FORUM POUR L'INVESTISSEMENT RESPONSABLE

SAY ON CLIMATE Assessment

Switzerland

HOLCIM

2025

Transparency rating	ACT ACCELERATE ® CLIMATE TRANSITION		
65% alignment with FIR recommendations	PERFORMANCE SCORING **50 %**	NARRATIVE SCORING A B C **D** E	TREND SCORING =

Holcim aims for carbon neutrality by 2050, ***but relies heavily on carbon capture and storage (CCUS) technologies, which account for 44% of the levers contributing to its strategy for reducing*** *scope 1 and 2 emissions. In terms of decarbonation targets for scope 3 , the Group is moving from 31% coverage of the scope in 2023 to around 80% this year, and this target is SBTi certified to 2030. The* ***action*** *plan* ***is detailed, with the contribution of actions to the 2050 reduction targets for scopes 1 and 2****, but lacks figures for scope 3. With regard to investments, almost* ***60% of the CAPEX plan for 2023-2032 is focused on CCUS technologies****, and this share increased between 2023 and 2024 to the detriment of CAPEX for clean energy and decarbonisation. That said, we welcome the* ***presentation of a Say on Climate for the fourth year running****, as well as the* ***dialogue initiatives*** *enabling responsible investors to get their messages across.*

As early as 2021, the **French Forum for Responsible Investment (FIR)** has called for the widespread adoption of stringent Say on Climate (SOC). After a first edition on 2022, the FIR signed again an agreement with 48 French and European signatories, encouraging the development of SOCs. Meanwhile, in 2022, FIR began analyzing the climate plans of French companies that submit them to shareholder vote. After joining forces in 2023, **FIR and ADEME** extended their partnership in 2024 by teaming up **with Ethos and the World Benchmarking Alliance**. Again this year, these players will be working together to study the climate plans of **European companies** submitted to a consultative vote by shareholders at their general meetings in 2025.

In 2022, FIR had published fact sheets assessing the extent to which French companies' climate strategies were in line with **its recommendations**. In 2023, as part of the partnership with ADEME, these analysis reports will be enriched **with the ACT assessment tool** to measure the contribution of corporate strategies and actions to the mitigation objectives of the Paris Agreement.

Analyses will be published as they become available, ahead of their annual general meetings.

As in previous years, FIR wishes to salute the efforts of companies that contribute to improving shareholder dialogue, and encourages them to reiterate the Say on Climate exercise annually.

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↑ 65%
alignment with FIR recommendations

Ambition Net Zero 2050

Net Zero commitment to 2050, aiming to offset 5% of Scope 1 and 2 emissions and 10% of Scope 3 emissions by 2050.
▷ *For scopes 1 and 2, the company is counting on CCUS for 44% of its emissions reduction: questions about the maturity of capture and storage technologies (CCUS) and the inclusion of these technologies in the reduction levers, and for scope 3 the nature of the compensation is not specified.*

Reference scenario(s) used

1.5°C trajectory validated by SBTi for 2050 (base year: 2020) for all scopes*
*1.5°C trajectory also validated by SBTi for 2030 for scopes 1 & 2 (2020 reference year)**.*

Current GHG emissions (2023 vs 2022)

Scope 1 emissions reduced by 8.8% and scope 2 by 30.4% since 2018 (KgCO2/T cement) in intensity
Absolute scope 3 emissions reduced by 12.5% between 2022 and 2024

SCOPE 1 (60.9%)	**SCOPE 2** (market based) (3.6%)	**SCOPE 3** (35.5%)
71 MtCO2eq (vs. 74)	4 MtCO2eq (vs. 5)	42 MtCO2eq (vs. 46)
Of which 39.8% emitted by raw materials during cement production		Including 18.8% of emissions from upstream and downstream activities and 16.7% from direct emissions by investments ans joint ventures

Short-term GHG emissions reduction target (before 2030)

Scope 1 (2025): reduce GHG emissions by 11.8% per tonne of cementitious materials (base year: 2018): down to 520 kgCO2net/tonne of cement
▷ *Absence of detailed quantified targets for scopes 2 and 3 in the short term and absence of targets in absolute terms*

Medium-term GHG emissions reduction target (between 2030 and 2040)

Scope 1 and 2 (2030): 26.2% reduction in GHG emissions per tonne of cementitious materials (base year: 2020), validated SBTi 1.5°C target: equivalent to a 25% reduction in absolute emissions from Scope 1 & 2*
Scope 3 (2030) :
- 25% reduction in GHG emissions per tonne of clinker and cement purchased (base year 2020) (target validated by SBTi)
- New SBTi target: reduction in scope 3 emissions linked to investments of 25.1% per tonne of cement (vs. 2020) (47% of scope 3 emissions)
- 20% reduction in GHG emissions from fuel and energy-related activities per tonne of fuel purchased, and 24.3% reduction per tonne of materials transported for downstream transport and distribution (vs.2020)
We would like to highlight the progress made in relation to the new investment target
▷ *No absolute targets for scope 3*
▷ *No targets have been set for around 20% of Scope 3, although progress has been made since last year.*
▷ *Targets for purchased fuels and downstream transport and distribution are validated SBTi 2°C (not 1.5°c)*

Long-term GHG emissions reduction target (2050)

Scopes 1 and 2: 95% reduction in emissions per tonne of cementitious materials (base year: 2020).*
Scope 3: 90% reduction in GHG emissions (base year: 2020): the reduction targets for Scope 3 are expressed in absolute terms and include all Scope 3 categories ❍ *Targets expressed in intensity for Scopes 1 & 2*

Action plan measures

Contribution of actions to Scopes 1 and 2 reduction targets by 2050 :
Carbon capture and storage technology (CCUS) (44% in 2050): Objective of capturing 5MtC02 per year by 2030 and producing 8Mt of "decarbonised cement" per year by 2030.
- Efficiency gains in design/construction (16% in 2050) and in concrete (10% in 2050)
-Replace clinker in cement with mineral components (10% by 2050): reduce the clinker content from 72% in 2024 to 68% in 2030.
-Less CO2 in clinker (10% by 2050): Produce clinker with decarbonised raw materials. Thermal substitution rate target of 50% in 2030 and 70% in 2050.
-Decarbonised electricity (5% by 2050) :
-Natural reabsorption of CO2 during the life of the concrete products (5% by 2050) - passive action

Scope 3 :
Actions on scope 3: replacement of fossil fuels by locally sourced alternative fuels, purchase of low-carbon products, for downstream transport: optimisation of circuits and more ecological transport, on the purchase of clinker: analysis of the information provided by suppliers in their environmental declarations, for other products and services purchased (purchasing decisions) and investments and joint ventures (47% of scope 3 emissions) the Group is engaging with the various entities to get them to adopt reduction targets validated by SBTi (2030 and beyond).
▷ *Contribution of actions to reduction targets are detailed for scopes 1 and 2 but the plan is based mainly on CCUS technologies, with the aim of reducing emissions by 44% via CCUS by 2050.*
▷ *Lack of figures for scope 3 objectives and no information on the contribution of actions*
❍ *Contributions by action could be given as early as 2030*

CAPEX / OPEX investment alignment

CAPEX plan: 2023-2032: CHF 4.4 billion
58% on CCUS (CHF 2.5 billion)
35% on decarbonisation (CHF 1.5 billion)
2% on own energy (CHF 67 million)
6% on adapting to climate change climate, water, biodiversity (257 million)

▷ *Only 11.7% of business CAPEX aligned with taxonomy (+4.2% vs 2023) / 49.5% of CAPEX eligible for taxonomy (+12.5% vs 2023). target communicated in 2024 is no longer communicated this year (70% of CAPEX aligned by 2030 in Europe)*
▷ *Large proportion of CAPEX dedicated to CCUS technologies (and increase in forecasts of CHF 300 million between 2023 and 2024, to the detriment of CAPEX on clean energy and decarbonisation). Questioning the maturity of technologies*

Remuneration

Comex long-term variable remuneration: 16.5% criterion following the 2025 target for reducing Scope 1 emissions
▷ *No criteria for reducing emissions from scopes 2 and 3* ▷ *Annual variable: no carbon-related criteria*

Annual consultative vote on implementation

Climate plan put to a shareholder vote for the 4th year with no commitment for the coming years

** SBTi target visibly revised to 2025, baseline year now 2020 for all scopes*
*** SBTi no longer opts for scope 3 alignment only in the medium term*

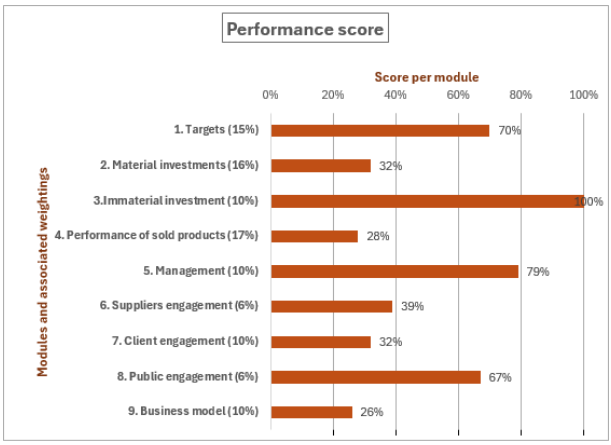
Consultative vote on strategy every three years

The Group does not commit to a vote every three years, but declares that shareholder opinions and feedback are taken into account in its climate strategy (e.g. inclusion of the 15 Scope 3 emissions categories in emissions reporting).

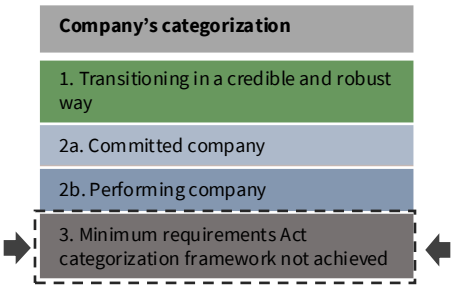
Caption:
❍ *Indicates that all the criteria for obtaining all the points have been met, but suggests improvements in transparency*
▷ *Failure to obtain full points*

PERFORMANCE SCORE	NARRATIVE SCORE	TREND SCORE
50%	A B C **D** E	=

ACT Cement Methodology



The score for each module is weighted and results in a performance score.



**The company's categorization explanations are available in slide 6*

Transition plan's assessment

Performance score

1. Targets : Targets are sufficiently ambitious and have been validated as science-based by a third party. A possible improvement would be to set intermediate targets at the 2040 horizon. Target achievement is currently not on track compared to a linear reduction and additional efforts seem necessary.

2. Material investment: While approximately 44% of the scopes 1 and 2 emissions' reduction plan by 2050 is based on CCUS technologies, Holcim does not give an estimation of the associated costs. Currently Holcim has significant locked-in emissions linked to its production plants.

3. Immaterial investment : Holcim stopped reporting in 2024 its global share of the R&D resources dedicated to low-carbon products. But Holcim does mention that its R&D centre in Lyon dedicates around 74% of its resources to low-carbon products. A precise definition of what is considered a low-carbon product and more details on the projects would be an improvement.

4. Sold product performance : No pathway to net-zero was published for scope 3 emissions. Holcim relies heavily on unproven and cost prohibitive CCUS technologies in its decarbonisation strategy.

5. Management : Holcim has successfully put in place a management system that should be aligned with climate topics.

6. Supplier engagement : Holcim does engage with suppliers, but additional tools should be deployed such as a clause for quantified GHG reduction.

6. Client engagement : Holcim is lacking an ambitious strategy to influence its clients towards low-carbon construction solutions.

8. Policy engagement : Holcim has a relatively good policy engagement transparency and position. Holcim participates in sectoral initiatives against climate change, and it could be more proactive by leading some of these initiatives.

9. Business model : Holcim has shown progress these last years to make incremental changes to its current business model, but these changes remain marginal. A broader strategy that would allow Holcim to pass from a cement company to a construction material company is still lacking.

Transition plan's consistency (narrative score): Overall Holcim has well understood that climate is a profoundly material topic and has put in place multiple actions to manage this topic. Unfortunately, Holcim's actions seem to be aimed at minimizing costs to continue with its business-as-usual activities. The company has not given itself the opportunity to broaden the scope of its business model redefinition, for example by seeing itself as a construction material company rather than a cement company. Significant efforts seem to have been put in Holcim's climate plan and the level of reporting is positive. The main strong points of the climate plan are the science-based targets, the high R&D budget share for low-carbon technologies, the company's climate governance, and the policy engagement transparency and alignment with pro-climate protection positions.
Trend score : There is currently no indication that Holcim's transition plan will significantly deteriorate or improve in the future.

Areas of improvements :
Holcim's main improvement areas are to increase the scale of its low-carbon solutions, increase expectations and tools for supplier engagement, implement an ambitious strategy for client engagement and improve its business model compatibility with a low-carbon economy. Because Holcim has not yet managed to redefine its business model, its climate strategy over-relies on CCUS which is considered a non-credible strategy.

FORUM POUR L'INVESTISSEMENT RESPONSABLE

Change in rating compared with analysis of FIR *Say On Climate* 2024

Increase | Stagnation | Drop

SAY ON CLIMATE 2025 evaluation grid

based on follow-up to FIR recommendations

Ambition net zero 2050	If the ambition of contributing to carbon neutrality by 2050 is declared and clear explanations are given on how to achieve this neutrality The level of negative emissions is limited	The ambition to contribute to carbon neutrality by 2050 is declared and the explanations on how to achieve this neutrality are clear. The level of negative emissions is high	A declared ambition, but very little clarity on how the company intends to achieve carbon neutrality (no long-term reduction targets, targets set are not very credible, heavy reliance on offsetting, etc.) or no declared ambition to be carbon neutral by 2050
Reference scenarios used	The company positions its climate strategy in relation to a 1.5°C warming scenario for all scopes	The company uses a reference scenario limiting warming to between 2°C and 1.5°C, or 1.5°C for only part of its scope	No reference scenario explicitly mentioned or scenario(s) not used to define the strategy
Current GHG emissions	Disclosure of absolute greenhouse gas emissions; breakdown by scope; downward trend in past emissions (over at least 3 years) in line with company targets	Insufficiently detailed disclosure of absolute greenhouse gas emissions and/or lack of substantiated justification for the absolute increase in emissions over the last 3 years	No public data or little or no justification for the upward trend in emissions intensity and absolute values
Short-term GHG emissions reduction target	If the quantified emission reduction targets before 2030, expressed at least in absolute terms, cover the 3 scopes and are set in relation to the company's 1.5°C alignment trajectory. This trajectory has been scientifically validated.	If the quantified emission reduction targets before 2030 do not cover the majority of the company's activities, or if these targets cover all activities but are on a trajectory of between 2°C and 1.5°C	No quantified target for reducing emissions in the short term, or targets that are not very ambitious in the short term (reference year too far in the past, no absolute reduction, not scientifically validated, etc.)
Medium-term GHG emissions reduction target	If the quantified emission reduction targets between 2030 and 2040, expressed at least in absolute terms, cover the 3 scopes and respect the alignment with a 1.5°C scenario. This trajectory has been scientifically validated	If the quantified emissions reduction targets between 2030 and 2040 do not cover the majority of the company's activities, or if these targets cover all activities but are on a trajectory of between 2°C and 1.5°C	No quantified target for reducing emissions in the medium term, or targets that are not very ambitious in the medium term (reference year too far in the past, no absolute reduction, not scientifically validated, etc.)
Long-term GHG emissions reduction target	If the quantified emission reduction targets for 2050 or earlier, expressed at least in absolute terms, cover the 3 scopes and are set in relation to the company's 1.5°C alignment trajectory. This trajectory has been scientifically validated	If the quantified emission reduction targets for 2050 or earlier do not cover the majority of the company's activities, or if these targets cover all activities but are on a trajectory of between 2°C and 1.5°C	No quantified target for reducing emissions in the long term, or targets that are not very ambitious in the long term (reference year too far in the past, no absolute reduction, not scientifically validated, etc.)
Action plan measures	Detailed measures for each scope of the company with a sufficient level of detail, including short- and medium-term figures, to enable the alignment of this plan with the objectives set to be assessed.	Detailed measures for each scope of the company, but insufficient detail to assess the level of alignment with the objectives set (lack of quantified measures in particular)	Measures with little or no detail
Investment alignment (OPEX / CAPEX)	Details the proportion of investments (OPEX and CAPEX) that contribute to meeting short- and medium-term targets, and explains how these investments enable the targets to be met	The information provided on the contribution of investments to the achievement of objectives does not allow an understanding of how the company achieves the objectives set	No investments contributing to the achievement of explicit objectives
Remuneration	All variable parts of the remuneration of corporate officers include at least one criterion that assesses the achievement of greenhouse gas emission reduction targets. The % of remuneration determined by this criterion is published; it represents a significant proportion (10% or more)	At least part of the variable part of the remuneration of corporate officers is covered by a non-diluted criterion for reducing greenhouse gas emissions in line with the reduction trajectory defined by the company	The criterion included in the remuneration of corporate officers relating to the reduction in greenhouse gas emissions is diluted, or does not follow the reduction trajectory defined by the company. or No criteria relating to the reduction of greenhouse gas emissions are included in executive remuneration
Annual consultation on implementation	The company undertakes to consult shareholders annually on the implementation of its climate change strategy	The company is committed to consult shareholders on the implementation of its climate strategy over the coming years	The company does not undertake to consult shareholders on the implementation of its climate strategy
Consultation on strategy every three years	The company undertakes to consult shareholders on its climate strategy at least every three years	The company undertakes to consult shareholders on its climate strategy over the coming years	The company makes no commitment to consult shareholders on its climate strategy

Weighting: the two final criteria correlated with the vote are given a weighting of 0.5 each, while the other nine retain a weighting of 1.

ACT's methodology

CDP DRIVING SUSTAINABLE ECONOMIES

RÉPUBLIQUE FRANÇAISE
Liberté Égalité Fraternité

ADEME AGENCY FOR ECOLOGICAL TRANSITION

IT'S TIME TO ACT

WHAT IS ACT ?

A joint voluntary initiative of the UNFCCC secretariat Global Climate Agenda.

WHY ACT ?

Drive climate action by companies and align their strategies with low-carbon pathways.

HOW DOES ACT WORK ?

ACT provides sectoral methodologies as an accountability framework to assess how companies' strategies and actions contribute to the Paris mitigation goals.

FRAMEWORK

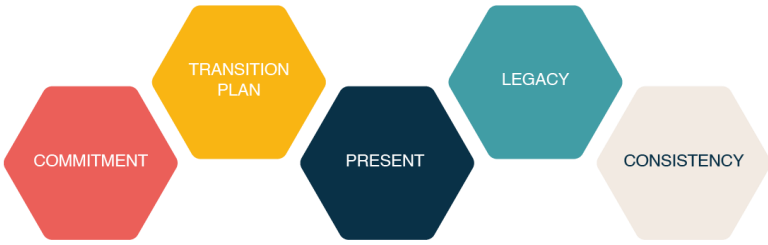
1 What is the company planning to do?

2 How is the company planning to get there?

3 What is the company doing at present?

4 What has the company done in the recent past?

5 How do all of these plans and actions fit together?



INNOVATIVE : ACT is an integrated, long-term approach.

QUANTITATIVE : it measures past, present and future performance

TARGETED: on the main sources of emissions in the value chain

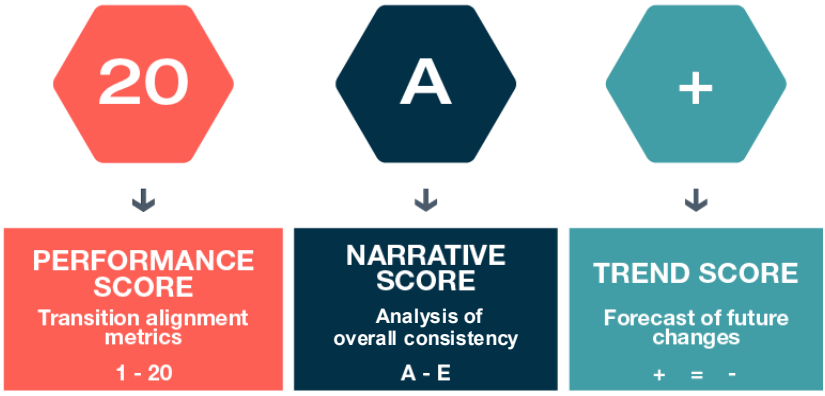
SECTORAL: addressing issues specific to the transition of each sector

TRANSPARENT: through third-party evaluation

ACT ASSESSMENT

For what purpose?
Credibly measure the contribution to the net-zero objective in relation to sectoral low-carbon trajectories.

For whom?
Companies with science-based objectives and/or a transition plan ready for assessment



ACT assessment categorization

The purpose of this categorization is to leverage on the ACT assessment methodologies, that provide an in-depth assessment of strengths and weaknesses of company's transition plans and propose a categorization framework providing a clear signal on a company's situation. It is willing to address the following question "what is a good ACT score?".
All the information on this paper is to be found here.

The categorization framework proposed is the following:

1. Companies transitioning in a credible and robust way;
2. Companies partially satisfactory on one or two of the following aspects:
   a. Companies "committed" that are ambitious enough but have not yet demonstrated the performance;
   b. Companies "performing" that have demonstrated good GHG trajectory at the moment but haven't provide aligned ambitions.
3. Companies **not** transitioning in an enough credible and robust way.

The categorization of companies proposed in this paper is based on thresholds on the global performance score, complemented by safeguards on relevant sub-module performance score levels, on narrative and on trend scores. The categorization framework is sum-up in the table below:

Category	1. Transitioning in a credible and robust way	2a. Committed	2b. Performing	3. Not transitioning in a credible and robust way[2]
Criteria application	Criteria blocks are cumulative			Criteria blocks are alternative[3]
Global performance score	≥12/20	No threshold.		Global < 12/20 AND
Module performance scores	Module 1 ≥ 75% Modules 2+4 ≥ 60% *Where relevant:* Modules 6+7≥ 50%	Module 1 ≥ 75%	Modules 2+4 ≥ 60%	Module 1 < 75% AND Modules 2+4 < 60%
Narrative score	≥ C global AND ≥ C on consistency and credibility AND reputation			< C global OR <C on consistency and credibility OR reputation
Trend score	= or +			-

ACT Methodology

Cement

The full ACT methodology for the Generic sector can be found on our website. The detailed assessment is summarized in a score based on three criteria: performance, overall consistency and trend. It takes the following form:

- **Performance**: number between 1 and 20
- **Evaluation (consistency)**: letter between A and E
- **Trend**: + (improvement), - (deterioration), = (stable)

Module	Indicateur
1. Targets	1.1 Alignment of scope 1+2 emissions reduction targets
	1.2 Time horizon of targets
	1.3 Achievement of previous and current targets
2. Material investment	2.1 Trend in past emissions intensity from material investment
	2.2 Locked-in emissions
	2.3 Trend in future emissions intensity for cement production
	2.4 Alternative fuels activities
3. Intangible investment	3.1 R&D spending in low-carbon technologies
4. Sold product performance	4.1 Trend in past emissions intensity
	4.2 Electricity management
	4.3 Clinker/material specific interventions
5. Management	5.1 Oversight of climate change issues
	5.2 Climate change oversight capability
	5.3 Low-carbon transition plan
	5.4 Climate change management incentives
	5.5 Climate change scenario testing
6. Supplier engagement	6.1 Strategy to influence suppliers to reduce their GHG emissions
	6.2 Activities to influence suppliers to reduce their GHG emissions
7. Client engagement	7.1 Strategy to influence client behaviour to reduce their GHG emissions
	7.2 Activities to influence customer behaviour to reduce their ghg emissions
8. Policy engagement	8.1 Company policy on engagement with associations, alliances, coalitions or thinktanks
	8.2 Associations, alliances, coalitions and thinktanks supported do not have climate-negative activities or positions
	8.3 Position on significant climate policies
	8.4 Collaboration with local public authorities
9. Business model	9.1 Business activities that reduce structural barriers to market penetration of low-carbon cement
	9.2 Business activities that contribute to low-carbon optimization of construction
	9.3 Business activities around circular economy

Narrative scoring

1. Business model and strategy
2. Consistency and credibility
3. Reputation
4. Risks

Trend scoring

1. Probability of emissions' evolution
2. Evolution of business model and strategy

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