary with Firestone Building Products' footprint.

The acquisition advances “Strategy 2025 – Accelerating Green Growth” with the goal to expand our Solutions & Products business to 30% of Group net sales by 2025, entering the most attractive construction segments, from roofing and insulation to repair and refurbishment.



PRB GROUP

In January 2022 we further accelerated the expansion of our Solutions & Products business by entering into an agreement to acquire PRB Group, France's biggest independent manufacturer of specialty building solutions with 2022 estimated net sales of EUR 340 million. PRB Group offers a broad range of high performance building solutions, from

coatings and insulations to adhesives and flooring systems with advanced energy-efficiency and renovation solutions.

With its leadership in sustainability and eco-design, PRB Group is a leading partner to support France's new regulation (RE2020) advancing energy-efficiency in buildings. PRB Group's products and solutions are

highly complementary to Holcim's and expand our reach in the high growth repair & refurbishment market. PRB Group's broad footprint covers the entire French market with more than 700 people and state-of-the-art facilities, including its Research & Development (R&D) Center, five manufacturing sites and 26 warehouses, as well as 1,300 distributors.

THE FUTURE OF BUILDING

We are pushing the boundaries of innovation to shape the future of building to make it work for people and the planet. To make a bigger difference, we're partnering with the brightest minds in our sector.

We operate in an open innovation ecosystem, working with hundreds of start-ups, like-minded companies and leading academic institutions. It all begins in the Switzerland Technology Center and our industry-leading Research and Development Center in Lyon with over 210 researchers. To spread innovation across our markets, they work in close collaboration with our six regional innovation hubs, from Mumbai to Montreal, as well as with our network of over 20 technical centers worldwide. Together with our commercial teams, they support our customers for all their building needs from concept to creation. Our experts cut across all fields of building, from advanced engineering and material science, to artificial intelligence and data mining, all the way to masons.



AT THE FOREFRONT OF GREEN BUILDING SOLUTIONS

We are putting our innovation to work to make sustainable building possible at scale around the world with a range of solutions from low-carbon materials to water-efficiency systems, with no compromise on performance.

With our ECOPact green concrete and ECOPlanet green cement, we offer the world's broadest ranges of low-carbon building materials, starting at 30% lower CO₂ than standard materials and going as far as carbon neutral. We keep on innovating to expand our industry-leading green product formulation expertise by investing in innovative low-emission raw materials from Calcined Clay to Construction and Demolition Waste to keep on expanding our range of low-carbon solutions

ECOPact
ECOPlanet

CALCINED CLAY

Holcim is investing EUR 30 million in proprietary calcined clay technology to advance green cement production in France. With this solution, Holcim will produce near-zero emissions calcined clay using decarbonized energy in its production process. This clay reduces the carbon footprint of cement by up to 40% when used as a substitute for clinker. Naturally available worldwide, calcined clay is one of the most scalable solutions for delivering low-carbon cement globally.

START-UP SPOTLIGHT: TIMBERROC

We are partnering with CCB Greentech in France on a breakthrough solution, TimberRoc, that actually removes CO₂ from the atmosphere. TimberRoc combines timber with cement in a unique formulation to make carbon-negative concrete for precast applications.



DRIVING CIRCULAR CONSTRUCTION

We are driving circular construction with the vision to recycle materials in every new building so that we can close the construction loop, building more new from the old. With concrete being infinitely recyclable, just like glass, we are scaling up our capabilities to recycle 100% of concrete-based construction & demolition waste into new value added products, from substitutes to virgin aggregates to low emission raw materials in the formulation of our green cement and green concrete. We are developing proprietary technologies and systems from advanced crushing for a clean separation of materials, to digital systems for material mapping and management, all the way to smart recycling hubs and logistics to scale up circular construction.

ORIS

We are developing technologies to scale up circular construction. One critical focus is enabling optimal material flows. To advance our expertise in this area we developed ORIS together with IBM, a digital material management platform that is focused on roads. ORIS can assess road design for each project with a holistic view, from construction to maintenance. Analyzing parameters such as local resources, expected traffic and weather conditions, ORIS offers a whole set of design solutions that take into account carbon footprint, use of local resources, lifespan and costs.



WORLD'S FIRST GREEN CEMENT WITH 20% RECYCLED CDW INSIDE



In Switzerland, we launched the world's first green cement, Susteno, with 20% recycled construction & demolition waste inside. We know we can go much further than this with higher recycling rates across our solutions with no compromise on performance. To make this possible at scale, we are engaging with public authorities to evolve building norms and procurement standards, based on reliable scientific evidence to specify more recycled content in building materials.

SMART SYSTEMS AND DESIGN

We are continuously expanding our range of smart building solutions to make buildings more energy efficient, resilient and durable from foundation to rooftop, from new buildings to renovating old ones.

For instance with the acquisition of Firestone Building Products, we are becoming a global leader in roofing systems with a broad range of solutions from green to solar roofs. Firestone Building Products is an established leader in the United States in flat roofing systems for commercial applications, broadly used from data centers to logistics warehouses and more. To complement Firestone's leadership, we are acquiring Malarkey Roofing Products in the United States, a leader in residential roofing. To further expand our Solutions & Products business, in line with our goal to reach 30% of net sales by 2025, we acquired PTB-Compaktuna, a market leader in Belgium and are in the process of acquiring PRB Group, the number one independent specialty building solutions producer in France.

In addition to roofing we offer a range of advanced solutions to make buildings more energy efficient and long lasting, from Airium for insulation to our Tector specialty building materials range for finishings all the way to repair and renovation applications.

BUILDING AT THE CUTTING EDGE

At the HiLo innovation unit at NEST (Next Evolution in Sustainable building Technologies) in Switzerland, we have developed a new lightweight floor system that reduces material use by 50% and embodied CO₂ by up to 80%.

The project was developed alongside our academic partners at the Block Research Group (BRG) of the Swiss Federal Institute of Technology (ETH-Zurich). The system also embraces low-carbon and circular construction principles by using our ECOPact Plus green concrete and Susteno green cement, which contains 20% recycled construction and demolition waste.

This combination of smart design and green building materials is a powerful demonstration of how sustainable construction could be accelerated at scale. We are now developing the system into a precast solution, targeting industrialized construction in 2023.



BRUSSELS' GARE MARITIME

Once Europe's largest railway freight station, the monumental Gare Maritime in Brussels, Belgium, has been reinvigorated into an impressive office, retail and recreational space. About 4,000 m² of Firestone's RubberGard EPDM membrane have been used in the project.

In a quest to operate entirely on non-fossil fuel energy, solar panels were included in the street-facing facade and installed on the roof. Rainwater is collected to water the inner gardens.

The Gare Maritime project is one of the laureates of the Europa Nostra Awards 2021, which recognizes outstanding heritage conservation initiatives. We are proud that Firestone Roofing Products could help extend its lifespan.



COBOD

COBOD International is a globally leading 3D construction printing company, a self-identified disruptor of the construction industry and a Holcim partner for years. Together we have been making headlines for pathbreaking projects such as 3D-printed windmill tower bases (pictured), the world's first 3D-printed school, and most recently Africa's largest 3D-printed affordable housing project.



EXPANDING POSSIBILITIES

DEVELOPING NEXT GENERATION TECHNOLOGIES

We partner for impact to advance next generation technologies from carbon capture utilization and storage (CCUS) all the way to inductive charging systems that use concrete as a driver of renewable energy.

BREAKTHROUGH CARBON CAPTURE SOLUTIONS

We're working with Eni, the Italian energy company, to capture CO₂ from our plants into a mineral called olivine. Experts at our innovation center are exploring how carbonated olivine can then replace limestone as a low-emission raw material for our green cement. Together with Eni we are currently looking for the best site in Europe to conduct an industrial-scale pilot of this breakthrough solution.



MAGMENT

We're partnering with German startup Magment to advance magnetizable concrete technology for road surfaces, enabling electric vehicles to recharge wirelessly while in motion. Known as "inductive charging," this breakthrough concrete-based solution reduces the need for charging stations, while saving time. Other applications under development include the electrification of industrial floors to recharge robots and forklifts as they work.



DIGITALIZATION AND ARTIFICIAL INTELLIGENCE

We are putting digitalization and artificial intelligence to work to augment our business from our plants and products, all the way to our customer experience.

In our Plants of Tomorrow program we are rolling out >800 projects from predictive maintenance to remote plant management to increase our operational efficiency. Across our product range we are driving solutions such as sensors in concrete and cement to monitor and increase their performance, while also reducing unnecessary product waste for an optimized footprint.

>500

Startups assessed in 2021 by Holcim MAQER

GREENER STARTUPS ...

such as our partner whose new process could permanently store CO₂ captured from the atmosphere in the concrete we produce.

SMARTER STARTUPS ...

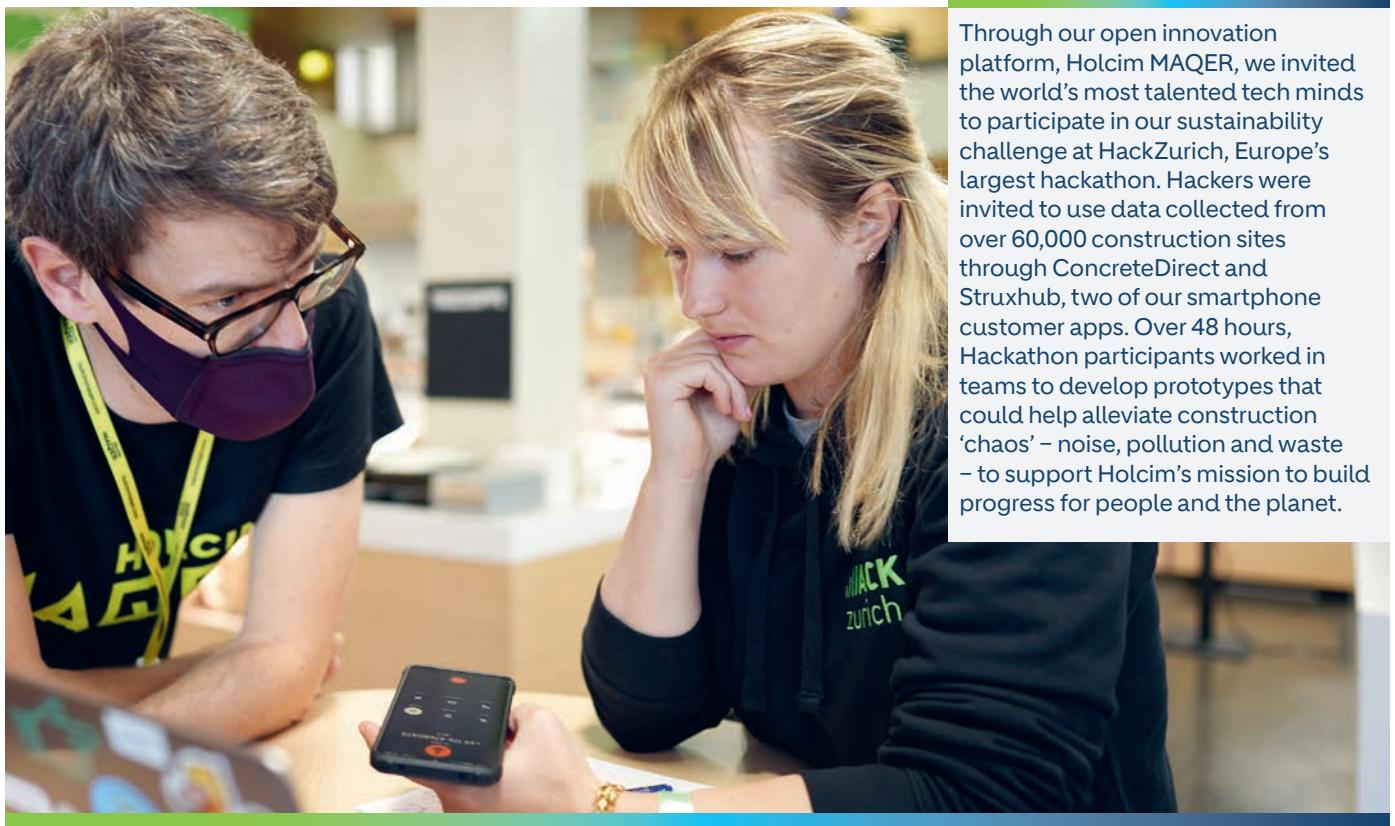
such as our partner who helps us analyze news and social media data using machine learning to monitor our supply chain for risks and anomalies.

CLEANER STARTUPS ...

such as our partner whose app guides our plant employees through the inspection process to make sure we manage air, water and waste properly.

HACKZURICH

Through our open innovation platform, Holcim MAQER, we invited the world's most talented tech minds to participate in our sustainability challenge at HackZurich, Europe's largest hackathon. Hackers were invited to use data collected from over 60,000 construction sites through ConcreteDirect and Struxhub, two of our smartphone customer apps. Over 48 hours, Hackathon participants worked in teams to develop prototypes that could help alleviate construction 'chaos' – noise, pollution and waste – to support Holcim's mission to build progress for people and the planet.



EMPOWERING OUR PEOPLE

From promoting diversity in our teams to respecting human rights in our communities, we put people at the heart of everything we do. In 2021, that commitment only got stronger.

MEET HOLCIM'S CHANGEMAKERS



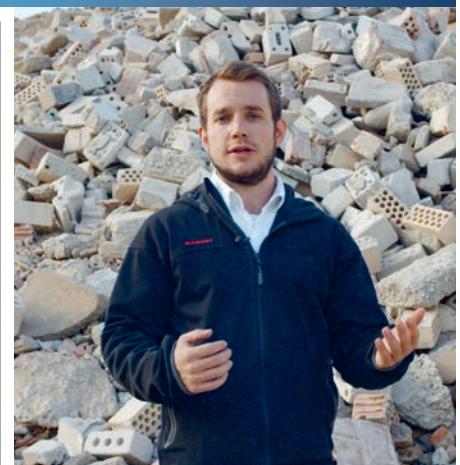
"ECOPlanet, and the sustainability initiatives by Holcim, help us to build a greener city, a cleaner city and a better world for me, for my kids and for future generations to have a better place to live in. I'm honored to lead the global roll-out of ECOPlanet green cement and be part of this transformational journey."

EMMANUEL ILABOYA
Group Senior Product Manager



"Ancient Indian culture has circularity and sustainability embedded deeply in its core. That is exactly why as an Indian woman, I feel so proud to be associated with Holcim where progress is circular. Especially to work on a project that helps Holcim decarbonize its products! It is inspiring to be collaborating with colleagues coming from different cultures, backgrounds and technical expertise!"

MADHURA JOSHI
R&D Engineer



"What I am most proud of is that Holcim Switzerland was the first in the world to use 20% construction and demolition waste inside our cement. This helps keep materials in use for as long as possible and allows us to use only what is needed to preserve nature. To me, that's building progress for the people and the planet."

DENNIS SCHNEIDER
Regional Manager



HOLCIM AT THE ONE YOUNG WORLD SUMMIT

In July 2021, Holcim was represented by seven young leaders from across Europe at the One Young World Summit in Munich. This annual event convenes the brightest young minds from every country and sector, working to accelerate positive social impact.

THE PEOPLE AT HOLCIM

Our employees continued to deliver extraordinary results despite another year of challenging circumstances due to the COVID-19 pandemic. We made sure that health and safety remained our number one priority throughout. Our business resilience teams kept our work environments safe and supported employees with initiatives including vaccination programs, remote work plans and mental health assistance.

Diversity and inclusion (D&I) has also remained top of mind. As a Group we continued to make progress toward our goal of senior management that is 25% female by 2025, in addition to improving gender balance in sales and operational roles. We saw success in this area with the expansion of our recruitment and education programs targeted to women, notably Ecuador, where 52% of employees at our flagship aggregates plant in Loma Alta are now female.

We grew our Senior Leaders Group by 12% in 2021, mostly through internal promotions. Their development is a key priority, and initiatives like the Holcim Business School – which entered its fourth year – ensure all our senior leaders continue to grow in their careers. We also continued with our Early Career Leadership Program in 2021, focusing on the development of next-generation leaders.

SUPPORTING OUR PARTNERS ON THE ROAD

We continued working closely with our 20,000 transport suppliers to ensure a safe journey for the 90,000 drivers who travel approximately 1.7 billion kilometers for us each year. Since starting the program, road fatalities have decreased from 60 in 2016 to ten in 2021. Although we won't be satisfied until we reach zero, the program is clearly making a difference for our partners and communities.

In collaboration with our suppliers we expanded our Women on Wheels program which is now implemented in eight countries. The latest country to launch its Women on Wheels program is Kenya, where Bamburi Cement set up a collaboration with a truck manufacturer, a defensive driving organisation and the Kenyan Transporter Association. The program will sustainably recruit at least 100 women each year, resulting not just in job placements but also the breaking down of barriers to women entering the industry.

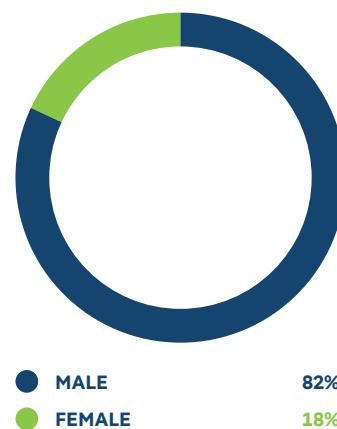
PROMOTING HUMAN RIGHTS

Holcim is committed to respecting and promoting human and labor rights in our operations and in the communities where we work. As a company working across 2,300 sites in 60 countries, upholding human rights is at the core of our business model and success.

In 2021, we rolled out a new Human Rights and Social Policy as well as a Human Rights Directive, setting out our aims, methodology, processes and risks. These guidelines, developed after extensive consultation with global managers, staff, external human rights experts and civil society and community representatives, are aligned with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

We continued to conduct human rights due diligence and training around the world, including regular individual training for all country CEOs. Altogether, we trained more than 16,000 people in human rights in 2021.

COMPOSITION OF SENIOR MANAGEMENT (%)



HEALTH, SAFETY & ENVIRONMENT

Excellence in Health, Safety and Environment (HSE) demands more than allocating resources and ensuring compliance – real progress in HSE requires strategy.

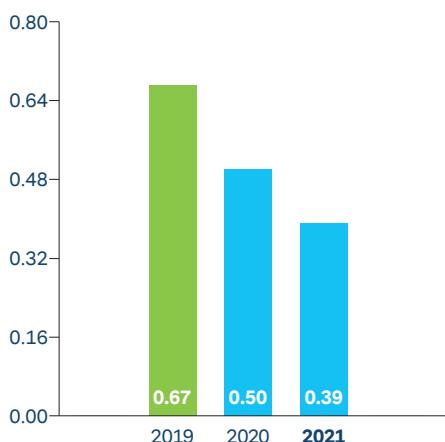
Health and Safety is a core value at Holcim and is top of mind every day across all our operations to reach our Ambition “0”. This year we reported steady progress on this journey, and have reduced the Lost Time Injuries by 62%. Our Lost Time Incident Frequency Rate (LTIFR) reached 0.39, down 22% vs. 2020. 98.3% of our sites and 48.5% of our countries had no lost-time injuries (LTIs), up from 95.9% and 42% in 2020, respectively.

Sadly, during this same period, two employees and two contractors lost their lives. Eliminating fatalities remains our top priority. Since the launch of Ambition “0” we have divided their rate by five but we will never rest until we reach zero.

In 2021 we made good improvements on environmental indicators, with dust emissions per ton of clinker reduced by 18%, as well as NOx by 7%. Our SO₂

emissions increased by 1%, mainly due to local constraints in accessing low-sulfur raw materials, but we continue to be one of the best performers in the sector.

LOST TIME INJURY FREQUENCY RATE (LTIFR)



ROAD SAFETY AWARD IN THE CATEGORY FLEET SAFETY

We were recognized this year as a global leader in road safety with the “Prince Michael International Award” in the category “Fleet Safety.” This is testimony to our drivers’ relentless focus on safety, which resulted in our second consecutive year with zero road fatalities within our own fleet.

Founded in 1987, this award is recognized as the ‘Nobel Prize’ in road safety, awarding the most outstanding achievements in road safety world-wide.



To accelerate our progress and focus, Holcim introduced a new HSE operating model based on the three pillars: critical risk management, workforce engagement and continuous improvement. Our focus on these key areas is setting a new standard for HSE.

CRITICAL RISK MANAGEMENT

In 2021, we launched our Critical Risk Management program. After careful review and analysis of past serious incidents we established a quarterly process in which these critical controls are verified at all sites around the globe using an app. In Q4 2021, we completed 12,866 control verifications globally and 25,135 coaching and feedback sessions with employees to adequately cover these controls. This pillar of the operating model will ensure serious injury and fatalities are eliminated.

WORKFORCE ENGAGEMENT

Our goal is simple: to engage all employees and contractors on Health, Safety and Environment daily. One of the biggest workforce engagement milestones of 2021 was the worldwide roll-out of Boots on the Ground. Our digital application to support the program continues to evolve to manage field presence and improve employee access to management with new features to drive overall engagement and provide managers with the right tools in the field to protect the environment and support the safe and healthy execution of the job. This marks our first-ever global implementation of



OPERATING DURING A PANDEMIC

Our resilience and support response to the COVID-19 pandemic began in January 2020. More than 50 new protocols, visual guidance and checklists have been developed and implemented worldwide. The new HSE Minimum Requirements for Operating During COVID-19 has been put in place, partnering with trusted third parties and in line with best scientific information and local regulations. In

2021, we maintained this focus, ensuring protocols were maintained. Additionally, we launched our new Well-being framework to further expand our HSE program and ensure we have a world-class health program. Building on our long tradition of working closely with our communities, we also invest in social initiatives to promote their health and well-being.

an app developed entirely in-house: with 14,000 users across 1,200 sites and growing daily – more than triple the amount in 2020 – who have used the system to log a total of 2.8 million hours of presence in the field engaging our employees and contractors.

CONTINUOUS IMPROVEMENT

The Continuous Improvement pillar represents our commitment to making progress on HSE Management Systems. 2021 has been the year of the integration of Environment with Health & Safety. We now have a Group Management system compliant to ISO 14001 and 45001 and validated by Lloyd's Register. Every country completed fugitive dust assessments and reduction efforts. More than 3,200 site assessments were executed and over 250 improvement

projects completed. An excellent example – Nicaragua invested CHF 60,000 to complete two projects eliminating measurable inhalable dust emissions at several locations.

We further developed digital with a goal to reach all workers; seven new modules were released in iCare, Holcim's digital reporting platform, to support Audit, Process Safety, Critical Control management, Environment Programs and a new HSE Performance dashboard. Our Audit and Process Safety digital tools allow field assessments to be performed and tracked – more than 1,000 findings were closed worldwide.