

# Nature Policy

June 10th, 2022

## Scope and Objective

At Holcim, nature is at the core of our business. We believe businesses have an active role to play in providing solutions for nature. That is why we are committed to a nature-positive future.

The Holcim Nature Policy (the “Policy”) applies to Holcim Ltd and its affiliates in our managed and consolidated countries (“Holcim”). This Policy sets out how our employees should interact with business partners, suppliers, communities and other stakeholders. We also expect suppliers to adhere to the selected principle contained within this Policy (amongst other requirements). It describes our approach towards the efficient use of natural resources and our path towards a nature-positive future.

The Policy forms part of Holcim’s core values and its main purpose is to set out the company’s objective to protect and restore water and biodiversity. This Policy is publicly available and subject to regular review.

## Our Commitments to Water

Holcim is committed to replenishing the freshwater we use in high water risk areas and restoring it to an equal or better quality, whilst promoting efficient water practices in all our sites. We implement water stewardship in our own operations and beyond, working in partnership with relevant stakeholders, to the benefit of communities and nature.

Water is essential for our operations and its availability is strongly affected by local conditions and climate change. In order to prioritize our actions and design tailored water solutions, we perform a water risk assessment at each of our sites annually.

Holcim’s water commitments towards a nature-positive future focus on [three main areas](#):

- **Freshwater use reduction:** we improve our water usage efficiency by optimizing our in-site water processes, maximizing rainwater harvested and shifting our water usage from freshwater to non-freshwater (e.g. sea and saline water, wastewater from municipal or industrial sources). We are committed to reducing our specific freshwater withdrawal and to equip all Cement, Aggregate and Ready-Mix Concrete sites located in high water risk areas with water recycling systems.
- **High water quality standard:** we require all our sites to implement strict standards to ensure the discharge of high-quality water according to Holcim’s standards or the country regulation when stricter.
- **Freshwater replenishment:** we implement water programs outside our site boundaries to replenish the freshwater we use in our operations in high water risk areas.

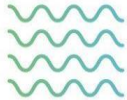
# HOLCIM WATER STEWARDSHIP ACTIONS

## OWN OPERATIONS



### Improve water use efficiency and reduce pollution

Optimize water use and implement strict standards to ensure discharge of high-quality treated water



### Shift to non-freshwater withdrawal

Replace freshwater with sea or treated wastewater



### Maximize rainwater harvesting

Use harvested rainwater to meet site water requirements



### Access to WASH

Provide water, sanitation and hygiene for all employees and contractors (WASH pledge)

## BEYOND SITE BOUNDARIES\*



### Watershed protection and restoration

Revitalize degraded wetlands, recharge of groundwater and promote reforestation to improve water flow back to basins



### Water for productive use

Promote water-efficient irrigation and agriculture practices to help relieve water stress in watersheds



### Water access and sanitation

Support communities with supply of potable water and installation of sanitation facilities to improve well-being of people and communities (WASH pledge)

\* Projects are implemented within a local context and in consultation with relevant stakeholders, including communities and public institutions

## Our Commitments to Biodiversity

Holcim is committed to making a measurable positive impact on biodiversity in our active and non-active Cement and Aggregate quarries by implementing targeted biodiversity actions, deploying science based indicators, helping to reverse nature loss, protecting natural ecosystems and improving the livelihoods of neighboring communities.

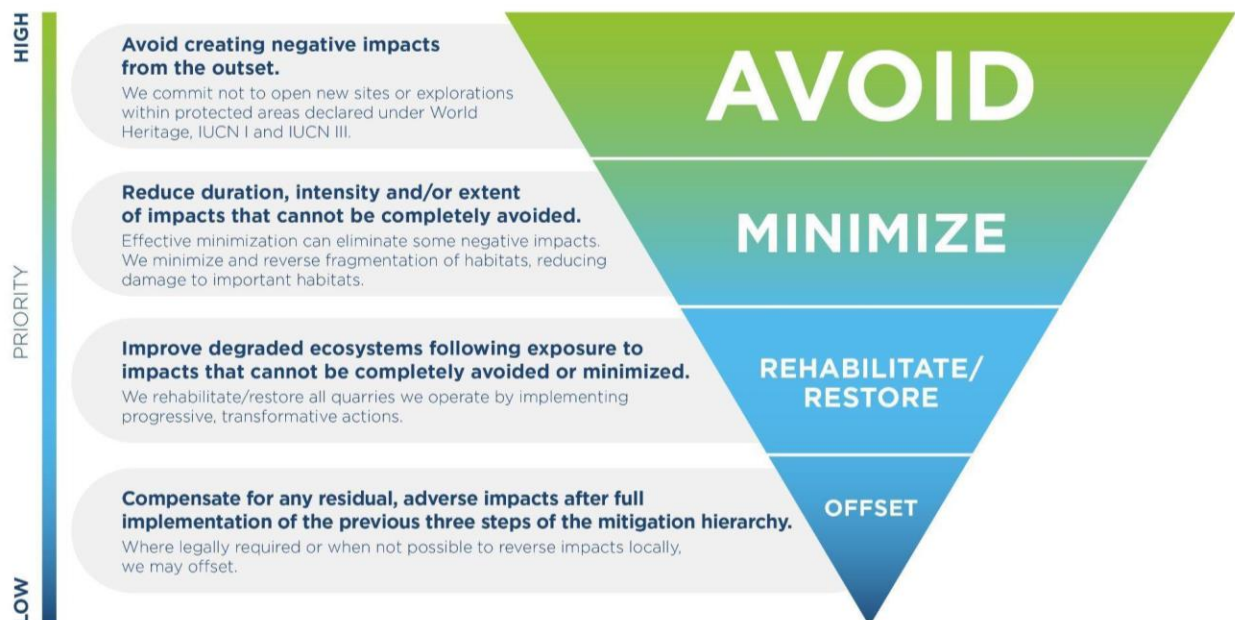
Our operations are strongly linked to natural resources and our business plays a key role in tackling biodiversity loss and degradation. In order to prioritize actions and develop tailored solutions to local challenges, we assess the biodiversity importance of each of our extraction sites and we apply the mitigation hierarchy in our activities. Also, as per our Quarry and Biodiversity Directive, Holcim commits not to open new sites or explorations within protected areas declared under World Heritage, International Union for the Conservation of Nature I and III. We work in partnership with relevant stakeholders who understand local ecosystems, ensuring a positive contribution to biodiversity and communities.

Holcim recognizes the positive role nature plays in the built environment beyond our operations. We deploy nature-based solutions in cities to address societal challenges such as ecosystem degradation and biodiversity loss.

Holcim's biodiversity commitments towards a nature-positive future focus on [six main areas](#):

- **Progressive and transformative rehabilitation:** we commit to perform progressive rehabilitation alongside the extraction activities whenever possible. We promote and deploy transformative rehabilitation practices that aim at increasing the biodiversity value of rehabilitated areas by capitalizing on natural processes, endemic species and local adaptation. We commit to have Quarry Rehabilitation Plans in place in all of our quarries and, in the high biodiversity value ones, to have Biodiversity Management Plans.
- **Rigorous biodiversity measurement and monitoring:** we commit to assess our biodiversity globally in all of our active and non-active Cement and Aggregate quarries and to demonstrate a positive impact by applying the Biodiversity Indicator Reporting System developed in partnership with the International Union for Conservation of Nature.
- **Increasing circularity:** we commit to build more with less, preserving our ecosystems. Circular economy is an important lever to decouple our activities from our use of virgin materials and reduce the extraction of new materials.
- **Reforestation:** we commit to invest in forest protection and reforestation projects to promote climate resilience, protect biodiversity, and restore ecosystems in our own undisturbed land.
- **Landscape approach:** we commit to participate in and lead multi-stakeholder collaboration with all relevant parties from industrial sites to our suppliers and local communities. Our quarries and sites are an integral part of wider landscapes, which play an essential role in providing ecosystem services to people, as well as being the habitat of wildlife and flora.
- **Supply chain:** we commit to work with all our suppliers identified as having a high environmental impact to demonstrate continuous improvement towards having a recognized environmental management system in place. Suppliers shall systematically manage their environmental impacts with respect, but not limited to: climate and energy, water, waste, chemicals, air pollution and biodiversity and set objectives and targets to reduce such impacts.

## MITIGATION HIERARCHY



## Policy Principles

The main principle of this Policy is the delivery of our actions in a rigorous, science-based manner, minimizing our impact on the environment and implementing actions and developing products and solutions to give back to nature more than we take. In this way we progressively move towards a nature-positive future. Our commitments are translated into targets and clear actions to drive performance within and beyond our operations. We comply with local, state, federal and national regulations in all our operations and we advocate for collective actions with relevant stakeholders.

Our water and biodiversity commitments are aligned with the principles, values and targets included in the [United Nations Sustainable Development Goals](#). This Policy and related directives and Minimum Control Standards listed below support these commitments.

We clearly and actively communicate our expectations to our suppliers through our [Code of Business Conduct for Suppliers](#). We engage transparently with our stakeholders and communicate openly our performance and improvement initiatives with consistent and relevant key messages. We cooperate pro-actively and transparently with legislators and regulators in relation to new regulations and standards.

## Minimum operational requirements

We have identified the following minimum operational requirements:

- **Water:** each site must comply with the principles and guidelines delineated in the [Water Directive](#) and [Water Management Standards](#).
- **Biodiversity:** each site must comply with the principles and guidelines delineated in the [Biodiversity and Quarry Rehabilitation Directive](#).

## Monitoring and reporting

Every production site must monitor and report the volumes of water withdrawal, discharge and consumption; the water quality of discharge and the freshwater replenishment activities. Every quarry must report the extent of areas disturbed, rehabilitated and undisturbed. The progress against our nature targets will be assessed and disclosed on a yearly basis.

## Responsibilities

The Chief Executive Officer and the Chief Sustainability and Innovation Officer of Holcim have overall responsibility for the policy; oversight and performance reviews are carried out by the Board's Health, Safety and Sustainability committee; chief executive officers and executive committees in countries where we operate have the responsibility and accountability for the implementation of this Policy in their respective operations.

This Policy was approved by the Holcim Executive Committee on June, 2nd, 2022 and will be effective from June, 30th, 2022.