



WELCOME

CREDIBILITY THROUGH TRANSPARENCY

SSF Annual Conference

PROGRAMME

13:30	Welcome note and introduction	Patrick Odier , SSF President
13:40	Keynote speech: How to turn a high-carbon business into an opportunity and gain investor trust	Magali Anderson Chief Sustainability and Innovation Officer and Member of the Executive Board, LafargeHolcim
14:10	Launch presentation: The SSF Reporting Recommendations on Portfolio ESG Transparency	Kelly Hess , Director Projects, SSF Ralf Frank , Senior Advisor, Sustainserv
14:25	Panel discussion: Credibility through transparency	<ul style="list-style-type: none">• Antoinette Hunziker-Ebnetter, CEO Forma Futura Invest & President Berner Kantonalbank• Thomas Vellacott, CEO, WWF Switzerland• Stephen Nolan, Managing Director, FC4S• Christoph Baumann, Deputy Head Insurance & Risks, State Secretariat for International Finance SIF Moderated by Sabine Döbeli, CEO SSF
15:25	Closing note	Patrick Odier



PATRICK ODIER

PRESIDENT, SWISS SUSTAINABLE FINANCE



MAGALI ANDERSON

CHIEF SUSTAINABILITY AND INNOVATION OFFICER
AND MEMBER OF THE EXECUTIVE BOARD,
LAFARGEHOLCIM



SSF Annual Conference 2021

Credibility through Transparency

22 June 2021 Magali Anderson



LafargeHolcim

LafargeHolcim fast facts



~70
countries



~2,300
operating sites



~70,000
employees



Net Zero
pledge



SBTi
validated 2030 targets



Global R&D
center in France



>50% of R&D
In green construction



44% of Patents
In low-carbon solutions



The **world's global leader** in building materials and solutions

Leading the way in **sustainable construction**

Biggest Research & Development organization

Did you know?

**Concrete is the
second most used
material in the world after water**

**New York City
built every month**

**1.6 billion people
Lack adequate housing**

Megatrends shaping our industry



Sustainable construction



Urbanization



Population growth











Living standards



Digitalization

2020 results at a glance

Further strengthening our leadership in Sustainability

	CLIMATE & ENERGY 	CIRCULAR ECONOMY 	NATURE 	PEOPLE & COMMUNITY 
LEAD METRIC	CO2 REDUCED [kg CO2/t cementitious]	WASTE RE-USED [Mt]	WATER SAVED [l fresh water / tcm]	VALUE SHARED [M total beneficiaries]
PERFORMANCE 2019	561	48	299	5.9
PERFORMANCE 2020 Change ¹	555 	46 	273 	6.2 
TARGET 2022 ¹	550	60	291	7.0
TARGET 2030 ¹	475 (updated in 2020)	100 (updated in 2020)	262	10.0

¹ At constant 2019 scope

Our net-zero Pledge

Building a net zero future with science-based targets

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 intermediate targets aligned with a net zero pathway

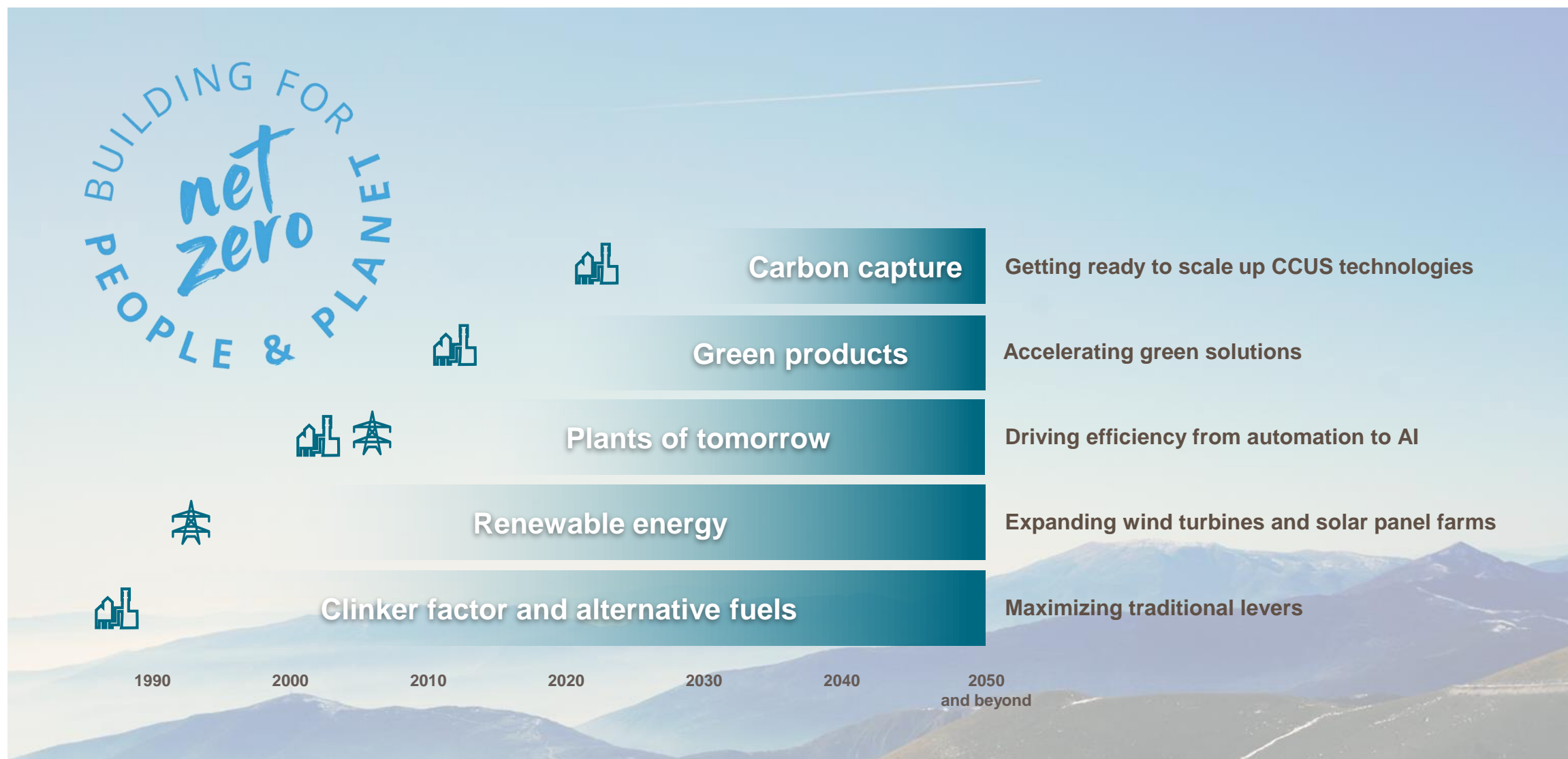
2030 targets accelerate reduction of CO2 intensity to exceed 20%¹

Partnership signed with **Science Based Target initiative** (SBTi) to develop a roadmap for a 1.5°C future in the cement sector

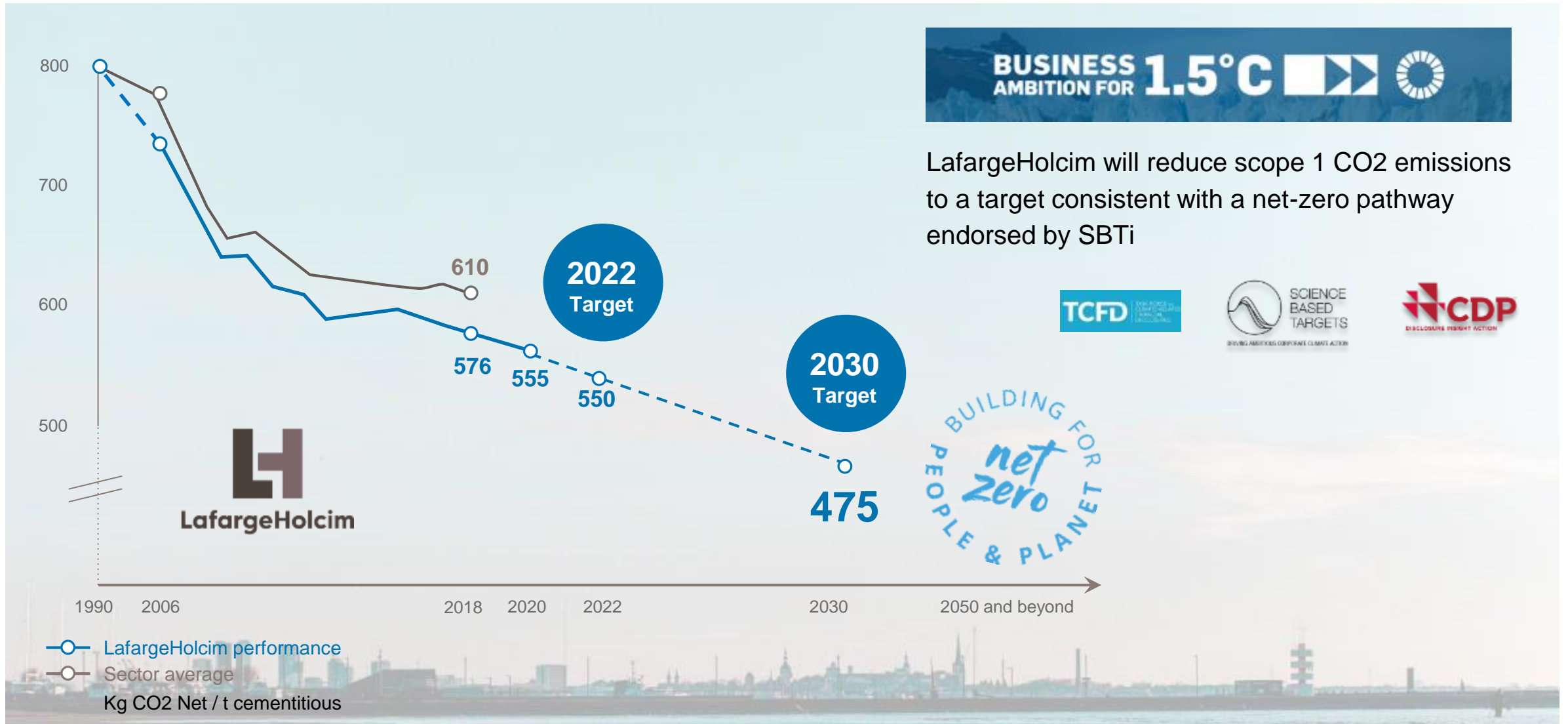
Expansion of actions to full value chain that includes scope 3 emissions



Our building blocks to net zero



Our pathway to net zero



By 2030, LafargeHolcim will



Accelerate use of low-carbon & carbon-neutral products, incl. ECOPact and Susteno



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 production to reach 37%



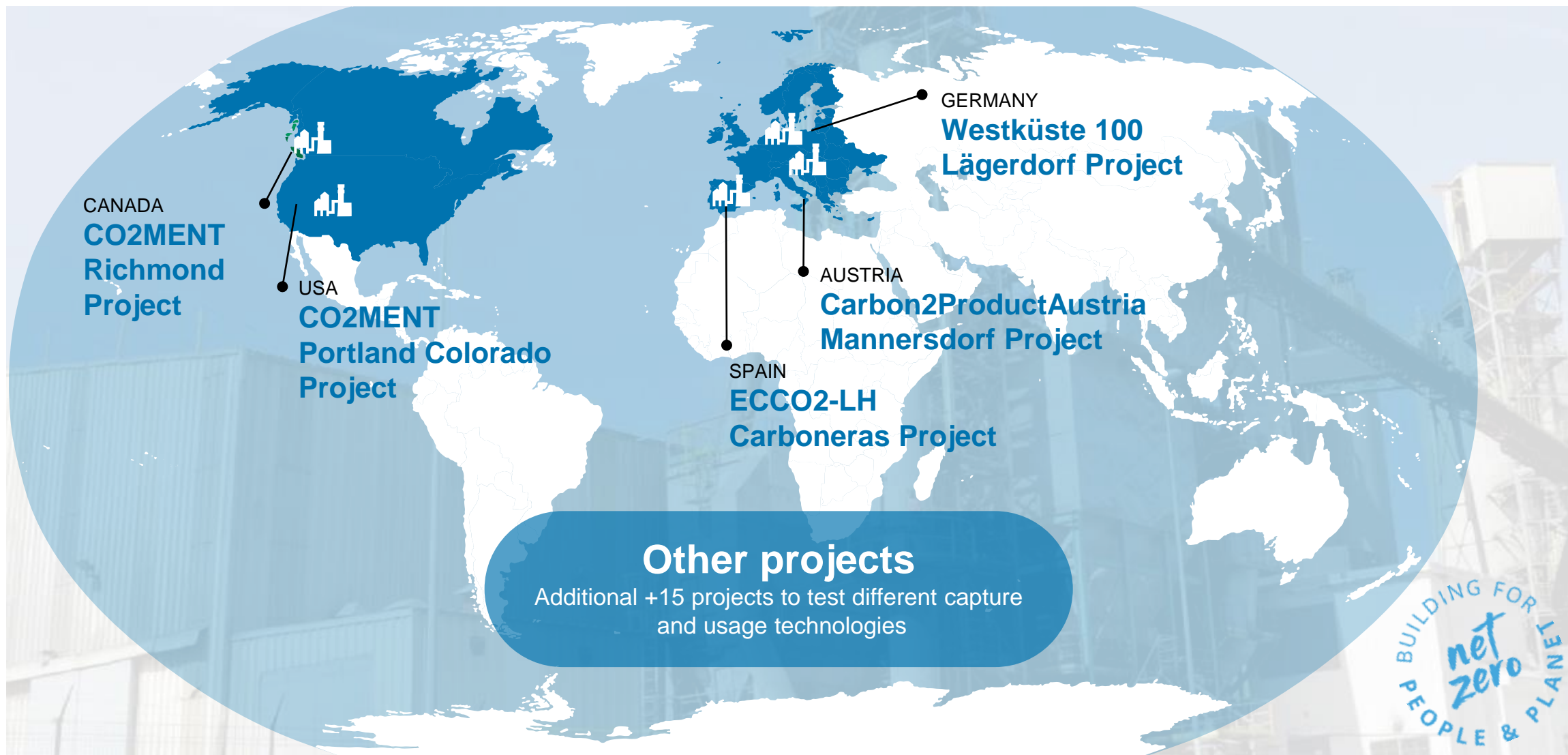
Reach 475 kg net CO2 per ton of cementitious material



Operate its **first net-zero** carbon cement **production** facility



Getting ready for carbon capture: 20 pilot projects ongoing



Impacts of our Net-Zero Pledge

What does our pledge mean for the industry

Reinventing how the world builds on our way to becoming a net zero company

 **475**

Our 2030 target of 475 kg CO₂ net / t cementitious sets **a new landmark** for the industry. Other players already followed this path.


850
Euro million

Walking the talk by linking financial and sustainability objectives by launching **first sustainability-linked bond for EUR 850 million**



Our partnership with Science Based Target initiative (SBTi) will develop a new **reference roadmap for a 1.5°C future in the cement sector**

ECOPact
The Green Concrete

The roll out of our range of green products brings more options in terms of products and services to meet the increasing societal demand for lower carbon construction

GREEN BUILDING SOLUTIONS

GLOBAL ROLL-OUT OF ECOPACT

ECOPact
THE GREEN CONCRETE
WORLDWIDE



Adopted across 14 markets

GERMANY



BELGIUM



UNITED STATES



UK



FRANCE

ECOPact A+

CANADA

Building a Greener Canada
ECOPact

Latin America	North America	Europe		Asia Pacific
DEC 2020 COLOMBIA MEXICO ECUADOR Q1 2021 EL SALVADOR ARGENTINA	JUL 2020 US NOV 2020 CANADA	2019 SWITZERLAND SEP 2020 UK	FEB 2020 GERMANY Q1 2021 BELGIUM ROMANIA GREECE SPAIN ITALY POLAND	JUL 2020 FRANCE JAN 2021 INDIA Q2 2021 AUSTRALIA

Dialogue with shareholders and other stakeholders

Already leading in climate-related transparency . . .



LafargeHolcim recognized as a **Global Climate Leader**

Entering the CDP's prestigious 'A List' for tackling climate change



**A LIST
2020**

CLIMATE



Since 2017, supporting the recommendations from the

Task Force Climate-related Financial Disclosures

Task force on climate-related financial disclosures (TCFD) alignment

Governance	Strategy	Risk management	Metrics and targets
Disclose the organization's governance around climate related risks and opportunities.	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	Disclose how the organization identifies, assesses, and manages climate-related risks.	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.
Board oversight Refer to "LafargeHolcim governance approach for climate-related risks and opportunities" and "Risk and Control" section > "Roles and Responsibilities", page 81, 99	Risks and opportunities over the short, medium and long term Refer to "Risk and Control" section page 103-104 and CDP response on https://www.lafargeholcim.com/additional-esg-resources	Climate change-related risks identification and assessment Refer to "Risk and Control" section page: 98, 103-104	Reporting CO₂ metrics Refer to our net zero pledge, page 56-59 and our Sustainability Performance Report (SPR) on www.lafargeholcim.com/sustainability
Management's role Refer to "Risk and Control" section > "Roles and Responsibilities", page 99	Impact on the organization's business, strategy and financial planning Refer to "Risk and Control" section page 103-104 and CDP response on https://www.lafargeholcim.com/additional-esg-resources Scenario planning Refer to CDP response on https://www.lafargeholcim.com/additional-esg-resources	Climate change-related risks management Refer to "Risk and Control" section page 98-100 and "Information and control instruments of the Board of Directors" page 83 Integration into overall risk management Refer to "Risk and Control" section and "Information and control instruments of the Board of Directors", page 83	Details Scope 1, 2 and 3 Refer to our Net Zero Pledge, page: 56-59 and our Sustainability Performance Report (SPR) on www.lafargeholcim.com/sustainability CO₂ targets Refer to our "Net Zero Pledge", page: 56-59

... and preparing the dialogue with shareholders on the path to this climate strategy

Country Roadmaps

Country roadmaps review made by each country and cement site with all the relevant functions involved. Process fully integrated in business management processes



SBTi Roadmap

Partnership signed with Science Based Target initiative (SBTi) to develop a roadmap for a 1.5°C future in the cement sector



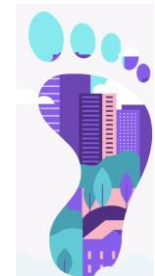
Climate Report

LafargeHolcim will publish its very first climate transition report in 2022



'Say on Climate'

Consistent with its governance, the climate transition report will be submitted to its shareholders for a non-binding vote in 2022





LafargeHolcim



KELLY HESS
DIRECTOR PROJECTS, SSF

HOW WE GOT THERE

The SSF Reporting Recommendations on Portfolio ESG Transparency

- **The starting point – Two workgroups with the same challenge**
 - How to meet expectations and requirements for ESG and climate-related disclosures at portfolio level
 - Multiple existing frameworks
 - Increased regulatory requirements
 - Complexity of asset management
- **The solution and goal**
 - Develop principles for meaningful ESG reporting for portfolios
 - Integrate needs and perspectives of BOTH Asset Owners and Managers
- **How we got there**
 - Iterative work involving numerous workshops
 - Feedback loops with workgroup members and leaders





RALF FRANK
SENIOR ADVISOR, SUSTAINSERV

THE CHALLENGE

- Mainstreaming of ESG — a huge success story
- Comes with some risks:
 - Greenwashing — not just a bad habit of corporates
 - Reporting & transparency — more data simply means more data, not more information
 - Regulation frenzy — growing burden, globally competing frameworks
- What is best practice in transparency for an asset manager or asset owner?



THE GOAL

The goal: create lowest common denominator for ESG portfolio transparency

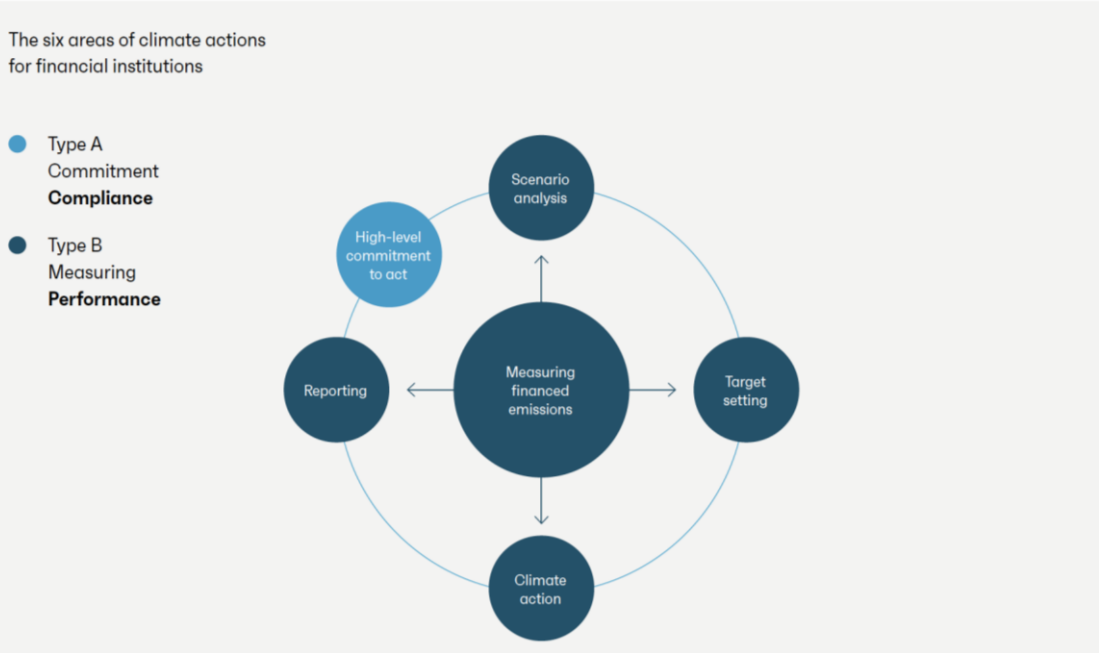
- Suitable for asset owners & asset managers, beginners & advanced, small & large
- Follows capital market customs (concise, quantitative, KPIs)
- Scalable — allows for aggregation
- Capable to include future requirements



BUILDING ON EXISTING FRAMEWORKS

- Some frameworks just require commitment — symbolic action
- Others are burdensome but not rocket science — typically data-heavy
- Next generation frameworks e.g., TCFD — require serious engineering in risk management, strategy, scenario analysis
- Climate frameworks ready — more to come e.g., biodiversity, water

Framework	TCFD	SFDR (PASl)	NGFS	PRI	SBTFI	PACTA	CDP	UN NET zero	PCAF
Type	B	B	B	A	B	B	B	A	B
High-level commitment	✓	✓	✓	✓	✓	✓	✓	✓	✓
Governance	✓	✓	✓	✓					
Strategy	✓	✓	✓	✓			✓		
Risk Management	✓	✓		✓			✓		
Scenario building	✓		✓	✓	✓	✓	✓		
Target setting	✓		✓		✓	✓			
Metrics & performance	✓	✓	✓				✓		✓
Reporting requirements	✓	✓		✓			✓		



THREE SOURCES OF INPUT



INFORMATION ON ASSET OWNER/ASSET MANAGER ENTITY

Governance Entity-wide	<ul style="list-style-type: none">– Responsibilities– Processes/bodies– policies
Strategy Entity-wide	<ul style="list-style-type: none">– Strategic target/positioning– Scenatios– Responsibilities
Risk Management Entity-wide	<ul style="list-style-type: none">– Integration of ESG into risk categories– Quantification
Metrics and Targets Aggregated	<ul style="list-style-type: none">– Aggregation of investee performance– Portfolio performance

Recommendations cover the entity (asset manager/asset owner) level and the portfolio level

KPI'S FOR PORTFOLIO ASSETS

Two Reporting Levels

Foundational level

B) KPIs for Portfolio Assets

I) Environment

Climate

- Total portfolio scope 1&2 carbon emissions
- Carbon tracking error (qualitative)

II) Social

Human Rights

- Recognition of human rights by investee companies through dedicated policies

Employee Matters

- Employee turnover and/or absenteeism

III) Corporate Governance

Proactive Positioning

- Board gender diversity

Compliance

- Exposure to controversial weapons

Advanced level

B) KPIs for Portfolio Assets

I) Environment

Climate

- Total portfolio scope 1&2 carbon emissions
- Weighted average scope 3 carbon emissions
- Carbon tracking error (quantitative)

Energy

- Total portfolio energy consumption

Water

- Total portfolio water consumption

II) Social

Human Rights

- Recognition of human rights by investee companies through dedicated policies
- Number of severe human rights incidents

Employee Matters

- Employee turnover and/or absenteeism
- Accidents and fatality rate

III) Corporate Governance

Proactive Positioning

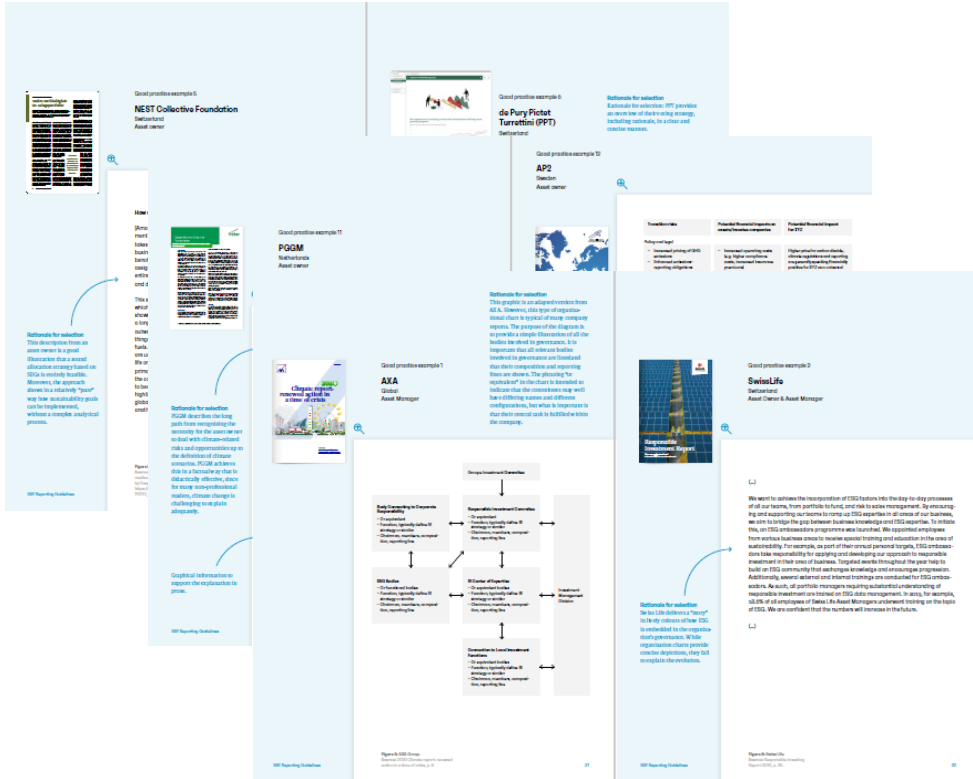
- Board gender diversity (PWOMAN)

Compliance

- Exposure to controversial weapons
- Recognition of obligation to fight bribery and corruption through anti-bribery and anti-corruption policies

Financial and Governance Foundations

- Remuneration policy in place and public



Contents:

- 15 good practice examples from Swiss and international asset management firms and asset owners
- Overview of commonalities between international frameworks and standards for Governance, Strategy and Risk Management reporting
- Illustrative samples of reporting content at entity level for foundational and advanced level
- Selection of metrics at portfolio level for foundational and advanced level

PANEL DISCUSSION

Credibility through transparency

Christoph Baumann

Deputy Head Insurance & Risks,
State Secretariat for International
Finance SIF

Antoinette Hunziker-
Ebnetter

CEO Forma Futura Invest &
President Berner Kantonalbank

Stephen Nolan

Managing Director, FC4S

Thomas Vellacott

CEO, WWF Switzerland

Moderated by:
Sabine Döbeli

CEO, Swiss Sustainable Finance





PATRICK ODIER

PRESIDENT, SWISS SUSTAINABLE FINANCE



THANK YOU

CREDIBILITY THROUGH TRANSPARENCY

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