



# MEMBERSHIPS IN TRADE ASSOCIATIONS AND INDUSTRY BODIES

Review of Climate Policy Positions



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Climate action is at the core of Holcim’s “Strategy 2025 – Accelerating Green Growth”, to become the global leader in innovative and sustainable building solutions. With our 60,000 colleagues, we are on a mission to decarbonize building across its life cycle to build cities that work for people and the planet. We are accelerating our net-zero journey to decarbonize Holcim.

Taking a science-driven approach, we upgraded our climate targets to align them with the 1.5°C framework and validated them with the Science Based Targets initiative. We are making progress in carbon capture, utilization and storage, and committed to invest CHF 2 billion by 2030 in mature technologies to capture more than 5 million tons of CO<sub>2</sub> per year. We closely monitor any developments concerning climate-related issues by engaging with investors and analysts, nongovernmental organizations, policy makers and trade associations.

To further strengthen our advocacy voice, in 2021 we decided to review our memberships in trade associations and industry bodies to ensure that there are no major gaps between their climate policy positions and our own policy positions. None of the selected organizations had material misalignment or diverging views with Holcim’s policy positions. However, some organizations did not have formal positions on some of the topics assessed. In the following years we closely collaborated with trade bodies to accelerate and strengthen their commitments and ensure an ongoing and more streamlined alignment with our climate policy positions.

# Holcim's Trade Associations Climate Review

We are committed to align our climate policy actions and positions with the Paris Agreement's objective of limiting global warming to 1.5°. This commitment was translated into continuous and progressive efforts to achieve this goal at Holcim. At Holcim, we take a rigorous science-driven approach to become a net-zero company, ensuring that our targets and actions are in line with the 1.5°C framework.

- In 2020, we were the first global building solutions company to sign the United Nations Global Compact (UNGC)'s "Business Ambition for 1.5°C" initiative, with intermediate 2030 targets approved by the SBTi in alignment with a net-zero pathway.
- In 2021, our 2050 CO2 targets were among the first long-term targets validated by SBTi, consistent with the new net-zero standard across all scopes, setting a reference for our industry.
- In 2022, we upgraded our 2030 climate targets and validated them with the SBTi, in line with our sector's new 1.5°C science-based framework.

This commitment is fully reflected in our (public policy) positions as well as our direct and indirect engagement with external stakeholders.

## Methodology & scope

In support of this commitment and associated policy enablers, Holcim has decided to assess its memberships in its main trade organizations around the world. The aim was to ensure that those organizations have no major misalignment with the Group's policy positions on climate change.

To proceed with this assessment, in 2021 Holcim has analyzed its memberships around the world and made a selection of 20 organizations. Those were selected to reflect both the size of the Group's financial contribution to the organizations (above CHF 250,000) and the Group's geographical footprint. All in all, these organizations represent c. 80% of the total amount that the Group paid to trade organizations in 2020.



Map of organizations reviewed in 2021

The core review was led by the corporate public affairs team based on the organizations' public positions, on their website, media releases, publications and social media. A questionnaire was also sent to the organizations based on the five criteria (see below) to complement the analysis and give the opportunity to bring additional positions into the review. When needed, a discussion was organized with the local public affairs team to ensure a good understanding of the policy landscape and alignment in the analysis. The analysis was then reviewed with the Group's sustainability and stakeholder engagement team.

**Each organization has been assessed according to five criteria, based on Holcim's net zero climate pledge and policy enablers:**

- **Supports Paris Agreement and net zero agenda**  
i.e. does not deny the need to have climate policies and to progress towards a net zero world
- **Supports the use of Carbon Pricing Mechanisms**  
i.e. support the implementation of carbon price through market mechanisms (e.g. EU ETS) or fiscal mechanisms (e.g. carbon taxes) as a tool to deliver a net zero economy
- **Existence of a climate net zero roadmap (mainly for cement industry associations)**  
i.e. has developed (or is in the process of developing) the industry roadmap to net zero
- **Acknowledge the need of advanced technologies, including CCUS, to further decarbonize (mainly for cement industry associations)**  
i.e. supports the view that advanced technologies, including CCUS, will be needed to decarbonize hard-to-abate sectors like ours
- **Supports the need to introduce low-carbon and/or net zero products on the market**  
i.e. considers it has an active role to develop the regulatory framework to incentivize the development of markets for low-carbon and/or net zero materials and solutions

Given that the organizations selected have various scopes (cement associations, ready-mix industry representatives, multi-sectoral business organizations) and diverse regulatory environments (different levels of government commitments to climate policy and carbon pricing), some of the topics are not covered by all the organizations. This policy landscape was considered in the review of each organization.





## 2023 Update of Trade Associations Climate Policy Review

In 2021, Holcim committed to pursue its work with all the organizations included in the scope of the review. Throughout 2022, Holcim carried out a regular follow up on the identified gaps in each organization. The number of reviewed organizations reduced from 20 to 17 organizations due to the divestments of Holcim operations in India and Brazil. As a result of the new review, among the 17 trade associations, five out of eight that did not have net-zero roadmaps in 2021 have now completed and published their roadmaps (where two - UNICEM in France and economiesuisse in Switzerland- are not scoped in netzero roadmaps). The two organizations NRMCA in USA, and CCAA in Australia that did not have a formal position on the Paris Agreement, have now formalized their positions; while GCCA (Global Cement & Concrete Alliance) formalized its position on Carbon Pricing Mechanism.

Specifically on each topic:

- **Paris Agreement:** There is a unanimous support to the principles of climate policy and decarbonization of our industry, and all organizations have taken a formal position on the Paris Agreement.
- **Carbon pricing:** All organizations engage with governments and stakeholders on carbon pricing mechanisms when there is a regulatory project. Some have a reactive approach.
- **Net zero roadmap:** With few explain, all organizations have or are planning a climate roadmap (in most cases taking the full value chain in consideration). CEMBUREAU and GCCA's work in this area is driving and informing many of the national initiatives.
- **Advanced technologies:** Almost all organizations surveyed engage proactively on the development and deployment of advanced technologies for decarbonization, including Carbon Capture Usage and Storage.
- **Low-carbon products:** All organizations are active in promoting low-carbon products, including through the regulatory framework and public procurement.

## Overview of the main outcomes of the review

	EU	Worldwide	Switzerland		UK	Spain	Belgium	France	
	Cembureau	GCCA	Cemsuisse	Economiesuisse	Mineral Products Association	Oficemen	Febelcem	SFIC	UNICEM
<b>Supports Paris Agreement and net-zero agenda</b>	■ Yes	■ Yes	■ Yes	■ Yes	■ Yes	■ Yes	■ Yes	■ Yes	■ Yes
<b>Supports the use of Carbon Pricing Mechanisms</b>	■ Yes	■ Yes	■ Yes	■ Yes	■ Yes	■ Yes	■ Yes	■ Yes	■ Yes
<b>Existence of a net-zero roadmap (for cement industry association)</b>	■ Yes	■ Yes	■ Yes - Waiting confirmation	■ No formal position	■ Yes	■ Yes	■ Yes	■ Yes	■ No formal position
<b>Acknowledge the need of advanced technologies, including CCUS, to further decarbonize</b>	■ Yes	■ Yes	■ Yes	■ Yes	■ Yes	■ Yes	■ Yes	■ Yes	■ No formal position
<b>Supports the need to introduce low-carbon and/or net-zero products on the market</b>	■ Yes	■ Yes	■ Yes	■ Yes	■ Yes	■ Yes	■ Yes	■ Yes	■ Yes

	Germany	Poland	Austria	USA	Canada	Australia	New Zealand	Phillipine	
	VDZ	Stowarzyszenie Producentów Cementu	VOZ	NRMCA	Cement Association of Canada	Cement, Concrete & Aggregates Australia	Concrete NZ	Cement Manufacturers of the Philippines	
<b>Supports Paris Agreement and net-zero agenda</b>	■ Yes	■ Yes	■ Yes	■ Yes	■ Yes	■ Yes	■ Yes	■ Yes	
<b>Supports the use of Carbon Pricing Mechanisms</b>	■ Yes	■ Yes	■ Yes	■ No formal position	■ Yes	■ No formal position	■ Yes	■ No formal position	
<b>Existence of a net-zero roadmap (for cement industry association)</b>	■ Yes	■ Yes	■ Yes	■ Yes	■ Yes	■ No	■ Yes	■ No CEMAP is committed to the Net-Zero, no roadmap due to lack of resources	
<b>Acknowledge the need of advanced technologies, including CCUS, to further decarbonize</b>	■ Yes	■ Yes	■ Yes	■ Yes	■ Yes	■ Yes	■ Yes	■ No formal position	
<b>Supports the need to introduce low-carbon and/or net-zero products on the market</b>	■ Yes	■ Yes	■ Yes	■ Yes	■ Yes	■ Yes	■ Yes	■ Yes	

# Holcim's approach to advocacy and government affairs

As the world's global leader in building solutions, Holcim engages with public authorities around the world on issues that are relevant to its business activities. The Group is committed to giving reliable and up-to-date information to public authorities. The Group remains politically neutral, supports freedom of expression and respects other stakeholders' rights to express their opinions and positions. The Group does not make political donations, unless it is expressly permitted under written local laws and applicable Holcim policies and guidelines, and transparently and accurately recorded.

Those principles form part of the Group's [Responsible Lobbying and Advocacy Directive](#). The Directive is applicable to all Holcim employees engaging with Public Authorities. Holcim has a strict [Anti-Bribery & Corruption policy](#) that applies to its lobbying and advocacy activities. Annual training is conducted in countries on the Anti-Bribery & Corruption policy. To ensure compliance with its policies, the Group has a number of tools and procedures in place such as the Minimum Control Standards and the Integrity Line. Holcim enrolls in lobbying and transparency registers where applicable and where it exists. By way of example, Holcim is a participant of the EU Transparency Register, where advocacy activities, priorities and estimated spending in EU affairs are listed.

## Targeted engagement with diverse stakeholders

Holcim engages with a diversity of stakeholders active or influential on policy regulations that are linked to its activities:

- National authorities, government officials, members of Parliament, regional and local authorities where the Group operates
- Trade and business organizations in operating countries (e.g. Canada Association of Cement, *economiesuisse*), at regional (e.g. EU's CEMBUREAU) and global level (e.g. Global Cement and Concrete Association, World Business Council for Sustainable Development)
- International coalitions (e.g. Carbon Pricing Leadership Coalition, Global Alliance for Buildings and Construction)
- Multilateral bodies (e.g. UN agencies, OECD)
- Think tanks and NGOs (e.g. Business for Nature Bellona)

The Group is a member of 281 organisations in 50+ countries. Holcim Group companies reported spending CHF 17.8 million on direct advocacy activities in 2022.







## Advocating in support of Holcim's policy positions

Employees within Holcim designated to engage with public authorities are clearly identified. In countries, Country CEOs (CCEO) are accountable for advocacy activities.

Holcim requires that any third-party that engages with public authorities on its behalf undergo due diligence.

When possible, Holcim aims to have a proactive role in the organizations, associations and coalitions it is a member of (board membership, working group chairmanship, active membership, etc.). Employees that are active in trade associations that Holcim is a member of or associated with are systematically engaging in a way that reflects

**Holcim's positions** and ambitions. Holcim works to ensure that the positions of these organizations are aligned to its own while working in full respect of the governance rules in place in all trade associations. The Group's main policy positions are made available externally on its website and circulated to its internal public affairs network on a regular basis.

Should major divergences in positions appear, Holcim will work proactively with the organization in question to find alignment.

If no alignment can be found, Holcim will dissociate itself from the organization in question and related activities, or in extreme cases, renounce its mandates within the organization and/or its membership. Holcim

undergoes regular assessment of the organizations it is a member of, to evaluate benefits and risks of its memberships. In case of major misalignment with an organization, the Group is ready to quit the organization, as it has done in the past. In 2021, following a careful review assessment of its organizations in the USA, Holcim decided to leave an industry organization due to misalignments on climate positions.

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