Cementos Molins S.A.

Corporates | Building Materials & Construction | Spain | Entity Rating

Rating Type	Rating[a]	Score	Analysis Type
Entity	3	56	Full Entity
Framework	Not Applicable	Not Applicable	Not Applicable

[a] Rating of 1-5, where 1 is the strongest. Date Rating and score assigned: 14 October 2025.
Note: For Framework, analysis types can be green, social, sustainability, sustainability-linked, conventional, or other.

Key Rating Drivers

- Sustainable Fitch has affirmed Cementos Molins S.A.'s (Molins) Entity Rating at '3'. This reflects the company's well-defined sustainability strategy and its good governance profile, balanced against the inherent environmental challenges of the cement industry.
- The rating is positively affected by the lack of environmental and social incidents in the past three years, and by the company having a risk management system.
- The rating is negatively affected by the high energy consumption and GHG emissions that are associated with the sector, which have an overall negative environmental impact.

Source: Sustainable Fitch

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The Entity – Highlights

Molins is a Spanish-headquartered building materials and solutions company operating in 13 countries; its integrated business model includes cement, concrete, aggregates, construction solutions, precast solutions, urban landscape and circular economy. The company employed 3,795 full-time employees in 2024, with net revenue of EUR1.06 billion.

Molins primarily engages in cement manufacturing, and also produces prefabs and ready-mix concrete. The company also undertakes activities related to aggregates, mortars, urban elements, pavements, building solutions and waste management.

The company continues to follow its road map for 2030 as part of its sustainability plan, which focuses on five key pillars with corresponding targets and concrete actions for each pillar. The five pillars are safety and health, climate change and energy, environment and nature, circular economy and corporate social responsibility.

We view Molins's environmental profile as good, with an upgrade in rating to '2' from '3'. This reflects its comprehensive disclosure and environmental policies, and the absence of evidence of company-related environmental incidents.

The company maintained its targets for 2030 of reducing its Scopes 1 and 2 emissions by 20%, having net-emissions below 500kgCO2e per tonne of cementitious material, reaching a clinker-to-cement factor of 0.68, having 55% of its energy consumption from renewable sources, and having 40% of its fuel from alternative fuels. It also committed to set new targets with a new baseline (of 2023), in line with the Science Based Targets initiative methodology. The company also aims to get these targets validated by the initiative.

We view Molins's social profile as good, with an upgrade in rating to '2' from '3'. This reflects its human and labour rights policies, suppliers' due diligence process, and the absence of evidence of company-related social incidents in the last three years.

We continue to view Molins's governance profile as good, with a rating of '2'. This reflects its good financial and risk management, and split CEO and board chairman roles.

The company has mapped its reporting with the Global Reporting Initiative standards since 2018. It has reported an analysis on the eligibility of its activities with the EU taxonomy in terms of sales, capex and opex since 2021. Its 2024 sustainability reporting, for the first time, follows the EU Corporate Sustainability Reporting Directive. Following the requirements of the directive, Molins' non-financial and sustainability reporting has been aligned with the consolidation perimeter of its financial reporting.

Molins conducted a materiality assessment, which demonstrates the company's awareness of its ESG risks and opportunities. We deem the topics identified as material and relevant to its business.

Molins also maps its activities against the UN Sustainable Development Goals (SDGs) and states that it contributes to SDGs 3 (good health and well-being), 4 (quality education), 6 (clean water and sanitation), 7 (affordable and clean energy), 8 (decent work and economic growth), 9 (industry, innovation and infrastructure), 11 (sustainable cities and communities), 12 (responsible consumption and production), 13 (climate action), 14 (life below water), 15 (life on land) and 17 (partnerships for the goals).

Source: Sustainable Fitch, Molins integrated annual reports (2022, 2023, 2024), Molins website, other Molins material

Entity Analysis

Broader Perspective on Sector

Sector Trajectory	Sustainable Fitch's view
Short Term	• Cement plays a crucial role in modern society as cement production is the cornerstone of many modern public and private construction projects, such as buildings, roads and infrastructure. For this reason, the second-most used raw material in the world after water is concrete, which is a mixture of cement, aggregates, water and additives to enhance specific properties. • The cement sector is one of the most hard-to-abate sectors. Most of its generated emissions come from its production process because of the calcination process and from burning fossil fuels to generate energy to meet its demand, which together represent around 80% of the total emissions. The remaining 20% come from the transportation and production of raw materials and milling. • Decarbonisation generally focuses on process- and energy-related actions. Global cement production has increased by around 156% in the last 22 years, and China has been the dominating country in cement production. • Cement production comes with a significant negative environmental impact through the sourcing of raw materials and the manufacturing of products. The cement industry is one of the most carbon-intensive industries in the world, accounting for around 8% of total human-made GHG emissions. • The International Energy Agency (IEA) reports the sector is not on track to meet its carbon-reduction targets. The direct CO2 emissions intensity of cement production has remained broadly flat over the past five years, with the IEA estimating they increased slightly (by 1%) in 2022. Alignment with reaching net-zero emissions by 2050 would require the sector to reduce the CO2 intensity by 4% each year through to 2030. • The production of clinker, which is needed to produce cement, is environmentally damaging due to the burning of limestone and the use of primarily fossil-based fuels in the kilns. The World Economic Forum estimated that clinker production released a large part of the 36.6 billion tonnes of CO2 emissions in 2022 from both fossil fuels and the cement industry. • Several approaches can be developed to improve the cement sector's environmental footprint, including using alternative and renewable fuels for the calcination process, which can reduce GHG emissions. Another is using electricity-powered kilns, which can significantly reduce GHG emissions from clinker production by using renewable energy. • Another approach is to find substitutes for energy-intensive clinker to reduce cement's clinker ratio. These substitute products may include byproducts from other industrial production chains, such as fly ash, which would also implement circular economy approaches in the production chain. • The impact on biodiversity from the sourcing of raw materials, especially raw materials for cement and aggregates, is significant and can transform entire ecosystems if companies do not practice sustainable planning and biodiversity management in their operations. Land use and water impacts from quarries where aggregates are mined are both very important; we expect companies to tackle these impacts in their rehabilitation plans. • Effective changes are needed to meet the increasing demand for cement and concrete products while protecting the environment. This will require the use of alternative products or production processes, as well as the more effective use of concrete by the construction sector to reduce overall waste. • The use of recycled aggregates from construction and demolition waste (CDW) is one example. This promotes a circular economy approach and prevents CDW ending up in a landfill or being incinerated. CDW accounts for more than one-third of all waste generated in the EU, and technology needed for its recycling is well established and accessible.
Long Term	• We expect concrete, and hence cement, to remain the main construction material in upcoming years, with more sustainable building materials taking up a small share. The UN Principles for Responsible Investment's Inevitable Policy Response has forecasted global cement production to grow by 10% by 2050 under several Paris Agreement-aligned scenarios. • The IEA's "Net Zero by 2050: A Roadmap for the Global Energy Sector" report indicates it expects the clinker-to-cement ratio to decrease to 0.65 by 2030 and to 0.57 by 2050, from 0.71 in 2020, driven by the replacement of clinker with alternative materials. Limestone and calcinated clay are the alternative materials most likely to be used to reduce the clinker-to-cement ratio by 2050. • The best known current alternative materials are bottom ash and fly ash, which are byproducts from other industrial value chains. Using such materials will help reduce the manufacturing company's GHG emissions, and will also support adoption of circular economy approaches, thereby reducing material waste. However, the availability of deposits of bottom ash and fly ash are likely to decrease as harvesting continues. • The long-term sector path to decarbonisation relies on considerable technological innovations and operational improvements that require investments and hence increase production costs. Carbon capture and storage (CCS) technology remains crucial to minimise the cement's process emissions during its manufacturing in the long term; however, this technology is at a nascent stage, so our view is that climate strategies should not overly rely on CCS solutions. • The IEA's road map to net zero by 2050 indicates thermal energy demand for the cement sector will be met by natural gas (40%), bioenergy (30%), hydrogen and direct electrification (15%), and renewable waste (5%), with the rest being from non-renewable waste and oil products. • Electrification of cement kilns is promising for the sector, but is currently at an early stage, with the IEA expecting them to be deployed from 2040

Entity Analysis

Broader Perspective on Sector

Sector Trajectory	Sustainable Fitch's view
	onwards. • Cement and concrete are crucial components in the circular economy, which will contribute to reaching net zero by 2050. Cement will support it through the use of alternative fuels, while concrete supports it through aggregates that are fully recyclable at the end of life. • Alternative cements, namely alternative binders, that are under development can reduce process emissions, generate no emissions or capture CO2 during production. However, these cements have limited applicability or are still at early stages of development compared to CCS technology. • The main cement producers have committed to reducing their emissions, although many of them focus on the long term and on intensity reduction instead of the short term and absolute reduction. Most of those intensity targets are also not in line with the 2030 levels in the IEA's road map to net zero by 2050.

Source: Sustainable Fitch

Broader Perspective on Company

Sector Trajectory	Sustainable Fitch's view
Short Term	• Molins has several challenges and opportunities as a result of its comprehensive sustainability strategy and 2030 roadmap. We view it positively that the company set GHG emissions-reduction targets for 2030, with a commitment to reduce its Scopes 1 and 2 GHG emissions by 20% from 2020 levels and to lower its emissions factor to below 500kgCO2e per tonne of cementitious material. • The company's sustainability profile may benefit from it setting and validating Scope 3 emissions targets through third parties such as the Science Based Targets initiative. Particularly important categories include purchased goods and services, fuel- and energy-related activities and downstream transportation. • Molins committed to reducing its clinker content to 68% by 2030, to increasing the use of alternative fuels to 40% by 2030 and to increasing its share of renewable energy use to 55% by 2030. The company achieved a 14% alternative fuel substitution rate in 2024, an increase from 10.6% in 2023; it also sourced 21% of its energy from renewable sources. These initiatives are crucial for reducing process- and energy-related emissions. Molins is actively monitoring its performance against these targets and positively view the company decreasing its GHG emissions as paving the way towards decarbonisation. • Molins aims to promote recycling of CDW and valorisation of byproducts and waste materials. The company made progress in reducing the amount of waste sent to landfills and increasing use of recycled materials, which supports its circular economy goals. Its waste figures for 2024 are not available as it says the European Sustainability Reporting Standard indicates waste is not material for it. Only 8.4% of its waste ended up in landfills in 2023, a 27% decrease from 2020. We view this positively as it contributes to the circular economy and potentially reduces its life-cycle emissions. • Molins launched a new range of sustainable and innovative construction solutions products in 2024 under the brand Susterra. Susterra's portfolio includes cement with CO2 emissions reductions of at least 20% compared to 2020 benchmarks, concrete with emissions reductions of over 25%, mortars and pavements containing more than 2.5% recycled material, and urban furniture containing 40% recycled aggregates. Molins also indicates that Susterra products feature very low emissions of volatile organic compounds. • Molins set social and governance targets related to health and safety, diversity and community engagement. By 2030, the company aims to achieve zero accidents, increase representation of women in the management to 23%, and establish formal community plans for all operations. • The company actively engages with local communities; it provided EUR1.08 million to social projects in 2024. It also locally sourced 79% of its procurement, supporting the local economy and community relations.

Entity Analysis

Broader Perspective on Company

Sector Trajectory	Sustainable Fitch's view
Long Term	• Molins will continue to build on its 2030 decarbonisation targets and sustainability initiatives in the long term. Its sustainability profile may benefit from it planning to integrate new technologies such as novel binders, low-clinker cements and scaled-up CCS solutions to transition to net zero. • The European Cement Association's 2050 roadmap to net zero for the European cement industry has three main targets, with 1990 as a baseline: reduce CO2 emissions by 37% by 2030 and by 78% by 2040, and reach net zero by 2050. • Molins committed to decarbonise its operations and to have carbon-neutral concrete by 2050, in line with this roadmap, although it has not yet set further or more detailed 2050 targets. The company is aware that its net-zero pathway will involve CCS technologies and is proactively researching their development. This includes projects to reused the captured CO2 emissions in other processes or to store them so they are not released into the atmosphere. • Molins partnered with a Spanish utilities company to work on a large-scale CCS project named Mosusol NetCO2. It is located at the Sant Vicenç dels Horts plant in Barcelona, and aims to capture 1 million tCO2 annually, including its biogenic fraction. It will begin operations in 2031. • The captured CO2 will be transported via a dedicated pipeline to the Tarragona industrial cluster for subsequent storage or use in production of green fuels. The project has a total planned investment of around EUR590 million, and was recognised with the Strategic Technologies for Europe Platform seal in the EU Innovation Fund call. This initiative is central to Molins's decarbonisation strategy, by transforming current infrastructure into assets compatible with a net-zero economy. • Molins acknowledges that CCS technology relies on pilot projects where the cost, technical feasibility, compatibility with CO2 usage opportunities and other aspects related to viability and scalability are all still to be evaluated. Our view is that the reliance on CCS technology, which is still under development and has not been tested in large-scale settings, suggests the company should also consider alternative routes to reduce GHG emissions that do not solely depend on CCS. • Setting long-term social targets covering key social issues, such as diversity and safety, could reinforce Molins's sustainability profile. This could include further ensuring the representation of women in management roles, ensuring it has zero workplace accidents and enhancing community engagement initiatives. Setting these targets would allow Molins to demonstrate a stronger commitment to improving its social impact and achieving its overall sustainability goals.

Source: Sustainable Fitch

Entity Analysis

Business Activities

Company Material Core Contributions	Sustainable Fitch's View	
	Environmental	Social
Cement		
Rating 4		
• This business activity comprises the production and commercialisation of cement. • Cement production begins in a rotary kiln where limestone and clay are heated to around 1,450ºC and an intermediary product, clinker, is formed. Gypsum is added to clinker to make Portland cement. Other materials, such as fly ash, pozzolan, limestone or chemical mixtures, can be added for particular uses. • Clinker is the most CO2-intensive component of cement, with roughly two-thirds of the processes' CO2 emissions resulting from its production. • Cement includes all of the cement produced by Molins, including ordinary Portland cement, calcium aluminate cement and white cement. • This segment is present in Spain, Croatia, Turkiye, Tunisia, Bangladesh, Argentina, Mexico, Uruguay, Colombia and Bolivia. Share percent Represents 49.89% of 2024 revenue.	• The cement sector is responsible for around 8% of global CO2 emissions. Cement is a carbon-intense product; most of its emissions are from its manufacturing process and from the energy required from this being obtained from burning fossil fuels. • The cement sector is one of the most hard-to-abate sectors, so focusing decreasing process- and energy-related emissions is key. This can be done by reducing the clinker-to-cement ratio, using alternative fuels and using electric kilns together with CCS technology. We view the environmental impact of the cement sector as primarily negative. • This business activity includes sales of ordinary Portland cement, calcium aluminate cement and white cement. Ordinary Portland cement has the highest contribution to the company's GHG emissions due to its significance in the portfolio. • We view it positively that Molins uses supplementary cementitious materials that lower its clinker-to-cement ratio, which are sourced from industrial processes' byproducts and/or landfills. This benefits the segment from an environmental perspective. • The EU recognised the importance of the cement sector in reaching the objectives of the European Green Deal. Manufacturing cement clinker, cement or alternative binder is an eligible economic activity under the EU taxonomy for climate change mitigation. • Its substantial contribution criteria (SCC) set thresholds for the product's specific GHG emissions intensity (of 0.722tCO2e per tonne of grey cement clinker or 0.469tCO2e per tonne of cement or alternative binder manufactured) and, in cases where the emitted CO2 is captured for underground storage, the capture must follow the corresponding SCC in the EU taxonomy. • Molins reported its net GHG emissions per tonne of cementitious material as 545kg net CO2 per tonne in 2024, which decreased from 558kg net CO2 per tonne in 2023; we view this positively. The SCC of the corresponding activity in the EU taxonomy include direct and indirect emissions. Molins only includes direct emissions; hence, we were not able to assess its alignment with the EU taxonomy SCC. • The net GHG emissions per tonne of cementitious material refer to	• Cement is used across various applications, including roads and buildings. Its wide range of potential applications means we do not consider it to be directly linked to SDGs, so we view it as neutral from a social perspective.

Entity Analysis

Business Activities			
Company Material Core Contributions		Sustainable Fitch's View	
		Environmental	Social
Cement			
Rating	4		
		total direct emissions minus the emissions from pure biomass and from the biogenic carbon content of mixed fuels, the emissions from on-site power production, the emissions from alternative fossil and from the non-biogenic content of mixed fuels, and the emissions from external heat transfer, as defined by the Global Cement and Concrete Association. • Molins has reported on the EU taxonomy eligibility of its activities based on turnover, capex and opex since 2022. It disclosure for 2024 indicates that 2.3% of its turnover was aligned with the EU taxonomy activity of manufacture of cement and that 43.6% was eligible under it. It also reports that 6.3% of its opex and 8.5% of its capex were aligned with this EU taxonomy activity, and that 35% of its opex and 44% of its capex were eligible. All these figures increased compared to 2023 levels, which we view positively. • The company is working on several actions to tackle process-and energy-related emissions from its cement manufacturing; it decreased its clinker-to-cement ratio to 0.691 in 2024 from 0.699 in 2023. The IEA expects the ratio to decrease to 65% by 2030 from 71% in 2022, which is the latest figure from the IEA. Molins has a clinker-to-cement ratio slightly lower than the 2022 average. • The company is also promoting the recycling of CDW; use of byproducts or waste valorisation; and use of calcinated clays, zeolites and pozzolans to tackle its process-related emissions. • Molins increased its share of alternative energy sources, with a 14% alternative fuel substitution rate; although its consumption of electricity from renewable sources declined to 34.4% in 2024 compared to 43% in 2023. • We positively view that the company is tackling energy and process emissions, which should reduce the emissions intensity of its cementitious material. • The cement manufacturing process also contributes to air pollution, water usage concerns and potential contamination. The company is addressing these issues by implementing environmental management systems and related policies, as detailed in the policies section of the environmental view.	

Entity Analysis

Business Activities

Company Material Core Contributions	Sustainable Fitch's View	
	Environmental	**Social**
Prefabs		
Rating 4		
• Molins provides solutions for any building structure and civil work in pre-cast concrete. These include pillars, deltas, beams, brackets, enclosures, floor slabs, prefabricated walls, roof elements and semi-beams. • This segment is only present in Spain. Share percent Represents 19.61% of 2024 revenue.	• The assessment of this business activity's environmental impact closely resembles that of the cement segment, as pre-cast concrete is the result of mixing cement with water and additives. • We positively view the sourcing of concrete aggregates from secondary sources such as CDW, as it promotes the circular economy. Molins's sustainability profile could benefit from it disclosing the share of aggregates sourced from recycled material or waste, which would allow investors to assess the positive impact of its circular economy initiatives.	• Our view of the prefabs segment is the same as the cement segment.
Concrete and aggregates		
Rating 4		
• Concrete is an essential building material with multiple applications in the construction sector, including infrastructure, transport, energy and housing. It is characterised by its durability, affordability and availability. It is the result of mixing cement, water and aggregates, and usually includes chemical additives. • Concrete production is highly decentralised as it is a heavy product that must be delivered quickly, requiring production facilities to be near the place of use. • The company produces a range of concrete such as continuous concrete, drainage concrete and fibre-reinforced concrete. • Ready-mix concrete is one of the largest markets for the cement and aggregates industries. • Aggregates are used in construction as a key component of concrete, masonry, asphalt, roads, landfills and buildings. • Most primary natural aggregates are extracted from hard rock quarries and from sand and gravel deposits, and processed and sorted by size. Crushed stone, gravel and sand are common, primary, natural aggregates. • This business activity also includes recycled aggregates. • This segment operates in Spain, Argentina, Mexico, Uruguay and Colombia. Share percent Represents 14% of 2024 revenue.	• The assessment of this business activity's environmental impact is very similar to that of the cement segment, as concrete is the result of mixing cement with water and additives. • Aggregates from primary or natural sources are extracted from sand and gravel quarries; in some cases, aggregates are water dredged. Their main use is as a raw material for building infrastructure, roads and residential, commercial and social buildings. • The quarrying is predominantly done in open pits, which substantially change the natural landscape, with associated removal of vegetation and soil cover, as well as biodiversity loss, depending on the location and exploitation technique. • Water usage can be an environmental aspect to consider, depending on the process used in the aggregates' production lines. Crushing and transportation of aggregates is linked to the generation of dust and noise. The operation of machinery is often driven by the combustion of fossil fuels. • Therefore, we view the production of aggregates as having a predominately negative environmental impact. • The current version of the EU taxonomy does not include mining or quarrying; however, quarrying can still contribute to climate change mitigation through targeted measures aimed at reducing GHG emissions, such as using alternative fleets or adapting processes to use alternative energy sources. • We positively view the sourcing of aggregates from secondary	• Our view of the concrete segment is the same as the cement segment. • Aggregates play a key role in society; however, their manufacturing has no direct contribution to the achievement of the social SDGs, which underpins our neutral view of this segment from a social perspective.

Entity Analysis

Business Activities

Company Material Core Contributions		Sustainable Fitch's View	
		Environmental	Social
Concrete and aggregates			
Rating	**4**		
		sources such as CDW, as it promotes the circular economy. Molins's sustainability profile could benefit from it disclosing the share of aggregates sourced from recycled material or waste, which would allow us to assess the company's positive impact through its circular economy initiatives.	
Building solutions			
Rating	**4**		
• This segment is broken down into three divisions: mortars, pavements and waste management. • Mortars are used in construction primarily for binding building blocks such as stones, bricks and concrete masonry units. They are essential for masonry construction, plastering and rendering. Mortars typically consist of a mixture of cement, lime, sand and water; they provide the necessary adhesion and structural integrity for masonry work. • Pavement is a key component of infrastructure, providing durable and smooth surfaces for roads, highways, walkways and parking areas. Pavements are typically constructed using materials such as concrete, asphalt and pavers. • Waste management involves the collection, transportation, processing, recycling and disposal of waste materials. Effective waste management practices are crucial for minimising environmental impact, conserving natural resources and promoting sustainability. Share percent Represents 7.88% of 2024 revenue.		• Mortars are made by mixing cement with fine aggregates and water; their environmental impact stems directly from these materials. Its environmental impact therefore closely resembles that of the cement segment. • We also view pavements to have a similar environmental impact as cement, aggregates and concrete, as these are what constitute pavements. • We view it positively that the company uses recycled concrete and aggregates, as this promotes circularity. • Its waste management activities comprise recycling and recovery plants, recovery of out-of-use tyres, recovery of non-hazardous waste, solid recovery fuel, the management of waste from construction to restore natural spaces, and the management of non-hazardous industrial waste to convert it into raw materials for industrial processes. • We deem its waste management activities to positively contribute to the environment in general; however, the environmental impact varies depending on the sub-activity's position in the waste hierarchy, from waste reduction to landfill. We therefore assessed each sub-activity separately to evaluate the environmental impact. • Collection and transport of non-hazardous waste are eligible under the EU taxonomy when the waste is segregated at source and intended for reuse or recycling; waste processing is also eligible when the waste is sorted. • Material recovery of non-hazardous waste contributes to climate change mitigation by avoiding GHG emissions through the circular economy, as it extends product life and thereby limits the need for new virgin materials. The SCC require it to convert at least 50%, by weight, of the material into secondary raw materials that are	• The activities in this business activity play a key role in society; however, the manufacturing of mortars, and pavements has no direct contribution to the achievement of the social SDGs, which underpins our neutral view of this segment from a social perspective. • We find the waste management activity to be socially positive to the extent that it contributes to the circular economy by converting waste into secondary raw materials for reuse. • To a certain extent, it also helps reduce pollution, which can affect the health of the population, by preserving natural resources and avoiding methane emissions by reducing the amount of waste sent to landfills.

Entity Analysis

Business Activities			
Company Material Core Contributions		Sustainable Fitch's View	
		Environmental	Social
Building solutions			
Rating	**4**		
		suitable for the substitution of virgin materials in production processes. • Molins disclosed that 0.2% of its turnover, 0.8% of its opex and 0.1% of its capex in 2024 were aligned with the EU taxonomy activity of material recovery from non-hazardous waste.	
Others			
Rating	**4**		
• This business segment comprises business lines such as urban landscape or lime (in Argentina). • It includes urban elements, covering various components used in urban infrastructure and landscaping, such as benches, planters, bollards and street furniture. Share percent Represents 8.62% of 2024 revenue.		• Urban elements are made from concrete, which we assess to have a similar environmental impact as the cement segment.	• The activities in this business activity play a key role in society; however, the manufacturing of urban elements and lime has no direct contribution to the achievement of the social SDGs, which underpins our neutral view of this segment from a social perspective.
Source: Molins integrated annual reports (2022, 2023, 2024), Molins presentation results 2024, Molins website, other Molins material		Source: Sustainable Fitch, based on Molins integrated annual reports (2022, 2023, 2024), Molins presentation results 2024, Molins website, other Molins material	

Entity Analysis

Environmental View
Rating: 2

Profile	Sustainable Fitch's View	Rating
Policies	• Molins has an environmental policy, a sustainability policy, and a water and marine resources policy. These policies govern topics such as water, biodiversity, land use, waste, pollution and energy. The company also has comprehensive measures that address individual environmental topics. • For water, the company aims to maximise water-use efficiency in its facilities, as well as recirculating water and using recycled water in production. It conducted a water vulnerability analysis in 2023 using the World Resources Institute's Aqueduct Water Risk Atlas. We view it positively that it has a standalone water and marine resources policy. • For land use and biodiversity impacts, Molins has quarry rehabilitation plans that include biodiversity management. It also has biodiversity management plans that aim to minimise impact through biodiversity restoration and reforestation programmes, monitoring of operational activities to ensure they do not interfere with the biological cycles of species, and environmental studies. • Molins incorporated the circular economy as a main axis of its business. We view it positively that its corporate strategy focuses on the use of alternative raw materials and fuels; thermal recovery; and recycling aggregates, concrete and materials. • The company committed to use fuels of renewable origin, which we view positively given the energy-intensive nature of the sector. • The company has environmental management systems, where each business segment operates within the framework of its own system. It obtained ISO 14001:2015 certification in 2024 for the environmental management system at 34 facilities, representing 44% of its facilities. Best practice is to expand certification to all operations. Molins indicates that it invests in environmental improvements in its facilities and processes annually, increasing 2.9x to EUR10.1 million in 2023 from 2022.	1
Disclosure	• The company reports in line with the Global Reporting Initiative, and also follows the recommendations of the Global Cement and Concrete Association on reporting material issues. Molins reported in line with the EU Corporate Sustainability Reporting Directive for the first time in 2024. Its disclosure of non-financial and sustainability information is aligned with its financials' consolidation perimeter, per the directive's requirements. • Molins disclosed its Scopes 1 and 2 emissions by country for 2024. The total Scope 1 emissions from the production of cement were around 3.5 million tCO2e in 2024. It also disclosed its Scope 2 emissions, both market and location based, from total electricity consumption. It reported market-based Scope 2 emissions of 151,000tCO2e in 2024, and location-based emissions of 169,000tCO2e. • The company also reported its emissions intensity per cementitious product at 545kgCO2 per tonne of cementitious product in 2024 and its clinker-to-cement factor at 0.691 in the same year. • Molins also disclosed Scope 3 emissions for the first time in 2024, at 3.63 million tCO2e, which covers all material categories for the cement sector. We view this positively; it aligns with market best practice. • The company also disclosed its Scopes 1, 2 and 3 GHG emissions by country its operates in, which we view positively. • We consider Molins's disclosure of other environmental KPIs to be comprehensive. Cement is an energy-intensive sector. It is beneficial for Molins's sustainability profile that it disclosed its total energy consumption at around 5.31 million GWh in 2024, with 21% being from renewable sources. • The company disclosed its total water consumption at around 1.77 million cubic metres in 2024. • Molins indicates that waste is not a material topic for the company as per the European Sustainability Reporting Standard. During our interaction with the company, it disclosed the total waste generated in 2024 as 110 million kg; we consider waste disclosure positively in our assessment. It also reported the method of disposal of waste, with 52% of its waste being recycled, recovered or reused in 2024.	1
Evolution	• The Scope 1 emissions from Molins's cement segment decreased by 7.48% to 3.5 million tCO2e in 2024 from 3.8 million tCO2e in 2021. Its cement emissions intensity also decreased by 5.55% due to the clinker-to-cement factor in cement decreasing by 3.64% in the same period. Its market-based Scope 2 emissions decreased by 31.5% between 2021 and 2024. • The company's Scope 3 emissions and total energy consumption figures are only available for 2024 and 2023. We cannot assess their evolution due to the lack of like-for-like data for the last four years. • Its water consumption decreased by 25.6% to around 1.17 million cubic metres in 2024 from 1.58 million cubic metres in 2021, which we view positively. • Its total waste generated increased by 27.6% to around 110 million kg in 2024 from 85.8 million kg in 2021, which we view negatively. Its share of waste recycled, recovered or reused decreased by 32.9% during the same period to 52% in 2024 from 78% in 2021, which we also view negatively.	4
Targets and Supply Chain	• Molins has maintained its clearly defined time-bound environmental targets. These comprise GHG emissions-related targets for 2030, including reducing Scopes 1 and 2 emissions by 20% from 2020 levels, and reducing its emissions factor to below 500kgCO2e per tonne of cementitious material. • The company also maintained energy-related targets for 2030, including having 55% of its electricity consumption from renewable sources and achieving a rate of energy replacement of 40%.	2

Entity Analysis

Environmental View
Rating: 2

Profile	Sustainable Fitch's View	Rating
	• It also maintained its other environmental targets for 2030, including reducing the clinker-to-cement ratio to 0.69, reducing particle emissions to 50g per tonne of clinker, reducing NOx emissions to 1,400g per tonne of clinker and reducing SOx emissions to 32g per tonne of clinker, as well as to have water management and biodiversity programmes at all of its sites in sensitive areas. • We deem all these targets as positive from a sustainability perspective. Molins's sustainability profile may benefit from it having GHG emissions targets and a net-zero strategy that are science-based and validated by third parties. • The executives' remuneration is linked to sustainability KPIs, which we assess as positive. Specifically, it is linked to two environmental KPIs: CO2 emissions reduction and alternative fuel substitution. • The company conducts ESG assessments of its suppliers. It reports the number of suppliers that were assessed in line with ESG factors at 190 in 2024. The company could encourage its suppliers to set environmental targets such as for GHG emissions reduction, which could help both suppliers and the company to reduce their carbon footprints and benefit Molins's sustainability profile.	
Risks and Incident Treatment	• No evidence has been found of any critical environmental incidents linked to the company's operations in the last three years.	1

Source: Sustainable Fitch, based on Molins integrated annual reports (2022, 2023, 2024), Molins sustainability policy, Molins environmental policy, Molins climate change policy, Molins water and marine resources policy, Molins supplier code of ethics, Molins remuneration report 2024, Molins website, other Molins material

Entity Analysis

Social View
Rating: 2

Profile	Sustainable Fitch's View	Rating
Human Rights	• We positively view that Molins's human rights due diligence policy follows internationally recognised standards for human rights such as the UN Global Compact, which the company joined in April 2020, as well as the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises and the International Bill of Human Rights. • The company has relevant human-rights-related policies, including its code of ethics, human rights due diligence policy and ethics channel policy.	1
Labour Rights	• It respects the International Labour Organization Declaration on Fundamental Principles and Rights at Work and committed to respecting its employees' rights of freedom of association and to collective bargaining. About 90.7% of its employees were covered by collective bargaining agreements in 2024. • It has an occupational health and safety policy and an occupational risk prevention management system. Its occupational risk prevention management system is certified to the ISO 45001:2018 standard for its cement and concrete operations in Argentina, Uruguay and Mexico. • The company reported three fatalities among its employees and two fatalities among its contractors from 2022 to 2024. It also reported six high-severity accidents among its employees and three high-severity accidents among its contractors between 2022 and 2024. • We positively view the reporting on safety KPIs for both employees and contractors. • Molins disclosed its voluntary and involuntary departures, with a total employee turnover of 6% in 2024. We view the ratio as low.	2
Diversity	• Molins states its diversity and inclusion principles in its code of ethics and in its equal opportunity and reconciliation policy; these promote respect, inclusiveness and fairness in the workplace. • Gender diversity at Molins is low, as only 22% of its workforce were women in 2024. This increased from 12.6% in 2023, which we view positively. Low gender diversity skewed towards high male representation is common in the sector, and the company is not an anomaly in that regard. However, it would still benefit the company's social profile if it achieved a more equitable gender mix. Its equality, diversity and inclusion policy could improve gender diversity at Molins if delivered correctly, as shown from 2023 to 2024. • Women held 20% of the senior management positions in 2024, which also increased from 18.2% in 2023. Gender diversity in the sector is low in both operations and management levels. We consider measures to increase diversity as important to reduce the gap and to increase female representation at the management level. • The company disclosed its gender pay gap across levels at 11.2% in 2024, which is calculated (following an internal framework) as the difference between the average salary of women and men expressed as a percentage of the average salary of men. Molins disclosed during interaction that its gender pay gap at the senior management level was 36% for 2024, which we view as high. • Molins also disclosed diversity in terms of age and disability, which benefits its sustainability profile. In 2024, 10% of its employees were less than 30 years old, 65.3% of its employees were over 30 years old and less than 50 years old, and 24.7% of its employees were over 50 years old. It had 30 disabled staff, making up 1% of its workforce.	4
Community and Customers	• Molins adopts an active role in the nearby communities where it operates, which we positively considered in our assessment. Good relationships with nearby communities in the company's sector are key to maintaining a social licence to operate. It provided EUR1.08 million (0.1% of its sales) to social projects, foundations and nonprofit organisations in 2024; 71.1% of this sponsorship was in Spain, 14.4% in Argentina, 12% in Tunisia and 2.5% in Croatia. • It also contributed to nearby communities through 55 action plans involving these communities, with 79% of its procurement being local.	2
Targets and Supply Chain	• Molins maintained its time-bound social targets for health and safety, diversity and community, which benefits its sustainability profile. These targets are to have formal plans with the community for all its operations, reaching 23% of positions at the management level being held by women, and having zero accidents in its operations by 2030. • As mentioned in its environmental profile, the executives' remuneration is linked to sustainability targets, which we view positively. The remuneration is linked to two social KPIs: accident rate and employee satisfaction index. • The company does not have targets for its suppliers, though it conducts ESG assessments of its suppliers and social criteria are part of the supplier code of ethics. It disclosed that 1,576 suppliers have adhered to its code of ethics across all geographies in 2024.	1
Risks and Incident Treatment	• No evidence has been found of any critical social incidents linked to the company's operations in the last three years.	1

Source: Sustainable Fitch, based on Molins integrated annual reports (2022, 2023, 2024), Molins code of ethics, Molins supplier code of ethics, Molins human rights due diligence policy, Molins remuneration report 2024, Molins website, other Molins material

Entity Analysis

Governance View
Rating: 2

Profile	Sustainable Fitch's View	Rating
Financials and Reporting	• Molins's financial statements are prepared in line with IFRS. • The publicly available independent auditor reports indicate Molins's financial statements in the past three years have given a true and fair view of the company's performance.	1
Top Management and Control	• Molins's board has 12 members, four of which are independent directors and three are women. In addition, 83% of the members are Spanish; 100% are white; and 25% are under 55 years old, 25% are between 55 years old and 65 years old, and 50% are over 65 years old. The experience of the directors is concentrated in engineering, economics, business administration and law, which benefits Molins's sustainability profile. • The chair and CEO positions are held by different individuals, which we view positively for avoiding a concentration of power. There is no employee representation on the board; however, workers' rights and interests are considered in the company's decision-making and governance via other mechanisms such as its ongoing communication with unions. • The board responsibilities are split into two board committees: the remuneration and appointments committee, and the audit and compliance committee. The audit and compliance committee is a board-level committee that the CEO is not a part of. This committee's main role is oversight duties, including regularly reviewing the process for preparing economic and financial information, the internal controls and the independence of its statutory auditor.	2
Remuneration	• We positively view the presence of a remuneration and appointments committee. This committee is responsible for proposing the remuneration of directors and senior management to the board, as well as for reporting on the appointment of directors. • Molins discloses both CEO remuneration and the average employee salary, which we used to estimate the CEO-to-average-employee pay ratio for our assessment. • The company changed its CEO mid-2024. Accordingly, we considered the remuneration of both individuals who served as CEO during the year. • The former CEO's remuneration included fixed pay and variable components (short- and long-term incentives). We excluded the severance payment from our calculation. The long-term incentive component was annualised and included. • The current CEO's remuneration consisted solely of fixed compensation. • Based on the above, the 2024 CEO pay ratio was 54.1x relative to the company's average employee salary. The ratio was influenced by the former CEO's departure and the associated long-term incentive payout upon termination.	3
Risk Management	• Molins has a general policy on corporate governance that covers corporate governance risks. The company also has an enterprise risk management system covering drafting of the risk inventory; risk identification, which includes mitigation actions; risk scoring; risk mapping; risk control measures; and	1

Governance View
Rating: 2

Profile	Sustainable Fitch's View	Rating
	supervision. • The risks reported by Molins include the risk of fraud and corruption in business. The company reported amount of training in ethics and corruption prevention among its workforce at 3,216 hours in 2024. It also recognises risk related to cybersecurity, which we view positively. • No evidence has been found of any critical incident linked to the company and related to legal, compliance or cybersecurity aspects in the last three years.	
Tax Management	• The company has had a tax policy in place since 2017 to define its tax strategy and to govern its tax risk management framework. • Molins is subject to domestic taxes from each subsidiary in the country that it operates in. The parent company is domiciled in Spain, where it is subject to income tax. • The company reports its total tax contribution at EUR557 million in 2024, with 45% being taxes on profits, 33% being on product and services, 20% being employment taxes, 1% being property taxes and 1% being other taxes.	1

Source: Sustainable Fitch, based on Molins integrated annual reports (2022, 2023, 2024), Molins annual reports (2022, 2023, 2024), Molins anti-corruption policy, Molins ethics channel policy, Molins code of ethics, Molins remuneration report 2024, Molins website, other Molins material

Relevant UN Sustainable Development Goals - Entity

9.4	By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities	
9.5	Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending	
12.5	By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	

Source: Sustainable Fitch, UN

Note: Sustainable Fitch evaluates the relevant UN Sustainable Development Goals at the entity level by considering direct contributions, not generic support.

Appendix A: Key Terms

Term	Definition
Debt Types	
Green	Proceeds will be used for green projects and/or environmental-related activities as identified in the instrument documents. The instrument may be aligned with ICMA Green Bond Principles or other principles, guidelines or taxonomies.
Social	Proceeds will be used for social projects and/or social-related activities as identified in the instrument documents. The instrument may be aligned with ICMA Social Bond Principles or other principles, guidelines or taxonomies.
Sustainability	Proceeds will be used for a mix of green and social projects and/or environmental and socialrelated activities as identified in the instrument documents. The instrument may be aligned with ICMA Sustainability Bond Guidelines or other principles, guidelines, taxonomies.
Sustainability-linked	Financial and/or structural features are linked to the achievement of pre-defined sustainability objectives. Such features may be aligned with ICMA Sustainability Bond Guidelines or other principles, guidelines or taxonomies. The instrument is often referred to as an SLB (sustainability-linked bond) or SLL (sustainability-linked loan).
Conventional	Proceeds are not destined for any green, social or sustainability project or activity, and the financial or structural features are not linked to any sustainability objective.
Other	Any other type of financing instrument or a combination of the above instruments.
Term	**Definition**
Standards	
Transition	A term applied to green, social, sustainable or sustainability-linked instruments, only when the purpose of the debt instrument is to enable the issuer to achieve a climate change-related strategy according to Fitch criteria or methodology.
ICMA	International Capital Market Association. The "ICMA" credential on page 1 refers to alignment with ICMA's Principles and Guidelines: a series of principles and guidelines for green, social, sustainability and sustainability-linked (or KPI-linked) instruments.
EU Taxonomy Alignment	Sustainable Fitch follows a series of steps to determine a green instrument's alignment with the EU taxonomy. First, we determine if eligible projects within each UoP category are eligible under an EU taxonomy category. Then we determine if all eligible projects under the UoP align with the relevant substantial contribution criteria (SCC), do no significant harm criteria (DNSH) and minimum safeguard (MS) criteria as established by the taxonomy. The taxonomy alignment metric indicates the percentage of UoP categories that are fully aligned with all three pillars of the taxonomy. In line with EU guidance, we do not assess any remaining steps if we could not confirm the previous step, eg we do not assess DNSH and MS alignment if we could not confirm alignment with the SCC.
Other Terms	
Labelled instrument	Green, social, sustainability and sustainability-linked types of debt.
Short term	Within five years.
Long term	At least six years away.
Entity's business activity overlap with use of proceeds	The share of the entity's total business activities that can use proceeds from the debt instrument in question.
NACE	An industry standard classification system for economic activities in the EU, based on the United Nations' International Standard Industrial Classification of All Economic Activities (ISIC).

Source: Sustainable Fitch, ICMA, UN, EU Technical Expert Group

Applicable Methodology, Policies and Procedures

Methodology and SUF Rating and Score Definitions

Solicitation

Status	Solicited
The Ratings were solicited and assigned or maintained by Sustainable Fitch at the request of the rated entity.	

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