



HOLCIM

SUSTAINABILITY-LINKED BOND INVESTOR PRESENTATION

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JANUARY 11, 2022



AGENDA



**Financial
Update &
Outlook**



**Strategy 2025
«Accelerating
Green
Growth»**



**Holcim's
Net Zero
Ambition**



**Sustainability
at the core of
what we do**



**Sustainability
Linked
Financing
Framework
and Bond
Offering**

2021 KEY DEVELOPMENTS

PROFITABLE GROWTH CONTINUES, RECORD Q3

Good momentum continues, strong price trends

Q3 Net Sales up **5.0%** LFL,
absolute growth of **12.9%** in CHF

Q3 Recurring EBIT up **4.7%** LFL,
absolute growth of **6.2%** in CHF

Portfolio transformation continues with
divestment of Brazil announced
Further growth fueled with **29 bolt-on**
acquisitions completed to date

9M Net Sales up **12.2%** LFL
9M Recurring EBIT up **35.2%** LFL

Progress with expansion of **Solutions & Products**
with **Firestone building products** and
Malarkey roofing products
acquisitions

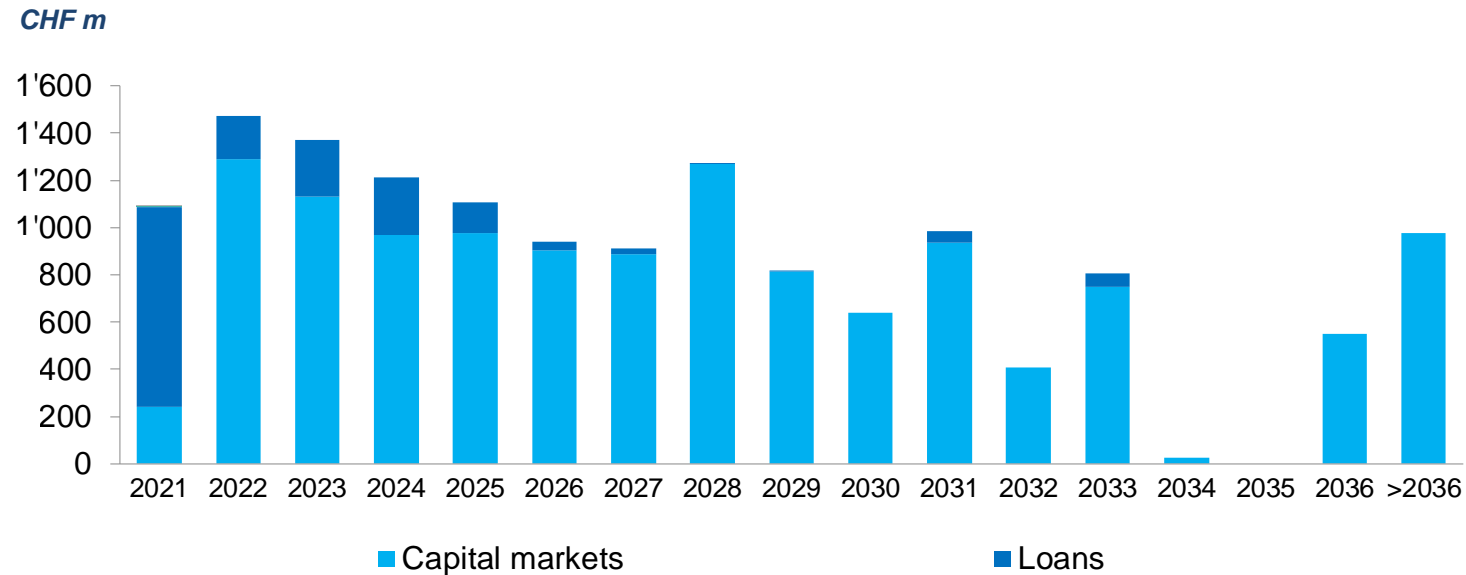
Growth trends continued in 2021

Guidance upgraded
FY 2021 recurring EBIT growth of at least **22%** LFL

MATURITY PROFILE & CREDIT RATING

S&P & MOODY'S OUTLOOKS REVISED TO POSITIVE

Maturity profile gross financial debt as at 30 June 2021 ¹



Credit Rating:

- S&P revised the outlook from BBB/ stable to BBB/ positive on 19 March 2021
- Moody's revised the outlook from Baa2/ stable to Baa2/positive on 30 August 2021

STRATEGY 2022 - "BUILDING FOR GROWTH"

WE DELIVERED WHAT WE PROMISED ONE YEAR IN ADVANCE

	STRATEGY 2022	2021 OUTLOOK	
	NET SALES	3% - 5% LFL P.A.	
	RECURRING EBIT	AT LEAST 7% LFL P.A.	
	CASH CONVERSION	> 40%	
	ROIC	> 8%	
	LEVERAGE	BELOW 2X	

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STRATEGY 2025 – “ACCELERATING GREEN GROWTH”

TO BECOME THE GLOBAL LEADER IN INNOVATIVE & SUSTAINABLE BUILDING SOLUTIONS



Accelerating
GROWTH



Expanding
**SOLUTIONS &
PRODUCTS**



Leading in
**INNOVATION &
SUSTAINABILITY**



Delivering
**SUPERIOR
PERFORMANCE**

ACCELERATING GROWTH

DELIVER PROFITABLE ABOVE MARKET GROWTH ACROSS ALL OUR BUSINESSES



Capitalize on **MEGATRENDS** in construction

Accelerate growth in **SOLUTIONS & PRODUCTS** to reach **30% OF GROUP NET SALES** by 2025

Continue successful **BOLT-ON ACQUISITIONS** strategy

Accelerate Growth in our **AGGREGATES** and **READY MIX BUSINESS**

Scaling up **DIGITAL** across our customers and our operations

STRATEGY 2025 – KPIs & TARGETS

ACCELERATING GREEN GROWTH AND DELIVERING SUPERIOR PERFORMANCE



**Accelerate Growth in
Solutions & Products**

30%

IN % OF GROUP NET SALES



**Net Sales
Growth**

3% - 5%

ANNUALLY



**Recurring EBIT
Growth**

Over-Proportional

TO NET SALES
GROWTH ANNUALLY



Sustainability

**Accelerate
Leadership**



**Cash
Conversion**

45%

In 2025



**Sustainable
Financing**

> 40%

In 2025

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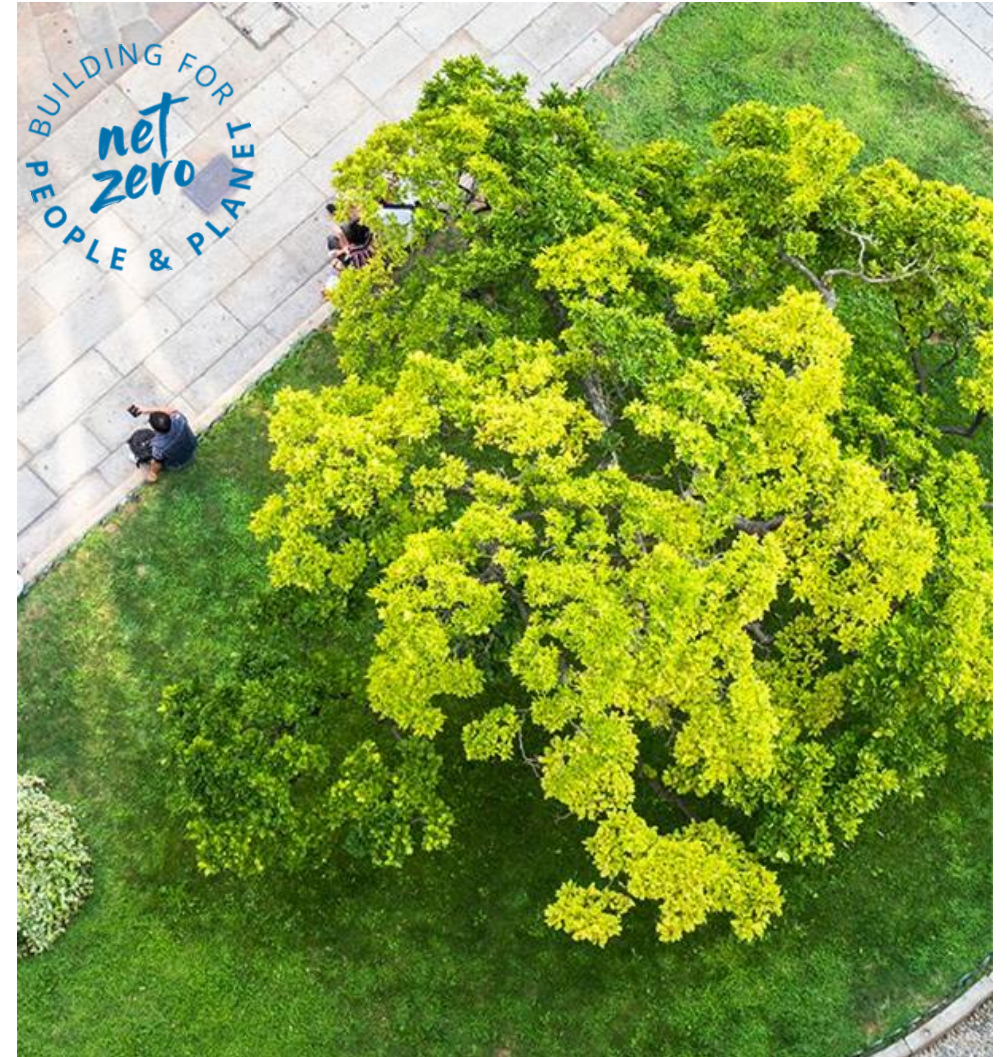
BUILDING A NET ZERO FUTURE WITH SCIENCE-BASED TARGETS

FIRST COMPANY WITH 2050 TARGETS APPROVED BY SBTi



- As the global leader in the industry key role to play to **address today's climate crisis**
- **1st global building materials company** to sign the **Business Ambition for 1.5°C** pledge with **science-based approved near-term 2030 targets¹** aligned with a net zero pathway
- Holcim is **among the first companies worldwide to set 2050 net zero targets validated by the SBTi**
- With these goals, Holcim is establishing a new milestone for its industry as the first with:
 - 2030 and 2050 net-zero targets validated by SBTi, and
 - Cutting across its operations and value chain, including Scope 1, Scope 2 and Scope 3

¹ incl. scope 1 & scope 2 emissions for cement operations vs. 2018



OUR JOURNEY TO NET ZERO

HOLCIM CO2 FOOTPRINT, SCOPE 1 ~75% OF THE TOTAL EMISSIONS



47%

Raw materials decarbonation
Cement production

25%

Fuels combustion
Cement
production

2.5%

Energy
generation
Aggregates and
RMX operations

5%

20%

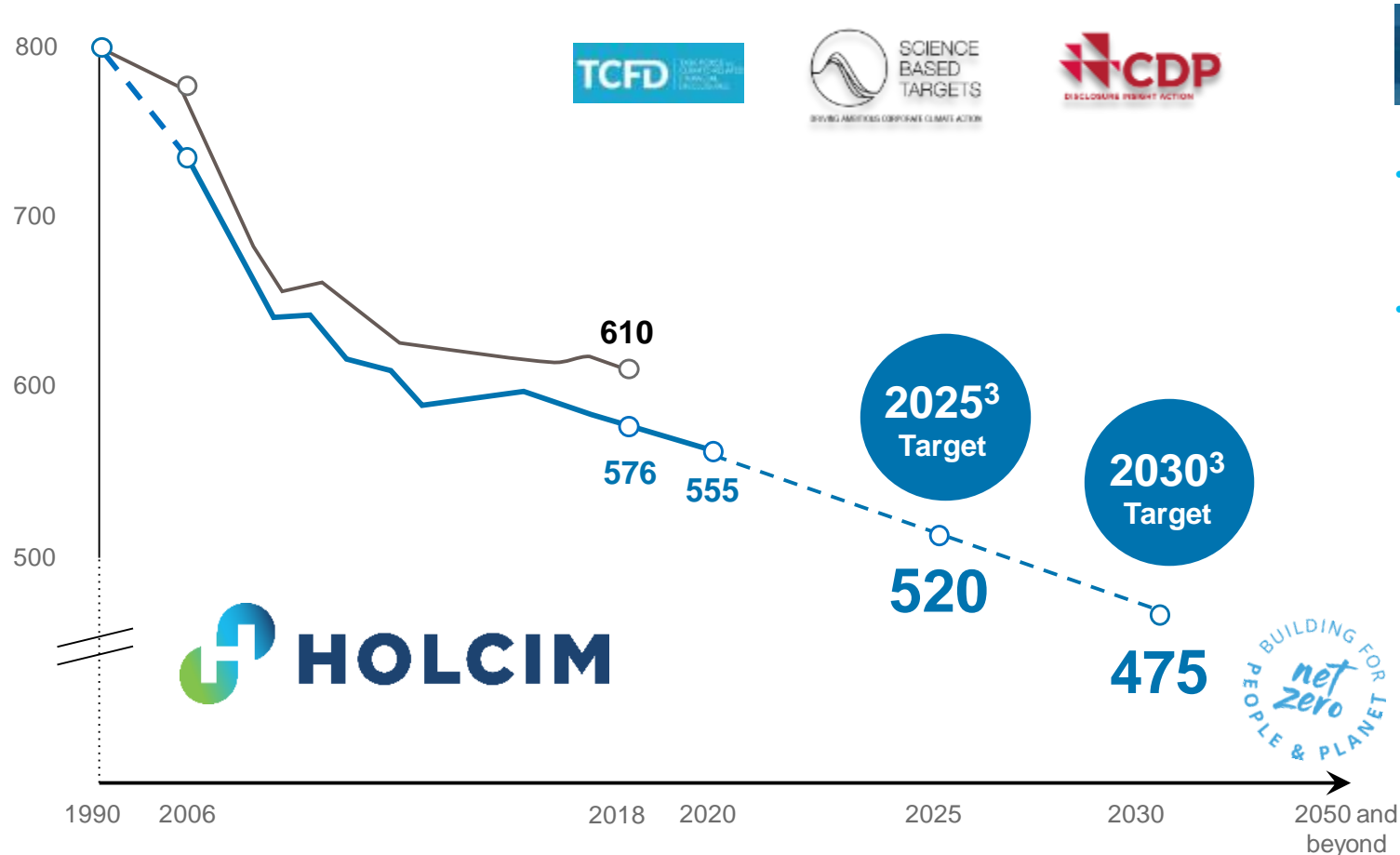
All indirect
emissions

Purchased
electricity

0.5%



OUR JOURNEY TO NET ZERO LEADING IN SUSTAINABILITY TARGETS



- Holcim will reduce scope 1 CO2 emissions to a 2030 target consistent with a net zero pathway validated by SBTi²
- Scope 1 includes all emissions released directly from our operations and a number of solutions will be involved in bringing the emissions to net zero:
 - **Clinker substitution**
 - The use of **alternative sources of materials**, such as waste and byproducts from other industries to replace some raw materials
 - Replace **fossil fuels** with pretreated non-recyclable and biomass waste fuels
 - The use of more carbon-efficient construction
 - Enabling carbon neutral construction with the use of **green building solutions**
 - Beyond 2030, **carbon capture technologies**

Note graph is presented for illustration purposes only and is not done to scale.

—○— Holcim performance CO2 scope 1
—○— Sector average¹
Kg Net CO2 / t cementitious

¹ Source: https://gccassociation.org/gnr/world/GNR-Indicator_71AGWct-world.html

² In line with keeping warming to well-below 2°C

³ 2030 and 2025 targets of respectively 475 and 520 kg net CO2 per ton of cementitious material (kg net CO2/t.cem) are indicative and based on a 17.5% and 9.7% reduction from 2018 baseline value of 576 kg net CO2/t.cem. For the avoidance of doubt, the company reserves its right to review the 2030 and 2025 references value of 475 and 520 kg net CO2 in case of significant change to the group structure based on 17.5% and 9.7% reduction from 2018 baseline, adjusted for such significant change in scope.

AT THE FOREFRONT OF INNOVATIVE AND SUSTAINABLE SOLUTIONS LEADING THE WAY IN GREEN BUILDING SOLUTIONS

Low Carbon



ECOPACT
The Green concrete



ECOPLANET
The Green cement



MAESTRO
Low carbon cement designed for high-quality masonry jobs



TERRAFLOW
Green cement for efficient backfilling

Circular Economy



SUSTENO
Cement with recycled demolition waste



AGGNEO
Recycled aggregates from construction demolition waste



GEOCYCLE PLANET
Socially-driven waste collection for plastic neutrality



ROOFING RECYCLING
Membranes & ISO boards used as Alternative Fuels

Build More with Less



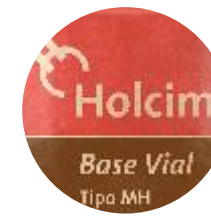
DYNAMAX
The Ultimate Performance Concrete



DUCTAL
Ultra light weight & High Performance Concrete



3D PRINTING
Building more & faster with less



BASE VIAL
Cement for improved and stabilized soils

Buildings Efficiency



FIRESTONE
Building Products roofing membranes and ISO boards for cool, green and solar roofs



AIRIUM
Insulating foam for energy efficiency



THERMEDIA
Concrete solution reducing heat loss



HYDROMEDIA
Permeable concrete

OUR ACTION PLAN TO REACH OUR CO2 TARGETS

BY 2030, HOLCIM WILL



Accelerate the use of low-carbon and **carbon-neutral products** such as ECOPact (the world's broadest range of green concrete), ECOPlanet (a global range of green cement) and Susteno (a leading circular cement)



Recycle 100m tons of waste and byproducts for energy and raw materials



Scale up the use of calcined clay and develop novel cements with new binders



Double waste-derived fuels in production¹



Reach 475 kg net CO2 per ton of cementitious material, based on a 17.5% reduction from 2018 baseline value of 576 kg net CO2/t.cem

¹ Compared to 2018 baseline

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SUSTAINABILITY AT THE CORE OF WHAT WE DO

OUR FOUR SUSTAINABILITY PILLARS

Sustainability pillars	CLIMATE & ENERGY 	CIRCULAR ECONOMY 	NATURE 	PEOPLE 
Lead metric	CO2 Emissions [kg CO2/t cementitious]	WASTE Re-used [Mt]	WATER Withdrawn [l fresh water / tcm]	VALUE Shared [M total beneficiaries]
Performance 2020 Change ¹	555 -1.1%	46 -3.1%	273 -8.6%	6.2 +5.2%

¹ vs. FY2019

SUSTAINABILITY AT THE CORE OF WHAT WE DO

HOLCIM'S FOCUS ON ESG RECOGNIZED BY MAJOR AGENCIES



Holcim achieved
Upgraded ESG rating of 'A'
Top 19% ranking within
Construction Materials Universe
in August 2021



Holcim achieved
Highest rating of 'A1+'
Top 2% ranking worldwide
Best Energy Transition
score within the industry



Holcim recognized as a
Global Climate Leader
entering the CDP's prestigious
'A List' for tackling climate
change for **2nd** consecutive year



Holcim achieved
Upgraded ESG rating of 'B-'
PRIME status enhanced
Top 10% ranking within
Construction Materials Industry
in October 2021



Holcim ranked
Top 6% in ESG Risk Rating
and the **strongest score** in the
industry for the management of
material ESG issues



FTSE4Good

Holcim
has been a **Constituent of the**
FTSE4Good Index series for
more than 10 years

SUSTAINABILITY AT THE CORE OF WHAT WE DO

> 40% SUSTAINABLE FINANCING BY 2025

1

SYNDICATED EUR 3BN RCF

EUR 3 bn syndicated credit line linked to **Climate** and **Safety**.
Cost of facility will depend on **achievement of annual targets**

2

SUSTAINABILITY LINKED BONDS

EUR 850 m issued in November 2020 & USD 100 m in September 2021, based on **2030 CO2 reduction target**

3

COMMITTED BILATERAL LINES

All committed Corporate bilateral facilities amended to **link cost with our ESG Sustainability performance**

4

COMMERCIAL PAPER PROGRAM

EUR 3 bn commercial paper program established for **issuance of ESG notes**

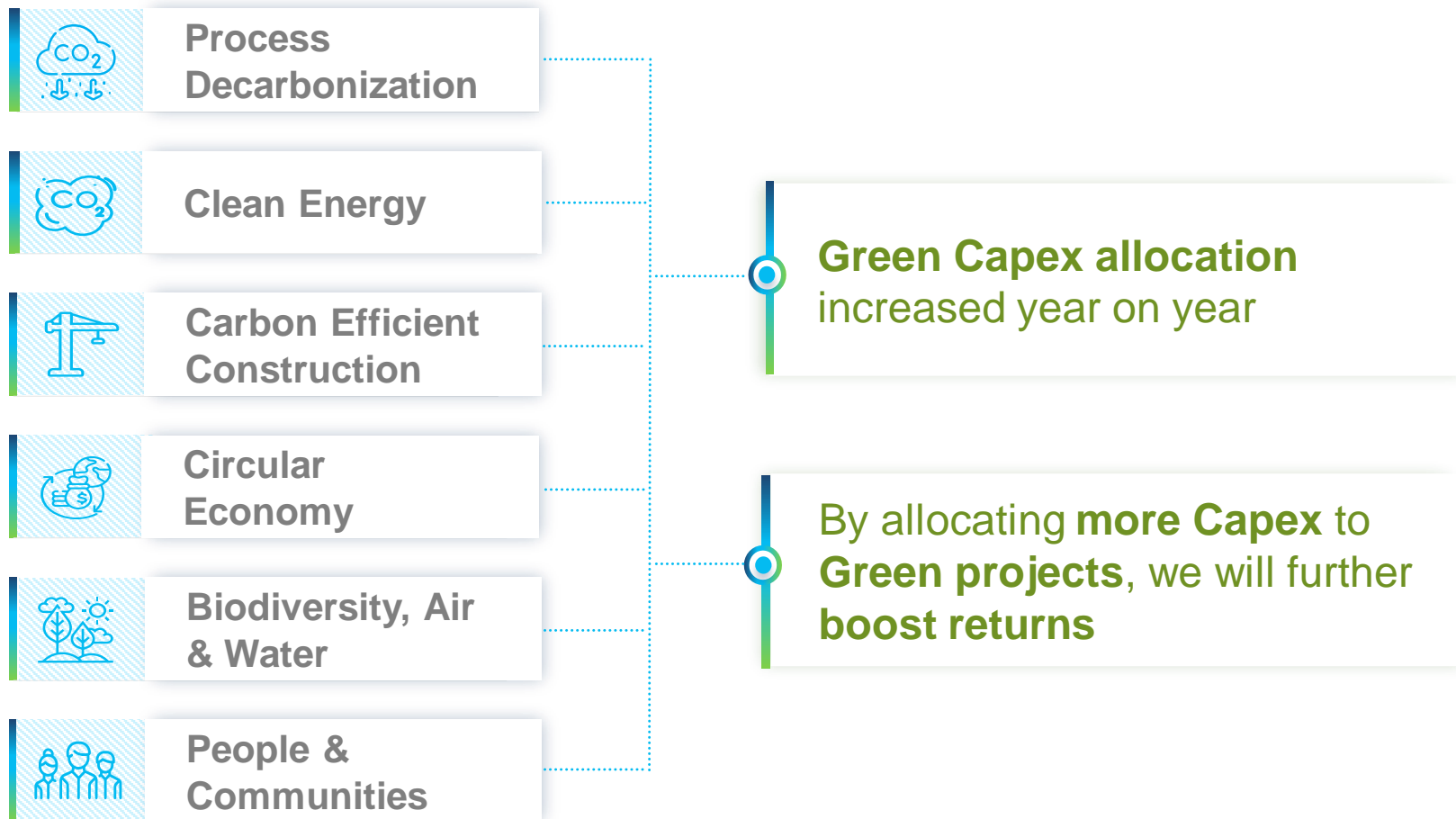


- Commitment of **> 40% sustainable financing by 2025**
- Sustainable financing linked to Holcim's **Climate, Water and Safety goals**
- **Sustainability-linked Financing Framework** aligned with **Holcim's Sustainability Strategy**

SUSTAINABILITY AT THE CORE OF WHAT WE DO

ALLOCATING MORE TO GREEN CAPEX >0.5BN CHF in 2025

Green Capex



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HOLCIM'S SUSTAINABILITY-LINKED FINANCING FRAMEWORK ALIGNED WITH ICMA'S SUSTAINABILITY-LINKED BOND PRINCIPLES

1

SELECTION OF THE KPI

- **KPI:** CO2 intensity calculated as kg net CO2 emitted /t cementitious material (kg net CO2/t.cem), scope 1
- The selection of KPI is consistent with the comprehensive review of Holcim's material issues conducted in 2019, which involved external and internal stakeholders' views on which topics were most relevant for future value creation

2

CALIBRATION OF THE SPTs

- **Sustainability Performance Target (SPT1 / SPT2):** Reduction of net CO2 emissions per ton of cementitious material equal to or higher than 9.7% / 17.5% from a 2018 baseline, by 31 December 2025 / 2030
- **SBTi validated Holcim's SPT 2** reduction targets for scope 1 in September 2020 as consistent with a well below 2°C scenario. To increase transparency and robustness of its climate pathway, Holcim added a 2025 target aligned with a well below 2°C scenario and on the pathway to the 2030 target

3

BOND CHARACTERISTICS

- If the Sustainability Performance Target has not been reached at the Target Observation Date, as per the annual reporting published following the Target Observation Date, a premium at maturity will be payable by Holcim

4

REPORTING

- **Holcim will communicate annually** on the relevant KPI and SPT, making up-to-date information and reporting available on its website

5

VERIFICATION

- Holcim will apply the following layers of external verification: (1) **ISS ESG provided a Second Party Opinion;** (2) **performance against SPT will be externally verified by an independent third party**

Holcim's Sustainability Framework is aligned with:



Sustainability
Linked Loan
Principles

2030 decarbonization targets were externally validated by:



Second Party Opinion provided by:

ISS ESG

ENVISAGED BOND OFFERING

KPI, SPT AND PREMIUM MECHANISM

KPI Selection

Key Performance Indicator:

- CO2 intensity measured as kg net CO2 emitted /t cementitious material (scope 1)

EU Environmental Objective Alignment & UN SDG

- The KPI is aligned with the **EU Environmental Objective for Climate Change** mitigation criteria applicable for the **cement industry**
- The KPI selection is also aligned with **UN SDGs #9 Industry Innovation & Infrastructure, SDGs #11 Sustainable Cities & Communities and SDGs #13 Climate Action**

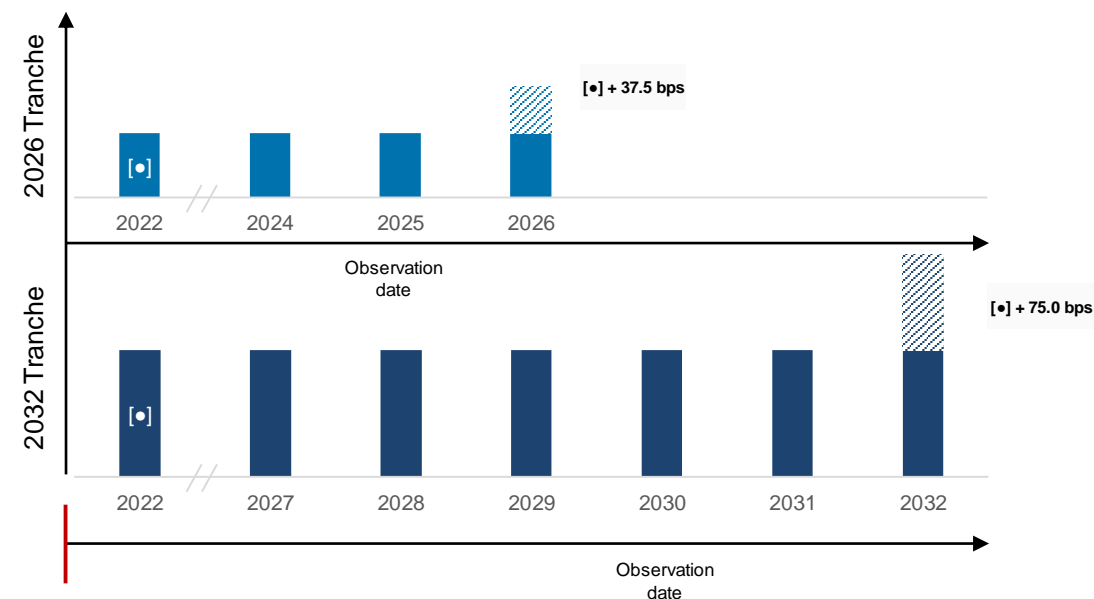


Sustainability Performance Targets (SPTs)

- SPT 1:** Reduction of net CO2 emissions per ton of cementitious material equal to or higher than 9.7% from a 2018 baseline **by 31 December 2025**
- SPT 2:** Reduction of net CO2 emissions per ton of cementitious material equal to or higher than 17.5% from a 2018 baseline **by 31 December 2030**

Premium Amount Mechanism

- If SPT 1 / SPT 2 are not met, the payment at maturity will increase as follows:
 - Tranche 1 due 2026:** premium payment of 37.5 bps on the notional payable at maturity
 - Tranche 2 due 2032:** premium payment of 75.0 bps on the notional payable at maturity



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ENVISAGED CHF BOND OFFERING

TRANSACTION OVERVIEW

Issue	Senior Unsecured Notes
Issuer	Holcim Helvetia Finance Ltd
Guarantor	Holcim Ltd
Issuer & Guarantor Ratings	Baa2 (positive) / BBB (positive) by Moody's / S&P
Expected Issue Ratings	Baa2 / BBB by Moody's / S&P
Currency / Amount	CHF Benchmark
Tenors	Tranche 1: 4.75 years; Tranche 2: 10 years
KPI	CO2 intensity measured as kg net CO2/t.cem (scope 1)
Sustainability Performance Target	SPT1: Reduction of net CO2 emissions per ton of cementitious material equal to or higher than 9.7% from a 2018 baseline by 31/12/2025 SPT2: Reduction of net CO2 emissions per ton of cementitious material equal to or higher than 17.5% from a 2018 baseline by 31/12/2030
Sustainability-Linked Premium Amount	Tranche 1 due 2026: 37.5 bps payable at maturity following the occurrence of a Sustainability-Linked Trigger Event Tranche 2 due 2032: 75.0 bps payable at maturity following the occurrence of a Sustainability-Linked Trigger Event
Redemption	At PAR, 3-months par call
Documentation	Off EMTN Programme
Denominations	CHF 5,000 and multiples thereof
Uses of Proceeds	General Corporate Purposes
Listing	SIX
Governing Law	English, Guarantee governed by Swiss law
Index eligibility	TBD, expected yes for SBI
Joint Bookrunners	BNP Paribas, Commerzbank, Credit Suisse and UBS

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