

### Update: 18 April 2024

(For original please see [here](#))

### Re: Holcim Ltd.

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## Summary

This section provides members with relevant details of the forthcoming transition plan vote and summarises the Company's scoring against Net Zero Investment Framework (NZIF) criteria and sector-specific metrics. Please note that this Member Memo ('Memo') is based on publicly available information at the time of publication.

**Name:** Holcim Ltd. ('Holcim' or 'the Company')

**Headquarters:** Switzerland

**Sector:** Industrials

**AGM date:** 8 May 2024

**Reason for update:** The analysis in the [original memo](#) was carried out using the company's 2022 Climate Report. This has been superseded by the 2023 Integrated Annual Report, which contains the 2023 Climate Report (pp. 64-121). We have included links to the latest disclosures and updated the associated page numbers. The latest disclosures allow the company to score on sub-indicator 6.1.b for capital allocation, thus changing the total score.

**Vote details:** A vote on the company's 2023 Climate Report will take place (pp. 64-121 of the 2023 Integrated Annual Report).

**Relevant materials:** [2023 Integrated Annual Report](#), [Climate Action 100+ disclosure framework assessments 2023](#).

**Publication of updated transition plan materials:** The company does not plan on publishing additional transition plan materials ahead of the AGM.

Summary of transition plan scores	
<b>Overall score against NZIF alignment criteria<sup>1</sup></b>	8/10
<b>Overall score against sector related criteria<sup>2</sup></b>	N/A
<b>CBD<sup>3</sup> score, sector rank, European rank</b>	5%, 5/9, 14/35
<b>Relevant context</b>	The company has committed to net zero by 2050. Relevant medium and long-term targets covering scope 1 and 2 are underpinned by a robust decarbonisation strategy that identifies and quantifies the necessary actions. However, the company has not set an accepted short-term target. The company discloses its capex alignment against the EU Taxonomy but does not disclose future time-bound plans to phase out capex in new unabated carbon-intensive assets or products.

<sup>1</sup> For more details on these NZIF criteria see Section 1, page 2

<sup>2</sup> Sector related criteria have yet to be developed for the cement sector

<sup>3</sup> Cumulative Benchmark Divergence Metric methodology [here](#). Sector rank is the CBD score relative to all the CA100+ companies within that sector globally (1/9 is best) and European rank is the CBD score relative to all European CA100+ companies (1/35 is best)

## Section 1: Net Zero Investment Framework (NZIF) scores

IIGCC members helped develop the Net Zero Investment Framework (NZIF) with the aim of assisting them in measuring the alignment of their individual assets, overall portfolio trajectory, and increasing investment in climate solutions consistent with the Paris Agreement<sup>4</sup>. NZIF provides six criteria to assess listed equity and corporate fixed income alignment and recognises the CA100+ disclosure framework (CA100+ DF) as a relevant data source for this scoring. The box below summarises the Company's alignment with those six criteria based on information that is publicly available at the date of publication of this Member Memo (full results available [here](#)). Where scoring differs from the CA100+ DF results, please consider this memo as a provisional independent assessment based on updated disclosure.

### NZIF alignment criteria

	CA100+ DF metric / sub-indicator / indicator summary	Score (update)	Description
<b>1. Ambition</b>	<b>1: A net zero ambition for 2050 or sooner covering all relevant emissions</b>	<b>1/1</b>	The Company has committed to net zero emissions by 2050 across Scopes 1, 2 and 3 which is accepted by CA100+. Specifically, the target includes reducing Scope 1 and 2 emissions per tonne of cementitious materials by 95% and Scope 3 emissions by 90% by 2050. The target has been validated by the SBTi as consistent with 1.5°C.  The Company is not assessed on 1.1b as Scope 3, which accounted for 36% of total emissions in 2022, is deemed not applicable for assessment of the cement sector by CA100+. <i>Source: CA100+ &amp; Holcim (pp. 70-71).</i>
	1.1.a Qualitative net zero GHG emissions ambition statement that includes at least 95% of Scope 1 and 2 emissions.	✓	
	1.1.b Net zero GHG emissions ambition that covers the most relevant Scope 3 GHG emissions categories for the company's sector	N/A	
<b>2. Targets</b>	<b>2.2, 3.2 and 4.2: The company has set long-, medium- and short-term emissions targets that cover at least 95% of its Scope 1 and 2 emissions and the most relevant Scope 3 emissions (where applicable)</b>	<b>2/3</b>	The Company has set long- and medium-term targets for 2050 and 2030 respectively, covering at least 95% of its Scope 1 and 2 emissions. The company has also set a long- and medium-term Scope 3 target but as above this is not deemed relevant for assessment by CA100+. This allows the company to score the first two indicators.  However, the Company does not meet indicator 4.2.a as its short-term intensity target to reduce CO <sub>2</sub> /tonne cement by 2025, does not include Scope 2 emissions, which is required by the indicator. <i>Source: CA100+, Holcim (p. 70, p. 75).</i>
	2.2.a and b. Long-term target that covers at least 95% of its total Scope 1 and 2 and at least the most relevant Scope 3 emissions	✓	
	3.2.a and b. Medium-term target that covers at least 95% of its total Scope 1 and 2 and at least the most relevant Scope 3 emissions	✓	
	4.2.a and b. Short-term target that covers at least 95% of its total Scope 1 and 2 and at least the most relevant Scope 3 emissions	x	
<b>3. Emissions performance</b>	<b>11.1: Emissions intensity is reducing at a faster rate than that of the relevant 1.5°C pathway</b>	<b>N/A</b>	Indicator 11 was in beta mode last year and therefore CA100+ results are not publicly available.

<sup>4</sup> See [Net Zero Investment Framework: Implementation Guide](#). The six alignment criteria for Listed Equity and Corporate Fixed Income for companies in higher impact sectors are set out on page 16.

	CA100+ DF metric / sub-indicator / indicator summary	Score (update)	Description
4. Disclosure	<b>10.1 and 10.2: The company is implementing TCFD and discloses scenario planning consistent 1.5°C</b>	<b>2/2</b>	<p>The Company has adopted the recommendations of the Task Force on Climate Related Financial Disclosures (TCFD) and it explicitly signposts its TCFD disclosure in the governance section of its annual report.</p> <p>The company has conducted climate scenario analysis, has explicitly included 1.5°C scenarios and reported on the key risks and opportunities it identified. Two scenarios have been considered to present Holcim’s assessment of climate related transitional and physical risks. A “Paris Agreement-aligned” scenario (1.5°C) and an “Ineffective Collective Action Against Climate Change” scenario (2.7°C–3–5°C scenario).</p> <p>Source: <a href="#">Holcim</a> (pp. 236–239, p. 252).</p>
	10.1.a and b: Commitment to align disclosures with the TCFD recommendations OR it is listed as a supporter on the TCFD website AND explicitly signposts the disclosure in its annual reporting or publishes them in a TCFD report.	✓	
	10.2a and b: The company has conducted a climate-related scenario analysis including quantitative elements and disclosed its results AND the scenario analysis explicitly includes a 1.5°C scenario which covers the entire company, discloses key assumptions and variables used, and reports on the key risks and opportunities identified	✓	
5. Decarbonisation strategy	<b>5.1: The company has set out and quantified the actions it intends to take to decarbonise</b>	<b>2/2</b>	<p>The Company scores on the decarbonisation strategy metrics because it clearly identifies (5.1.a) and quantifies (5.1.b) the set of actions it will implement to achieve its long and medium-term decarbonisation targets.</p> <p>For example, to meet the net zero by 2050 target, Holcim attributes 44% of emissions reductions to CCUS and other technologies and 16% to efficiency gains in design and construction.</p> <p>Source: <a href="#">Holcim</a> (p. 73).</p>
	5.1.a The company identifies the set of actions it intends to take to achieve its GHG reduction targets over the targeted timeframes. These actions clearly refer to the main sources of the company’s GHG emissions, including Scope 3 emissions (where applicable).	✓	
	5.1.b The company quantifies the contribution of individual decarbonisation levers to achieving its medium- and long-term GHG reduction targets, including Scope 3 GHG reduction targets where applicable (e.g., changing technology or product mix, supply chain measures).	✓	
6. Capital allocation	<b>6.1: The company discloses unabated carbon intensive capex and is phasing out new spending</b>	<b>1/2</b>	<p>While Holcim allocates capex on technologies such as CCUS, and quantifies its EU Taxonomy capex plan until 2032, the Company does not explicitly state plans to phase out capex in new unabated carbon-intensive assets.</p> <p>In the 2023 Climate report, the Company provides a breakdown of its capex against the EU Taxonomy, indicating that 62% of total FY2023 capex of CHF 3.19 bn was taxonomy non-eligible. This is sufficient for the Company to meet 6.1.b.</p> <p><i>*This score differs from that published in the CA100+ Benchmark results. It is based on a review of Holcim’s updated disclosures by IIGCC for this memo.</i></p> <p>Source: <a href="#">Holcim</a> (p. 243, pp. 268–269).</p>
	6.1.a The company explicitly states that it has phased out or is planning to phase out capital expenditure in new unabated carbon-intensive assets or products by a specified year.	x	
	6.1.b The company discloses the stated value of its capital expenditure that is going towards unabated carbon-intensive assets or products.	✓	
<b>Total score</b>		<b>8/10</b>	