ii) 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 one of the first companies globally, LafargeHolcim has adopted the CSC system to its operations. In Germany, the company holds 14 CSC Gold Certificates for Concrete operations, 7 CSC Silver Certificates for Aggregates (highest possible score) and another 8 CSC Silver Certificates for Cement (highest possible score).With this, LafargeHolcim is GLOBALLY THE FIRST company to hold CSC Certificates covering the entire concrete value chain of Cement, Concrete and Aggregates.

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?

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution

		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, LafargeHolcim 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, LafargeHolcim 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 LafargeHolcim sits on the Steering Committee. LafargeHolcim initiated a specific study looking at the impact of existing carbon pricing schemes on the construction sector. LafargeHolcim 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.	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 LafargeHolcim 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.

specify (Carbon border adjustments (CBAM))		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.	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.

specify (Taxonomy and sustainable finance)		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, LafargeHolcim is a member of the EU's Technical Expert Group on taxonomy and provides specialist advice linked to the definition of metrics and thresholds linked to cement manufacturing. LafargeHolcim fully supports the use of taxonomy in a way to incentives and enables the transition towards low-carbon construction and low carbon manufacturing.	objectives of the Green Deal and believes taxonomy will enable 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 manufactuing 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/ The use of Refuse Derived Fuels (RDF) in cement manufacturing is excluded on the grounds that it "undermines waste minimisation" and is associated to "emissions of a polluting nature". RDF for use in co-processing is produced from the share of municipal or industrial waste that cannot be recycled (residual waste). The use of waste-derived materials in cement manufacturing – known as co-processing - is a unique process that allows the simultaneous recovery of raw materials and energy while leaving no residue. It is fully regulated through the Industrial Emissions Directive (IED). Its labelling as a polluting activity is erroneous, misleading and driven by other interests. The use of residual waste in industrial process provides a solution that is higher in the waste management hierarchy for a waste fraction that would otherwise be landfilled or incinerated. 3/ 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 favour the use of one material vs. another. It should remain based on performance.

specify (Carbon performance of buildings and construction)		broadly on the integration of carbon performance across the construction value chain. By way of examples, LafargeHolcim engaged proactively on this topic in the context of the UN Climate Action Summit and Parallel ClimateWeekNYC 2019. In this context, LafargeHolcim organised dedicated panel discussions and took part in many third party initiatives. In Europe, LafargeHolcim 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.	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.
Other, please specify (Waste management)	Support	LafargeHolcim 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.	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 landfilled or incinerated.

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

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?

We contribute to the development of Cembureau agenda on climate change through active participation. LafargeHolcim representatives lead the work on standardization for GHG reporting, and are active in 4 working bodies whose main focus is Climate Change. In 2019, the country CEO of LafargeHolcim Spain, was appointed Cembureau's new vice-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?

LafargeHolcim has an active role in the development of IETA agenda; and LafargeHolcim representatives are members of several working groups.

Trade association

Zürich Carbon Markets Association (ZCMA)

Is your position on climate change consistent with theirs?

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?
LafargeHolcim 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?
LafargeHolcim was a founder member of the GCCA and has an active role in the development of the GCCA'a agenda. LafargeHolcim champions various focus areas on Climate and Energy and Monitoring and reporting. LafargeHolcim CEO Jan Jenisch is on the board of the GCCA and EXCO member Marcel Cobuz is on the steering committee. In addition, LafargeHolcim 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.

Trade association
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

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?
LafargeHolcim 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.

At regional levels, representative groups of CEOs and functional managers regularly meet and exchange on the latest regulatory developments and activities influencing policy, and newsletters on the topic are distributed. Local initiatives are also circulated for potential replication within the group. Regional positions (e.g. reform of EU ETS) are developed with the involvement of all legal entities in the regions, as well as all relevant company departments (such as climate protection, carbon trading and public affairs). All positions are systematically validated by regional leadership teams and consistent with global positions to ensure alignment and consistency.

At Group level, the Group Public Affairs department is responsible for the coordination of advocacy actions within LafargeHolcim and holds direct and specific responsibility for