Circular Economy Policy

January, 17th, 2022

Scope and Objective

The Holcim Circular Economy Policy (the "Policy") applies to Holcim Ltd and its affiliates in our managed and consolidated countries ("Holcim"), and describes our approach towards the efficient use of materials and the reduction of waste.

The Policy forms part of Holcim's core values and its main purpose is to set out the company's objective to drive circular construction in a way that is nature positive, climate friendly and socially inclusive. It decouples our growth from our use of natural resources by providing efficient ways to use materials, eliminate and manage waste. This Policy is publicly available and subject to regular review.

Our Commitment to Circular Construction

With the current trajectory, the world is set to consume the resources of more than two planets by 2040. To stay within our planetary boundaries, we need to shift from a linear, "take, make, waste" economy to a circular one, to "reduce, reuse, recycle" materials wherever we can.

We believe circularity is the opportunity of our time and circular construction is our future. It is socially inclusive, climate friendly, beneficial for nature and is fundamental to achieving our Net-Zero and Nature-Positive goals and to improve lives for all. Our vision is to build more new from the old, with recycled materials in every new building.

Our circular construction model is based on three key levers:

- **Recycling** materials with a focus on urban mining to build more new buildings from old ones.
- **Reducing** buildings' material use and footprint by empowering smart design and technologies like 3D printing.
- **Repairing** and renovating buildings to make them last longer, with our range of smart green retrofitting solutions from roofing to insulation systems.

Concrete is infinitely recyclable and we are scaling up our capability to recycle 100% of concrete-based demolition waste as substitutes for virgin aggregates and low emission raw materials for our green building solutions. To make this happen, we are developing proprietary technologies from digital tools, breakthrough innovations and smart recycling hubs. We engage with public authorities and civil society to enable systemic change and evolve building norms, advocating for mandatory recycling in building standards and procurement.

Our footprint includes assets close to the markets where we operate, providing Holcim with opportunities to access alternative materials from local sources creating value for communities from our waste treatment operations and reducing environmental impact from landfilling.

This Policy and the related policies, directives and MCS (Minimum Control Standards) listed below support this commitment.

Policy Principles

The main principle of this Policy is to accelerate our impact across the [Sustainable Development Goals (SDGs) 9, 11, 12, 13, & 17](#) and the implementation of the waste management hierarchy (shown in Annex 1) to improve the circularity of our operations and products.

We require all our operations to measure the volumes of waste materials used and to proactively identify new opportunities to increase the recycled content of our products. This is to be achieved through a continuous increase of our recycling ratio - the share of materials that we recycle versus our production volumes.

We focus our efforts in eight [main areas](#):

- Manufacturing using recycled industrial byproducts as raw materials;
- Creating new building products from recycling waste, including Construction and Demolition Waste and reclaimed waste from landfills;
- Fueling our sites with energy derived from materials at the end of their lifecycle and turning waste heat from our processes into electrical energy;
- Supporting the development of construction elements designed with minimal material use, to build more with less and preserve our ecosystems;
- Driving renovation of the built environment with innovative repair and retrofitting systems to make buildings more energy efficient and last longer.

- Promoting and investing in innovation to keep construction elements in the built environment through different use-cycles, designing with circularity prioritised;
- Testing and commercialising the utilization of CO2 in new products.
- Working with stakeholders to evolve regulatory building norms and circular procurement standards.

Our commitment is translated to targets and clear actions to drive performance within our operations. We comply with, and often exceed, the applicable local, state, federal and national waste regulations in all our operations. We minimize the generation of waste, and manage the waste generated using safe and responsible methods. Furthermore, we reduce, reuse and recycle waste materials in our own production processes where feasible. We continuously seek to enhance the circularity of our product portfolio and promote the use of products with high recycled content, providing all relevant information to our customers.

To repurpose waste materials in the economy at their highest possible level in the waste hierarchy, we promote the development of business models and resource management systems and collaborate with the built environment value chain and its stakeholders. We seek opportunities to responsibly keep materials in use, reuse them as many times as possible before recovering and recycling them again. We actively search for opportunities to repair and renovate existing buildings. This approach allows the built environment to extend the life of assets and reduce the environmental footprint of the sector.

We engage transparently with our stakeholders and communicate openly on our performance and improvement initiatives with consistent and relevant information. We cooperate pro-actively and transparently with legislators and regulators in relation to new regulations and standards.

Minimum operational requirements

We have identified the following operational requirements:

- Each unit must design, develop and put in place a Waste Management Program following the waste hierarchy (Annex 1).
- Landfilling of internally generated waste must be avoided whenever possible.
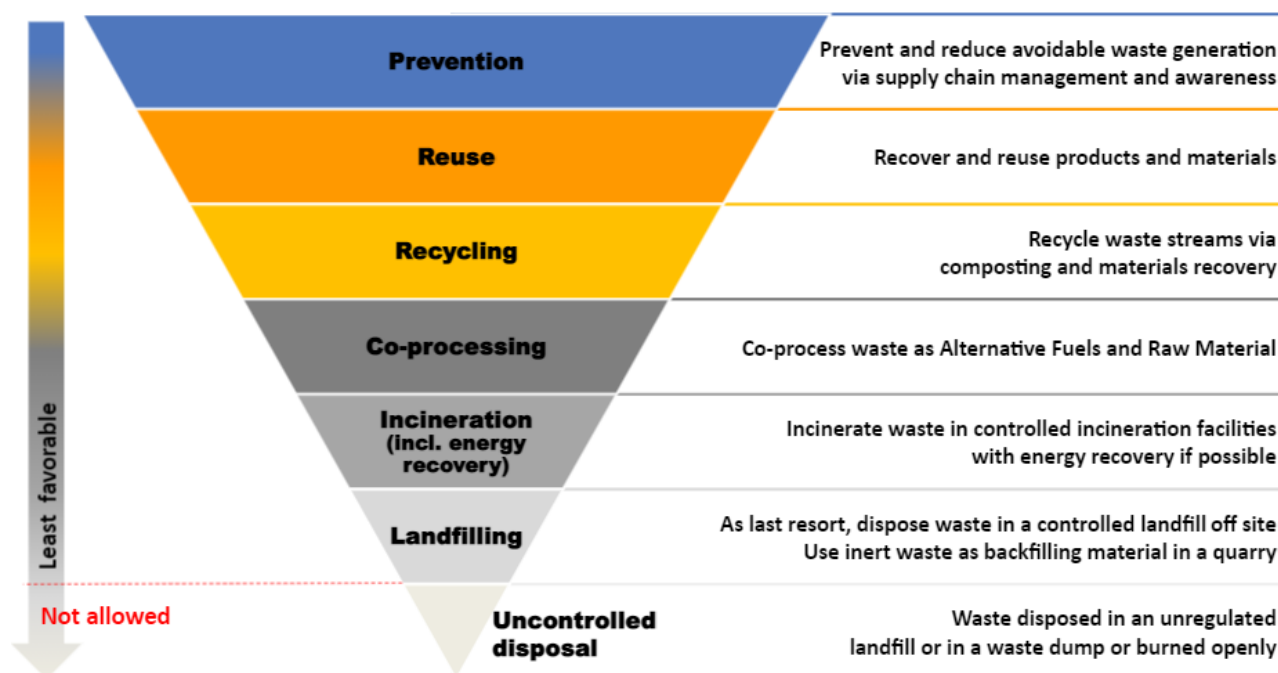
Quality management

We apply stringent quality control processes to ensure the reliability and performance of our products. A quality management system to monitor and control the inputs and outputs of waste, by-product and secondary materials must be defined in each installation, following the frameworks and group standards outlined above. To establish the quality of our green products portfolio, including: Susteno (leading circular cement with 20% recycled CDW inside); ECOPact (RMX concrete enabling circular and carbon-neutral construction) and Aggneo (high quality aggregate from 100% recycled content)

Monitoring and reporting

Every Unit must monitor the volume of waste that its operations generate and the volumes of recycled waste and byproducts reused within its production process. Progress against our circular economy targets will be regularly monitored, and will be disclosed at least annually.

Annex

Annex 1: Hierarchy of waste management

Adapted from "Guidelines on Pre- and Co-processing of Waste in Cement Production" (Giz, 2020)

Annex 2: Definitions and Abbreviations

Abbreviation	Definition
AFR	Alternative Fuels and Resources
ARM	Alternative Raw Material
iMIC	Industrial Mineral Component

Construction and Demolition Waste	Construction and Demolition Waste (CDW) is generated from construction, renovation, repair, and demolition of buildings and infrastructures. CDW is made up of concrete, masonry, bricks, asphalt, etc.
SDGs	Sustainable Development Goals
Stakeholder	All those who (could) exercise influence on Holcim's operations and all those who are (could be) influenced / impacted by Holcim's operations
UN	United Nations
Unit	A site or a group of sites that are under the responsibility of a single line manager. Bigger sites usually constitute a unit (cement integrated plants); minor sites are normally grouped in units (e.g. ready-mix concrete, aggregates).