HOLCIM CLIMATE PUBLIC POLICY POSITIONS

JULY 2025

HOLCIM

1. HOLCIM COMMITMENT TO COMPETITIVE INDUSTRIAL DECARBONIZATION

The alignment of Holcim's strategy to the 1.5°C framework and our pathway to 2050 is clear. We have 2030 and 2050 net-zero targets in line with the 1.5°C framework validated by the Science Based Targets initiative (SBTi) for all three scopes. And to deliver on those targets, Holcim is driving the broadest range of decarbonization technologies in the industry from innovative low-emission raw materials like calcined clay and recycled decarbonized cement paste, to fossil fuel-free energy or advanced technologies such as CCUS.

To reach our Scope 1 and Scope 2 commitments, we will reduce our clinker factor, use alternative fuels and raw materials, and increase our use of renewable energy. We will invest in proven technologies that produce positive returns. We will scale up breakthrough technologies such as Carbon Capture, Utilization and Storage (CCUS), which will make an increased contribution in terms of reaching our targets post 2030. Holcim also commits to reduce absolute scope 3 GHG emissions 90% by 2050 from a 2020 base year.

Our pathway to net zero does not rely on offsets.

No individual company can achieve this transformation on its own and it requires continuous engagement, collaboration and partnerships with our stakeholders, partners and public policy decision makers.

In order to achieve its ambitions and targets, Holcim's climate advocacy is systematically aligned to the 1.5°C framework. In 2021, we started to review our memberships in external trade associations and industry bodies to ensure alignment with Holcim's position and the 1.5° framework. Since then, we are continuously collaborating with our partners to accelerate and strengthen their commitments to the Paris agenda and ensure alignment with our climate policy positions.

2. COMPETITIVE GREEN GROWTH

Decarbonization is at the heart of our industrial and commercial strategy through the deployment of advanced innovative technologies, such as Carbon Capture Utilization and Storage (CCUS), and the introduction of low-carbon solutions, such as ECOPact low-carbon concrete, on construction markets globally.

The competitive deployment of such technologies and products is facilitated by policy measures such as carbon pricing or emissions trading schemes. In that regard, Holcim advocates for:

- **an international level playing field on carbon costs through mechanisms such as Europe's Carbon Border Adjustment Mechanism (CBAM),** fair state aid rules for energy-intensive sectors, and dynamic carbon pricing.
- **access to competitive decarbonized energy** via a well-functioning and interconnected

electricity market and sustained access to non-recyclable and biomass waste as alternative fuels which form efficient levers to reduce CO_2 emissions from our industrial processes.

- **De-risking industrial carbon management value chains**: the implementation of large-scale industrial decarbonisation projects requires the development of entirely new and complex industrial carbon management value chains, which cover a range of activities across variable regulatory boundaries. These are "first-of-a-kind" / first movers ventures with many underlying risks alongside the value chain that are currently blocking FID. Those risks are by and large of a regulatory nature and must be addressed under the umbrella of the Clean Industrial Deal.

At Holcim, our "NextGen Growth 2030" strategy is designed to **align our industrial competitiveness with climate action** and thereby providing a direct response to the objectives of the EU Clean Industrial Deal.

3. SUPPORT THE DEPLOYMENT OF ADVANCED DECARBONISATION TECHNOLOGIES

Holcim is driving the broadest range of decarbonization technologies in the industry. These span from the utilization of innovative low-emission raw materials, like calcined clay and recycled decarbonized cement paste, to fossil fuel-free energy and CCUS.

Recognizing the need for adaptable solutions to ensure their deployment at scale, at Holcim we advocate for:

- **a flexible yet clearly defined regulatory framework** supported by adequate and dedicated funding covering both OPEX and CAPEX costs;
- **flexibility within existing funding instruments thus taking into account the risks faced by "first-movers"** especially where complex value-chains are yet to be established (e.g. the full CCUS value-chain);
- **de-risking mechanisms that facilitate private investment** and encourage early adoption of innovative technologies (e.g. Carbon Contracts for Difference);
- **implementation of the right investment conditions across the whole CO_2 value-chain**, including: access to onshore and offshore storage options, supported by clear rules for CO_2 cross-border transport and CO_2 specifications;
- **regulatory clarity and consistency for decarbonization solutions** such as CO_2 utilization, while acknowledging the role that captured CO_2 from unavoidable process emissions have in the economy as a source of efficiently-available CO_2 to be used as feedstock for many applications (incl. e-chemicals and e-fuels) in a decarbonised economy.The capture, use and/or storage of CO_2 goes hand in hand with other traditional decarbonization levers such as de-fossiling our fuel mix by continuously increasing alternative fuels substitution rate in our processes.

4. FOSTER DEMAND FOR LOW-CARBON PRODUCTS

Holcim is at the forefront of driving the transition to low-carbon, circular construction by delivering innovative products and solutions on a global scale. Introducing them to the market requires a structured approach towards decarbonized construction and buildings, and as such we advocate for:

- **progressive, predictable and material-neutral building regulations,** with focus on building whole lifecycle performance;
- **progressive public procurement practices** that integrate sustainability performance (eg. carbon intensity) alongside traditional metrics such as safety, performance, durability, and affordability, to create lead markets for low-carbon and circular products;
- **dynamic standardization framework** that would enable companies to roll out innovative techniques without further delays, supported by enabling building codes;
- **incentives to improve circularity of secondary raw materials** via, for example, a ban on landfilling of construction & demolition waste, while incentivising recycling processes, and encouraging circularity and life- cycle thinking throughout the construction value-chain.

5. CIRCULAR ECONOMY

Holcim is continuously strengthening its commitment to circular construction amid key EU policy developments on the circular economy spanning the revision of the Waste Framework Directive, the formulation of EU end-of-waste criteria, to the revision of Construction Products Regulation.

We promote cross-sector collaboration to drive the adoption of circular practices, infrastructure, and processes across public authorities, local governments, and businesses. To advance global advocacy and foster partnerships, we take part in relevant coalitions, such as the Circular Leaders Group of the Ellen MacArthur Foundation, and take on a leadership roles where opportune (e.g. as co-chair of the Focus Group Sustainability & Circularity of the Davos Baukultur Alliance, hosted by the Swiss Confederation). Click here to access additional information.

6. USE OF WHOLE LIFECYCLE PERFORMANCE

Decarbonizing construction and making the value chain truly decarbonised and circular does not rely on a single technology, material or sub-sector. A policy framework and vision must be based on technology neutrality and full lifecycle performance. Defining the lifecycle performance that needs to be achieved to be aligned with the 1.5°C objective will lead to a dynamic market based on innovation and performance.

7. INDIRECT CLIMATE POLICY ENGAGEMENT AND TRADE ASSOCIATIONS

We indirectly advocate and emphasize our commitment to the Paris Agreement and our net-zero targets, through active collaboration with like-minded partners and stakeholders as well as through trade associations, such as Cembureau in Europe or the Global Cement and Concrete Association (GCCA) at a global level. We are actively engaged in the development of an ambitious climate policy framework globally, at regional levels (e.g. in Europe) and national levels.

Advocacy through multi-stakeholder collaboration in 2024

Throughout 2024, we actively engaged with recognized and leading global organizations and coalitions on sustainable construction, industrial decarbonization and the decarbonization of the built environment. Such organizations include:

- The World Business Council for Sustainable Development (WBCSD)
- The World Green Building Council (WGBC)
- The Global CCS Institute
- UNIDO Industrial Deep Decarbonization Initiative (IDDI)
- The European Roundtable for Industry (ERT)
- The Leadership Group for Industrial Transition (LEAD IT)
- The World Economic Forum (WEF) and the First Movers Coalition (FMC)

Our engagement with these organizations is entirely anchored on advancing the principles of the circular economy and achieving the Paris Agreement's objective. It aims at advancing the global policy frameworks that enable industrial decarbonization at scale.

Industry associations review

Holcim is committed to ensuring that our advocacy through trade associations is aligned with the Paris Agreement and Holcim's positions. We conducted a trade association review, focused on:

- Support for the Paris Agreement's climate ambition and net-zero agenda;
- Support for carbon pricing mechanisms;
- The need to develop 2050 decarbonization roadmaps;
- Acceptance of the need to deploy advanced technologies, including CCUS;
- Support for the creation of demand-pull policies for low- carbon products.

We continue to work with our trade associations to accelerate that journey. We address misalignment with associations or, if necessary, reconsider our membership.

For more details on trade association review, please visit our Climate Advocacy Report here.

Learn more on www.holcim.com

Annex: Holcim climate policy alignment with the Paris Objective of limiting global warming to 1.5°C

Holcim climate policy category	***Summary***	***Alignment to 1.5°C***	***Rationale***
Enabling Carbon Capture Storage and Use (CCUS)	Holcim is advocating for both CCU and CCS to be part of the EU policy framework on industrial carbon management, alongside a dynamic, accessible and competitive value chain for CO2 transport and storage	✔	The Holcim SBTi trajectory, which is in line with the 1.5°C framework, includes CCUS as a lever in the aligned trajectory towards decarbonization and as an essential solution for unavoidable process emissions. CCUS is recognised in public policy frameworks as a necessary element of the pathways towards climate neutrality. In the EU, CCUS is recognised in National Energy and Climate Plans.
Create market demand for low carbon products and services	Holcim is advocating for the establishment of public procurement frameworks (e.g. standards and building codes) that create a demand-pull for low carbon products and services	✔	Standards, building codes and public procurement mechanisms play a fundamental role in creating supply-demand momentum in the value chain, including in support of low carbon products and solutions. The acceleration of the uptake of low-carbon products and solutions at scale will accelerate the decarbonisation of the built environment (contributing up to 40% of global emissions) and therefore the achievement of the Paris Agreement objectives. These principles are starting to be implemented in certain countries (e.g. France with the RE2020 regulation) and well recognised in international literature (e.g. here) as part of the transformation of the construction and buildings sectors and achieving climate neutrality by 2050
Implement carbon	Holcim is advocating	✔	The EU's CBAM is the EU's tool to put a

pricing and carbon border adjustment mechanisms (CBAM)	for a fast and "watertight" implementation of CBAM		fair price on the carbon emitted during the production of carbon intensive goods that are entering the EU, and to encourage cleaner industrial production in non-EU countries. CBAM is a central element of Europe's strategy to become the world's first climate-neutral continent by 2050 and meeting the Paris Agreement's objective to limit global warmçing to 1.5°C. A swift implementation of the CBAM will provide the necessary foundations for large scale investments in the decarbonization of our activities and products across the EU and further afield.
Use Life Cycle Performance as the basis for the future of construction	Holcim is advocating for a material and technology agnostic policy frameworks, where all materials and technologies can be part of the solution and making the use of LCA performance and methodologies a prerequisite in construction projects.	✔	Decarbonizing construction and making the value chain truly circular does not rely on a single technology, material or sub-sector. A policy framework and vision must be based on technology neutrality and full lifecycle performance. Deploying carbon Life Cycle Assessment at scale across the construction sector will lead to a dynamic market based on low carbon innovation and performance, which will accelerate the transition towards the 1.5°C objective. Life cycle thinking allows to focus on the solutions where emissions can be reduced most efficiently and incentivise innovation. As such, the Paris Agreement emphasizes the instrumental role of innovation in reaching the 1.5°C target.
Enabling competitive decarbonized energy	Holcim is advocating for accessibility of decarbonized energy at competitive prices, favorable conditions for renewable energy investments and	✔	A well-functioning interconnected electricity market where there is access to decarbonized energy at scale and at competitive prices is the cornerstone for the decarbonization of European industry and its short & long-term

	industry access to non-recyclable waste and biomass waste.		competitiveness. Non-recyclable waste and biomass waste for an integral part of the cement sector's transition away from fossil fuels. As per the COP28 agreement, the phasing out of fossil fuels forms a central element to achieve the objectives of the Paris Agreement.
Support and funding for decarbonized industrial growth	Holcim is advocating for facilitating access to combined sources of funding including simplifying application and approval processes, direct funding of CCUS as well as the deployment of Carbon Contracts for Difference (CCFDs).	✔	Decarbonization technologies and projects such as CCUS are recognised in public policy frameworks as a necessary element of the pathways towards climate neutrality and reaching the objectives of the Paris Agreement.. Given the high cost of such projects, access to combined sources of funding is necessary in order to build strong business cases and ensure that such low carbon technology can be deployed in the short-term. Transparency, easy access and procedural simplicity of various sources of funding are hence important enablers for deployment and implementation. The deployment of CCFDs at EU and national level will allow for a de-risking of projects based on access criteria that are simple and fast in execution.

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