Cemex Trade Association Climate Advocacy Review



FUTURE IN ACTION

CEMEX

Overview

Cemex believes that climate change is one of the biggest challenges of our time and supports collective action to ensure compliance with the Paris Agreement commitments and fulfillment of the United Nations Sustainable Development Goals on climate action. As part of our commitment to addressing climate change, we launched Future in Action, our global climate action program focused on developing products with sustainable attributes, solutions, and processes to become a net-zero CO_2 company by 2050.

Since launching Future in Action in 2020, Cemex has reduced its CO_2 emissions by 15%, which in the past would have taken us 16 years to achieve. We also have become among the first companies in the cement industry to have our 2030 and 2050 decarbonization goals validated by the Science Based Targets initiative (SBTi), including our 2050 goal of becoming a net-zero company in alignment with their 1.5°C scenario, the most ambitious pathway defined for the industry.

A key component of achieving our climate action targets and ambition to become a net-zero company is promoting public policies that enable the decarbonization of the cement and concrete industry. We firmly believe that implementing policies based on green and circular economy principles offers significant opportunities to achieve substantial emissions reductions across multiple sectors, with the cement and concrete industry playing a central role.

Close collaboration across industry stakeholders is crucial for accelerating the adoption of climate-friendly policies and regulations. We actively work with industry peers and external trade associations to promote the policies and regulations that enable the transition to a carbon-neutral future. Cemex is committed to lobbying and advocating for public policies and regulations in line with the goals of the Paris Agreement of restricting global temperature rise to 1.5°C above pre-industrial levels. Additionally, we are committed to advocate and lobby aligned with the Paris Agreement within the industry trade associations of which we are a member. To ensure this alignment, we have conducted a comprehensive review of our trade associations' climate policy positions.



Scope & Methodology

To conduct the trade association climate advocacy review, we originally selected 17 main trade associations that advocate for policy issues related to the cement and concrete industry, accurately reflecting the company's geographical footprint and representing most of our trade association budget. However, following our divestments in the Dominican Republic, Guatemala, and the Philippines, the number of reviewed organizations has since been reduced to 14. The list includes organizations whose mandate is related to public policy advocacy that could influence climate policy. We evaluated these associations based on the following criteria:

1. **Paris Agreement and the Net-Zero Agenda**
   Supports the goal of the Paris Agreement to limit the increase in the global average temperature to well below 2°C above pre-industrial levels, and to pursue efforts to limit temperature increase to 1.5°C above pre-industrial levels; move the world to net-zero CO_2 emissions.

2. **Circular Economy Directives**
   Supports policies and regulations that enable utilizing non-recyclable waste as alternative fuel to substitute conventional energy sources or as substitute for raw material consumption.

3. **Lower-Carbon Products**
   Supports policies that encourage the adoption of lower-carbon building materials that have lower clinker factors and other sustainable attributes.

4. **Clean Electricity**
   Supports policies that enable the deployment of clean energy sources such as wind, solar, and hydro for electricity grids.

5. **Emissions Trading Systems**
   Supports the implementation of market-based mechanisms such as Emissions Trading Systems (ETS) to regulate CO_2 emissions.

6. **Research & Development (R&D) Funding for Decarbonization Technologies**
   Supports government investment in the R&D of new, innovative decarbonization technologies such as Carbon Capture, Utilization, and Storage (CCUS) to bridge the gap to net-zero in hard to abate sectors.

The review consisted of two components: (1) an independent analysis of publicly available information: reviewing public statements, media releases, social media, and publications; and (2) a survey sent to the trade associations to complement the analysis and bring their direct position into the review. The review was led by the global public affairs team, collaborating with regional and local public affairs team members and the trade associations. Results were validated by the global sustainability team.



Trade Association Positions

Geography	Association	Supports Paris Agreement and the Net-Zero Agenda?	Supports Circular Economy Directives: utilizing waste as alternative fuel or raw material?	Supports policies that encourage adoption of Lower-Carbon Products?	Supports transition to Clean Electricity?	Supports Emissions Trading Systems?	Supports R&D Funding for Decarbonization Technologies?
Global	GCCA	Yes	Yes	Yes	Yes	Yes	Yes
Europe	CEMBUREAU	Yes	Yes	Yes	Yes	Yes	Yes
Latin America	FICEM	Yes	Yes	Yes	Yes	Yes	Yes
Colombia	PROCEMCO	Yes	Yes	Yes	Yes	Yes	Yes
Czech Republic	SVC	Yes	Yes	Yes	Yes	Yes	Yes
France	UNICEM	Yes	Yes	Yes	Yes	Other Not applicable	Yes
Germany	VDZ	Yes	Yes	Yes	Yes	Yes	Yes
Mexico	CANACEM	Yes	Yes	Yes	Yes	Yes	Yes
Poland	SPC	Yes	Yes	Yes	Yes	Yes	Yes

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Spain	IECA	Yes	Yes	Yes	Yes	Yes	Yes
	OFICEMEN	Yes	Yes	Yes	Yes	Yes	Yes
UK	MPA	Yes	Yes	Yes	Yes	Yes	Yes
USA	NRMCA	Yes	Yes	Yes	Other No formal position	Other No formal position	Yes
	PCA	Yes	Yes	Yes	Yes	Yes	Yes

Level of alignment:

- Yes - Public position is aligned with Cemex
- No - Moderate misalignment may exist due to advocacy against the Cemex position
- Other - Not applicable to the activities of the association; or the association lacks a formal position

Main Findings & Next Steps

We found no major misalignments between the trade associations' climate policy positions and our own policy positions. Of the 14 associations evaluated, we found 12 were completely aligned with the Paris Agreement and Cemex's climate policy positions. The remaining two associations lacked a formal position in some of the advocacy priorities either due to the activities not being applicable, or the topic not being present in a national debate.

1. **Paris Agreement and the Net-Zero Agenda:** There is unanimous support for the goals of the Paris Agreement and the importance of decarbonizing the industry. All 14 associations evaluated formally support the goals of the Paris Agreement, and a vast majority of the organizations have also developed decarbonization roadmaps to guide their decarbonization activities.

2. **Circular Economy Directives:** All 14 associations evaluated have a formal position supporting regulations and policies that enable the utilization of waste as energy recovery or material reuse in the cement process, with only ICCG not having a formal position on circular economy directives.

3. **Lower-Carbon Products:** All organizations evaluated are active in promoting policies that encourage the use of lower-carbon products, including through changes to the regulatory framework and public procurement.

4. **Clean Electricity:** Most of the associations evaluated fully support policies that enable an energy transition from fossil fuels to renewable sources of energy to power electricity grids. Only one organization (NRMCA) does not have a formal position on the transition to clean electricity.

5. **Emissions Trading Systems:** A majority of the organizations evaluated engage with government authorities to promote market-based carbon pricing mechanisms in the form of Emissions Trading Systems. Two associations evaluated do not have a formal position, either because their activities are not covered by an ETS (UNICEM), or because there is not a robust debate for carbon prices in the national scene (NRMCA).

6. **R&D Funding for Decarbonization Technologies:** All 14 associations evaluated fully support government R&D funding to develop innovative decarbonization technologies such as CCUS that enable the decarbonization of the industry.

Next Steps

Cemex will continue working closely with our trade associations to consistently ensure alignment between their policy positions and our own. We recognize that some associations may not have taken a public position on topics included in this review due to local differences in political context, regulatory maturity, or association activity scope. Where applicable, Cemex will work with the associations that lack a formal position through various subcommittees and leadership positions to develop a position that is fully aligned with our own. During future reviews, if a significant misalignment between an association's position and our own is identified, we will increase our engagement in the association to attempt to improve the alignment. If the association repeatedly pursues policies and actions that are contrary to Cemex's positions, we will publicly state our disagreement and conduct an internal analysis to determine if rescinding membership may be needed. Cemex will conduct its Trade Association Climate Advocacy Review biannually going forward to ensure alignment.