



# OUR CONTRIBUTION TOWARDS A CARBON NEUTRAL WORLD

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CEMEX Position on  
Climate Change

## Executive Summary

*CEMEX believes that climate change is one of the biggest challenges of our time and supports the urgency of collective action to ensure compliance by all parties in the implementation of the Paris Agreement commitments and the fulfilment of the UN Sustainable Development Goals on Climate Action. Advancing on climate solutions requires a collaborative cross-industry action and cooperation with governments, non-profit organizations and multilateral institutions.*

*Climate change has been a priority for CEMEX for many years and we have been working to maximize the technical levers currently available in the cement production process: investing in energy efficiency, use of alternative fuels, expanding our use of renewable energy and increasing clinker substitution through alternative cementitious materials.*

*Through these efforts we have achieved a significant reduction of more than 22% in our net specific CO<sub>2</sub> emissions compared to our 1990 baseline. In 2019 we announced a goal to reduce 30% of our CO<sub>2</sub> net emissions by 2030, and we are now committing to a more ambitious intermediate target of reducing 35% our CO<sub>2</sub> net emissions by 2030, aligned with the Science-Based Targets Methodology. To ensure we meet our new target, this objective has been included in our CEO and top management variable compensation scheme and we have detailed CO<sub>2</sub> roadmaps developed at each of our cement plants which include a roll out of proven CO<sub>2</sub> reduction technologies and the investments required for their implementation.*

*Cement is the basic ingredient of concrete, our end product that is the second most widely used material in the world after water. There are no substitutes for the key attributes of concrete: strength and resilience. As a result, we believe concrete has a critical role to play in the transition to a Low-Carbon Economy. We have the aspiration to deliver net-zero CO<sub>2</sub> concrete globally by 2050, which will contribute to the development of climate-smart urban projects, sustainable buildings and climate-resilient infrastructures. The technology to reach this goal is still in early stages of development and we intend to work with the industry, governments and multilateral agencies to develop the means to achieve this important goal of net-zero concrete.*

*The opportunity for reducing our emissions is not limited to the production process but to the whole life cycle of our products. This includes the manufacturing, delivery to construction site, finished construction and the recycling and re-use of the materials at the end of their lifecycle. The biggest contribution of concrete is in the use phase due to its unique inherent characteristics: strength, durability, energy efficiency, resilience, minimum maintenance, recyclable and lower CO<sub>2</sub> emissions over its full life cycle compared to other construction materials.*

*The presence of a robust and sustainable cement and concrete industry is closely linked to the economic development of local regions and countries. CEMEX believes that the availability of the building materials we offer - cement, concrete and aggregates - are the foundations of sustainable economic development: putting roofs over the heads of billions, creating affordable homes for those living below the poverty line, providing a living wage for the local construction team that builds it, fortifying existing infrastructure against natural disasters and providing building solutions tailored for critical societal services like healthcare, education, mobility, energy and industrial development.*

*We shall be open and transparent in measuring our progress and advocate for the urgent need to make climate change a top priority in the industry. As a reflection of this, CEMEX has recently been included in the "A List" of CDP (formerly Carbon Disclosure Project), in recognition for our actions to cut emissions, mitigate climate risks and develop the Low-Carbon Economy. CDP's annual environmental disclosure and scoring process is widely recognized as the gold standard of corporate environmental transparency.*

CEMEX HAS THE  
ASPIRATION TO DELIVER  
NET-ZERO CO<sub>2</sub> CONCRETE  
GLOBALLY BY 2050



# OUR POSITION ON CLIMATE CHANGE

CEMEX believes that climate change is one of the biggest challenges of our time and supports the urgency of enhanced ambitions to ensure the highest possible mitigation and adaptation efforts by all parties, recognizing the need to limit global warming beyond 2° Celsius.

Climate change has been a priority for CEMEX for many years and we have been working to maximize the technical levers available in the cement production process: investing in energy efficiency, using alternative fuels, expanding our use of renewable energy and increasing our substitution of clinker through alternative cementitious materials.

Through these efforts we have achieved a significant reduction of more than 22% in our net specific CO<sub>2</sub> emissions compared to our 1990 baseline and we are now committing to a more ambitious intermediate target of reducing 35% our CO<sub>2</sub> net emissions by 2030, which should take us to a level of emissions of 520 kgCO<sub>2</sub> per ton of cementitious product. This new target is aligned with the Science-Based Targets Methodology, so that we contribute to meet the Paris Agreement goals.

Cement is the basic component of concrete, our end product. Concrete has a key role to play in the transition to a Low-Carbon Economy as it is the most used man-made material in the world used to build resilient infrastructure (roads, highways, bridges, dams, airport runways, etc.) and buildings (schools, hospitals, homes, commercial and industrial buildings).

We have the aspiration to deliver net-zero CO<sub>2</sub> concrete globally by 2050, which will contribute to the development of climate-smart urban projects, sustainable buildings and climate resilient infrastructures.

The challenge of significantly cutting global emissions will also require a transformation of the built environment that looks strategically at the full construction value chain and incorporates products that can guarantee performance both in terms of carbon-efficiency and resilience.

The opportunity for reducing emissions is not limited to the production process but to the whole life cycle of our products. The biggest contribution of concrete is in the use phase due to lower CO<sub>2</sub> emissions over its full life-cycle compared to other construction materials.





# AS OF 2019, WE HAVE REDUCED 22% OUR NET CO<sub>2</sub> EMISSIONS PER TON COMPARED TO 1990

Although more data, transparency and robust life-cycle standards are still needed to cover all the emissions in the built environment, an independent 2019 report from the International Institute for Sustainable Development “*Emission Omissions: Carbon accounting gaps in the built environment*” suggests that, when all those emissions are taken into account, concrete’s embodied carbon footprint could be up to 6% less intensive than that of wood products.

The presence of a robust and sustainable cement and concrete industry is closely linked to the economic development of local regions and countries. CEMEX believes that the availability of the building materials we offer - cement, concrete and aggregates - are the foundations of sustainable economic development: putting roofs over the heads of billions, creating affordable homes for those living below the poverty line, providing a living wage for the local construction team that builds it, fortifying existing infrastructure against natural disasters and providing building solutions tailored for critical societal services like healthcare, education, mobility, energy and industrial development.

Concrete is a local business, employing local communities and boosting local economies. The components that go into making concrete –

aggregates, cement and water - are also sourced locally. Hence it is one of the few industries where the production value remains local. Most ready-mixed concrete is used within 30 km of the production site.

With this emphasis on local value, the sector is a vital component in strengthening and building local economies by delivering access to sustainable building materials, promoting skilled jobs and generating stable economic activity. Today, it is estimated that the global cement industry employs directly approximately 1.2 million people and supports millions more in its supply chain.

We believe that all economies have the right to develop to their maximum potential. In line with the rising global population and urbanization patterns, global cement production is set to grow by 12-23% by 2050 from current levels. Knowing this, our challenge is clear - we must meet the increasing demand for cement around the globe, while at the same time, significantly reducing direct and indirect CO<sub>2</sub> emissions from our operations, together with providing sustainable and innovative solutions for society. CEMEX will focus on delivering innovative products that build resilience to climate change impacts and advance building sustainability.



CONCRETE ABSORBS UP  
TO **25%** OF ITS  
EMBODIED CO<sub>2</sub> PROCESS  
EMISSIONS DURING ITS  
LIFETIME

# DECARBONIZING OUR OPERATIONS

Up to 2019, we have achieved a significant reduction of more than 22% in our net CO<sub>2</sub> emissions per ton of cementitious compared to 1990 levels, which just for that year alone, meant we avoided emitting more than 7.5 million tons of CO<sub>2</sub>, equivalent to the emissions of 1.6 million passenger vehicles driven in one year. With our new target of further reducing 35% our net CO<sub>2</sub> emissions by 2030, we shall avoid the annual emission of up to 16 million tons of CO<sub>2</sub> by 2030 compared to 1990 levels, equivalent to the emissions of 3 million passenger vehicles driven in one year.

CEMEX has been working for many years to maximize the use of traditional levers available in the cement sector such as investing in optimizing the energy efficiency of our plants, fuel switching strategies to use alternative fuels, expanding the use of renewable energy and increasing the substitution of clinker in cement by alternative cementitious materials.

We are committed to continue reducing our direct and indirect emissions in our processes, both through the maximization of the traditional CO<sub>2</sub> reduction levers and through investing in innovation.

1. New types of clinker and novel cements
2. Energy efficiency
3. Increasing the use of alternative fuels to substitute fossil fuels
4. Maximizing the use of renewable energy as power source
5. Clinker substitutes
6. Expanding and protecting natural carbon sinks
7. Implementing Carbon Capture, Utilization and Storage (CCUS) and other carbon innovative technologies

We are also pursuing new innovative processes to mitigate our environmental impact through

continuous improvement in our production processes, like the production of novel cements as alternatives to traditional Portland cement. But even with the most efficient processes possible, there is a part of the CO<sub>2</sub> emissions linked to production that cannot be avoided due to the process emissions from the decarbonization of limestone. That is why we recognize the need of exploring innovative Carbon Capture, Utilization and Storage (CCUS) technologies, which shall enable us to minimize our impacts.

[New types of clinker and novel cements with lower carbon footprint](#)

In recent years, the development of new types of clinker with a smaller CO<sub>2</sub> footprint and/or higher reactivity has received increased attention. CEMEX has successfully developed new types of clinker with 20% to 30% lower emissions due to changes in the raw meal composition and lower emissions in cement due to the increased reactivity of the clinker, allowing a higher content of clinker substitutes in cement. CEMEX has already introduced a new clinker type with lower energy demand and higher reactivity in a relevant number of its cement plants and continues to work in this area.

[Energy Efficiency](#)

Energy efficiency plays a central role in achieving a Low-Carbon Economy, reducing energy demand and lowering energy-related emissions, while helping mitigate climate change. Cement manufacturing remains an energy intensive process, so our focus is to identify opportunities to replace outdated equipment with new energy efficient technologies and optimize existing plants with automation and process control technology. An example of this is the recently implemented project in our Sv Juraj plant in Croatia where the system which controls the



# 28%

## Alternative Fuel Substitution Rate in 2019

fans to cool the clinker production was replaced, allowing for a 25% reduction in power consumption.

### [Increasing the use of Alternative fuels to substitute fossil fuels](#)

A relevant lever to reduce emissions from our combustion process is the use of alternative fuels from different sources of waste (industrial waste, municipal solid waste, biomass, tires, etc.) to substitute fossil fuels, such as coal and pet coke. Our challenge when increasing our substitution rate is the lack of stable quality waste supply, limited policy incentives targeted at developing the waste-to-fuel value chain and a lack of a regulatory framework that recognizes co-processing as the optimal waste management solution for unrecyclable materials.

Co-processing is a more efficient waste management solution than landfilling and incineration, this means that the cement industry is a net consumer of waste and it's at

the heart of the Circular Economy. Co-processing leads to 4 key climate objectives:

- Reducing CO<sub>2</sub> intensity of cement manufacturing
- Reducing our dependence on fossil fuels
- Decreasing the amount of landfilled waste
- Minimizing public investment costs in new dedicated waste management facilities

At CEMEX, we are continuously investing in upgrading our cement plants to maximize the use of alternative fuels. In 2019 our alternative fuels substitution rate was 28%; we co-processed 3 million tons of waste in 90% of our cement plants, enabling the replacement of almost 2 million tons of coal. We shall continue to seek investment opportunities to find and transform new sources of waste to replace fossil fuels, wherever possible.



### Maximizing the use of renewable energy as power source

Our indirect emissions, related to the electricity consumed by our plants, are also an opportunity to reduce our environmental impact. Our Global Energy business focuses on promoting and developing strategic projects to allow access and use of renewable energy sources in our operations worldwide.

It not only complements to our existing efforts to reduce carbon emissions, but also makes business sense, representing economically attractive sources of energy in the countries where we operate. As a result of our strategy to transition to clean energy sources, during 2019, 30% of our cement operations' power supply came from renewable sources. We currently lead our industry in this effort and we have established an ambitious 2030 goal of 40% of our projected consumption. An example of this ambition is the partnership we have established in the UK to consume 100% renewable electricity in over 320 sites starting in 2019.

Renewable energy is increasingly available and in some markets, it's becoming very competitive compared with fossil fuel generation. However, production unpredictability and intermittency

from its reliance on external factors such as wind and sunlight, means that renewable energy has not yet been able to fully replace fossil fuel generation.

To overcome unpredictability and intermittency, CEMEX partnered with Energy Vault to develop an energy storage technology that enables renewables to deliver around-the-clock baseload power for less than the cost of fossil fuels. The solution is not dependent on land topography or specific geology underground.

### Clinker substitutes

The use of other cementitious materials reduces the clinker-to-cement ratio, which means lower emissions and lower energy use. CEMEX uses clinker substitutes such as blast furnace slag, fly ash, limestone and other pozzolanic minerals to reduce our carbon footprint. Currently, the average clinker content in our cement products is of 78.7% as of 2019, down from 85.5% in 1990. This has allowed us to avoid approximately 4 million tons of CO<sub>2</sub> during 2019.

One of our key challenges is the local availability of clinker substitutes; for example, granulated blast furnace slag availability depends on the location and output for pig-iron production having a slag granulator, the fly ash availability is



**30%**  
**OF OUR ENERGY  
SUPPLY CAME FROM  
RENEWABLES IN 2019**

dependent on supply from local coal-fired power plants and the availability of natural pozzolans is limited to a number of locations. Additionally, in the medium term, the future decarbonization of the power sector could limit the availability of fly ash and the production of slag is expected to decline.

Therefore, CEMEX is dedicating its efforts and investing in the research and development of other cementitious materials and fillers to replace clinker content, like calcined clay, which has pozzolanic-type properties.

CEMEX has also been developing its know-how to find the optimal synergies between organic chemicals and its clinker chemistry in order to develop tailor-made quality enhancer additives to improve the reactivity of cement and therefore also increase the inclusion of clinker substitutes. At the same time, CEMEX is using its proprietary grinding aids admixture technology to reduce energy consumption during cement production.

### Expanding and protecting natural carbon sinks

We strongly support the role that natural carbon sinks play in reducing the total CO<sub>2</sub> concentration in the atmosphere. CEMEX's nature reserve, El Carmen (140,000 hectares wildlife reserve located on the U.S. - Mexican border), stores around 11 million metric tons of biologically sequestered CO<sub>2</sub>. In addition, 23.5 million tons of CO<sub>2</sub> are currently stored within the vegetation of all our 300 quarries around the world. It is our intention to expand and protect these natural carbon sinks.


Additionally, during 2019 we published the 27<sup>th</sup> volume of our Conservation Book series which is focused on how nature-based solutions contribute significantly to capture and store CO<sub>2</sub>. Through a combination of impressive photography and expert commentaries, this volume aims to inspire global audiences to continue expanding and protecting natural carbon. In this book, CEMEX has been honored to work with some of the world's most prestigious conservation organizations such as Conservation International, Wild Heritage, Sea Legacy and Global Wildlife Conservation.

Through these publications we want to promote environmental awareness, which is key for decision-making on conservation issues, while reinforcing our company's commitment to promote a culture of biodiversity conservation.

### [Implementing Carbon Capture, Use and Storage \(CCUS\) and other carbon innovative technologies](#)

It is essential that CO<sub>2</sub> separation and capture technologies become widely available to achieve the sectorial reduction ambitions. Several of these Carbon Capture, Use and Storage technologies are being evaluated at large scale by the power and the cement sector.

CEMEX actively participates in various R&D collaborative efforts with different sectors to develop CCUS technologies, as well as other carbon technologies. Some of these projects include: LEILAC, eCOCO<sub>2</sub> and Oxyfuel.

A landscape photograph showing a field of tall, golden-brown grasses in the foreground. In the background, there is a dense forest of green trees under a bright sky. The text is overlaid on the left side of the image.

**11 MILLION METRIC  
TONS OF CO<sub>2</sub> ARE  
BIOLOGICALLY  
SEQUESTERED IN EL  
CARMEN RESERVE**



# THE ROLE OF CONCRETE IN A CARBON NEUTRAL ECONOMY

Concrete plays a fundamental role in the transformation that the built environment requires to mitigate climate change. More importantly, in order to achieve rapid and impactful climate change mitigation, CEMEX believes the key is INNOVATION.

## Technologies targeting Climate Change

Led by CEMEX Global R&D and CEMEX Ventures, the company is advancing in cutting-edge research and developing a wide range of technologies and construction solutions that are contributing, or are designed to contribute, to the mitigation of CO<sub>2</sub> emissions, enhancement of energy efficiency of buildings, improvement of resilience, intensification of long-lasting structures and the maximization of resources by circulating products, components, and materials in use at the highest possible levels at all times.

CEMEX's portfolio of concrete technologies, construction solutions and global brands offers lightness, porosity, resistance, ductility and a number of other unique features that fulfill the increasingly demanding performance requirements of sustainable buildings, structures and cities.

- **Recarbonation of CO<sub>2</sub>** - A key characteristic of concrete is carbonation, which is the gradual absorption of CO<sub>2</sub> during the lifecycle of the concrete structures in the buildings. During the life of a built structure, up to 25% of the process emissions related to the production of the cement can be absorbed. In collaboration with key partners and start-ups, CEMEX is developing advanced research to accelerate this carbonation process.
- **Energy Efficiency** - Making use of concrete's unique capacity to manage heat (insulate, reduce, absorb, retain, reflect and conduct), CEMEX has developed a palette of concrete technologies that enable energy savings in buildings and cities.
- **Resilience** - Through advanced material engineering, CEMEX takes advantage of the porosity of the material to develop solutions that manage water to reduce the magnitude and/or duration of disruptive events such as floods or droughts. Furthermore, CEMEX's

concrete technologies provide construction solutions with the capacity to resist fire, hurricanes and other natural disasters.

- **Life-Cycle** - CEMEX has enhanced the inherent durability and long-lasting characteristics of concrete to develop products that can easily be placed under extreme weather conditions and will require minimum maintenance throughout the entire life of the construction.
- **Circular Economy** - CEMEX has focused strong efforts on developing in-house technology to reducing both inputs of materials and outputs of waste. To exemplify, CEMEX's unique fiber-reinforced concrete technology eliminates the need of steel reinforcement in structures, enabling thinner elements which lead to a more efficient use of materials. On the other hand, CEMEX's technologies make use of waste streams to generate products and solutions with identical performance as conventional concrete such as reuse of returned concrete, use of recycled aggregates and use of by-products from other industries.


CEMEX is one of the 22 industrial partners working together with public organizations, private research centers, and universities in the European project FastCarb. This project aims at validating accelerated carbonation of recycled

concrete aggregate while improving the quality of this aggregate by plugging the porosity and ultimately reducing the impact of the CO<sub>2</sub> in the concrete contained in structures. FastCarb is administrated by IREX (*Institut pour la Recherche Appliquée et l'expérimentation en Génie Civil*) and is supported by the French Ministry in charge of Sustainable Development (*Ministère de la Transition Écologique et Solidaire*).

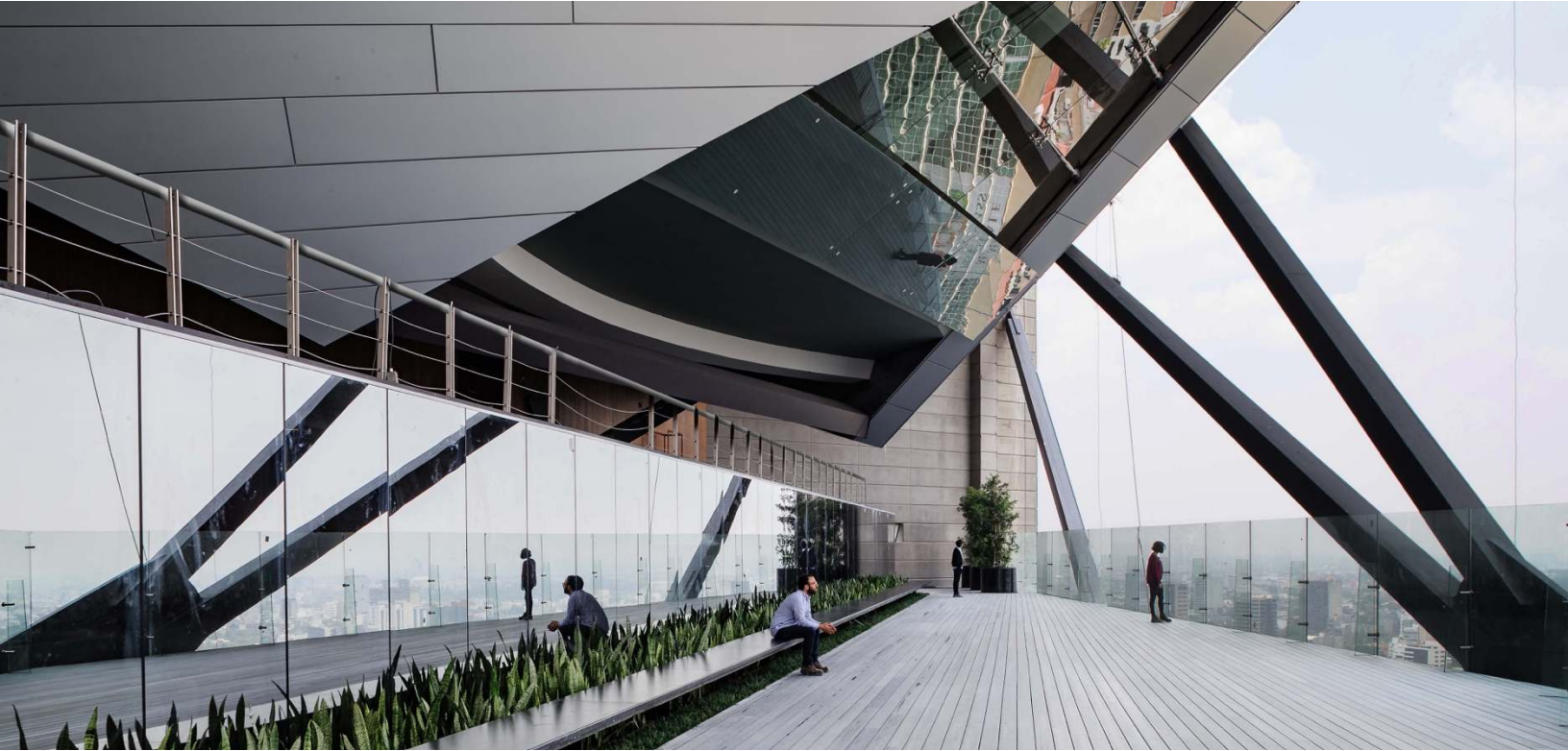
We are strongly committed to continuing investing in Research and Development (R&D) to deliver innovative solutions and drive a business model that benefits both the environment and society and we shall continue to promote and encourage the use of sustainable products among our clients (developers, architects, government, etc.) by investing in technical capacity building that generates the foundations of eco-friendly decision making and enables the building environment to transition towards the use of lasting and sustainable products.

As CEMEX, we go hand in hand with our clients and partners in creating a Low-Carbon Economy where the use of innovative building materials and solutions is driving the market. We will continue to provide green building services to promote building codes and certifications which derive in high performance building standards.

CEMEX advocates for the incremental use of low-carbon and climate resilient products in its engagements with governments, NGO's, and distinguished academics by increasingly getting involved at the early stages of buildings and infrastructure planning and design in the countries where we operate.



**CEMEX CONSUMES 32 TIMES MORE  
WASTE FROM OTHER INDUSTRIES  
THAN THE AMOUNT OF WASTE WE  
GENERATE AND SEND TO LANDFILL**



## REPORTING & DISCLOSURE

CEMEX has been a driver of reporting and transparency within the global cement and concrete industry. We believe that successful organizations today must actively measure, report and validate (MRV) in order to create long-term sustainable value and a continuous improvement in their operational culture. We understand reporting and disclosure of environmental impacts and mitigation actions as a key driver for awareness, management and leadership.

### Cement Sustainability Initiative (CSI)



CEMEX was a founding member of the Cement Sustainability Initiative (CSI), which operated under the auspices of the World Business Council for Sustainable Development (WBCSD). Founded in 1999, the CSI was a voluntary CEO-led global effort by 24 major cement producers with operations in more than 100 countries representing around 30% of the world's cement production. CSI members agreed on a global methodology for calculating and reporting CO<sub>2</sub>

emissions: The Cement CO<sub>2</sub> and Energy Protocol.

The protocol was aligned with the overarching Greenhouse Gas Protocol developed under a joint initiative of the WBCSD and the World Resources Institute (WRI) and based on extensive practical application of Getting the Numbers Right (GNR) project.

Today, the work carried out by the Cement Sustainability Initiative (CSI) has been officially transferred from the World Business Council for Sustainable Development (WBCSD) to the Global Cement & Concrete Association (GCCA) as of 1 January 2019.

### Global Cement and Concrete Association (GCCA)



CEMEX is also one of the founding members of the new Global Cement and Concrete Association (GCCA). The GCCA has been established as the global industry platform to enable alignment and to facilitate sustainable development of the cement and concrete sectors and their value chains.

GCCA members are required to develop a climate change mitigation strategy, verify the key performance indicators by a third party, establish targets and report progress in accordance with the GCCA Sustainability Charter allowing the industry to standardize the measuring and reporting on CO<sub>2</sub> emissions at a global level.

Through our work in the GCCA we promote cement and concrete innovation as a key driver for Climate Action. The recent launch of Innovandi, the Global Cement and Concrete Research Network composed of world-class scientists and industry experts, is a testimony of our commitment to achieve sound progress through global collaboration on cement and concrete innovation. The Global Cement and Concrete Research Network is designed to support global innovation with fact-based research focused on lowering the CO<sub>2</sub>.

### Task Force on Climate-related Financial Disclosures (TCFD)

Additionally, we adhere to the recommendations of the Financial Stability Board (FSB) Task Force on Climate-related Financial Disclosures (TCFD) as it represents the next step in our climate-related disclosures. Creating a common understanding of climate-related risks and opportunities across the cement and concrete industry is key in the delivery of the Paris Agreement goals. Disclosure of climate-related governance, strategy, risk and metrics is essential information for successful long-term investors.

### CDP

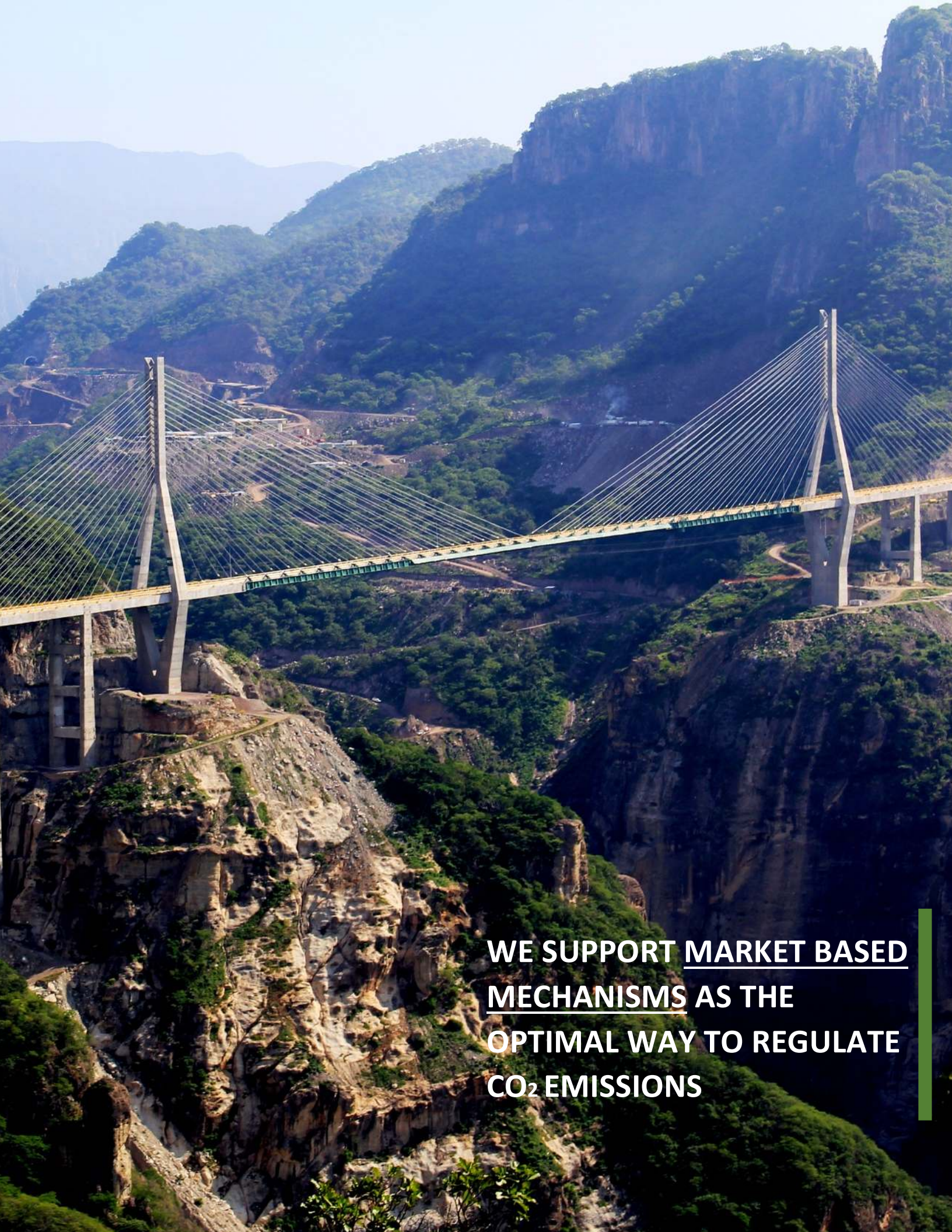


Both, Getting the Numbers Right and the Carbon Disclosure Project (CDP) initiatives, represent together the biggest sources of cross-industry data on CO<sub>2</sub> emissions.

As a result of our disclosure efforts we have been recently included in the “A List” of CDP (formerly Carbon Disclosure Project), in recognition for our actions to cut emissions, mitigate climate risks and develop the Low-Carbon Economy, based on the data submitted by CEMEX through CDP’s 2019 climate change questionnaire. CDP’s annual environmental disclosure and scoring process is widely recognized as the gold standard of corporate environmental transparency.

**CEMEX was included in CDP’s 2019 “A list” in recognition for our disclosure actions in Climate Change**





**WE SUPPORT MARKET BASED  
MECHANISMS AS THE  
OPTIMAL WAY TO REGULATE  
CO<sub>2</sub> EMISSIONS**

# CLIMATE ACTION ADVOCACY

We believe global industry collaboration is key in accelerating the development of strategic Climate Action enablers at a global scale. Therefore, we are active members and hold leadership positions in national, regional and global industry associations in the countries where we operate such as the GCCA (Global), CEMBUREAU (Europe), FICEM (Central and South America), PCA (United States), CANACEM (Mexico), etc. It is mainly through global industry collaboration that we promote and advocate for:

- **Building energy efficiency** - policy measures that apply specific recommendations to advance building energy efficiency through the use of innovative products and construction solutions.
- **Market-based mechanisms and carbon pricing** - we support market-based mechanisms as a key policy instrument and the optimal way to regulate and reduce CO<sub>2</sub> emissions. We believe the market will lead to a predictable and reliable carbon price, enabling confidence among market players and a continuous flow of the required investments on climate solutions. In CEMEX, we have incorporated an internal carbon price into our investment decisions to internally evaluate the exposure to a potential external carbon pricing, driving at the same time a culture of constantly reducing our carbon footprint sometimes even beyond local regulation. Carbon prices based on external mechanisms allow us to better evaluate the profitability of projects and strategies.
- **Avoiding Carbon Leakage** - to avoid carbon leakage, protection should be

offered to the industry where its competitiveness is at stake. Such border adjustment mechanisms are also a way to encourage other countries to promote carbon neutral economies.

- **Efficient Waste Management Systems** - the development and consolidation of efficient waste management systems across the Paris Agreement signatory countries would enable a reliable and high-quality sourcing of alternative fuels, accelerating the efforts of the cement industry to reduce its dependency on fossil fuels. We will continue to build awareness with policy makers in the understanding that our cement plants consume waste, leaving no residues for landfilling, thus a key part in the implementation of a global Waste Management Hierarchy.
- **Circular Economy Policy Framework Implementation** - across the countries where we operate, we strongly advocate for a transition to a Circular Economy where the valorization of waste streams and the design of products are aimed at reducing the impacts of landfilling on human health and the environment.
- **Carbon Capture, Use and Storage Technologies** - we support legislation that enables the development and deployment of Carbon Capture Use and Storage (CCUS) as a potentially crucial technology to limit GHG emissions in the long run.

We disclose our membership and involvement in industry associations related to climate issues in our CDP annual disclosure process and have consistency between our global climate action policy position and those taken at industry association level.



**FOR 2030, WE ARE  
COMMITTED TO ENSURING  
THAT AT LEAST HALF OUR  
CEMENT AND CONCRETE  
SALES ARE LINKED TO  
SOLUTIONS WITH  
OUTSTANDING SUSTAINABLE  
ATTRIBUTES**

# LOOKING FORWARD

- **Net-zero CO<sub>2</sub> Concrete:** Concrete has a key role to play in the transition to a Low-Carbon Economy as it is the most used man-made material in the world. We are focusing our efforts in delivering net-zero CO<sub>2</sub> concrete globally by 2050, which shall contribute to the development of climate-smart urban projects, sustainable buildings and climate resilient infrastructures. This vision requires a concerted effort, not just in the deployment of new emerging technologies to capture and utilize our carbon emissions, but working together with governments, environmental agencies, NGO's, the financial community, industry professionals, manufactures and builders. CEMEX believes that concrete could become the most sustainable building material, having a key role in the emissions absorption and avoidance in buildings and infrastructure. As part of our net-zero CO<sub>2</sub> vision for concrete, CEMEX shall continue preserving the biodiversity and protecting carbon sinks through efforts like our "El Carmen Nature Reserve" and the conservation of the land in our quarries. These nature-based carbon offsets are a fundamental part of the final solution and we will continue to proactively develop and promote them.
- **Carbon Capture, Use and Storage (CCUS):** access to CCUS technologies is a crucial milestone for the industry to be able to continue reducing its GHG emissions in the long run. We believe CCUS technologies have the potential to be cost effective. The development of low-carbon solutions at scale for the industry requires a proactive multi-stakeholder approach and government support.
- **Our Commitment to Innovation:** we are strongly committed to continuing investing in Research and Development (R&D) to deliver innovative solutions and drive a business model that benefits both the environment and society.
- **Use of innovative and sustainable products:** we will continue to promote and encourage the use of sustainable products among our clients (developers, architects, government, etc.) by investing in technical capacity that generates the foundations of eco-friendly decision making and enables the building environment to transition towards the use of lasting and sustainable products. As CEMEX, we go hand in hand with our clients and partners in creating a Low-Carbon Economy where the use of innovative building materials and solutions is driving the market. We will continue to provide green building services to promote building codes and certifications which derive in high performance building standards.
- **Measuring Life-cycle impacts:** we will continue to advocate for the universal implementation of Life-cycle Assessment (LCA) when measuring the carbon emissions in infrastructure and buildings. The way data is presented and the disparity in methodologies used to measure and compare emissions across industries, influences regulatory decision making and public opinion. More quality data, transparency and robust LCA standards, are still needed.



Implementation of LCA standards across all building materials industries, would enable a transparent and fair analysis of the real carbon intensity of different materials and encourage the right policy stimulus to promote low carbon products. For example, according to different studies analyzing LCA of wood, up to 72% of carbon emissions from wood are not being counted for, challenging the assumption that wood construction materials are less carbon intensive than steel or concrete. Concrete's embodied carbon footprint could be up to 6% less intensive than that of wood products when these emissions are considered; moreover, concrete can be the greener choice among all building materials when measured over its complete lifecycle.

- **Contribution to a Circular Economy:** CEMEX currently consumes as alternative fuels or as alternative raw materials 32 times more waste from other industries than the waste we generate and send to landfill. We believe there is potential to do more to consolidate ourselves as the preferred destination for relevant waste streams coming from industrial, commercial or

municipal sources as well as to turn into a business opportunity the possibility of reprocessing the inert waste coming from excavation, demolition and construction activities, transforming it into recycled aggregates that can be used in the concrete production process or in pavement projects. Circular Economy is a natural extension of our core businesses, we will devote great efforts to provide waste solutions to the growing metropolitan areas.

- **Monitoring, Reporting and Verification (MRV):** is key to maintaining accountability. We shall continue to be transparent in our external reporting of climate change performance indicators, always recognizing the risks associated. We shall maintain and even enhance the third-party verification of our key performance indicators so the progress in our Climate Action strategy can be tracked and monitored by all relevant stakeholders.



*This position paper contains forward-looking statements within the meaning of the U.S. federal securities laws. CEMEX intends these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements in the U.S. federal securities laws. In some cases, these statements can be identified by the use of forward-looking words such as “may,” “assume,” “might,” “should,” “could,” “continue,” “would,” “can,” “consider,” “anticipate,” “estimate,” “expect,” “plan,” “believe,” “foresee,” “predict,” “potential.” “target,” “strategy,” “intend” or other similar words. These forward-looking statements reflect CEMEX’s current expectations and projections about future events based on CEMEX’s knowledge of present facts and circumstances and assumptions about future events, as well as CEMEX’s current plans based on such facts and circumstances. These statements necessarily involve risks and uncertainties that could cause actual results to differ materially from CEMEX’s expectations reflected in this position paper.*

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