

Holcim advocacy

Frequently asked questions

March 2021

1. Holcim's approach to advocacy and government affairs

What is Holcim's approach to public and industry advocacy?

Holcim engages with public authorities in a transparent and constructive way, on policy issues relevant to its activities. It remains politically neutral, supports freedom of expression and respects other stakeholders' rights to express their opinions and positions.

The Group shares publicly its policy positions and topics of engagement. It is transparent on its membership in coalitions, think-tanks and professional organizations. The Group is committed to giving reliable and up-to-date information to public authorities.

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

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.

Who is accountable for advocacy activities at Holcim? How do you make sure your positions are globally aligned?

Employees within Holcim designated to engage with public authorities are clearly identified. In countries, Country CEOs (CCEO) are accountable for Advocacy activities. At the corporate level, the Public Affairs function is under the responsibility of the ExCo member in charge of sustainability. Advocacy activities are publicly available and recorded.

The Public Affairs function ensures alignment on policy positions in all parts of the company by sharing on a regular basis position papers and by engaging with the internal lobbying and advocacy network through calls, webinars and newsletters. Positions on policy issues are validated by the relevant internal experts (sustainability, waste management, finance, innovation, etc.) and made available to the Public Affairs community across the Group.

Holcim has recently led an assessment of the policy positions of its main trade organizations that has shown that there were no major misalignments between the 20 reviewed organizations and the Group's climate policy positions (see part 3).

What does Holcim advocate for?

Holcim engages with public authorities, international organisations and external stakeholders on issues that are directly related to its activities. The issues that we engage in often depend on the geographical scope of the organisations we are involved in. In many cases, the issues addressed are in support of day-to-day activities and are related to regulations and standards impacting our manufacturing activities (e.g. permitting), market access and product-related regulations and norms.

The Group also engages on longer-term and global public policy issues that are made public in our [Public Policy Positions Leaflet](#).

How do you ensure that your advocacy is done ethically ?

Holcim commits to dealing transparently and fairly in all its lobbying activities and complies with all the laws and regulations related to such activities. Similarly, all third parties engaging in advocacy activities on behalf of Holcim, including consultancy and lobbying firms and individuals, must be informed about and agree to compliance with the Supplier Code of Conduct. These entities are subject to the Group's Third Party Due Diligence Directive and Lobbying and Advocacy Directive.

Holcim has a strict [Anti-Bribery & Corruption policy](#) that applies to its lobbying and advocacy activities and forms part of the [Group's Responsible Lobbying and Advocacy Directive](#). 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, as well as a thorough Third Party due diligence procedure.




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 the EU are listed.

2. Relationship with Trade Organizations

What trade associations do you belong to? Are they involved in advocacy?

Holcim is present in over 70 markets globally and we are members of over 200 local business organizations such as chambers of commerce, business councils and trade associations. The major trade associations do advocate on issues linked to public policy, local regulations and building standards. These organizations also enable networking, research and marketing activities for the products and services of their members.

The list below contains the most significant trade associations and chambers of commerce our Group companies are members of. The list contains the organizations where our membership fee exceeds CHF 100,000 annually. It accounts for more than 90% of total membership fees paid in 2020:

Country	Organization	Country	Organization
Global 	<ul style="list-style-type: none"> Global Cement and Concrete Association 	USA 	<ul style="list-style-type: none"> Portland Cement Association National Stone Sand & Gravel Association National Ready Mixed Concrete Association
Spain 	<ul style="list-style-type: none"> Agrupación De Fabricantes De Cemento (Oficemen) 	Poland 	<ul style="list-style-type: none"> Stowarzyszenie Producentów Cementu
Greece 	<ul style="list-style-type: none"> Hellenic Cement Industry Association 	France 	<ul style="list-style-type: none"> UNICEM Syndicat Français de l'Industrie Cimentière
Switzerland 	<ul style="list-style-type: none"> cemsuisse economiesuisse Fachverband Schweizerischen Kies- und Betonindustrie 	Romania 	<ul style="list-style-type: none"> CIROM
Germany 	<ul style="list-style-type: none"> Verein Deutscher Zementwerke VERO 	Belgium 	<ul style="list-style-type: none"> Febelcem FEDIEX CRIC
UK 	<ul style="list-style-type: none"> Mineral Products Association 	Austria 	<ul style="list-style-type: none"> Vereinigung Österreichischer Zementwerke (VÖZ)
Philippines 	<ul style="list-style-type: none"> Cement Manufacturers Association of the Philippines 	Canada 	<ul style="list-style-type: none"> Cement Association of Canada
India 	<ul style="list-style-type: none"> Cement Manufacturers Association of India 	Australia 	<ul style="list-style-type: none"> Cement, Concrete & Aggregates Australia Concrete Pipes Association of Australia
New Zealand 	<ul style="list-style-type: none"> Concrete New Zealand 	Brazil 	<ul style="list-style-type: none"> Brazilian Portland Cement Association (ABCP) / Sindicato Nacional da Indústria do Cimento (SNIC)



In addition, to the above list, we are associated with the European cement association, CEMBUREAU, through our memberships of local European cement associations.

How do you ensure that the advocacy positions taken by your trade associations are aligned with your own stated positions? What do you do if you find your positions and the positions of your trade associations are not aligned?

CCEOs and employees that are active in trade associations that we are members 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 organisations are aligned to its own but it also works in full respect of the governance rules in place in all trade associations. Should major divergences in position appear, Holcim will dissociate itself from the trade association's position and related activities, or in extreme cases, renounce its mandates within the organisation and/or its membership. 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.

How much do you spend on advocacy?

Holcim Group companies reported spending c. CHF 945,000 on direct advocacy activities in 2020. The issues they advocated for included:

- Global issues such as the climate and circular economy agenda
- Local / regional regulatory and permitting issues linked to our activities, assets and products
- Waste management
- Sustainable construction
- Infrastructure & housing development
- Research & Innovation
- Product standards & norms

Total membership fees paid by Group companies to trade associations and chambers of commerce in 2020 amounted to CHF 15.8 million. A large portion of the membership fees paid are used by the associations for administration and running costs, member services, marketing, research and public relations. Approximately one third of the fees we paid was used by the associations for advocacy purposes.

3. Holcim's 2020 Trade Associations Climate Review

The full report of this review is available on our [website](#).

How did you design the scope of your Trade Associations Climate Review?

The scope of the review was designed to represent both the Group's geographical footprint and major financial contributions (>CHF 250,000). Twenty organizations were part of the review, representing c. 80% of the total membership fees paid by Group companies to trade associations and industry bodies in 2020.

How were the organizations assessed?

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
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
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

What were the main outcomes and way-forward of your Industry Associations Climate Review?

None of the selected organizations have material misalignment or diverging views with Holcim's policy positions. However, some organizations do not have formal positions on some of the topics assessed. In most cases, the lack of formal position can be explained by the absence of regulatory initiatives locally (e.g. no carbon pricing projects in the country) or

the scope of the organization (e.g. development of a net zero climate roadmap would be complex for multi-sectoral business organizations).

After this review, Holcim:

- has decided to pursue its work with all the organizations included in the scope
- intends to be an active contributor to the climate roadmaps that some of those organizations are currently working on
- will support the two organizations that do not have a formal position on the Paris Agreement in view of taking a more formal position over the next couple of months
- will initiate, in addition to this centralized assessment, a systematic review process to be undertaken at country level.

In 2022, the Group intends to update this review to include an assessment of the results of those actions.

[Why are you members of API? Why was this membership not part of the review?](#)

Holcim is a low tier member of API as the organization defines safety and quality standards for numerous applications in the energy industry. Holcim is not involved in API advocacy. Today, API standards are mandatory by the regulators and customers in most countries, including for the well cements and quality management systems. Our company is currently working with API to develop low-carbon cement solutions and standards which, if adopted by the industry, would reduce carbon emissions by 25-40%. API also certifies and audits quality management systems at our plants. Our low tier membership is focused on this standardization, certification, external audit and low carbon technologies.

As our membership in API is linked only to the certification, external audit, technology and standardization process and is in the low range budget, API was not included in the 20 organizations reviewed.