

Holcim (HOLN)

Annual General Meeting: Wednesday 4 May 2022

Resolutions are being highlighted by a Climate Action 100+ initiative signatory for the attention of other signatories.

Organization requesting a 'flag' on a resolution:

[Matthias Narr](#), Ethos Foundation

Investor statement available [here](#) or can be directly downloaded [here](#).

Resolution text:

The member is flagging one resolution and stating they are intending to vote AGAINST it:

Resolution #6 - Advisory vote on Holcim's [Climate Report](#): "Proposal of the Board of Directors: Acceptance of Holcim's Climate Report in an advisory vote."

[Notice of Meeting](#)

Summary of why the resolution is being flagged

- Ethos Foundation highlights an OPPOSE on resolution #6 and will vote AGAINST this proposal.
- The company's short-term and medium-term targets are not consistent with limiting the global temperature increase to maximum 1.5 degrees. The transparency related to the measures taken by the company to reduce its GHG emissions and related to the required investment is not sufficient.

Areas of the Holcim climate report which should be strengthened:

- The SBTi validated the Holcim 2025 and 2030 targets as 'well-below 2 degrees' but validated its longer-term targets as net zero.
- Similarly, the TPI assesses Holcim in the short and medium term as below 2 degrees and only in the long term as 1.5 degrees aligned.
- So far Holcim has not explicitly committed to revise its short- and medium-term reduction targets in line with 1.5 degrees soon after the pathway (guidance) is available from the SBTi.
- Explanations on CCUS (pages 17, 44-45) remain vague, without implementation dates and figures, only explanations about individual projects. Even though the levers for Scope 1&2 reductions in the period 2030-2050 seem heavily dependent on 'CCUS, other technologies' (p. 14).
- More transparency on green CAPEX would be appreciated i.e., have the breakdown by type (page 57) as a forecast for 2025 as well.

- CAPEX decisions: « Sustainability is now a key factor considered by the Group in any investment decision » (page 57). More information on how this executed concretely would be appreciated, in order to know if this constitutes a sort of implicit commitment to align capex plans with its long-term GHG reduction target OR to phase out planned expenditure in unabated carbon intensive assets or products.
- While it is welcome that Holcim has set a target for the share of ECOPact sales (as % of ready-mix sales) (page 4) it would be appreciated if Holcim had set an overall target (as % of group sales) for low carbon products).
- In addition, the impact of the above-mentioned target regarding the ECOPact product range is unclear as it includes different products with different carbon footprints (the company states that ECOPact has a carbon footprint at least 30% lower than standard concrete, ECOPact Prime has a carbon footprint at least 50% lower than standard concrete and ECOPact Max has a carbon footprint 70% to 90% lower than standard concrete). In addition, the company sells a solution called 'ECOPact Zero' where Holcim compensates the remaining emissions through carbon offsets. It seems as if the ECOPact Zero solution is compatible with any product of the ECOPact range. Therefore, the company could potentially heavily rely on carbon offsets rather than on actual emissions reduction.

Background

- Climate Action 100+, the world's largest investor initiative of more than 615 investors with more than \$65 trillion in assets collectively under management are engaging companies on improving governance, curbing emissions and strengthening climate-related financial disclosures.
- The Climate Action 100+ Net Zero Company Benchmark was developed in 2020 through collaboration and feedback with nearly 50 investor signatories, experts from investor networks at AIGCC, Ceres, IIGCC, IGCC and PRI, leading research and data organizations, and other corporate stakeholders to establish assessment indicators that are robust, fair, and applicable to regional markets and across sectors. More detail on the on the indicators, data sources and company assessment methodologies available [here](#).
- Holcim's short-term and medium-term targets are not consistent with limiting the global temperature increase to maximum 1.5 degrees as outlined in indicators 3 and 4 of the company's Climate Action 100+ Net Zero Company Benchmark assessment.

Conclusion

- The company's short-term and medium-term targets are not consistent with limiting the global temperature increase to maximum 1.5 degrees.
- The transparency related to the
 - measures taken by the company to reduce its GHG emissions (e.g., CCUS)
 - strategy and impact of its low-carbon products
 - and around capital alignment

is not sufficient.

- Thus, Ethos Foundation will vote AGAINST proposal 6.