CEMEX'S POSITION ON CIRCULAR ECONOMY

The Challenge

Between 1970 and 2024, natural resource extraction globally increased more than 255% - from 30 billion to 106.6 billion tons.[1] The world is currently using the equivalent of 1.6 earths to maintain its current way of life, and natural resource extraction is projected to increase to 160 billion metric tons by 2060 at this pace.[2] Natural resource extraction contributes to half of global greenhouse gas emissions and 90% of biodiversity loss. Despite efforts from policymakers and voluntary commitments from the private sector to curb consumption, economies remain largely linear, or "take-make-waste", with only 7.2% of the world's economy being circular.[3] With increasingly depleted natural resources, the world needs a model of production and consumption that ensures economies can grow sustainably and natural resources aren't over-extracted.

Our Position

Cemex supports a circular economy model where materials are reused, and nature is regenerated. By maintaining the use of products and materials and extending their lifecycle as long as possible, a circular economy approach addresses climate change, biodiversity loss, waste management, and pollution by minimizing the consumption of finite resources.

As part of a circular economy model, Cemex also supports the co-processing of non-recyclable waste in cement kilns as it is an established, environmentally sound, and highly regulated waste treatment option.[4] The circular economy model significantly benefits the environment as it avoids depleting biodiversity and habitat loss from virgin natural resource extraction, while also reducing greenhouse gas emissions from landfilling waste, which emits methane, a greenhouse gas that is 80 times more potent than CO_2 in its first 20 years.[5]

The cement industry has a unique ability to contribute to the circular economy by transforming waste from other industries and societies that would otherwise have been landfilled into useful materials. Our manufacturing processes allow us to use waste and become a circularity hub that can actively and simultaneously contribute to both reducing our CO_2 emissions while building a circular economy. Utilizing waste in the cement manufacturing process yields many benefits, as it reduces the CO_2 intensity of the process, avoids methane emissions from waste that would have gone to landfills, cuts consumption of virgin raw materials, and supports local waste management constraints. In line with this position, we support circular economy directives - programs, policies, norms, and regulations - to improve resource efficiency, reduce waste, and enable sustainable waste management practices across industrial sectors.

Our Approach

[1] UN Environment Programme, Global Resources Outlook 2024.

[2] UN Environment Programme, Global Resources Outlook 2024.

[3] The Circularity Gap Report 2025, Circle Economy in collaboration with Deloitte.

[4] UNEP Basel Convention (2011): Technical guidelines on the environmentally sound co-processing of hazardous wastes in cement kilns: as adopted by the 10th meeting of the Conference of the Parties to the Basel Convention on the Control of Transboundary Movements of Hazardous Waste and their Disposal (decision BC-10/8), Cartegena, Colombia.

[5] UN Environment Programme, Facts About Methane, July 2024.

At Cemex, we maximize the use of non-recyclable waste and by-products with a particular focus on three waste streams: Municipal and Industrial waste (M&IW), Construction, Demolition & Excavation materials (CDEM), and industry by-products. We utilize these waste streams in three of our climate action decarbonization levers: fossil fuel substitution through alternative fuel, clinker substitution through alternative cementitious materials, and limestone substitution with decarbonated raw materials.

In 2024, Cemex repurposed 27 million tons of waste, which is roughly equivalent to the municipal waste produced annually in the U.K. By 2030, we aim to increase the amount of waste and by-products we repurpose by more than 50%. We also substituted 37% of the fossil fuels used in our kilns with alternative fuels through co-processing (simultaneously using waste as both a raw material and an energy source to replace fossil fuels and natural mineral resources in industrial processes). In Europe, where industry-supportive and stable policy frameworks exist, our alternative fuel usage set an industry benchmark where it exceeded 75% in the U.K., Germany, and the Czech Republic, and it even reached 95% in Poland.

Through its Regenera business, Cemex provides circularity solutions to extend the life cycle of products and materials. Regenera offers waste management solutions to public and private sector organizations, including receiving, managing, recycling, and co-processing waste.

Since Regenera launched in 2023, Cemex has repurposed nearly 58 million tons of municipal and industrial waste; construction, excavation, and demolition materials; and by-products like fly ash and slag from other industries.

The Road Ahead

The transition towards a global circular economy requires a complete transformation of economic sectors.

With the right regulations and incentives, the cement industry – one of the few industries that can repurpose waste - can play a significant role in the transition to a circular economy. Government policies and incentives must be redesigned to promote this transition. Cemex is committed to work with governments, civil society, and industry partners to advocate for the development of a circular economy and to work to alleviate some of the most pressing issues confronting our communities: waste and scarce natural resources.

We support:

- Waste policy frameworks that regulate and prioritize how waste is utilized and disposed, including the recognition of co-processing as the most optimal energy recovery option, above incineration, and a dedicated code (R15) for co-processing under Annex IV of the Basel Convention.
- Financial and fiscal incentives to disincentivize landfilling, and unregulated waste, such as landfill taxes and gate fees, pay-as-you-throw schemes, methane fees, and producer-extended responsibility laws.
- Waste infrastructure to improve the collection, sorting, and treatment of waste into valuable resources, including all waste streams and allowing public-private collaboration to manage and treat waste where applicable.
- Building codes and standards that allow for the utilization of blended cements to provide products that have more sustainable attributes and lower carbon emissions, as well as recycled products such as recycled Construction, Demolition and Excavation material (CDEM) in cement, concrete, and aggregates.