iii) A clear explanation of who 'other partners in the value chain' constitutes

The CSC certification system has been developed together with a large group of the industry as well as certification institutes (i.e: HeidelbergCement, Cemex, CRH, IUCN, WWF). IUCN convened a consultation process with environmental experts and representatives from civil society focused on providing feedback on the system’s environmental and social criteria. The revised technical manual addresses some of the feedback received and aims for continuous improvement. In this respect, CSC will continue the dialogue with civil society organizations and other stakeholders.

iii) A case study/example of your climate-related engagement strategy with other partners in the value chain.

As a founding member of the CSC, we engage with the CSC partners and members on a monthly basis. We engage with partners through holding monthly workshops and/or seminars with architects, environmental and industry experts to educate companies and practitioners about the latest sustainability innovations and technologies in the sector and to train them on carbon reduction potentials at building or infrastructure level. Since its inception, the CSC now has over 20 members who have adopted our certification, with more than 500 certifications issued which equate to a growth increasing more than 30% year on year over the last two years. We engage with the other partners of CSC on a monthly basis, to discuss latest ideas and improve the CSC system. As a founding member, Holcim has also adopted the CSC system into its operations since 2003. 60 of our concrete, cement and aggregates plants in 8 countries hold CSC certificates, 5 of them being CSC Gold.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?
Direct engagement with policy makers
Trade associations
Funding research organizations

C12.3a

(C12.3a) On what issues have you been engaging directly with policy makers?
<table>
<thead>
<tr>
<th>Focus of legislation</th>
<th>Corporate position</th>
<th>Details of engagement</th>
<th>Proposed legislative solution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cap and trade</td>
<td>Support</td>
<td>Holcim is engaging proactively and transparently with its external stakeholders, including regional and national governments, international organisations and the civil society on the issue of carbon pricing. This includes: At country level: In the USA, as an example, Holcim is part of the “CEO Climate Dialogue” - a group of corporate and NGO CEOs who are all united in their call for carbon reduction policy and carbon pricing at federal level. At Regional level: in the EU, for example, Holcim engages directly with the European Commission services on carbon pricing policy (EU ETS), as well as through affiliated organisations such as Cembureau. At global level we engage and promote the carbon pricing agenda through organisations such as the Carbon pricing Leadership coalition (CPLC), hostel by the World Bank and on which Holcim sits on the Steering Committee. Holcim initiated a specific study looking at the impact of existing carbon pricing schemes on the construction sector. Holcim advocates for carbon pricing mechanisms that: Respond dynamically to unforeseen macro-economic evolutions; Provide an unconditional level playing field across regions and industries; Target entire value chains by tackling both supply and demand sides; Enable carbon cost pass-through, thereby creating financial incentives for carbon-efficient solutions. Ultimately, carbon pricing mechanisms must lead to an acceptance of carbon costs across value chains, as carbon costs must increasingly be absorbed in products and solutions. By creating competitive advantages for carbon-efficient products and solutions, carbon pricing mechanisms can then become a key driver for accelerating the demand for low-carbon products.</td>
<td>Carbon pricing mechanisms are central to the carbon neutrality transition. They must be designed in a way that stimulates much needed innovation in advanced technologies (e.g. CO2 capture) and rewards carbon-efficient products and solutions (and thus become a key driver for the demand of low-carbon products). Two particular legislative avenues that Holcim advocates for are the following: The preservation of a level playing field in relation to carbon costs in countries or regions where carbon pricing mechanisms are in place (e.g. through the establishment of carbon border adjustment mechanisms), which would foster investments in low-carbon technologies and innovation; Shift the focus of carbon pricing mechanisms from emissions to consumption. The adoption of carbon-neutrality in construction is tributary to the acceptance of carbon constraints and costs by all actors of the highly fragmented construction value chain. Carbon costs must progressively be absorbed in products and solutions in order to render the carbon-efficient products and solutions more competitive (thus reversing the current situation). This is necessary to build the necessary business case to deploy, on a large scale, advanced technologies such as Carbon Capture Utilization and Storage (CCUS) on the manufacturing side and low carbon binders on the product side. It requires a dynamic carbon pricing mechanism that is centered on carbon consumption (e.g. carbon consumption charges), integrated across value chains and addressing both supply and demand.</td>
</tr>
<tr>
<td>Focus of legislation</td>
<td>Corporate position</td>
<td>Details of engagement</td>
<td>Proposed legislative solution</td>
</tr>
<tr>
<td>----------------------</td>
<td>--------------------</td>
<td>----------------------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td>Other, please specify (Carbon border adjustments (CBAM))</td>
<td>Support</td>
<td>Holcim has been engaging broadly on the issue of carbon border adjustments, with a specific focus on Europe where the topic is on the climate policy agenda. Engagement takes the form of direct discussions with legislators as well as public discussion organised by external parties and stakeholders, such as the OECD Sustainable Development Roundtable or dedicated platforms such as the European Roundtable on Climate Change and Sustainable Transition.</td>
<td>In a European context, Holcim’s position is as follows: the establishment of a CBAM forms a cornerstone for Europe’s competitiveness in a carbon neutral economy. The objective must be for non-EU importers to bear the same CO2 costs as EU domestic producers. In order to ensure any form of “double protection”, free allocations that are awarded to EU producers must be discounted from the carbon costs levied on imports. Such a mechanism is necessary for EU-based manufacturing to compete fairly with non-EU imports that do not have equivalent carbon costs. Furthermore, it forms an essential policy tool to build the “low-carbon business case” in the long run and secure continued investments in low carbon technologies across European assets.</td>
</tr>
<tr>
<td>Other, please specify (Taxonomy and sustainable finance)</td>
<td>Support</td>
<td>Since 2015 Holcim has taken part in many initiatives linked to the development of sustainable finance tools, and in particular carbon risks disclosure such as the TCFD and subsequently the development of the Sustainable Finance initiative at EU level. At EU level, Holcim engaged with the EU’s Technical Expert Group on taxonomy to provide specialist advice linked to the definition of metrics and thresholds linked to cement manufacturing. Holcim supports the current work of the Platform on Sustainable Finance by participating in public consultations directly or indirectly with partner organisations (CEMBUREAU, Value Balancing Alliance). Holcim fully supports the use of taxonomy in a way to incentivise and enables the transition towards low-carbon construction and low carbon manufacturing.</td>
<td>At EU level: Holcim supports the objectives of the Green Deal and believes taxonomy will enable it to accelerate investments to support the green transition. The TEG Report forms a good base to develop the Taxonomy and we welcome the inclusion of cement manufacturing as a mitigation activity to climate change. However, three points of concern are to be considered: 1/ Use of metrics and thresholds: Metrics and thresholds are being defined in order to facilitate the measurement of the mitigation performance of an activity. It seems fundamental that such thresholds are not considered as absolute thresholds leading to a practice of in/out assessments but rather the aim towards which investments should tend. 2/ To evaluate the climate impact of a building, the use of life-cycle assessments should be prioritised. We encourage the TEG report’s approach to building assessment on energy performance and on embodied CO2. We also believe that the Taxonomy should remain material-neutral and not favor the use of one material vs. another. It should remain based on performance. 3/ Timing and reporting: the timing imposed on industry to fully implement the taxonomy framework is unrealistically short as it requires complex reporting mechanisms to be put in place, while implementation guidance (with details on the methodologies to be used) is not yet fully available.</td>
</tr>
</tbody>
</table>
### Focus of legislation

<table>
<thead>
<tr>
<th>Corporate position</th>
<th>Details of engagement</th>
<th>Proposed legislative solution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other, please specify (Carbon performance of buildings and construction) Support</td>
<td>Holcim has been engaging broadly on the integration of carbon performance across the construction value chain. By way of examples, Holcim engaged proactively on this topic in the context of the UN Climate Action Summit and Parallel ClimateWeekNYC 2019. In this context, Holcim organised dedicated panel discussions and took part in many third party initiatives. In Europe, Holcim took part the the real-life testing of LEVEL(s), the EU’s sustainability assessment tools for buildings that is under development and provided industrial feedback on the use of the tool in real life environment.</td>
<td>Integration of carbon performance in building standards and codes, ensuring the principles of material-neutrality, life-cycle performance and full value-chain mobilisation. It forms a fundamental step to develop customer acceptance and market-demand for low-carbon solutions, which today remain the exception rather than the rule.</td>
</tr>
<tr>
<td>Other, please specify (Waste management) Support</td>
<td>Holcim engages globally with Government, NGO, civil society and local stakeholders on the use of co-processing technology, which allows to simultaneously substitute fossil fuels with non-recyclable waste-derived fuels and to recycle the mineral contained in the fuel into our production processes. The use of this technology requires a well established regulatory framework on waste management, as is the case in jurisdictions such as Europe, India and many countries around the world. And, it needs adequate recognition as a desirable waste management alternative that responds to the waste management hierarchy.</td>
<td>Enable resource-efficiency and fossil fuels substitution in energy-intensive sectors (such as cement manufacturing) by providing equal treatment across all sectors regarding the carbon-neutrality of non-fossil alternative energy sources. This is particularly important for residual (non-recyclable) waste streams that are co-processed in industrial activities (a process that enables to simultaneously recover the energy and recycle the mineral content of the waste in an industrial product) and would otherwise be landfillied or incinerated.</td>
</tr>
<tr>
<td>Other, please specify (Fit for 55 Package) Support</td>
<td>Holcim engages both directly and indirectly with representatives of the EU institutions on what probably forms the most significant legislative package of the current European Commission. Holcim welcomes the &quot;Fit for 55&quot; package released by the European Commission on 14th July. If elements of the package bring a risk element (increase carbon costs), this package is mostly about providing policy enablers that should in principle allow us to build the necessary business case to deploy low carbon technologies and solutions.</td>
<td>The CBAM is one such example. Much of the detail remains to be confirmed through the legislative process and these major legislative initiatives must be phased-in without creating legislative or financial shocks (see below for a more detailed view on CBAM). The reform of the EU ETS is another important part of the package and forms a complex exercise that has many interlinked components. The mechanisms of free allocation must work in parallel with the proposed CBAM, at least in a transitional period. Innovative financing mechanisms for low carbon technologies are necessary in today’s environment and an EU-driven CCfD (carbon contract for a difference) scheme is welcome.</td>
</tr>
</tbody>
</table>

**C12.3b**

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?
Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

**Trade association**

Cembureau

**Is your position on climate change consistent with theirs?**

Consistent

**Please explain the trade association's position**

Low-carbon manufacturing: The cement industry will continue to invest in the transition to a low-carbon economy. As an energy intensive industry committed to this low-carbon transition, it is essential to maintain the competitiveness of Europe-based manufacturing and ability to invest in Europe. Given The sector's contribution to jobs, growth and innovation in Europe, its track record on energy and resource efficiency and emissions reductions achieved, it is of key importance that the sector has access to competitively priced, carbon-neutral energy on the road to a low carbon economy. A value chain approach: Transitioning to a low-carbon economy is a significant challenge for the EU and the cement sector. Concrete is one of the most long-lasting and durable materials on earth, and EU policies need to acknowledge its contribution to a low carbon transition through the entire life-cycle of buildings. Today's concrete buildings can save up to two-thirds more energy than older structures. Thermally-activated concrete can ensure a better match between energy demand and supply from fluctuating energy sources. Concrete can naturally absorb CO2 in a process called recarbonisation. Concrete could potentially offset a considerable proportion of production emissions over its life-cycle. The low-carbon transition in the built environment will require a supply chain approach that allows for collaboration across the construction value chain. This can be achieved by focusing on a holistic implementation of material-neutral and life cycle performance, incentivising demand for low-carbon materials and solutions.

**How have you influenced, or are you attempting to influence their position?**

In 2020 we contributed to the development of the Cembureau's agenda on climate change through active participation in management meetings. Holcim representatives lead the work on standardization for GHG reporting, and are active in 4 working bodies whose main focus is Climate Change. In 2021, the country CEO of Holcim in Spain, was appointed Cembureau's new President.

---

**Trade association**

International Emission Trading Association (IETA)

**Is your position on climate change consistent with theirs?**

Consistent

**Please explain the trade association's position**
The International Emission Trading Association deals with regulators, NGOs and external stakeholders to promote the use of ETS systems, to improve the way they work and ensure fungibility and comparability of different carbon systems.

**How have you influenced, or are you attempting to influence their position?**
Holcim has an active role in the development of IETA agenda; and Holcim representatives are members of several working groups.

---

**Trade association**
Zürich Carbon Markets Association (ZCMA)

**Is your position on climate change consistent with theirs?**
Consistent

**Please explain the trade association's position**
The ZCMA provides a network for knowledge sharing for all organisations that are interested in the evolution of sustainability focused and high quality carbon markets with the aim to mitigate greenhouse gas emissions.

**How have you influenced, or are you attempting to influence their position?**
Holcim has representation actively driving the ZCMA’s program of activities.

---

**Trade association**
Global Cement and Concrete Association

**Is your position on climate change consistent with theirs?**
Consistent

**Please explain the trade association’s position**
The GCCA (Global Cement and Concrete Association) supports the development of national industry roadmaps to define the potential to reduce carbon emissions from the cement industry and the transition to a low carbon economy. Through the GCCA (previously the Cement Sustainability Initiative), the sector has worked together with the International Energy Association on a Technology roadmap consistent with limiting the average global temperature increase to 2 degrees. This roadmap sets out a key strategy for the cement sector to achieve decoupling of expected cement production growth from related direct CO2 emissions. This roadmap sets the pathway for the industry to reduce its emissions by 24% from current levels, despite the anticipated increased production by 2050.

**How have you influenced, or are you attempting to influence their position?**
Holcim was a founder member of the GCCA and has an active role in the development of the GCCA’a agenda. Holcim champions various focus areas on Climate and Energy and Monitoring and reporting. Holcim CEO Jan Jenisch is on the board of the GCCA and EXCO member Miljan Gutovic is on the steering committee. In addition, Holcim subsidiaries are participating in the Low Carbon Technologies Partnership. The use of the roadmap is the first step to developing climate regulations, setting targets for emissions reduction, financed with national resources and reduction financed with international funds.
The European Round Table of Industrialists (ERT)

Is your position on climate change consistent with theirs?  
Consistent

Please explain the trade association’s position
To reduce CO2 emissions, binding commitments by the developed countries and Nationally Appropriate Mitigation Actions (NAMAs) of developing countries along with robust measurement, reporting and verification (MRV) are necessary to underpin actions and provide clear signals for investment. All governments should be encouraged to develop national, regional and sector based greenhouse gas emission reduction plans including CO2 pricing mechanisms. ERT continues to support the development of carbon markets as the approach that can deliver CO2 reductions at the lowest cost. Industry is a source of sustainable solutions and must be involved in the decision-making and implementation of the various mechanisms and repository of tools that could be used in multilateral and bilateral agreements which may emerge from the on-going negotiations. In particular, industry input should be sought for the development of the framework on the technology mechanism and on the financing of NAMAs through the Green Climate Fund. ERT highlights that Europe is part of a global market and we need to find ways to keep Europe growing while limiting our carbon footprint and increasing energy efficiency. Climate change is foremost a global challenge and the EU should keep convincing other regions to make similar commitments and putting in place policies such as carbon pricing to reach the objectives. Further information on the ERT’s position on climate change is available online at http://www.ert.eu/issue/climate-change.

How have you influenced, or are you attempting to influence their position?  
Holcim is an active participant to the climate and energy working group and plays a leading role in the development of forward-looking engagement on the low-carbon transition.

C12.3d

(C12.3d) Do you publicly disclose a list of all research organizations that you fund?  
Yes

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?  
Updates on advocacy initiatives supporting our climate change strategy are regularly presented to our main governing bodies, Board of Directors and the Executive Committee.