cementirholding
CALTAGIRONE GROUP

Sustainability Report 2022

Non-Financial Statement

(In accordance with Decree disclosure of non-financial information (*Besluit bekendmaking niet-financiële informatie*) of 14 March 2017 and Decree disclosure of diversity policy (*Besluit bekendmaking diversiteitsbeleid*) of 22 December 2016)

Contents

Letter to the Stakeholders

Dear stakeholders,

Looking back at 2022, despite the economic, environmental and social challenges that the world faced in the last year, the Group achieved unprecedent results, as never before. These extraordinary outcomes demonstrate the solidity and resilience of Cementir's business model, a Group daily committed to ESG issues, each and every day.

The escalation of conflicts, global supply chain disruptions, the ongoing energy crisis and the subsequent market volatility have once again demonstrated how, as individuals, we are part of a fragile and interdependent system, within which we play an important role.

In the coming years, cement, and its sustainable developments, will become increasingly fundamental for the construction of sustainable, strong and durable buildings and public services. According to United Nations, in November 2022 the global population reached 8 billion. This number is inevitably set to rise further, and by 2050, two out of every three people are likely to be living in cities or other urban centres. These future perspectives highlight the important role that the building materials industry and its necessary and fundamental sustainable advances will have for current and future generations. Innovation will be the key to helping create better living conditions, by allowing communities to thrive.

It is also because aware of this that our commitment toward sustainability is of growing importance, a compass driving all our actions and choices.

In 2022 we decided to further formalise this engagement by signing the UN Global Compact. We stand among the 15,000 signatory companies who are committed to working every day to develop a more responsible business, respectful of human and labour rights, promoting environmental protection and anti-corruption initiatives.

This year we also signed the WASH Pledge, an initiative developed by the World Business Council for Sustainable Development (WBCSD) and supported by the United Nations. In signing it, we are committed to providing access to safe water, sanitation and hygiene (WASH) at the workplace within our operations. But also, to acting on WASH across our value chain, including our suppliers, as well as the communities around our workplaces and where our employees live.

This has been also the year with a greater focus on innovation, one of our fundamental drivers, with ongoing studies and development of low carbon cement, as well as the installation of a pilot Carbon Capture Unit (CCS) at Aalborg Portland and feasibility studies of Carbon Capture and Storage technologies at some of our plants.

For this reason, during 2022, the 2030 Roadmap has been updated to include the implementation of this technology at the Aalborg plant, in addition to the actions already planned for all our operations. These include the replacement of fossil fuels with alternative 'green' fuels and the reduction of clinker content in the cement produced through our low-carbon cement FUTURECEM®, which allows over than 35% clinker replacement with limestone and calcinated clay, and by the use of decarbonized mineral additives such as fly ash and slag in place of clinker.

By 2030 Cementir will reduce its emissions of CO_2 per ton of grey cement to 460 kg, which is below the limits required by the European Taxonomy and equates to a 36% reduction from 2020 levels.

The Group also lowered the 2030 target for white cement, which is a special product with niche applications and markets (0.5% of total world cement production). Cementir's plan is to reduce its Scope 1 emissions to 738 kg of CO_2 per ton of white cement. The CO_2 reduction in white cement production will be achieved by replacing traditional fossil fuels with natural gas and biomass and replacing clinker content in cement with mineral additives, as limestone.

The 2023-25 Industrial Plan, aligned with 2030 Roadmap, approved by the Board of Directors in February 2023, targets an 86 million Euro investments in Sustainability, which will include, among others: the revamping of the kiln at our Belgian plant to increase alternative fuels use from the current 40% to over 70%; the switch to natural gas in Aalborg and the ramping up of facilities at the Aalborg plant to produce FUTURECEM®.

Our commitment to sustainability is also, inevitably, extended to all natural resources, including the preservation of biodiversity and habitats. A big step forward has been taken with respect to biodiversity with the release of the Group Guidelines, with the aim of providing guidance for developing and implementing biodiversity and rehabilitation plans at quarry and pit sites, as well as underlying the increasing importance given to this important topic by the Group. Cementir targets to develop Biodiversity Management Plan for all the sites that are sensitive with respect to biodiversity and that have high biodiversity value.

I believe that is our responsibility, as human beings, to create long-term value for the communities where we operate and where our employees, suppliers, customers and partners live and work. Only through close collaboration with all stakeholders we can face all the humanitarian, environmental and social challenges of our time.

With this as our purpose, Group's priority continues to be to spread a stronger health and safety culture aimed at the application of a zero-accident strategy, such that in 2022 there were no fatalities and high-consequence injuries among Cementir's employees and contractors or subcontractors.

To further improve employee's work life conditions, well-being and enhance the uniqueness of all employees, diversity, equity and inclusion cover a central role in Cementir's operations. The recognition of its importance has led us to implement a range of multiple actions related to this topic. These include: the publication of the Group Diversity, Equity and Inclusion policy; the setting of new targets for gender representation in the internal program for developing leadership and managerial skills and within the senior management team; the implementation of diversity, equity and inclusion assessments and the launch of the second edition of Group People Survey 'Your Voice', focused on employee engagement and enablement.

All the mentioned actions have once again led to Cementir's leadership being acknowledged globally in the main ratings (CDP, Refinitiv, ISS and many others), rankings and sustainability indices that have improved thanks to all our efforts.

In 2022, Cementir was awarded an 'A-' rating for Climate Change from the CDP, keeping stable the 2021 'A-' rating and placing Cementir above the cement and concrete sector average (B) and the European average (B). For the first time, Cementir was also awarded a 'A-' rating for water security, higher that the Europe regional average (B) and higher than the Cement and concrete sector average (B).

From the very beginning, Cementir has been strong committed to communities and their needs, with a systemic approach that includes everyone, leaving no one behind. The tragic news of the Turkish earthquake in early 2023 made the whole Group stand by their Turkish colleagues and launch rescue and supporting activities, in support and in solidarity towards the local population.

These are just few of the highlights from 2022, in the full report you will have the opportunity to find out more about our commitment to driving sustainable materials. Cementir will continue to pursue all of these approaches to promote a sustainable and comprehensive business model that can generate shared value and positive impact for generations of today and tomorrow. I once again thank all Cementir's employees, who have enabled and enable the achievement of such important milestones.

To face the challenges of today and tomorrow is required our best and highest effort, the one that we at Cementir apply every day and will continue to do so in the years to come.

Rome, 9 March 2023

Francesco Caltagirone, Jr.

Chairman of the Board of Directors

Methodology note

The Cementir Group Sustainability Report – Consolidated Non-Financial Statement (SR or NFS), has been prepared in compliance with EU directive 2014/95 on the disclosure of non-financial and diversity information, and in accordance with the related Dutch decrees. Specifically with Decree disclosure of non-financial information (*Besluit bekendmaking niet-financiële informatie*) of 14 March 2017 and Decree disclosure of diversity policy (*Besluit bekendmaking diversiteitsbeleid*) of 22 December 2016.

The Report consolidates the information on the entire Cementir Group; it therefore includes the data on the parent company and its fully consolidated subsidiaries[1]. Furthermore, it also fully consolidates the non-financial data on the subsidiary SCT which, in the Group's Financial Report, is consolidated applying the proportional method (since it is controlled jointly at 65%). Any limits to the scope of reporting are clearly identified in the text and do not significantly affect understanding of the Group's business, its performance or its results.

The qualitative and quantitative information reported in the NFS derives from a data-gathering process performed at the levels of Holding and single legal entity, using excel reporting packages.

The Report discloses the data for the period 1 January 2022 – 31 December 2022, is drafted annually, and is approved by the Board of Directors of Cementir Holding NV. Previous years' data are included for comparative purposes to enable an assessment, over time, of the performance of the Group. Any restatement of data reported in previous years is clearly indicated in the document.

The information disclosed in the Sustainability Report has been defined using as a methodological reference the 'GRI Sustainability Standards' issued by the Global Reporting Initiative (GRI), a leading international association in the development of Sustainability Reporting Standards. The information was reported '*in accordance*' with the GRI Standards, referring to the period between January 1st, 2022 and December 31st, 2022. The Group has taken into account the reporting principles set out in the GRI Standards: completeness, sustainability context, balance, comparability, accuracy, timeliness, clarity and verifiability. A detailed overview of the indicators disclosed can be found in the GRI Content Index which provides a detailed description of all the topics covered in the document.

The 2022 Sustainability Report shows the results of the analyses performed by the Company according to art. 8 of EU Regulation 2020/852 of June 18th 2020 (EU Taxonomy) and Delegated Regulations 2021/2178 and 2021/2139. The results of the

[1] For the Group details see the Group Annual report.

analysis as well as the description of the methodological process, are reported in the related section.

At the end of the document, the Annex includes all Sustainability KPIs (see 'Cementir Data Tables') and detailed information on the emission factors used to report CO_2 equivalent emissions indicators.

The Sustainability Report – Consolidated Non-Financial Statement was subjected to limited assurance by PricewaterhouseCoopers S.p.A..

The limited assurance, in line with the regulatory frameworks in force, does not concern the information and data related to the "EU Taxonomy" section and the art. 8 of EU Regulation 2020/852.

The definition of material issues

According to GRI Sustainability Reporting Standards, material topics are ones that represent the organisation's most significant impacts on the economy, the environment and people.

The result of their prioritisation is the materiality matrix, a tool that bring out clearly the relationships between corporate interests versus those of stakeholders, highlighting the areas of sustainability that are of mutual interest on which the content of reporting and strategic actions to be taken should focus most.

The approach of Cementir Holding to sustainability bases its roots on this tool and, for this reason, we have committed to updating it on a yearly basis. This commitment is also appropriate considering the many changes that occurred in the sustainability field in recent years, but also the importance to meet stakeholders' expectations which are constantly changing and along with their priorities.

The main change implemented, from last year, has been the categorisation of material topics into three areas: Environmental, Social and Governance (ESG).

Consistent with last year, the most important material topics in 2022 are **Health & Safety** and **Climate Change and GHG emissions.** Due to the excellent results and notable improvements in health and safety there is a desire for greater focus on the issue of Climate Change, which this year is considered the most important topic.

The materiality matrix review process performed in 2022 can be divided in four different phases:

1. Identification and research
2. Definition through stakeholder engagement
3. Prioritisation
4. Validation and implementation.

Identification and research

The material topic identification phase was structured, leading to the integration of several internal documents and multiple external sources.

Regarding the internal documents, the starting point was the results of the risk assessment performed during 2022 (for details, see the paragraph 'Risk Management Framework'), the Group's strategy and the Group's sustainability targets (for details, see the paragraph 'Sustainability Targets') compared with and integrated into the last year's list of material topics.

Concerning the Group Risk Management, careful analysis involved a preliminary stage that enabled the identification of actual and potential impacts of the Group across all of its activities, leading to the definition and consolidation of a list of material topics (for a more detailed risks analysis, see the chapter 'Risk Management Framework').

Following this, we turned to external sources, which we used to verify the level of alignment or misalignment with our previous material topics. By doing this, we were also able to better understand the context surrounding the organisation.

The first screening was conducted with specific reference to our industry, cement production. For this we used and consulted:

- the SASB Materiality Map (sector specific)
- documents and research issued by cement trade associations.

We further enriched our analysis by using a benchmark of material topics identified by the main players in the cement sector (Cemex, Holcim, Titan, Heidelberg Materials, CRH, Votorantim Cimentos, Ultratech Cement, Argos and Buzzi Unicem).

In order to complete this phase and verify the alignment of our material issues with the needs of our stakeholders, we provided consultation and analysis of ESG mega trends, as reported by MSCI, Refinitiv and S&P Global.

The result of the identification and research phase is the list of Cementir's material topics, classified into three equally distributed different categories (environmental, social and governance), to be as more comprehensive as possible and to outline the holistic framework in which the Group operates on a day-to-day basis.

This updated list provides a complete sustainability disclosure and is fully consistent with Cementir Group's strategy.

Material topics list

Key Environmental Social Governance

	Material topics	Description
	Biodiversity	Ensure and guarantee the protection of biodiversity in all territories where the company operates. The company is also committed to minimising its environmental impact through the development and implementation of a Rehabilitation Plan for all its quarries and by Biodiversity Management Plan for the 'High biodiversity value' assessed quarries.
	Circular economy (use of alternative fuels and materials)	Respect, application and dissemination of the circularity's principles in both production and consumption, extending the value creation of all products and materials. Our roadmap is fully inspired by circular economy principles and its application allows resources to remain in use for longer periods, extracting maximum value from them. In addition, reuse and recycling contribute to environmental footprint reduction by helping to improve sustainability within the cement value chain.
	Climate change and GHG emissions	Taking concrete actions on climate change mitigation and addressing direct and indirect greenhouse gas emissions that the company generates through its activities Cementir's goal is to reduce its Scope 1 carbon intensity to 460 kg CO_2 per ton of grey cement produced by 2030. For white cement, the goal is to reduce its Scope 1 carbon intensity to 738 Kg CO_2 per ton of white cement produced.
	Energy management	An internal monitoring process aimed at the proper and responsible use of energy, with particular attention to sources of supply. By 2030, the Group will increase the proportion of alternative fuels in the fuel mix to 50% for producing grey cement and 13% for white cement. The group has projects ongoing to increase the capacity of plants to use alternative fuels. Energy management is not only related to supply sources but also to its sale. There are some specific cases, like the Aalborg plant, where excess heat is recovered from cement production and distributed to provide district heating to local residents. The recovered thermal energy is used to heat the homes of about 20,000 families.
	Innovation	Innovation is related to the development of new products (low carbon cement), new production processes and new technologies (practical examples are the implementation and feasibility study of Carbon Capture and Storage technologies at our plants) to contribute toward the consolidation of an increasingly sustainable, circular and inclusive economy.

	Material topics	Description
	Other air emissions (non GHG emissions)	Monitoring and reporting of other air emissions to minimise impact on the environment, different from Greenhouse Gas emissions that the company generates through its activities. The company is committed to the constant monitoring of absolute and specific emissions according to GCCA sustainability guidelines for the monitoring and reporting of emissions from cement manufacturing.
	Waste and Hazardous Materials Management	Internal processes to ensure the correct storage of unwanted waste that has served its purpose and is no longer useful. Collecting, processing and disposing of waste are all part of the process. At the same time, waste is also a source of alternative fuels with a high calorific value.
	Water management	Our water management is focused on responsible and efficient use of this common resource. The Group has laid out a 10-year roadmap that will allow water consumption per ton of Cement Equivalent produced to be reduced by 20% compared to 2019. For plants located in high water-stress areas, for which the specific water consumption is already lower than the Group average, the reduction target is 25%. Company's commitment is also enforced by the signature of the WASH Pledge (for more information, see '*Responsible and efficient use of water*'), aligned with SDG 6, which guarantees the provision and access to water at an appropriate level of standard for all employees in all premises under our direct control. Cementir is also committed to taking action on WASH across its value chain (suppliers and communities).
	Community engagement	Engaging with the communities that the company operate within, ensuring their involvement and participation.
	Customer management	The ability to interpret and manage the needs and expectations of customers through effective planning, management and communication.
	Diversity, Equity and Inclusion	Fully respecting and ensuring the application of diversity equity and inclusion (DEI) policies throughout the company and all its stakeholders.
	Health and Safety	Cementir is strongly committed to creating and maintaining a safety culture, based on the worker participation and involvement. Company's strategy is aimed at zero accidents and illnesses vision. 100% of cement production is covered by the ISO 45001 cement plants certification.
	Human rights	Ensuring full respect of human rights, regarding any stakeholder of the company. The company is also acting in full compliance with the Group's human rights policy.

	Material topics	Description
	People management and development	Boosting employee engagement, encouraging teams to improve their performance at work and ensuring individuals are inspired to continually develop in their career.
	Reliable and Sustainable supply chain	Along the whole supply chain, ensuring that everyone integrates and respects the highest standards according to company's policies. Suppliers are called upon to comply with and adopt practices that are also consistent with internal Group policies, including most notably Health and Safety and Human Rights.
	Business performance and consolidation	Capability to achieve company's objectives, in addition to results expected for all its subsidiaries and the creation of value over the long-term. This is furthermore enhanced by risk management activities, that supports management in identifying, assessing and monitoring risks, as well as defining the most effective response strategies for their mitigation.
	Competitive behaviour	Management always operates in full accordance with and respect for the market: ensuring fair competition, application of anti-corruption practices and policies and implementation of ethical business. All practices are aimed at value creation. Therefore, acting according to high ethical standards has always been a defining characteristic of the Group and allows full respect for the needs of everyone.
	Cybersecurity and data protection	The integration of practices aimed at protecting digital information from unauthorised access, corruption, or data theft and ensuring a safe business.
	Geopolitical aspects	Direct and indirect impacts caused to the business by geopolitical events in the world (such as inflation, stagflation, conflicts and so on).
	Industrial relations	Consolidation and maintenance of a good and safe relationship between top management and employees.
	Regulation	Company's responsiveness to adapt its processes, reporting documents to the latest releases of laws, regulations and standards. While the company operates in a sector that is considered as a major emitter, legislation, at the European level and the international level is becoming more rigorous.
	Transparency and accountability	The ability to enable everyone to have access to company's information in a detailed and honest way, by holding every operating entity accountable for their commitments.

Compared to the material topics of 2021, as anticipated, changes and additions have been made to ensure a better description of corporate activity.

The main reviews carried out are shown below.

2021 Material Topics	2022 Material Topics	Reasons for the update
Climate change	Climate Change and GHG emissions	Greater accuracy on our commitment
Diversity management	Diversity, Equity and Inclusion	Emphasises the daily commitment to the application of good practices
Circular economy	Circular economy (use of alternative fuels and materials)	Specification needed to provide greater clarity
Other air emission	Other air emissions (non GHG emissions)	Specification needed to provide greater clarity
Suppliers' relations	Reliable and sustainable supply chain	Highlight a greater focus on this issue
Value Creation	Business Performance and consolidation	Incorporation necessary in order to homogenise material topics and avoid redundancies
White cement application	-	Material topic evaluated as too specific for a materiality matrix that has to provide a bigger picture perspective
Fair competition	Competitive behaviour	Merged into a single material topic to provide a better description
Business ethics anti-corruption and compliance		
Business ethics anti-corruption and compliance	Regulation	The issue of compliance needed more specific attention and focus
	NEW Geopolitical aspects	Necessary its integration considering our global presence
	NEW Waste and Hazardous Materials Management	Enhances company's commitment to the implementation of more sustainable business practices
	NEW Energy management	Importance for the pursuit of Cementir's Roadmap

Definition through stakeholder engagement

Once the material topics for Cementir Holding has been defined, the next stage was to involve all stakeholders, both internal and external, in the validation process.

The stakeholders involved in this process were 580 people, of which the following were internal:

- Top Management: the highest levels of managers consisting of all heads of corporate functions and all heads of Regions. This group includes the members of Ethics Committee
- Cementir's independent board members
- A heterogeneous and random sample of employees.

Instead regarding external stakeholders, we involved:

- customers
- suppliers
- institutional bodies (entities with a primary role in the world of sustainability).

Through an anonymous multiple-choice survey stakeholders were asked to share the degree of relevance they assigned to material business topics on a scale of 0 (irrelevant) to 4 (very relevant).

This phase brought the understanding of material topics' significance to the next stage.

Prioritisation

The prioritisation phase, immediately following the stakeholder engagement activity, involved an analysis by the Group of the results obtained.

Through the comparison of the opinions of stakeholder, it was possible to prioritise Cementir's material issues, categorised according to the degree of relevance assigned.

Additionally, this phase enabled the Cementir Group to monitor and compare the different degrees of relevance assigned to various issues by each category of stakeholders. It also allowed verification of level of alignment or misalignment between internal relevance and external expectations on these issues.

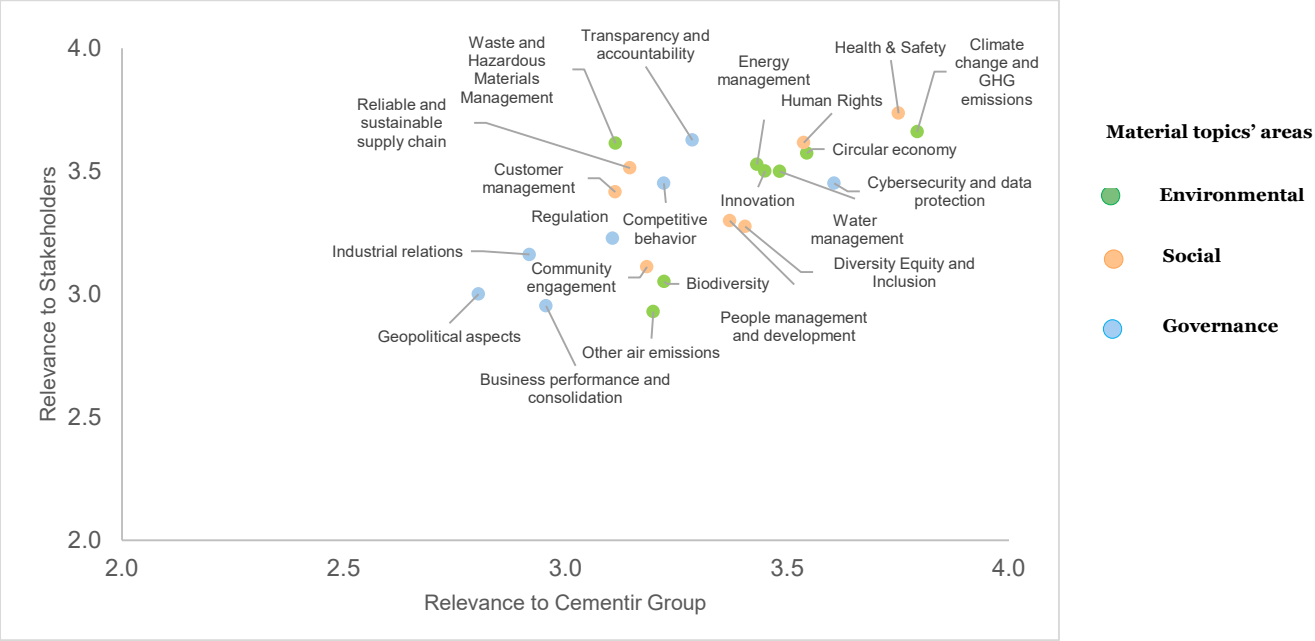
This process identified the most relevant issues for the Group as being for the environment side **Climate Change and GHG emissions,** for the social side **Health and Safety** and lastly for the governance side **Cybersecurity and data protection.**

Validation and implementation

The final phase of the materiality matrix review process consisted of the validation of the results obtained by the Sustainability Committee.

In order to further validate the results, a comparison with the corporate strategy already in place and the Group's targets was also necessary.

The outcome of this whole process is a valuable strategic and communicative tool for both internal and external use, which allows Cementir to have constant monitoring of its activities and verification of the choices made.



The Group's stakeholders

Considering the breadth and the international presence of the Group there are many different stakeholder categories with different needs with whom the company interacts on a daily basis. Every category of stakeholder has its specific method and frequency of listening and involvement, based on type of subject, topic, interest and characteristics of the Group's various regions.

We relied on the working and non-working relationships that the Group, each region and each individual business unit, has both externally and internally as well as directly and indirectly in order to identify them. The identified and listed stakeholder categories are those that the company interfaces and has a stable relationship with (Holding level or regional level).

Cementir Holding works to build a strong and long-lasting relationship with all of them, as we are aware that cooperation is an important and powerful value that enables the Group to better achieve its results, long-term sustainability and improve its positive impact on people and society. To do so, communication and listening to stakeholders are increasingly important and play a crucial role. The Group is therefore strongly committed to engaging with them as much as possible.

With the implementation of wide range of actions, Cementir is in a position to intercept stakeholders' needs and priorities in advance, knowing that Cementir's actions will have a direct impact on the ecosystem it is a part of, and that take into account the environment, the economy and society as inseparable parts of the same whole.

The table on the next page lists the Group's main stakeholders, the subjects of interest identified for each of them and the tool used for enhancing its engagement. For this last phase, direct conversation with the individual business unit enabled Cementir to identify all the tools and channels used to ensure the highest level of stakeholder involvement.

Type of stakeholder	Subject of interest	Engagement's tool	For more details
 **Personnel**	• Cybersecurity and data protection • Diversity, Equity and Inclusion • Health and Safety • Human rights • Industrial relations • Innovation • People management and development	• Intranet • Mail • Official reports • Social networks • Survey • Training	• 'Governance' • 'We value our people'
 **Institutions and Authorities (local and national)**	• Climate change and GHG emissions • Competitive behaviour • Energy management • Health and Safety • Human rights • Industrial relations • Innovation • Other air emissions (non GHG emissions) • Regulation • Waste and Hazardous Materials Management	• Exhibitions • Official reports • Participation in Global and Business Associations • Press releases • Public conferences	• 'Governance' • 'We respect the environment in all our operations' • 'We value our people'
 **Shareholders**	• Business performance and consolidation • Competitive behaviour • Regulation	• Direct contact • Official reports • Press releases • Shareholder meetings	• 'Governance'

Type of stakeholder	Subject of interest	Engagement's tool	For more details
 **Trade Unions**	• Human rights • Industrial relations	• Dedicated meetings • Networking • Official reports • Working group	• 'Governance' • 'We value our people'
 **Local communities and local committees**	• Circular economy (use of alternative fuels and materials) • Climate change and GHG emissions • Community engagement • Human rights • Other air emissions (non GHG emissions) • Waste and Hazardous Materials Management • Water management	• Dedicated meetings • Direct contact • Official reports	• 'In waste, we see resources: we promote a circular economy' • 'We respect the environment in all our operations' • 'We support our communities'
 **Customers**	• Climate change and GHG emissions • Competitive behaviour • Customer management • Innovation	• Blog • Exhibitions • Official reports • Sales • Social networks • Survey • Training • Website	• 'Sustainable products' • 'Customer engagement' • 'Cementir Roadmap 2030' • 'Governance' • 'We respect the environment in all our operations'

Type of stakeholder	Subject of interest	Engagement's tool	For more details
 **Suppliers and contractors**	• Circular economy (use of alternative fuels and materials) • Health and safety • Reliable and Sustainable supply chain	• CDP Supply Chain • Exhibitions • Official reports • Training	• 'Value chain engagement' • 'In waste, we see resources: we promote a circular economy' • 'We value our people'
 **Environmentalist Associations**	• Biodiversity • Circular economy (use of alternative fuels and materials) • Climate change and GHG emissions • Energy management • Innovation • Other air emissions (non GHG emissions) • Waste and Hazardous Materials Management • Water management	• Official reports • Social networks • Website	• 'Cementir Roadmap 2030' • 'In waste, we see resources: we promote a circular economy' • 'We respect the environment in all our operations'
 **Financiers**	• Business performance and consolidation • Competitive behaviour • Regulation • Transparency and accountability	• Direct contact • ESG ratings • Investor presentation • Official reports • Press releases	• 'ESG ratings' • 'Governance'

Sustainability Targets

Sustainability is one of Cementir's main values, on which it bases its activities and its choices. For this reason, the Sustainability Development Goals (SDGs) of the United Nations are incorporated into Cementir's guidelines, the compass by which its actions are directed.

The Group contributes to the achievement of all 17 SDGs, but to better direct its operations and given the intrinsic impacts and characteristics of the business, the company focuses its effort on those considered most critical.

Below is the list of the SDGs identified as most impactful for Cementir Holding, the ones on which the Company has greater ability to support their achievement and drive the change.

This is the framework surrounding the Group's Sustainability Targets.

The Sustainability Targets, defined by the Sustainability Team in collaboration with regional and corporate teams and according to the guidelines established by the Sustainability Committee, are related to the efforts by Cementir to adopt all necessary measures and the most innovative technological solutions to:

- minimise the impact of our business on the environment;
- create a healthy, safe and inclusive work environment;
- respect human rights and create a constructive and transparent relationship with local communities and business partners.

The Group Management Team (GMT)[2] is accountable for managing the projects and achieving the Sustainability Targets.

The Internal Audit Department is responsible for the periodic monitoring of activities implemented with respect to the Group's Sustainability strategy and its targets

Cementir's Sustainability Report is an annual disclosure of its progress towards achieving these targets with the assistance of its stakeholders.

In the following section, the progress achieved by the Group for each single Sustainability Target disclosed, alongside related UN Sustainable Development Goals (SDGs), the results achieved in 2022 and the material topics impacted.

[2] The GMT, composed of the Group COO, CFO, Sales Officer, Procurement Officer, Technical Coordinator Officer, Information Technology Officer, Group General Counsel, Group Chief Internal Audit Officer, Group Investor Relations Officer and Head of Regions, supports the Group CEO's decisions on relevant topics, defines operating guidelines and plays a vital role in ensuring that sustainability efforts are aligned with economic and business objectives.

UN SDGs	Target	Detailed description	2022 results	Deadline and progress		Pages	Impacted Material Topic
[SDG 13]	CO_2 reduction target for grey and white cement	The Group has defined a Roadmap to 2030 that will allow for the constant reduction of CO_2 emissions per ton of cement. The Group will reduce emissions of CO_2 per ton of grey cement to 460 kg, which is below the limits required by the European Taxonomy and equates to a 36% reduction from 2020 levels. For white cement, CO_2 emissions will be reduced to 738 kg per ton of cement.	In 2022, the emissions per ton of grey cement were 673 kg, 6% lower than in 2020 and below the 679 kg target for 2022. Emissions per ton of white cement were 887 kg, 3% lower than in 2020 and below the target of 915 kg set for 2022.	2025 2030	Target in line with the planned roadmap	Cementir Roadmap 2030 (Page 79)	Climate change and GHG emissions
[SDG 13]	Net zero emissions	The goal of the Group is to reduce Scope 1, 2 and 3 emissions to zero or to a residual level that is consistent with reaching net-zero emissions at the global level in eligible 1.5°C scenarios and to neutralise any residual emissions at the net-zero target date.	Cementir is currently defining a transition plan aligned with a 1.5°C world according to the cement sector guidance issued by SBTi in October 2022. In the 2020 - 2022 period, CO_2 emissions from a selection of strategic suppliers has been collected. Scope 3 emissions have been calculated.	2050	Target in line with the planned roadmap	2050 ambition (Page 89) Investigation of CO2 emitted by value chain (Page 90) Cementir's Scope 3 emissions (Page 145)	Climate change and GHG emissions Reliable and sustainable Supply Chain
[SDG 7, 9, 12]	€ 86 million in green investments in the 2023-2025 period	The 2023-25 Industrial Plan, approved by the Board of Directors in February 2023, targets € 86 million investments in Sustainability and Digitalisation, which will include, among others: the revamping of the kiln at our Belgian plant in order to increase alternative fuels use from the current 40% to over 70%; the switch to natural gas in Aalborg; the ramping up of facilities at the Aalborg plant to produce FUTURECEM®.	In February 2022, the Board of Directors approved the 2023-2025 Industrial Plan.	2025	Target in line with the planned roadmap	Main investments to achieve CO_2 reduction targets (Page 88)	Energy management Climate change and GHG emissions

UN SDGs	Target	Detailed description	2022 results	Deadline and progress		Pages	Impacted Material Topic
[SDG 13]	Lowering clinker content of grey cement to 64%	FUTURECEM®, is a low-carbon cement which allows more than 35 % of the energy intensive clinker in cement to be replaced by limestone and calcined clay. By 2030, FUTURECEM® volumes sold are expected to reach around 51% of total volumes sold in Europe and 60% of grey cement volumes.	In 2022, the clinker ratio for grey cement was decreased to 80%, from the 81% of 2021. In January 2021, Cementir started the distribution of FUTURECEM® and the sales expectations were fully met in 2021 and 2022.	2025 2030	Target in line with the planned roadmap	Cementir Roadmap 2030 (Page 79)	Climate change and GHG emissions
[SDG 12, 13]	50% alternative fuel use for grey cement production by 2030	The Group target has individual goals for each plant producing grey cement. The overall Group target defined, which also has intermediate targets for 2025, has a final target date of 2030.	In 2022, the use of alternative fuels increased by 2 percentage points compared to 2021 (32% in 2022 versus the 30% of 2021)	2025 2030	Target in line with the planned roadmap	Cementir Roadmap 2030 (Page 79)	Circular economy (use of alternative fuels and materials)
[SDG 13]	Lowering clinker content of white cement to 78%	For white cement, CO_2 emissions will be reduced to 738 kg per ton of cement. The reduction will be achieved by replacing traditional fuels with fuels that have a lower emission impact, in particular natural gas and other alternative fuels such as biomass, and by replacing clinker with mineral additives, such as limestone.	In 2022, the clinker to cement ratio for white cement was 82%, down from 83% in 2021.	2025 2030	Target in line with the planned roadmap	Cementir Roadmap 2030 (Page 79)	Climate change and GHG emissions
[SDG 12, 13]	13% alternative fuel use for white cement production by 2030	For white cement, CO_2 emissions will be reduced to 738 kg per ton of cement. The reduction will be achieved by replacing traditional fuels with fuels that have a lower emissions impact, in particular natural gas and other alternative fuels such as biomass, and by replacing clinker with mineral additives, such as limestone.	In 2022, the use of alternative fuels decreased by 1 percentage point compared to 2021 (2% in 2022 versus 3% in 2021) but the use of natural gas increased to 13% compared to 12% in 2021. Alternative fuels affect the colour and for this reason their use is drastically limited in the production of white cement.	2025 2030	Target in line with the planned roadmap	Cementir Roadmap 2030 (Page 79)	Circular economy (use of alternative fuels and materials)

UN SDGs	Target	Detailed description	2022 results	Deadline and progress		Pages	Impacted Material Topic
[SDG 12,13]	Production of alternative fuels from waste	The Group's plants produce alternative fuels and thermal energy, minimising landfill waste and contributing to the reduction of greenhouse gas (GHG) emissions.	In 2022, the Group's treatment plants produced a total of 39,112 tons of fuel from waste.	ongoing	Target in line with the planned roadmap	Waste processed in 2022 (Page 134)	Waste and Hazardous Materials Management Circular economy (use of alternative fuels and materials)
[SDG 12]	Waste recycling	Since 2009, Cementir has been operating in the urban and industrial waste management and processing sector.	In 2022, the Group's plants recycled, through mechanical selection and treatment processes almost 2,043 tons of materials.	ongoing	Target in line with the planned roadmap	Waste processed in 2022 (Page 134)	Waste and Hazardous Materials Management
[SDG 12]	Companies must operate with a certified environmental management system (i.e. ISO 14001)	The Group plans to certify all cement plants by 2025 and all RMC plants by 2027.	As of 2022, 8 cement plants (accounting for the 92% of total cement production), 3 RMC companies (accounting for the 30% of total RMC production) and 3 waste management companies (accounting for the 100% of waste managed by the group) are ISO 14001 certified.	2025 2027	Target in line with the planned roadmap	We respect the environment in all our operations (Page 144)	Water management Other air emissions (non GHG emissions) Waste and hazardous materials management
[SDG 7]	All cement plants must operate with a certified energy management system (i.e. ISO 50001)	Cementir has committed to all cement plants operating with a certified energy management system (i.e. ISO 50001) by 2025.	In 2022, seven cement plants, accounting for 71% of total cement production, adopted the ISO 50001 certification for energy management systems.	2025	Target in line with the planned roadmap	Energy consumption (Page 149)	Energy management
[SDG 6]	Group water-related targets	The Group has defined a 10-Year Roadmap that will allow for the reduction of the water consumption per ton of cement produced by 20% compared to 2019 (plan baseline). Concerning the plants located in high water stress areas, for which the specific water consumption is already lower than the Group average, the reduction target is 25%.	In 2022, specific water consumption was further reduced. In 2022, water consumption was 402 litres per ton of cement, versus 413 recorded in 2021. For plants located in high water-stress areas, water consumption was 257 litres per ton of cement versus 276 recorded in 2021.	2030	Target in line with the planned roadmap	Responsible and efficient use of water (Page 152)	Water management

UN SDGs	Target	Detailed description	2022 results	Deadline and progress		Pages	Impacted Material Topic
[SDG 15]	Biodiversity preservation	Cementir is committed to minimising negative impacts and where possible enhancing biodiversity by following the established international best practices. Rehabilitation plan in all active sites by 2025: 100%. Biodiversity value assessment of all active sites and Biodiversity Management Plan for all high biodiversity sites by 2030.	As of 2022, 95% of quarry rehabilitation plans are in place. In 2022, we issued the biodiversity and rehabilitation guidelines to set Group wide standards and targets aligned with international best practices to review all existing biodiversity plans in place, identify improvements in rehabilitation plans and identify quarries with high biodiversity value.	2025 2030	Target in line with the planned roadmap	Extraction activities, rehabilitation and biodiversity (Page 157)	Biodiversity
[SDG 17]	Supporting Denmark in delivering a 70% reduction in greenhouse gases by 2030	Through Aalborg Portland, the Group is involved in the most ambitious CO_2 reduction project sponsored by a government. Aalborg Portland is leading the technical group that will provide the Danish government with a technical forecast of all potential CO_2 reductions achievable by energy intensive industries in Denmark and will define the prerequisites (policy, research, innovation, subsidies, etc.) for such reductions.	Aalborg Portland has committed to reducing its Scope 1 emissions to around 600.000 tonnes by 2030. This reduction entails delivering a 73% reduction of Scope 1 emission compared to 2021 levels.	2030	Target in line with the planned roadmap	Cementir Roadmap 2030 (Page 79)	Climate change and GHG emissions

UN SDGs	Target	Detailed description	2022 results	Deadline and progress		Pages	Impacted Material Topic
[SDG 4]	Sustainable talent management	Key positions are filled internally with top-class candidates worldwide.	In 2022 the Emerging Talent program was launched and delivered to 35 participants coming from all over the Group. The aim of the program is to develop leadership and managerial skills of our internal talents.	ongoing	Target in line with the planned roadmap	Talent review and succession plans for key positions within the Group (Page 177) Cementir academy (Page 181)	People management and development
[SDG 5, 10]	Promoting diversity in the workforce	Cementir is committed to promoting diversity in the workforce.	In 2021, the Group Internal Audit defined a work program for diversity, equity, and inclusion (DEI) audits. In 2022, the audits were carried out in all of the Group's companies, with a coverage of 100% of Cementir's workforce worldwide. The analyses highlighted that, internal operations are in line with internationally recognised diversity, equity and inclusion principles, furthermore no risks were identified during the audit activities.	ongoing	Target in line with the planned roadmap	Commitment to Diversity Equity and Inclusion (DEI) (Page 114) Diversity, Equity and Inclusion audits performed in 2022 (Page 114)	Diversity Equity and Inclusion Human rights
[SDG 3]	People engagement	Increase engagement across the Group by listening, engaging and implementing improvement plans.	In November 2022 the Cementir Group launched its second Global People Survey, 'Your Voice'. Mirroring the survey performed in 2019, this survey involved all Cementir employees.	ongoing	Target in line with the planned roadmap	Group People Survey (Page 176)	People management and development

UN SDGs	Target	Detailed description	2022 results	Deadline and progress		Pages	Impacted Material Topic
[SDG 3, 8]	Zero accidents strategy	To achieve it the Group is focusing on: • Leadership in practice • Commitment & Responsibility • Risk Management • Involvement & Participation • Competence & Awareness • Continuous improvement	In 2022, there were no fatalities and high-consequence injuries occurred among employees and contractors/sub contractors.	ongoing	Target in line with the planned roadmap	Concretely safe (Page 168)	Health & Safety
[SDG 8]	All cement plants must operate with a certified health and safety management system (i.e. ISO 45001)	The Group plans to certify all cement plants by 2022.	All cement plants are ISO 45001 certified.	-	Target achieved	Concretely safe (Page 168)	Health & Safety
[SDG 8]	All RMC plants must operate with a certified health and safety management system (i.e. ISO 45001)	The Group plans to certify all RMC plants by 2027.	As of today, RMC plants are not certified ISO 45001.	2027	Target in line with the planned roadmap	Concretely safe (Page 168)	Health & Safety
[SDG 4]	Quality education for employees	In 2018, the Group launched the Cementir Academy, a training hub that aims to develop and enhance the technical, behavioural and managerial skills of all our employees.	More than 68,510 hours of training were provided in 2022, almost 22.0 hours per member of staff.	ongoing	Target in line with planned roadmap	Cementir Academy (Page 181)	People management and development

UN SDGs	Target	Detailed description	2022 results	Deadline and progress		Pages	Impacted Material Topic
[SDG 13, 8]	Link between employee remuneration and sustainability targets	The sustainability targets defined by the Group are included in the monetary incentive plan adopted by Cementir.	The remuneration of the whole C-level is strictly linked to ESG topics (e.g. Occupational Health & Safety, CO_2 emissions reduction and so on), specifically these KPIs account for the 15 – 20 % of their remuneration.	2022	Target achieved	Remuneration strategy (Page 178)	People management and development
[SDG 5, 10]	Promotion of gender equality with an objective of at least 30% of the Board of Directors being women	Implementation of a specific Group Diversity Policy.	As of December 2022 the Board was composed for its 40% by women, outperforming the defined target.	ongoing	Target achieved	The Corporate Governance system (Page 93)	Diversity Equity and Inclusion Human rights
[SDG 13, 6]	Transparent communication with stakeholders	In 2022, filling in the CDP Climate Change Questionnaire and Water Security Questionnaire and an assurance by the external auditors.	In 2022, Cementir was awarded 'A-' both for the management of climate change issues and for water management. In 2022, a limited assurance engagement on the Sustainability Report was provided by external auditors.	2022	Target achieved	Our commitment on carbon-related public policy (Page 91) Report by external Auditors (Page 237)	Transparency and accountability

UN SDGs	Target	Detailed description	2022 results	Deadline and progress		Pages	Impacted Material Topic
[SDG 4]	Quality education for the local community	In Türkiye, the Group supports the Çimentaş Education and Health Foundation. Since it was founded, the Foundation has sponsored over 500 scholarships for secondary school and university students. Thanks to the Foundation's financial support, the Işıkkent High School was founded.	The Işıkkent High School provides education at all levels from nursery school to secondary school.	ongoing	Target in line with the planned roadmap	Çimentaş Education and Health Foundation (Page 196)	Community engagement
[SDG 10]	Implementation of monitoring systems to eliminate human rights related risks across the Group	A human rights self-assessment checklist, based on the Cementir Code of Ethics, UN Declaration on Human Rights, ILO Conventions and UK Slavery Act has been established and has been included in the Internal Audit process. Starting from 2020, the Internal Audit Department has verified the effective compliance of each company in the following areas: child labour, forced labour, non-discrimination, conditions of employment, security, and supply chain management. In 2022 new categories of analysis have been implemented: community relationship, customers management and diversity, equity and inclusion.	In 2022, this activity was carried out in the main companies, with a coverage of 100% of the Cementir workforce worldwide, involving the following countries: Belgium, Denmark, Norway, Türkiye, United States, China, Malaysia, Egypt, Italy, UK and Poland.	ongoing	Target in line with the planned roadmap	Commitment to Human Rights (Page 112)	Human rights Diversity Equity and Inclusion

UN Global Compact

In July 2022 Cementir Holding N.V. became a member of the UN Global Compact, by making a formal commitment to supporting it and its principles.

The Group is among approximately 15,000 signatory companies who are committed to working every day to develop a more responsible business, respectful of human and labour rights, promoting environmental protection and anti-corruption initiatives.

Entering into such an international and active environment, in addition to reflecting the very nature of the company, enables the group to better pursue the achievement of the Sustainable Development Goals (SDGs) by 2030.

It also provides guidelines, tools, local networks and best practices that soon turn into useful insights and improvements for the Group as a whole.

Cementir's membership in the UN Global Compact, consistent with its corporate strategy, was also an inevitable step towards further solidifying its day-to-day commitment to sustainable development.

ESG ratings

In recent years ESG ratings hold a place of increasing significance and enable external stakeholders to have a comprehensive view of the company's approach to environmental, social and governance issues.

The yearly participation of Cementir in both solicited and unsolicited ESG ratings is always a valuable opportunity to improve overall. The process followed by the company for each rating leads to a deep internal analysis, a significant reshaping of its actions and often an awareness of the multitude of best practices adopted.

Cementir's ESG ratings for 2022 provided both confirmation in many cases and improvements in many others.

The results achieved demonstrate the strong commitment of the Group to sustainability field as well as the many actions implemented over time to improve its positive impact on society as a whole.

Below is a selection of Cementir's ESG ratings.

ESG ratings	Rating			Description
	2020	2021	2022	
CDP Climate Change	B	A-	A-	In 2022, Cementir received the 'A-' rating for the second year in a row for Climate Change from CDP, ranking above the cement and concrete sector average (B) and the European average (B).
CDP Water Security	F	B	A-	In 2022, Cementir also obtained a leadership position in CDP Water Security with an A- score, ranking above the sector (B) and European average (B).
REFINITIV	C-	B	B+	In 2022, Cementir improved its score and ranked 19/112 among construction material companies.
MSCI ESG RATINGS BBB	BBB	BBB	BBB	Cementir's rating is unchanged at 'BBB'. It's corporate governance practices remain average compared to those of global and domestic market peers.
Corporate ESG Performance Prime RATED BY ISS ESG	Not Scored	Not Scored	C+ Prime	In 2022, Cementir received a C+ Prime, a score higher than the average for industry peers. Companies are categorised as Prime if they exceed the sustainability performance requirements defined by ISS ESG for a specific industry (absolute best-in-class approach) in the ESG Corporate Rating.
Moody's ESG Solutions	45/100	Not Scored	55/100	Cementir has improved its score, obtaining 55/100 and thus placing 6th out of 25 in its sector with a company reporting rate of 89%, compared to the sector average of 75% (% of KPIs disclosed in relation to the KPIs evaluated by Moody's).
EthiFinance	56/100	57/100	64/100	In 2022, Cementir was scored 64/100 by EthiFinance. The company is outperforming compared to the benchmark score of the sector (51/100).
INTEGRATED GOVERNANCE INDEX	61/100	54/100	57/100	In 2022, Cementir received a score of 57/100. The questionnaire assesses the degree of integration of ESG factors into company strategies.

The Cementir Group

1.72 billion euros in revenue
18 countries
Sales volumes
10.8 million tons of grey cement, white cement and clinker
4.8 million cubic metres of ready-mixed concrete
10.5 million tons of aggregates
Plants
6 white cement plants
5 grey cement plants
60 terminals
102 ready-mixed concrete plants
34 quarries
1 cement product plant
2 waste treatment and recycling plants

Cementir Holding is a Dutch multinational company listed on the Euronext Star Milan segment, operating in the building materials sector and focused on four main business lines: grey cement, white cement, ready-mixed concrete and aggregates. With over 3,000 employees, Cementir is the global leader in the white cement niche segment, the leading producer of cement in Denmark and of ready-mixed concrete in the Scandinavian area, the third largest producer in Belgium and among the main international operators in Türkiye, with two listed companies on the Istanbul Stock Exchange. In Belgium, the Group operates one of the largest aggregate quarries in Europe, while in Türkiye and the United Kingdom it is active in the processing of urban and industrial waste, used to produce waste-derived fuel for cement plants.

Cementir pursues a strategy of sustainable growth, focusing on product leadership, the pursuit of excellence and the efficiency of operating processes. In the last two years the Group has achieved important ESG recognitions, including the validation of its 2030 decarbonisation objectives by the Science Based Target initiative (SBTi); an A- rating from CDP for the management of climate change and water issues and C+ Prime rating from ISS. The Group also holds an investment grade financial rating of BBB- with a stable outlook from Standard & Poor's.

In the period 2020-2022, the Group was able to reduce CO_2 emissions beyond the interim targets planned in Roadmap 2030. In 2022, the CO_2 per ton of grey cement amounted to 673 kg, 6% lower than 2020 data and below the 679 kg set as a target for 2022. CO_2 per ton of white cement amounted to 887 kg, 3% lower compared to 2020 and below the target of 915 kg that had been set for 2022.

To drive the transition of the Group to a low carbon economy, the 2023-25 Industrial Plan, approved by the Board of Directors in February 2023, targets a € 86 million in investments in sustainability, which will include, among others: the revamping of the kiln at our Belgian plant in order to increase alternative fuel use from the current 40% to over 70%; the switch to natural gas and biogas in some plants; the ramping up of facilities at the Aalborg plant to produce our low-carbon cement FUTURECEM®; the extension of district heating and other energy efficiency projects.

Since 1992 Cementir has been part of the Caltagirone Group, one of the leading business groups in Italy with activities ranging from real estate to construction, from publishing to finance.

2022 At a glance

Global presence

Grey cement production capacity: 9.8 million tons
White cement production capacity: 3.3 million tons
Grey cement sales: 8.0 million tons
White cement sales: 2.8 million tons
Ready-mixed concrete sales: 4.8 million m^3
Aggregate sales: 10.5 million tons

Denmark
Grey cement production capacity: 2.1 million tons
White cement production capacity: 0.85 million tons
Cement plants: 1 (7 kilns)
Ready-mixed concrete plants: 32
Terminals: 8
Quarries: 3

Norway
Ready-mixed concrete plants: 27
Terminals: 1

Sweden
Ready-mixed concrete plants: 9
Quarries: 6

United Kingdom
Waste management facilities: 1
Terminals: 1

Latvia
Terminals: 1

Iceland
Terminals: 3

The Netherlands
Terminals: 1

Poland
Terminals: 1

Belgium
Grey cement production capacity: 2.3 million tons
Cement plants: 1
Ready-mixed concrete plants: 8
Terminals: 1
Quarries: 3

France
Ready-mixed concrete plants: 5
Terminals: 2

Cement plants: 11
Terminals: 60
Ready-mixed concrete plants: 102
Quarries: 34
Cement product plants: 1
Waste management facilities: 2

USA
White cement production capacity: 0.26 million tons
Cement plants: 2
Cement product plants: 1
Terminals: 31

Türkiye
Grey cement production capacity: 5.4 million tons
Cement plants: 4
Ready-mixed concrete plants: 21
Quarries: 19
Waste management facilities: 1

Egypt
White cement production capacity: 1.1 million tons
Cement plants: 1
Quarries: 1

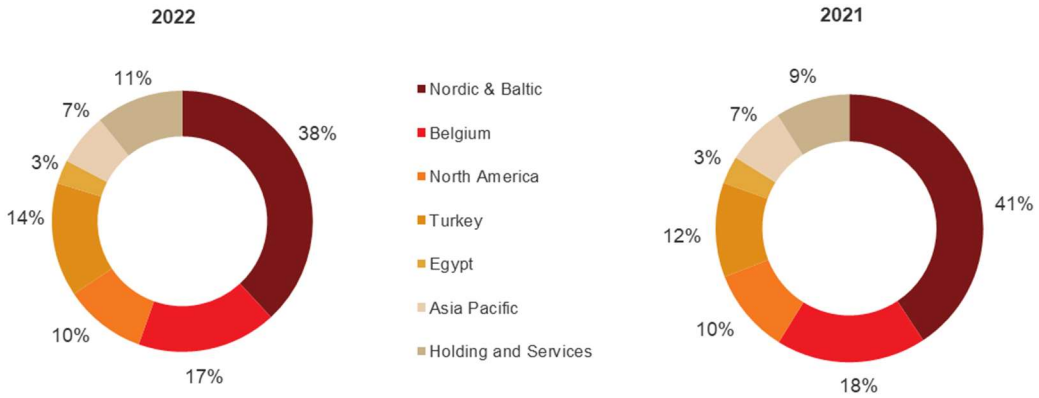
China
White cement production capacity: 0.75 million tons
Cement plants: 1
Terminals: 4
Quarries: 1

Malaysia
White cement production capacity: 0.35 million tons
Cement plants: 1
Terminals: 2
Quarries: 1

Australia
Terminals: 4

Italy
Secondary and operational office of Cementir Holding N.V.

Revenue from sales and services by geographical segment



(EUR, in thousands)	2022	2021	Change %
Nordic & Baltic	736,210	617,365	19.3%
Belgium	334,396	274,957	21.6%
North America	196,370	155,478	26.3%
Türkiye	272,581	173,263	57.3%
Egypt	57,113	50,729	12.6%
Asia Pacific	124,588	108,017	15.3%
Holding and Services	210,367	136,580	54.0%
Eliminations	(210,754)	(156,413)	34.7%
Total revenue from sales and services	**1,720,871**	**1,359,976**	**26.5%**

How cement is made

The Cementir Group's main area of operations is the production of cement. The process, which has been refined over the centuries, from the mortars of the Ancient Egyptians to early 19th century industrial models, starts with natural raw materials such as limestone, gypsum and clay, which are extracted from natural quarries and then crushed. They are then portioned out, mixed with other elements and ground to obtain the 'raw meal'.

The raw meal is cooked at very high temperatures in special kilns, which are fuelled mainly by fossil fuels, in order to obtain a semi-finished product known as 'clinker', cement's main component. Once cooled, clinker undergoes a process of grinding, mixing with gypsum and other mineral constituents (slag, fly ash, limestone, pozzolana), to obtain the various types of cement.

Thanks to its strong industrial capacity and a comprehensive presence on international markets, in 2022 Cementir Holding distributed worldwide over 8.0 million tons of grey cement and around 2.9 million tons of white cement of various types and classes, produced in 11 plants located in Denmark, Belgium, Türkiye, Egypt, China, Malaysia and the US.

Leader in white cement

The Cementir Group is the world's leading producer and exporter of white cement, with a 27% share of worldwide trade and a production capacity of over 3 million tons. With the Aalborg White® brand we are the leader in China, the United States, Western Europe, Australia, Malaysia and Egypt.

Aalborg White® has always been identified with white cement, throughout the world. It is a pure, high-quality cement that can be found everywhere from Park Avenue skyscrapers in Manhattan, to the London Olympics structures and even the Lindholm Høje Museum in Nørresundby, Denmark[3].

The distinctive features of white cement are its colour and high levels of performance. The white colour is obtained through the use of highly pure and carefully selected raw materials, the use of complex production processes and an extremely rigorous quality control process which allow this material to be used in complex architectural designs and sophisticated aesthetic applications.

What is special about the limestone used for manufacturing Aalborg White® is the lack of contamination from sand and clay, which makes it very pure and ideal for the production of white cement. The combination of this pure raw material, high-quality sands and kaolin, advanced technology, a specialised workforce and over 100 years of experience have made Aalborg White® cement unique in the world for its properties such as high reflection, high mechanical performance, low alkali content and high resistance to sulphates. As the world leader in the white cement market with the Aalborg White® brand, Cementir offers a wide product range which meet the strictest international standards. Our industrial processes are inspired by the Group's consolidated best practices that guarantee our customers a unique level of quality and reliability over time. Our research quality technical centre (RQT) has a worldwide reputation for international patents, awards and multiple collaborations with prestigious universities.

Difference between grey and white cement

White and grey cement are two distinct products, with different applications and production methods. White cement should therefore be viewed as a separate product for the following reasons:

- White cement is mainly used for high-performance applications, dry-mix products, mortars, special products and decorative purposes. Grey cement is widely used in ready mixed concrete as well as precast concrete. White cement

[3] Please see Projects | Cementir Holding N.V. for the main applications of our cements

supports the development of future sustainable cement-based technologies and products, responding to megatrends in construction such as the circular economy where, among others, enhanced durability, modularisation of construction, reduced work processes and reduced material usage, are essential.

- White cement is a specialty product produced at a limited number of facilities and traded widely across borders inside and outside of the EU, as well as internally within Europe. Grey cement is a commodity which is often used close to the production site.
- White cement applications have a number of benefits related to climate change.
    - The light colour reflects sunlight and thus reduces the 'heat island effect' in cities as well as the need for artificial cooling in buildings. White surfaces also reduce the need for lighting in tunnels.
    - The chemical purity of white cement, as a result of the refined raw materials used and strict production process management, enables the growth of unique, low-carbon concrete solutions and products such as high- and ultra-high-performance concrete and glass fibre-reinforced concrete, where the usage of material is minimised to unprecedented levels (large cladding and structural wall components reduced to as little as 12 to 35 mm in thickness). These technologies are essential for efforts to reduce clinker consumption in buildings, by minimising material consumption.

The many differences are summarised in the table on the next page.

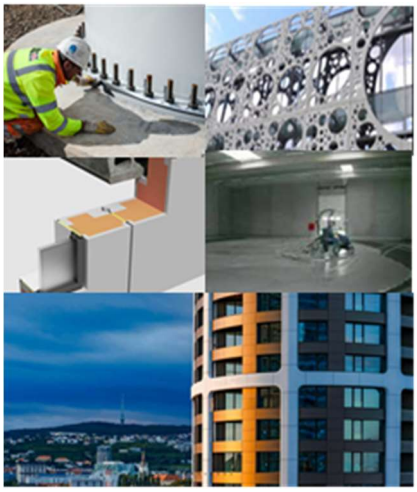
	White cement	Grey cement
Applications (est. % of cement consumption by segment in Europe)	• Dry mix/mortars/specialty products (50-70%) - Cement-based paint - Plaster - Grout, putty - Decorative concrete panels - Sealing products • Bricks, blocks and tiles (20-30%) - Terrazzo (up to 15% in Mediterranean countries) - Decorative bricks and tiles • In-situ and pre-cast concrete (10-20%) - Facade elements - Iconic buildings and other aesthetic applications	• Ready-mix and pre-cast concrete (55-65%) - Mass concrete for infrastructure works: dams, harbours, bridges, tunnels, culverts, road surfaces - Housing and industrial buildings • Bricks, blocks and tiles (30-40%) - Pipes - Paving stones, kerbs - Roofing tiles • Dry mix/mortars and other applications (5-10%)
Market position	Niche product	Commodity product
Raw materials	• High grade, iron-poor chalk, limestone or marble • Kaolin, bauxite • Iron-poor sand (quartz sand, shifting sand, etc.)	• Locally available limestone or marl • Clay, shale, fly ash • Low-grade sand • Iron oxide, pyrite ash

(a) *(b)* *(c)*

Fig. 1: Examples of grey cement applications.
(a): Concrete pipes
(b): In-situ cast concrete for a road bridge
(c): Pre-cast concrete elements for a multi-storey dwelling

Market differentiation between white and grey cement

High and ultra-high-performance concrete, and glass fibre-reinforced concrete



Responding to the megatrends in construction such as fast-rise, mass-customisation, the circular economy, maximised energy efficiency, minimising on-site operations, maximising performance and durability at reduced material consumption, etc., advanced technologies previously regarded as 'unnecessary' are rapidly growing in terms of applications and volumes, providing unique value propositions. These are empowered by the purity and high performance of white cement and bringing solutions to the market with unprecedented performance.

White and coloured mortars

Cement-based plasters and mortars are used for covering facades, swimming pools and in general to reduce painting requirements, and maximising possibilities in terms of surface texture and expression. Because of its high durability, much less maintenance is needed than painted surfaces.

White cement is usually a key ingredient.

Renders, joint fillers and tile adhesives

The complex formulation of these construction materials is usually based on white cement thanks to its high performance.

Exterior facade panels and decorative coating stones

White cement is also used in products such as floor tiles, kerbstones and prefabricated stairs, balconies and windowsills. Additionally, applications such as white briquette and white press brick, concrete grids and pool edges are also areas of use.

Works of art and street furniture

Concrete sculptures, monuments and the restoration of archaeological sites are usually made or carried out using white cement, leveraging its whiteness as well as high performance.

Pre-cast and concrete elements

Use of white cement is a more durable alternative than paint in applications where colours are required. Furthermore, white cement, thanks to its high early strengths, allows fast production speed in concrete and prefabricated applications, resulting in costs reductions. It has been used in iconic buildings and remarkable public constructions (bridges, railway stations, stadiums, etc.).

Terrazzo and artificial stones

In the production of terrazzo, artificial stones and marble, the external-coloured layer is a fine white cement-based mixture that may have coloured pigments added to it. Bright colours can be achieved only by using white cement and the production of coloured terrazzo would be impossible without it.

Markets

The different applications for white and grey cement are reflected in the estimated market segments for the two products (Fig. 2). The product applications are also different within the segments, for example terrazzo being a major component in the 'brick, blocks and tiles' segment for white cement, whereas concrete pipes and paving stones comprise a large portion of the same segment for grey cement.

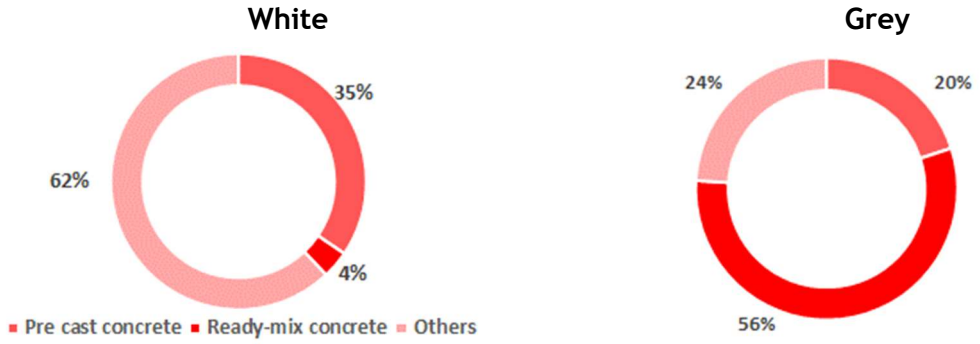


Fig. 2: Estimated market segments for white and grey cement[4].

Trade

Grey cement is a commodity product, manufactured at many locations close to the market. On the other hand, white cement is a high-value product which is produced at relatively few, dedicated plants located close to the appropriate raw materials. White cement is therefore traded across borders to a much greater extent than grey (Fig. 3).

[4] For white, the dry-mix segment has the lion's share in the 'others' group.

Effect of white cement on global warming and human safety

Light-coloured surfaces reflect much more sunlight than dark-coloured surfaces. Providing more reflective surfaces, such as light-coloured roofs, walls and pavements, therefore results in more energy reflected back into space, resulting in less warming.

Locally, this effect is especially significant in cities which tend to become unbearably hot during the summer. Substituting dark roofs, walls and pavements with white ones significantly reduces this 'heat island effect'.

Furthermore, it is estimated that 40% of the total energy consumed around the world is used in building air conditioning. This energy consumption can be reduced significantly by lighter colouration of the facades and roofs of buildings. This way, more solar energy will be reflected and the temperature inside the buildings will drop, reducing the need for air conditioning. Recent studies have shown that an increase in the albedo (measure of the fraction of reflected incident sunlight) of urban surfaces could save, in the US alone, energy with an economic cost up to $3 billion and reduce the global temperature by 0.01°C each year (Akbari et al., 2006).

Applying the same methodology as used in Akbari's study to buildings, the energy consumption of a building according to the colour of the facade can be estimated. The result indicates that the CO_2 savings from using white concrete walls in constructing an office building with the dimensions 15 x 15 x 20 m would be approximately 27 tons annually (see Annex C). Assuming that 28 tons of white cement is used for the building and that the CO_2 emission associated with this production is 1.2 tons CO_2 per ton of white cement, the CO_2 savings will be greater than the emissions associated with the cement production in under two years.

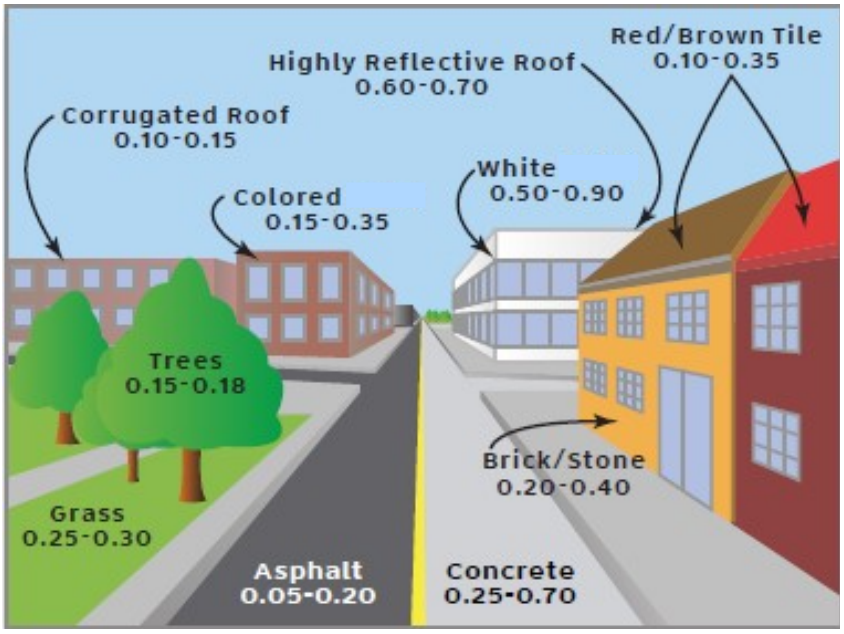


Fig. 5: Illustration of the albedo effect

Another area where the use of white cement products is beneficial is in tunnels and industrial warehouses, where increased reflection will result in significant energy savings in artificial lighting. White cement plaster, panels or floorings strongly reduce the need for artificial lighting, reducing the need for electricity for this purpose (Fig. 6).

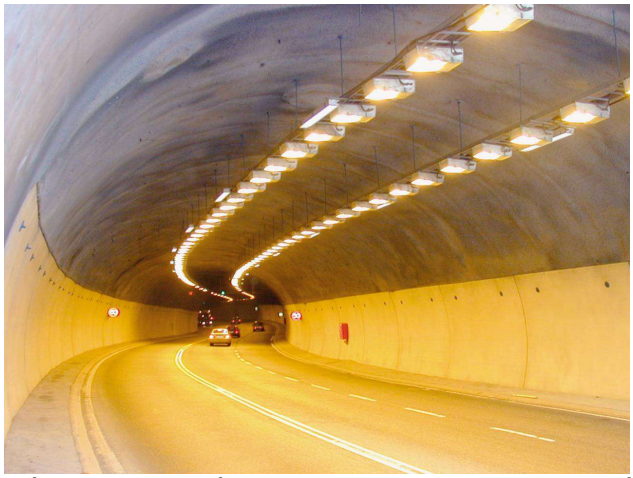


Fig. 6: Application of white cement-based panels reduces need for lighting in an underground tunnel.

White cement has an important use in road barriers, sound barriers and other road equipment, where the white colour increases visibility. This is especially significant under wet conditions, where grey concrete road barriers will appear almost black (Fig. 7). Painting grey road barriers white is not a safe option, as the paint will wear off and frequent repainting (which rarely happens) is necessary (Fig. 8).

Fig. 7: Concrete road barriers made using grey and white cement, respectively, illustrating the improved visibility of white concrete under wet conditions.

Fig. 8: Grey concrete road barriers painted white. This Illustrates the safety hazard and additional costs needed for repainting the road barriers.

Grey cement

Cementir produces and distributes all types of grey cement, which are classified by type (based on the composition of clinker and other constituents such as blast furnace slag, microsilica, pozzolana, ash, calcined shale, limestone and secondary ingredients) and by class based on mechanical compressive strengths.

All the products follow rigorous industrial processes and Group consolidated best practices in order to guarantee consistent quality to our customers over time.

The wide range of cement offered allows customers to fulfil all the requirements for the different durability classes in concrete as well as to meet the needs of their production processes.

Since 2021, Cementir Holding, leveraging on its patented technology – FUTURECEM® has been producing limestone calcined clay cement in Denmark and Belgium, being at the forefront of this innovative technology.

InWhite®

The Cementir Group established a global innovation engine for white cement, InWhite®, with the purpose of generating a prioritised and actionable pipeline of high potential customer value proposition global initiatives, bringing new solutions for well-known applications, or completely new applications for white cement-based products, aligned with megatrends detected in society, such as customisation, the circular economy and high-energy efficient solutions.

The InWhite® process benefits from the Group's global knowledge on both well-established and emerging applications for white cement and the technical expertise of its internationally acclaimed R&D centre located in Aalborg, Denmark.

Aalborg InWhite Solution® has become the umbrella brand for commercialised high-added value and high-performing products like UHPC (Ultra High-Performance Concrete), 3D Concrete Printing and others, identified and developed under InWhite® initiatives, that Cementir Holding will provide to the building industry. Within its innovation pipeline, under InWhite®, in late 2019 the Cementir Group launched innovative UHPC pre-mixes Aalborg Extreme® for infrastructure applications and Aalborg Excel® for more aesthetic and sophisticated applications. In order to meet customer's needs for low-carbon solutions, InBind, a highly customised binder solution for UHPC applications was launched in 2022, while ReCover, UHPC for bridge overlay and for industrial and residential flooring, is planned for launch on the market in 2023/2024.

All InWhite® products are based on FUTURECEM® technology.

Production of ready-mix concrete

In 2022, Cementir Holding produced and distributed 4.8 million cubic metres of ready-mix concrete of all types and classes. Ready-mix concrete is widely used in construction and is made of a mixture of cement and aggregates like sand, gravel, water and any additives. The aggregates serve as bulk, while the cement, reacting chemically with water, serves to bond the other elements. In some cases, admixtures of various kinds are diluted in water and added to obtain specific results or performances, for example greater fluidity or rapid setting.

Ready-mix concrete is made and pre-packed in plants known as concrete mixing plants where the mixture is dosed in special equipment. The mixing stage may take place directly at the plant (using premixers) or during transport using special vehicles (mixer trucks) that continuously mix the product so that it maintains its fluidity, which is essential for building work. When the ready-mix concrete reaches the building site, it is ready for use, i.e., the 'pouring' phase. Often, before being 'poured', the ready-mix concrete is subjected to a special process known as 'pumping'. This consists of a second transport phase through piping, which makes it much easier to reach elevated heights to form floor slabs, tunnels, etc.

Aggregates and cement products

Cementir Holding produces concrete products at Vianini Pipe Inc. plants in the US. These pre-stressed cement products consist of structural components for the building and transport industries, and include pipelines, jack pipes, blocks, tiles, railway sleepers, etc., produced using mechanical and hydraulic technologies with cement as a raw material.

In Belgium, Denmark, Sweden and Türkiye Cementir Holding is also active in the production and distribution of aggregates to third parties. Aggregates are rocky materials such as gravel, sand and stone extracted from quarries and from the banks of rivers which are crushed and then used with hydraulic binders such as cement and lime in order to create concrete, mortar and other types of plaster. In many cases they are also used as structural elements in construction work.

Sustainable products

FUTURECEM®, a limestone calcined clay technology

FUTURECEM® is the result of extensive applied research, which has been developed in recent years at the Cementir Group Research and Quality Centre located in Aalborg. It covers the entire value chain: from raw material assessment, manufacturing technology, up to concrete technology.

FUTURECEM® is an innovative, validated and patented technology which allows more than 35% of clinker in cement to be substituted with limestone and calcined clay. Leveraging on their unique synergy, the material combination in FUTURECEM® has resulted in a more sustainable and performing cement with up to 30% lower carbon footprint compared to ordinary Portland cement. The low carbon benefits of FUTURECEM® are also achieved while preserving strength and quality.

FUTURECEM® technology is fully recognised as a solution for clinker ratio reduction in the roadmap for *Low-Carbon Transition in the Cement Industry* by the International Energy Agency – 2018 and as 'low clinker cements' in the *Cementing the European Green Deal* – 2020, making the Cementir Group the forerunner. Lower clinker cements (cembureau.eu).

It is also formally recognised in the EU standard EN 197-5 for even further clinker substitution with II/C-M cements (up to 50%).

A milestone in the development of FUTURECEM® technology was the Danish 'Green Concrete II' (Green Transformation of Cement and Concrete Production) project, which concluded in 2019: the entire value chain of construction and building materials, as well as universities and research institutes were actively involved.

Cements based on FUTURECEM® technology as well as concrete recipes were developed and tested in full-scale constructions: infrastructure elements (two bridges) and an indoor floor and wall in the new concrete laboratory at the Danish Technological Institute.

FUTURECEM® is a key contributor to the green transition for the concrete, construction and cement-based industries in general.

Since January 2021, FUTURECEM® has been available on the market in Denmark, placing the Cementir Group at the forefront as the market leader in sustainable and low carbon cement, based on limestone calcined clay technology. The sales forecast was fully met in 2022.

FUTURECEM® has been primarily focused on the RMC segment. Customers within this segment use the special properties of FUTURECEM® to make concrete more stable against variations in consistency and easier to pump, which is usually a challenge with the rather cement-poor concrete used in Denmark.

Along with RMC, several Danish concrete precast producers are implementing FUTURECEM® in their production through a complete testing programme on site. The main difference perceived is the light-brown colour of the concrete, which is considered as a seal of quality and visible proof for builders to demonstrate the sustainable nature of their building.

FUTURECEM® has been used in RMC and concrete elements for the ambitious sustainable building UN17 Village in Ørestad, Copenhagen with more than 500 apartments. When completed in 2024, it will be known as the world's first housing project integrating all 17 UN Global Goals in the same building.

Following the launch in Denmark, the FUTURECEM® roll-out is accelerating in the Cementir Group's European market. CCB, the Cementir Group subsidiary in Belgium, has commercialised FUTURECEM® in France in 2022, while in Benelux the target is by 2023. The scheduling is also linked to the need of addressing the complexity of different markets, habits and regulations which could limit innovative and low carbon cements with additional local certifications.

In collaboration with customers, FUTURECEM® has been tested and used in wide range of applications from Ready Mix Concrete (RMC) to precast elements.

FUTURECEM® is also included into the research project 'Blocs B40 for low carbon concrete' lead by CERIB. FUTURECEM®'s experience in Denmark and now in France and Benelux area is paving the way for limestone calcined clay technology in other markets as part of the Group's ambitious sustainable roadmap towards 2030 and beyond.

Other low-carbon cements

Along with FUTURECEM® technology, the Cementir Group produces blended cement by leveraging on the main SCM such as fly ashes, granulated blast furnace slag and pozzolana in order to offer low carbon solutions to customers as well as to strive towards the CO_2 emission reduction target.

Low-carbon and sustainable concrete

The Cementir Group is also promoting a more eco-sustainable RMC (Ready-mix concrete) offer, down to the value chain, by leveraging circularity (use of recycled aggregates) and reduced CO_2 emission footprint (FUTURECEM® technology and other blended cements).

In the following discussion some conceptual examples of the Group's commitment to this issue and specifically the experience of some subsidiaries.

In 2022, due to a continued focus on CO_2-reductions, Unicon Denmark, the Cementir Group RMC company in Denmark, managed to reduce the total CO_2-eq. impact through the use of supplementary cementitious material such as fly ash and the series of concrete products called UNI-Green based on the low carbon cement FUTURECEM®. Unicon DK strives to make the UNI-Green series the new standard while continuing to improve concretes with reduced CO_2 footprint.

By 2030 the company is also aiming for a 50% CO_2 reduction compared to 2019, through optimisation of mix designs, declaration of concrete with curing time longer than 28 days, use of new admixtures, cement types, fillers and binders and, last but not least, working closely with our customers and participating in research and development projects.

To document the CO_2 footprint, Unicon Denmark produces third party verified environmental product declarations (EPDs) at a product or project level. Product EPDs are made public in EPD Denmark's database.

As for recycled concrete, it strives to reuse all possible concrete from its production and return concrete back into production, while still in the fresh state. This initiative resulted in more than 17,000 tons of directly recycled concrete, which substituted the same degree of new virgin concrete.

Furthermore, Unicon DK has three standard products on the shelf containing reclaimed crushed aggregates made from hardened returned concrete: up to 20% reclaimed crushed aggregates in all concrete types for lower exposure classes, up to 100% reclaimed crushed aggregates in dry mixed concrete (e.g., curb concrete) and all non-structural concretes.

In 2022, 40,000 tons of fresh and hardened concrete were recycled, making Unicon DK the leader in the reuse of concrete in Denmark. In 2023, the goal is to recycle more than 50,000 tons of concrete. Additionally, 56 million liters of recovered water were reused in 2022, substituting a similar amount of drinking water.

Unicon Norway, Cementir's RMC company in Norway, is also following a similar path, with its strong sustainability trajectory is contributing by lowering the CO_2 footprint from its deliveries of RMC. To decrease the CO_2 emissions even further, Unicon

Norway produces all classes of low carbon concrete as described in the Norwegian concrete Association publication no. 37. Specifically, the low carbon class has a 35% reduction in CO_2 compared to the baseline in Norway, and Unicon Norway is supplying this class to an increasing number of customers and projects. The subsidiary is also committed to preparing project specific EPD to all its customers.
The low carbon concrete produced is made with increased amounts of fly ash and silica fume to reduce the amount of cement clinker in the mix. By adding fly ash and silica fume, Unicon Norway has saved 26,000 tonnes of cement (CEM II), corresponding to ca. 16,900 tons of CO_2.

The other main raw material in concrete is aggregates. Unicon Norway has, in cooperation with Veidekke, one of Norway's major construction companies, performed a large-scale test with RMC made with 100% Recycled Concrete Aggregate (RCA) planned to be used in Veidekke's new head office in Oslo.

UNICON Norway is pushing and supporting the development of industrial sand, based on waste material from the production of aggregates, as a way to save natural virgin sand and reduce the need for landfill areas.

In November 2022, furthermore, Unicon Norway has been invited to present its sustainability efforts at the *Annual Construction Industry's Climate Conference* in Oslo.

Unicon Norway has further reduced its environmental impact thanks to the provision of a fleet of fully electric drums. As of today, the company has 2 trucks with fully electric drums in Oslo and 3 in Bergen. All 5 trucks can run on HVO (hydrotreated vegetable oil), a biofuel. In addition, it has provided 10-12 trucks that run on HVO with conventional drums and 85% of its external trucks are Euro 6, so they can run on HVO if needed (depending on the accessibility of HVO fuel in the area where it operates). In the coming years, the company plans to increase the number of full-electric concrete trucks.

In 2022, CCB Beton, the Cementir Group's RMC business in Belgium and France, powered the shift to the circular economy by expanding our **Cradle to Cradle Certified™ Silver**[5] making our company a global actor in the ready-mix sector. In addition to the Brussels plant, in 2022, CCB Beton became C2C Certified® at RMC plant in Ghislenghien (BE) and Noyèlles-lès-Seclin (FR) and has set the goal in 2023 of extending that certification by 2 years with the upcoming C2C Certified® recertification process.

[5] The Cradle to Cradle Certified™, or C2C Certified, gives producers a rating system that allows to improve the quality of life and environment through a step-by-step process aimed at designing and making products that enable a healthy, equitable and sustainable future. The products are evaluated based on five criteria: material health, product circularity, clean air and climate protection, water and soil stewardship, social fairness. After this process is completed, products can obtain one of the five levels of certification: basic, bronze, silver, gold or platinum. For further information visit: https://c2ccertified.org/the-standard.

In 2023, CCB Beton aims to join the global certification system for responsibly sourced ready-mix certify for all the RMC Belgian plants with the CSC certification[6] and thereby complete the concrete supply chain, joining the Silver certification of cement and Gold certification in aggregates. The motivation is to create an integrated CSC certification within all the three CCB businesses (Cement, Aggregates and RMC).

CCB Beton worked with CCB cement to launch the FUTURECEM® technology on the French market in 2022. CCB Beton expanded its product portfolio with the C-Green FUTURECEM® and offers to the French market 30% CO_2 reduction with the same performance required as CEM I. CCB Beton will mirror its approach in 2023 in Belgium as soon as the technical agreement will be available.

In the sustainability transition, CCB Beton equipped three RMC plants with solar panels which drastically reduced fossil energy consumption. The next challenge for CCB Beton will be to take a big step towards developing fossil fuel-free distribution solutions to reduce CO_2 emissions from its fleet.

Environmental Product Declaration (EPD)

Taking a step back, EPD plays an important role in deepening Cementir's commitment to low-carbon and sustainable concrete.

Environmental Product Declaration (EPD) is a document which transparently communicates the environmental performance or impact of any product or material over its lifetime. Both some cement plants and some RMC plants have this specific acknowledgement.

Specifically, Aalborg Portland Denmark's products are almost fully covered with EPD, while CCB is working to have its main products covered by EPDs in 2023. Also, Cementir's European product offer for white cement, consisting of one from Aalborg and two from Sinai, is fully covered with EPDs.

Regarding Ready Mix Concrete, EPDs are available in Denmark and Norway. CCB aggregates and Ready-Mix Concrete have sectoral EPDs.

[6] The Concrete Sustainability Council (CSC) is a certification system for globally responsible sourcing. The CSC strives to generate a market pull for green concrete by promoting sustainable construction through their certified concrete. The CSC system is a product certification system that normally applies to all products manufactured at the factory. Ready-mix concrete and precast concrete plants that produce fresh concrete can receive a "CSC certificate". Cement and aggregate suppliers can obtain a "CSC Supplier Certificate". Plant can obtain one of the four levels of certification: bronze, silver, gold or platinum. For further information visit: https://csc.eco/

Customer engagement

Towards direct relationship-building

Acting locally while remaining global can be clearly observed and is a distinctive component of the Cementir approach, pursuing the so-called 'glocal' strategy.

The Group has developed its own more direct, closer and more 'local' business model, to improve customer support and to understand customers' needs. The Group continues to grow internationally but remains focused on individual customer needs in local and regional markets.

The strategic intention of having direct engagement with customers is well established in Europe and in most of the national markets in other regions (including Egypt, China, Australia, Malaysia and North America), where the Group is working and partnering with industrial customers.

Close proximity and a synergistic approach – aimed at managing customers through various coordinated contact points (sales and marketing, supply chain, customer service, technical service, laboratory, etc.) – improves the Group's visibility in the customer value chain.

All of this is essential to allow the Group to offer a differentiated and tailor-made value proposition, ranging from products to value-added services (complete logistics management, online software tools, online ordering, dedicated testing programmes, etc.), as well as co-development and innovation initiatives.

Targeting industrial users and the main decision makers in the construction sector, the Group has developed services and mobilised resources and expertise to provide a holistic view of both cost and environmental impact, thereby enabling customers to identify how best to optimise performance. Cementir values these close and reciprocal relationships, which are based on a shared desire to find the most sustainable and cost-effective solutions to solve complex challenges in material production and construction.

The Group exports to over 70 markets and is working to further develop its direct approach to additionally enhance the Group's stable and sustainable position on the market. This strategic path was launched in recent years, with the aim of exploiting the full potential of structured and direct customer management. The Group has developed a comprehensive local sales and logistics network in more than 20 countries.

Customers are indeed widely engaged with Cementir through specific customer events and seminars (in different formats: in-person, hybrid, live-online) focused on new trends and solutions for the construction and building materials industry as well as through our online resources (websites, blog, etc.) and social media presence

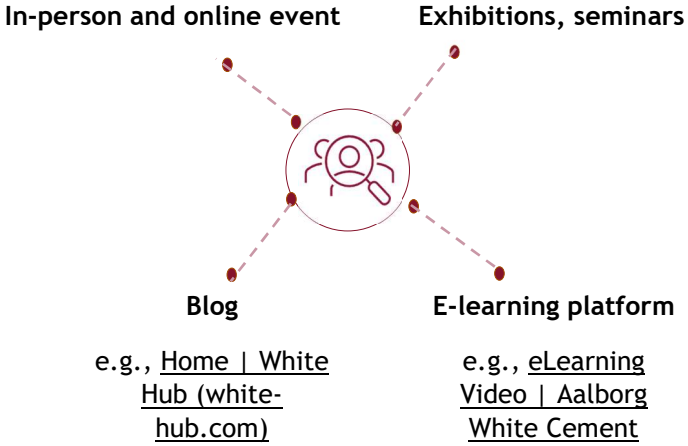
with e-learning on our product performances and applications and to share the latest information and projects.

Regarding exhibitions and seminars, in 2022 the Group has participated at both local and international level on several occasions.

Cementir has at various times acted as organiser, speaker and participant with its own stand. Among the many events, it was speaker at *Global Cement* (with a specific session on FUTURECEM®), *Innovative Concrete Design & Application summit*, *Concrete Day Belgium*, *Concrete Day Netherlands*, *China Nanjing Concrete Exhibition and Conferences Exhibition* and *2022 China International Coating Summit (as keynote speaker*), and many others that are all listed in the Appendix, under 'Cementir Data tables'.

Aalborg Portland acted, among others, as organiser for *Portland Open* and *The Concrete of Tomorrow*.

Some points of contact with customers



Hearing the Voice of the Customer and measuring performance

While operating in a fairly traditional sector, the Group has moved towards a more customer-oriented approach. The process started internally as a complex management process, for which management and teams received extensive training and were rewarded based on customer-driven goals and initiatives using ‘lean’ tools.

Customer Relationship Management (CRM) models and systems have been implemented. Today, sales and marketing teams use CRM worldwide to track, measure and develop the quality and results of each individual customer relationship, including anticipating their needs and business opportunities.

Listening to and understanding the Voice of the Customer is a fundamental approach that begins with day-to-day customer management through each product delivery and extends into more sophisticated and customised activities. The approach aims to respond effectively and quickly to customers' needs and the problems that arise from feedback throughout the journey with the customer. A further objective is to integrate the understanding of customer needs into business processes and to use their feedback to build long-term strategies, inspire business decisions and promote continuous improvement.

In addition to some transactional surveys and ‘informal’ monitoring of relationships as part of the entire Group’s day-to-day business, in Europe and Asia-Pacific (APAC), the Group also conducts annually a Voice of the Customer Survey (VoC) to measure customer satisfaction/engagement on product quality, services, innovation, relationships, sales processes, after-sales service and technical support. The results of this survey enable the Group to focus more on the customer in commercial operations. The organisation uses these important results to develop plans to optimise its value proposition and to further improve customer satisfaction. The Survey also identifies areas to be improved and is oriented towards strategic inter-functional, inter-company and inter-regional initiatives, some of which are incorporated in the strategic project programme. For 2022, with the aim of strengthening the capacity of the Group to cover the needs and requests of an ever-broader customer base, the VoC was extended to other key markets of Türkiye and Benelux and France.

More specifically, in the VoC, among other indicators, Cementir applies the Net Promoter Score (NPS) and Customer Loyalty Score (CLS). These methodologies allow direct dialogue with customers, in order to continuously improve their experience and to increase their loyalty.

In 2022, the overall NPS was equal to 34.8. This score has been affected by particular and unique market conditions, which however are expected to normalise over the next couple of years.

Regarding CLS in 2022, the overall index confirmed that customers feel very satisfied with Group products and services, for both the grey and white cement businesses and the score recorded was 93.2.

EU Taxonomy

The EU Taxonomy has been introduced by Regulation EU/2020/852[7] (also referred to as «EU Taxonomy Regulation») as part of the European Commission's action plan to redirect capital flows towards a more sustainable economic system. The Taxonomy represents a classification system to establish which economic activities can be considered environmentally sustainable. The purpose of this Regulation is to protect private investors from greenwashing, while simultaneously assisting companies in understanding what types of investments are required to make their business activities sustainable from an environmental standpoint.

For 2021 non-financial disclosures, the EU Taxonomy Regulation only required those companies in scope of applicability to assess the level of eligibility of their economic activities. This meant that organisations had to disclose what proportion of their economic activities could potentially be considered sustainable as set out by the Commission Delegated Regulation EU/2021/21398 (also referred to as the «Climate Delegated Act») which lists the economic activities relevant for contributing to climate-related environmental objectives.

EU Taxonomy establishes that economic activities can be considered environmentally sustainable ('aligned') if they possess specific characteristics to substantially contribute to at least one of the following environmental objectives:

1) Climate Change Mitigation;
2) Climate Change Adaptation;
3) The Sustainable Use of Water and Marine Resources;
4) The Transition to a Circular Economy;
5) Pollution Prevention and Control;
6) The Protection and Restoration of Biodiversity and Ecosystems.

Starting from annual reports for the financial year 2022, non-financial corporations are required to extend the analysis by reporting on the level of alignment of their economic activities with the EU Taxonomy. In order to be classified as aligned, and as a consequence as environmentally sustainable, eligible activities must:

- Substantially Contribute to the achievement of at least one of the six aforementioned environmental objectives;
- Do not significantly harm (DNSH) any of the other environmental objectives;
- Comply with the minimum safeguards criteria pertaining to human and labour rights, bribery, taxation and fair competition;

[7] Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020
[8] Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council.

To assess the compliance of eligible activities to such requirements, the European Commission defined a set of specific technical screening criteria for every economic activity mentioned by the Climate Delegated Act.

As of early 2023, technical screening criteria have only been published with reference to the environmental objectives of climate change mitigation and climate change adaptation. Over the course of the coming years, the European Commission is expected to integrate the EU Taxonomy Regulation with delegated acts focusing on the four remaining environmental objectives. As a consequence, Cementir's 2022 disclosure for the purpose of the Regulation EU/2020/852 will only consider the requirements set out for the two climate-related environmental objectives.

Eligibility Assessment

In continuity with the activities performed for 2021 Taxonomy disclosure on eligibility, Cementir conducted the eligibility assessment for the 2022 disclosure by associating the Group's economic activities with the descriptions of eligible activities provided by the Climate Delegated Act (Annexes I and II) and the activity codes of the Statistical Classification of Economic Activities in the European Community (NACE codes). During this phase, only the inclusion of Cementir's economic activities among those listed by delegated act has been evaluated, regardless of whether such activities were suitable to meet any of the technical screening criteria established by the same regulation. From this analysis, Cementir identified the following economic activities as eligible for both of the climate-related environmental objectives defined by the EU Taxonomy Regulation:

Table 1: Eligible Activities

Activity	Description	Climate Change Mitigation	Climate Change Adaptation
3.7. Manufacture of cement	Manufacture of cement clinker, cement or alternative binder. The economic activities in this category could be associated with NACE code C23.51 in accordance with the statistical classification of economic activities established by Regulation (EC) No 1893/2006.	☒	☒
4.25 Production of heat/cool using waste heat	Construction and operation of facilities that produce heat/cool using waste heat. The economic activities in this category could be associated with NACE code D35.30 in accordance with the statistical classification of economic activities established by Regulation (EC) No 1893/2006.	☒	☒
5.5. Collection and transport of non-hazardous waste in source separated fractions	Separate collection and transport of non-hazardous waste in single or comingled fractions aimed at preparing for reuse or recycling. The economic activities in this category could be associated with NACE code E38.11 in accordance with the statistical classification of economic activities established by Regulation (EC) No 1893/2006.	☒	☒
5.9 Material recovery from non-hazardous waste	Construction and operation of facilities for the sorting and processing of separately collected non-hazardous waste streams into secondary raw materials involving mechanical reprocessing, except for backfilling purposes. The economic activities in this category could be associated with several NACE codes, in particular E38.32 and F42.99 in accordance with the statistical classification of economic activities established by Regulation (EC) No 1893/2006.	☒	☒

The addition of activity 4.25. '*Production of heat/cool using waste heat*' and activity 5.9. '*Material recovery from non-hazardous waste'* to the outcome of Cementir's 2021 taxonomy eligibility disclosure needs to be understood as a natural progression in the application of the EU Taxonomy Regulation in these early stages of implementation. Likewise, it should be emphasised that the economic activities that have not been identified as Taxonomy-eligible, have simply not been included at this stage in the macro-areas subject to analysis by the European Regulator and, as a consequence, do not constitute any form of non-compliance with this or other directives from the EU Commission. This is the case, for example, for the production of white cement, ready-mix concrete, aggregates, and concrete products that are

not mentioned among the activities listed by the Climate Delegated Act. Such activities represent 68.71% of 2022 total turnover for the Cementir Group.

The following table lists the Group's legal entities considered for each eligible economic activity identified:

Table 2: Group's legal entities - eligibility
Activity 3.7 Manufacture of cement

Cimentas AS	Production of grey cement only with its plants located in Izmir and Trakya.
Kars Cimento AS	Production of grey cement only.
Elazig Cimento	Production of grey cement only.
Aalborg Portland A/S	Production of grey cement and white cement. Only the grey cement portion will be considered in the analysis
Compagnie des Ciments Belges SA	Production of grey cement, ready-mix concrete and aggregates. Only the grey cement portion will be considered in the analysis.
Aalborg Islandi EHF	Does not produce grey cement, but resells grey cement purchased intra-group.
Compagnie des Ciments Belges France SAS (CCBF)	Does not produce grey cement, but resells grey cement purchased intra-group.
Spartan Hive SpA	Does not produce grey cement, but resells grey cement purchased intra-group.

Table 3
Activity 4.25 Production of heat/cool using waste heat

Aalborg Portland A/S	Recovery of waste heat used for district heating in the area surrounding the plant.

Table 4
Activity 5.5 Collection and transport of non-hazardous waste in source separated fractions

Sureko SA	Collecting and transporting hazardous and non-hazardous waste.
Neales Waste Management Ltd	Collecting and transporting hazardous and non-hazardous waste.
Quercia Ltd	Collecting and transporting hazardous and non-hazardous waste.

Table 5
Activity 5.9 Material recovery from non-hazardous waste

Sureko SA	Recycling materials produced (ferrous materials, aluminium etc.) and recovery fuels (RDF/SRF)
Neales Waste Management Ltd	Recycling materials produced (ferrous materials, aluminium etc.)
Quercia Ltd	Recycling materials produced (ferrous materials, aluminium etc.) and recovery fuels (RDF/SRF)

Alignment Assessment

As anticipated, starting from its 2022 non-financial disclosure, Cementir is required to extend the analysis for the purpose of the EU Taxonomy to assess the alignment of its Taxonomy-eligible economic activities. Cementir conducted such analysis by evaluating the compliance with the technical screening criteria set out within the Climate Delegated Act for each of the legal entities conducting taxonomy eligible activities, as described in the previous paragraph.

In particular, the Cementir Group identified Taxonomy-aligned economic activities for three legal entities within the scope of eligibility:

- Compagnie des Ciments Belges S.A. for activity *3.7: Manufacture of cement;*
- Cimentas A.S. limited to the operations taking place in Trakya's plant for activity *3.7: Manufacture of cement*;
- Aalborg Portland A/S limited to activity *4.25 Production of heat/cool using waste heat*.

For such activities Cementir Group was able to meet all of the respective technical screening criteria required to be considered aligned according to EU Taxonomy Regulation for at least one of the two climate objectives covered by the Delegated Regulation EU/2021/2139. With special regard to activity *3.7: Manufacture of cement*, the Group's core business, alignment has been identified limitedly to two legal entities because of the ambitious emissions thresholds set out by the Climate Delegated Act for respecting the criteria of Substantial Contribution and Do Not Significant Harm for the objective of Climate Change Mitigation. As detailed in the following paragraph, as of 2022 only Compagnie des Ciments Belges and Trakya's plants respect such limitations on emissions, however the Group has developed an investment plan which will allow GHG emissions at several other plants to be cut in the coming years.

Despite representing a residual part of the Cementir Group's business activities, the production of heat recovered from Aalborg's kiln operations has been assessed as aligned with the EU Taxonomy as it is conducted by respecting all of the Do Not Significant Harm criteria concerning the other environmental objectives.

Activities *5.5 Collection and transport of non-hazardous waste in source separated fractions* and *5.9 Material recovery from non-hazardous waste* could not be considered Taxonomy-aligned for the purpose of 2022 disclosure as the criteria of Substantial Contribution and Do Not Significant Harm for the objective of Climate Change Adaptation. In fact, while an assessment of the physical climate risks has been conducted for the Group's cement producing facilities, for the moment such analysis has not been extended to legal entities conducting waste management activities.

The next paragraph gives an overview of the criteria evaluated for determining Taxonomy-aligned activities.

Substantial Contribution and Do No Significant Harm (DNSH)

In assessing the compliance with the Substantial Contribution criteria and the Do No Significant Harm criteria, all identified eligible economic activities were screened. The analysis made it possible to distinguish between eligible-not aligned activities and eligible-aligned activities. We hereby report the eligible aligned activities and their assessment results.

Activity 3.7 Manufacture of Cement (Cimentas A.S. - Trakya and Compagnie des Ciments Belges S.A.)

Requirements	**Elements of compliance**
Substantial Contribution to Climate Change Adaptation	For all its cement production facilities Cementir Holding N.V. conducted a physical climate risk assessment in line with the provisions of the Taxonomy Regulation. In accordance, the appropriate adaptation solutions for the identified risks have been assessed and implemented.
Do No Significant Harm Climate Change Mitigation	For both plants, the greenhouse gas emissions from grey cement clinker production processes are lower than 0.816 tCO_2e per ton of clinker manufactured.
Do No Significant Harm Use and Protection of Water and Marine Resources	Environmental degradation risks related to preserving water quality and avoiding water stress have been identified and addressed and a water use and protection management plan has been developed accordingly. For Compagnie des Ciments Belges S.A. the Environmental Impact Assessment was carried out in accordance with Directive 2011/92/EU. For Cimentas A.S. Trakya the Environmental Impact Assessment was carried out in accordance with the local regulation and standards equivalent to European regulation.

Requirements	Elements of compliance
Do No Significant Harm Pollution Prevention and Control	Neither activity leads to the manufacture, placing on the market or use of substances included in Appendix C of Annex I to the Climate Delegated Act. Moreover, emissions from both plants are in line with the Best Available Techniques – Associated Emission Level (BAT-AEL) ranges and no significant cross-media effects[9] occur. In accordance, measures are in place to ensure the safe handling of waste in the manufacturing of cement employing hazardous wastes as alternative fuels.
Do No Significant Harm Protection and Restoration of Biodiversity and Ecosystems	For Compagnie des Ciments Belges S.A. the Environmental Impact Assessment was carried out in accordance with Directive 2011/92/EU. For Cimentas A.S. Trakya the Environmental Impact Assessment was carried out in accordance with the local and standards equivalent to European regulation. Neither plant is located within or near biodiversity sensitive areas.

4.25 Production of heat/cool using waste heat (Aalborg Portland A/S)

Requirements	Elements of compliance
Substantial Contribution to Climate Change Mitigation	The activity produces heat or cool from waste heat.
Do No Significant Harm Climate Change Adaptation	For all its cement production facilities Cementir Holding N.V. conducted a physical climate risk assessment in line with the provisions of the Taxonomy Regulation. In accordance, the appropriate adaptation solutions for the identified risks have been assessed and implemented. Being the activity under scrutiny conducted within the Aalborg Portland A/S plant, the assessment was deemed sufficient.
Do No Significant Harm Transition to a Circular Economy	The activity uses equipment and components of high durability and recyclability and that are easy to dismantle and refurbish.
Do No Significant Harm Pollution Prevention and Control	The pumps and equipment of the Aalborg Portland A/S plant comply with the top class requirements of the energy label.

[9] Cross-media effects please refer to ecm_bref_0706.pdf (europa.eu)

Requirements	Elements of compliance
Do No Significant Harm Protection and Restoration of Biodiversity	The Environmental Impact Assessment for Aalborg Plant A/S was carried out in accordance with Directive 2011/92/EU. The plant is not located within or near biodiversity sensitive areas.

It is worth noting that the compliance with the criteria for both Substantial Contribution and Do No Significant Harm for the objective of Climate Change Adaptation across all the identified taxonomy-aligned economic activities is the outcome of the Physical Climate Risk Assessment conducted by the Group. The risks associated with 7 climate change hazards (namely water stress, floods, heatwaves, cold waves, hurricanes, wildfires and sea level rise) have been analysed based on a medium and long term scenario-analysis of the geographical locations where Cementir Group owns cement production facilities. Such analysis allowed the Group to determine which of these risks need to be considered material and what kind of initiatives needed to be implemented in order to prevent negative effects in sensitive geographical areas. In particular, the assessment was based on 3 different climate scenarios (High Climate Change Scenario RCP 8.5, Moderate Climate Change Scenario RCP 4.5, Low Climate Change Scenario RCP 2.6), using 2020 as the baseline and projecting the respective effects at 2030 and 2050. For further information regarding the analysis please refer to Chapter Risk Management Framework, Paragraph Climate risks.

With regard to the criteria for Do No Significant Harm for the objective of Climate Change Mitigation, for the activity 3.7 *'Manufacture of cement'* the Climate Delegated Act defines thresholds for greenhouse gas emissions per unit of grey cement and clinker produced which the producing plants must not surpass in order to meet the criteria for alignment. According to the Climate Delegated Act, the amount of GHG emissions considered for the purpose of the criteria needs to be calculated by adopting the methodologies detailed by regulation EU/2019/331, used for determining the allocation of emission allowances in the context of the European Union Emissions Trading System (EU ETS). Accordingly, Cementir assessed the emissions of all its plants producing grey cement against the emission thresholds defined by the EU Taxonomy Regulations for both the production of grey cement and clinker. While the amount of emissions per ton of grey cement manufactured currently exceeds the threshold for all existing plants, emissions per ton of clinker produced have been recorded below the established threshold for Trakya (Cimentas A.S.) and Compagnie des Ciments Belges S.A. plants.

In the context of the Group's 2030 Roadmap described in Chapter Cementir Roadmap 2030 Cementir Holding N.V. identified a series of investments aimed at progressively reducing the amount of emissions associated with cement production activities through both incremental efficiency-driven interventions and disruptive technologies which could considerably improve the environmental performance of

the Group's cement producing facilities. According to this investment plan, most of the Group's plants producing grey cement and clinker will reduce emissions below the thresholds defined within the EU Taxonomy Regulation by 2030, thus allowing other Cementir grey cement production plants to reach the status of alignment (if all other screening criteria are met by these plants). In the following table the share of CapEx invested in 2022 as part of the 2030 is displayed:

Aligned Roadmap CapEx 2022	**Euro**
Aalborg Grey Cement	5,297,294
CCB Grey Cement	14,645,000

Minimum Safeguards

Compliance with criteria pertaining to minimum safeguards was assessed based directly on Art. 18 of Regulation 852/2020 and on 'Final Report on Minimum Safeguards' published in October 2022 by the Platform on Sustainable Finance (PSF), the advisory body constituted by the European Commission to coordinate the development and the implementation of the EU Taxonomy Regulation. The analysis thus focused on how the Cementir Group respects the OECD Guidelines for Multinational Enterprises (OECD MNE Guidelines) and the UN Guiding Principles on Business and Human Rights (UNGPs), including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labor Organization on Fundamental Principles and Rights at Work and The International Bill of Human Rights.

More specifically, the Cementir Group's assessment of compliance was based on the following four areas of analysis.

- Human Rights: the Cementir Group regularly conducts due diligence activities focused on human rights and works to promote and ensure that these are respected in all its operations and those of its suppliers. Cementir has also defined its Human Rights Policy, which can be downloaded from the corporate website under the section Governance/Ethics and Compliance. More information can be found under 'Governance', in the paragraph 'Commitment on Human Rights'.
- Corruption and bribery: the Group adopted policies, measures, programmes and internal control systems to ensure ethics and compliance in the fight against corruption. Relevant policies in this area include: the Anti-bribery Policy, the Supplier Code of Conduct, the Code of Ethics. More information can be found under Governance, Paragraphs Commitment to fighting corruption and The Code of Ethics.
- Taxation: the Group conducts its business activities in a manner that complies with tax regulations in all the countries in which its operations take place, and institutes internal control procedures to guarantee compliance with such regulations. More information can be found on the Cementir's approach to taxes, under Looking at the value created.

- Fair Competition: Cementir Holding N.V. conducts its business activities in a manner that complies with all applicable laws focusing on fair business competition and requires its employees to complete topic-specific training to prevent risks of occurrence.

Indicators and accounting policies

The KPIs required by Article 8 of the EU Taxonomy Regulation and detailed by the respective supporting Delegated Act[10] (also referred to as «Art. 8 Delegated Act») to disclose the proportion of Taxonomy-aligned economic activities are hereby reported. The regulation requests non-financial undertakings to disclose such information by detailing the proportion of their turnover, capital expenditure (CapEx) and operating expenditure (OpEx) associated with the execution of economic activities aligned with all the respective technical screening criteria. In compliance with the instructions provided by the EU Taxonomy Regulation to avoid double counting (Sect. 1.2.2.2 (c) of Annex I to Art. 8 Delegated Act) the activities identified as aligned were attributed to a single environmental objective.

In the next table, the 2022 proportion of Taxonomy-eligible and Taxonomy-aligned economic activities in total turnover, CapEx and OpEx are presented.

Proportion of Taxonomy-eligible and Taxonomy-aligned economic activities in total turnover, CapEx and OpEx				
Year 2022	Total EUR	Proportion of **Taxonomy-eligible** economic activities (%)	Proportion of **Taxonomy-aligned** activitiy (%) Substantial contribution to **climate change mitigation** (Obt 1)	Proportion of **Taxonomy- aligned** activity (%) Substantial contribution to **climate change adaptation** (Obt 2)
Turnover	1,723,102,998	31.29%	0.49%	11.71%
Operating expenditure (OpEx)	115,714,660	31.48%	0.81%	12.74%
Capital expenditure (CapEx)	132,400,955	42.15%	0.10%	23.21%

Turnover

The proportion of Taxonomy-eligible and Taxonomy-aligned economic activities in terms of total turnover has been calculated as the part of net turnover derived from products and services associated with Taxonomy-eligible and Taxonomy-aligned

10 Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council.

economic activities (numerator) divided by the total consolidated net turnover (denominator).

For further details on our accounting policies regarding our consolidated net turnover, see the 'Accounting policies' chapter of the 2022 Annual Report. The accounting items for this indicator have been derived from the 2022 Consolidated Profit & Loss statement of the Cementir Group.

For legal entities considered to be in the scope of eligibility, only revenues pertaining to the identified eligible economic activities have been considered. As a consequence, all sales associated with activities different from those described in Table 1 have been excluded from the calculation of the numerator for the turnover KPI.

CapEx

The proportion of Taxonomy-eligible and Taxonomy-aligned economic activities in terms of capital expenditure is defined as Taxonomy aligned CapEx (numerator) divided by total CapEx (denominator).

Total CapEx consists of additions to tangible and intangible fixed assets during the financial year, before depreciation, amortisation, and any re-assessments, including those resulting from revaluations and impairments, as well as excluding changes in fair value. It includes acquisitions of tangible fixed assets (IAS 16), intangible fixed assets (IAS 38), right-of-use assets (IFRS 16) and investment properties (IAS 40). Additions resulting from business combinations are also included. Goodwill is not included in CapEx, as it is not defined as an intangible asset in accordance with IAS 38. For further details on our accounting policies regarding our CapEx, see the 'Accounting policies' chapter of the 2022 Annual Report.

Investments are extrapolated from Cementir's 2022 Statutory Book. The accounting items selected from the statutory book are tangible investments and intangible investments. The numerator consists of 'CapEx related to assets or processes that are associated with Taxonomy-eligible economic activities' (Category A Sect. 1.2.1 (a) of Annex I to Art. 8 Delegated Act) and of investments that are part of Cementir's 2030 Investment Plan to allow Taxonomy-eligible cement production activities to become Taxonomy-aligned (Category B Sect. 1.2.1 (a) of Annex I to Art. 8 Delegated Act).

Since Aalborg Portland A/S produces both grey cement and white cement, it was necessary to use a driver to select only the proportion of eligible CapEx. The driver is computed based on the proportion of tons of grey cement produced on total tons produced by the entity (76.24%).

OpEx

The proportion of Taxonomy-eligible and Taxonomy-aligned economic activities in terms of operating expenditure is defined as Taxonomy-eligible or Taxonomy-aligned

OpEx (numerator) divided by total OpEx (denominator). The denominator is limited to the following: non-capitalised costs related to research and development, repair and maintenance costs, personnel costs linked with maintenance, repair and cleaning costs, building renovation measures, and short-term leases.

Operating expenditures are selected from 2022 managerial profit and loss statements of the Group. The numerator includes the portion of the above-mentioned accounting items linked with eligible economic activities.

As for the CapEx KPI, since Aalborg Portland A/S produces both grey cement and white cement, it was necessary to use cost drivers to select only the proportion of eligible costs. These cost drivers were identified for costs linked with non-capitalised research and development and for factory cleaning and maintenance. The cost driver is computed based on the proportion of tons of grey cement produced out of the total tons produced by the entity (76.24%).

Templates For the purposes of tabular representation, the following legend applies: (1) Climate Change Mitigation; (2) Climate Change Adaptation; (3) The Sustainable Use of Water and Marine Resources; (4) The Transition to a Circular Economy; (5) Pollution Prevention and Control; (6) The Protection and Restoration of Biodiversity and Ecosystems; MS - Minimum Safeguards.
Table 6 - Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2022

				Substantial contribution criteria						DNSH Criteria								
Economic activities	**Code**	**Absolute turnover**	**Proportion of turnover**	**(1)**	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**(1)**	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**MS**	**Taxonomy aligned proportion of turnover 2022**	**Category (enabling/transitional activity)**
		€	*%*	*%*	*%*	*%*	*%*	*%*	*%*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E/T*
A. TAXONOMY-ELIGIBLE ACTIVITIES																		
A.1. Environmentally sustainable activities (Taxonomy-aligned)																		
Manufacture of cement	3.7	201,847,913	11,71	0	11.71	0	0	0	0	Y	N/A	Y	N/A	Y	Y	Y	11.71	-
Production of heat/cool using waste heat	4.25	8,516,052	0.49	0.49	0	0	0	0	0	N/A	Y	N/A	Y	Y	Y	Y	0.49	-
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**210.363.965**	**12,20**	**0,49**	**11,71**	**0**	**0**	**0**	**0**								**12.20**	
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																		
Manufacture of cement	3.7	325,839,359	18.91	0	18.91	0	0	0	0									
Production of heat/cool using waste heat	4.25	0	0.00	0	0	0	0	0	0									
Collection and transport of non-hazardous waste in source segregated fractions	5.5	2,284,175	0.13	0	0.13	0	0	0	0									
Material recovery from non-hazardous waste	5.9	630,425	0.04	0	0.04	0	0	0	0									
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**328,753,959**	**19.08**	**0**	**19.08**	**0.00**	**0.00**	**0.00**	**0.00**									
Total Turnover of Taxonomy eligible activities (A.1 + A.2) (A)		**539,117,924**	**31.29**	**0.49**	**30.79**	**0.00**	**0.00**	**0.00**	**0.00**									
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																		
Turnover of Taxonomy-non-eligible activities (B)		**1,183,985,074**	**68.71**															
Total (A + B)		**1,723,102,998**	**100**															

Table 7- Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2022

				Substantial contribution criteria						DNSH Criteria								
Economic activities	**Code**	**Absolute CapEx**	**Proportion of CapEx**	**(1)**	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**(1)**	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**MS**	**Taxonomy aligned proportion of CapEx 2022**	**Category (enabling/transitional activity)**
		€	*%*	*%*	*%*	*%*	*%*	*%*	*%*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E/T*
A. TAXONOMY-ELIGIBLE ACTIVITIES																		
A.1. Environmentally sustainable activities (Taxonomy-aligned)																		
Manufacture of cement	3.7	30,732,096	23.21	0	23.21	0	0	0	0	Y	N/A	Y	N/A	Y	Y	Y	23,21	-
Production of heat/cool using waste heat	4.25	134,058	0.10	0.10	0	0	0	0	0	N/A	Y	N/A	Y	Y	Y	Y	0.10	-
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**30,866,154**	**23.31**	**0.10**	**23.21**	**0**	**0**	**0**	**0**								**23,31**	
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																		
Manufacture of cement	3.7	24,270,110	18,33	0	18.33	0	0	0	0									
Production of heat/cool using waste heat	4.25	-	0	0	0	0	0	0	0									
Collection and transport of non-hazardous waste in source segregated fractions	5.5	675,809	0.51	0	0.51	0	0	0	0									
Material recovery from non-hazardous waste	5.9	-	0	0	0	0	0	0	0									
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**24,945,919**	**18.84**	**0**	**18.84**	**0**	**0**	**0**	**0**									
Total CapEx of Taxonomy eligible activities (A.1 + A.2) (A)		**55,812,073**	**42.15**	**0.10**	**42.05**	**0**	**0**	**0**	**0**									
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																		
Capex of Taxonomy-non-eligible activities (B)		**76,588,882**	**57.85**															
Total (A + B)		**132,400,955**	**100**															

Table 8 - Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2022

				Substantial contribution criteria						DNSH Criteria								
Economic activities	**Code**	**Absolute OpEx**	**Proportion of OpEx**	**(1)**	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**(1)**	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**MS**	**Taxonomy aligned proportion of OpEx 2022**	**Category (enabling/transitional activity)**
		€	*%*	*%*	*%*	*%*	*%*	*%*	*%*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E/T*
A. TAXONOMY-ELIGIBLE ACTIVITIES																		
A.1. Environmentally sustainable activities (Taxonomy-aligned)																		
Manufacture of cement	3.7	14,743,018	12.74	0	12.74	0	0	0	0	Y	N/A	Y	N/A	Y	Y	Y	12.74	-
Production of heat/cool using waste heat	4.25	939,821	0.81	0.81	0	0	0	0	0	Y	N/A	N/A	Y	Y	Y	Y	0.81	-
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**15,682,839**	**13.55**	**0.81**	**12.74**	**0**	**0**	**0**	**0**								**13.55**	
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																		
Manufacture of cement	3.7	20,191,218	17.45	0	17.45	0	0	0	0									
Production of heat/cool using waste heat	4.25	0	0	0	0	0	0	0	0									
Collection and transport of non-hazardous waste in source segregated fractions	5.5	555,890	0.48	0	0.48	0	0	0	0									
Material recovery from non-hazardous waste	5.9	0	0	0	0	0	0	0	0									
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**20,747,107**	**17.93**	**0**	**17.93**	**0**	**0**	**0**	**0**									
Total OpEx of Taxonomy eligible activities (A.1 + A.2) (A)		**36,429,947**	**31.48**	**0**	**31.48**	**0**	**0**	**0**	**0**									
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																		
Opex of Taxonomy-non-eligible activities (B)		**79,284,713**	**68.52**															
Total (A + B)		**115,714,660**	**100**															

Task Force on Climate-related Financial Disclosures – TCFD

Overview

'The Task Force's report establishes recommendations for disclosing clear, comparable and consistent information about the risks and opportunities presented by climate change. Their widespread adoption will ensure that the effects of climate change become routinely considered in business and investment decisions. Adoption of these recommendations will also help companies better demonstrate responsibility and foresight in their consideration of climate issues. That will lead to smarter, more efficient allocation of capital, and help smooth the transition to a more sustainable, low-carbon economy' (Michael R. Bloomberg, Chairman, TCFD).

Cementir is publicly committed to adopting the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) of the Financial Stability Board, which in June 2017 published specific recommendations for the voluntary reporting of the financial impact of climate risks. The TCFD aims to offer consistent and effective financial disclosures that allow investors and other stakeholders to assess the climate risks faced by companies and to take appropriate actions.

Cementir identifies, assesses and manages climate change risks alongside all other types of risk as an integral part of its Risk Management Framework. Climate risks and opportunities are monitored in a structured manner consistent with the TCFD.

In 2022, as part of TCFD assessment, Cementir commissioned Standard & Poor's (S&P) to conduct a gap assessment of its existing climate-related disclosures. According to the analysis performed by S&P, Cementir achieved a total score of 100% on the overall assessment, which represent a complete level of disclosure and transparency on TCFD metrics.

This chapter follows the structure of the TCFD recommendations around four thematic areas that represent core elements of how organisations operate: governance, strategy, risk management and metrics and targets.

In the Cementir Group, the Sustainability strategy receives appropriate board and management attention.

Governance - The organisation's governance around climate-related risks and opportunities

RECOMMENDATIONS OF THE TCFD	DISCLOSURE
a) Describe the Board's oversight of climate-related risks and opportunities	Chapter: The Corporate Governance System (see page 93) Chapter: Evaluation of Board's performance (see page 96) Chapter: The Sustainability Governance System (see page 100) Chapter: Role of the Bord of Directors in overseeing the management of Cementir's impacts (see page 105)
b) Describe management's role in assessing and managing climate-related risks and opportunities	Chapter: The Corporate Governance System (see page 93) Chapter: Evaluation of Board's performance (see page 96) Chapter: The Sustainability Governance System (see page 100) Chapter: Role of the Bord of Directors in overseeing the management of Cementir's impacts (see page 105)

In the Governance chapter, the description of the different governing bodies includes useful clarifications of the specific nature of their climate-related accountabilities.

Strategy

In view of the significance of climate change for our business, Cementir has developed the Sustainability Strategy.

Cementir described how climate-related issues may affect the organisation's business, strategy and financial planning over the short, medium, and long term. The three-time horizons can be summarised as follow:

- The short term (1-3 years), in which sensitivity analyses based on the Industrial Plan presented to investors can be performed;
- The medium term (until 2030) is a time horizon beyond the Industrial Plan but addressed by the Cementir Climate Change Strategy and its 10-year roadmap.
- The long term (2030-2050), in which chronic structural changes in the climate should begin to emerge.

Cementir's long-term sustainability strategy was developed using a bottom-up approach in recent years. The concerned departments within the local operations, under the coordination of the Group top management, have translated individual concepts and notions into a unique and consistent way of thinking, defining our internal Group culture and identity, setting expectations, targets and precise commitments, along the lines mandated by the regulatory framework. Once consolidated, this basic core was then formally reviewed, signed-off and validated by the Sustainability Committee and finally rolled over the concerned entities for implementation through articulated programs and specific actions due by set deadlines. Its assumptions and implications, from the basic ones to the most far-fetched ones, have been encapsulated for the first time in the Group Industrial Plan 2021-23, approved by Cementir Board of Directors in February 2021, in the Group Consolidated Financial Statements and Sustainability Report for year 2020, approved by the Shareholder Meeting in April 2021.

In addition, the Group regularly assesses current and potential impacts of climate-related risks and opportunities on the business, and consequently updates its strategy and its financial planning.

Strategy - Current and potential impacts of climate-related risks and opportunities on the organisation's business, strategy and financial planning

RECOMMENDATIONS OF THE TCFD	DISCLOSURE
a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term	Chapter: Internal Control and Risk Management System (page 117) Chapter: Climate risks (page 124) Chapter: Climate-related scenario analysis (page 125) Chapter: Chronic and acute physical phenomena (page 128) Chapter: Transition risks and opportunities (page 130)
b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	Chapter: Internal Control and Risk Management System (page 117) Chapter: Climate risks (page 124) Chapter: Climate-related scenario analysis (page 125) Chapter: Chronic and acute physical phenomena (page 128) Chapter: Transition risks and opportunities (page 130)
c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2° or lower scenario	Chapter: Internal Control and Risk Management System (page 117) Chapter: Climate risks (page 124) Chapter: Climate-related scenario analysis (page 125) Chapter: Chronic and acute physical phenomena (page 128) Chapter: Transition risks and opportunities (page 130) Chapter: Our 2030 commitment in numbers (page 79) Chapter: Our key actions for the 2023-2030 period (page 81) Chapter: Main investments needed to achieve CO_2 reduction targets (page 88) Chapter: 2050 ambition (page 89) Chapter: Responsible and efficient use of water (page 152)

Risk management

Cementir identifies, assesses and manages climate change risks and opportunities alongside all other types of risk as an integral part of its Risk Management Framework, which is subject to continuous improvements.

Risk management - Identification, assessment and management of climate related risks

RECOMMENDATIONS OF THE TCFD	DISCLOSURE
a) Describe the organization's processes for identifying and assessing climate-related risks	Chapter: Internal Control and Risk Management System (page 117) Chapter: Climate risks (page 124) Chapter: Climate-related scenario analysis (page 125) Chapter: Chronic and acute physical phenomena (page 128) Chapter: Transition risks and opportunities (page 130)
b) Describe the organization's processes for managing climate-related risks	Chapter: Internal Control and Risk Management System (page 117) Chapter: Climate risks (page 124) Chapter: Climate-related scenario analysis (page 125) Chapter: Chronic and acute physical phenomena (page 128) Chapter: Transition risks and opportunities (page 130) Chapter: Our 2030 commitment in numbers (page 79) Chapter: Our key actions for the 2023-2030 period (page 81) Chapter: Main investments needed to achieve CO_2 reduction targets (page 88) Chapter: 2050 ambition (page 89) Chapter: Responsible and efficient use of water (page 152)
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	Chapter: Internal Control and Risk Management System (page 117) Chapter: Climate risks (page 124) Chapter: Climate-related scenario analysis (page 125) Chapter: Chronic and acute physical phenomena (page 128) Chapter: Transition risks and opportunities (page 130) Chapter: Our 2030 commitment in numbers (page 79) Chapter: Our key actions for the 2023-2030 period (page 81) Chapter: Main investments needed to achieve CO_2 reduction targets (page 88) Chapter: 2050 ambition (page 89) Chapter: Responsible and efficient use of water (page 152)

Metrics and targets

The Group has identified four pillars that represent the core principles that have inspired the company's sustainability strategy. The targets are related to the efforts by Cementir to adopt all necessary measures and the most innovative technological solutions to minimise the impact of our business on the environment; create a healthy, safe and inclusive work environment; respect human rights and create a constructive and transparent relationship with local communities and business partners.

Metrics and targets - used to assess and manage relevant climate-related risks and opportunities

RECOMMENDATIONS OF THE TCFD	DISCLOSURE
a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	Chapter: Use of alternative fuels (page 136) Chapter: Alternative raw materials (page 139) Chapter: Cementir's CO2 footprint (page 145) Chapter: Cementir's Scope 3 emissions (page 145) Chapter: Energy consumption (page 149)
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	Chapter: Cementir's CO2 footprint (page 145) Chapter: Cementir's Scope 3 emissions (page 145) Chapter: Climate Risks (page 124)
c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	Chapter: Our 2030 commitment in numbers (page 79) Chapter Our key actions for the 2022-2030 period (page 81) Chapter: 2050 ambition (page 89)

Cementir Roadmap 2030

Our 2030 commitment in numbers

Over the last few years, Cementir has been actively committed to pursuing a programme inspired by the principles of the circular economy, which envisages a series of initiatives focused on reducing the environmental impact of its operations and on developing less CO_2-intensive products.

Cementir identifies, assesses and manages climate change risks alongside all other types of risk as an integral part of its Risk Management Framework. Climate risks and opportunities are monitored in a structured manner consistent with the TCFD.

Cementir is currently defining a transition plan aligned with a 1.5°C world. The goal of the Group is to reduce Scope 1, 2 and 3 emissions to zero or to a residual level that is consistent with reaching net-zero emissions globally in eligible 1.5°C scenarios and to neutralize any residual emissions at the net-zero target date.

As a first step, in 2020, Cementir defined a roadmap up to 2030 to reduce its Scope 1 and 2 emissions according to the reductions required to keep warming to well-below 2°C. This commitment, that did not include any breakthrough technology, was validated by SBTi.

The Group is increasingly focused on the development of new technologies for carbon capture and storage (CCS). For this reason, during 2022, Roadmap 2030 has been updated assuming the implementation of this technology in the Aalborg plant, in addition to the actions already planned such as the replacement of fossil fuels with alternative 'green' fuels and the reduction of clinker content in the cement produced.

Following the introduction of CCS in Aalborg, expected in 2030, Cementir will reduce its Scope 1 emissions to 460 kg of CO_2 per ton of grey cement, below the threshold required by the EU Taxonomy, and 36% lower than 2020 emissions.

The Group also lowered the 2030 target for white cement, which is a special product with niche applications and markets (0.5% of total world cement production). Cementir's plan is to reduce its Scope 1 emissions to 738 kg of CO_2 per ton of white cement. The CO_2 reduction in white cement production will be achieved by replacing traditional fossil fuels with natural gas and biomass and replacing clinker content in cement with mineral additives, such as limestone.

In the 2020-2022 period, action to reduce CO_2 emissions per ton of cement achieved better results than initially planned by the Group in its Roadmap 2030.

In 2022, the emissions per ton of grey cement were 672 kg, 6% lower than in 2020 and below the 679 kg target for 2022. Emissions per ton of white cement were 886 kg, 3% lower than in 2020 and below the target of 915 kg set for 2022.

See the table in the next page for details.

Grey Cement						
Years	**2020**	**2021**	**Target 2022**	**2022**	**2025**	**2030**
Use of traditional fuel in %	72%	70%	64%	**68%**	61%	50%
Use of alternative fuel in %	28%	30%	36%	**32%**	39%	50%
Clinker ratio	82%	81%	78%	**80%**	76%	64%
CO_2 emissions (kg CO_2/ton cement)	718	684	679	**672**	621	460
Reduction versus 2020	0%	-5%	-5%	**-6%**	-13%	-36%

White Cement						
Years	**2020**	**2021**	**Target 2022**	**2022**	**2025**	**2030**
Use of traditional fuel in %	85%	85%	96%	85%	79%	59%
Use of natural gas%	12%	12%		13%	17%	28%
Use of alternative fuel in %	3%	3%	4%	2%	4%	13%
Clinker ratio	82%	83%	82%	81%	80%	78%
CO_2 emissions (kg CO2/ton cement)	915	919	915	886	841	738
Reduction versus 2020	0%	0%	0%	-3%	-6%	-19%

Specific targets for alternative fuels, clinker ratio and CO_2 emissions have been established in order to accomplish the 2030 goals. Such targets have been deployed in every single plant and were included in the 2023-2025 Industrial Plan and in our employee short-term incentive system.

Our sustainability commitment timeline since 2019

2019

- **New organization** and Sustainability Governance with **Group Sustainability Committee** within Aalborg Portland Holding A/S (Danish subsidiary)
- Definition of **26 ESG objectives**
- Shift from mandatory reporting to ESG voluntary disclosure

2020

- Integration of Sustainability into the **Corporate Strategy** with **2030 Roadmap** on CO_2 emissions reduction
- 2050 **Net Zero** ambition
- **Human rights** formal monitoring

CDP DISCLOSER 2020
B Rating – Climate Change
Upgraded from F in March 2021

2021

- Launch of **FUTURECEM®** on the market
- Cementir joins the **European Climate Pact** against climate change
- **Science Based Target initiative (SBTi)** validated our "well below 2°C" emission reduction objectives

SCIENCE BASED TARGETS
Target validation in July 2021

- **Group Sustainability Committee** within Cementir Holding Board of Directors
- **Scope 3** emissions assessment
- First **CDP water security** questionnaire filed
- Non-financial KPIs embedded into short-term incentive plan

CDP DISCLOSER 2021
A-
Climate Change

CDP DISCLOSER 2021
B-
Water Security

2022

- All cement plants ISO 45001-certified
- **UN Global Compact** Commitment
- **Wash Pledge.** Safe Water, Sanitation and Hygiene at the Workplace
- Group Guidelines for developing and implementing **biodiversity** plans
- **Diversity, Equity and Inclusion** assessment

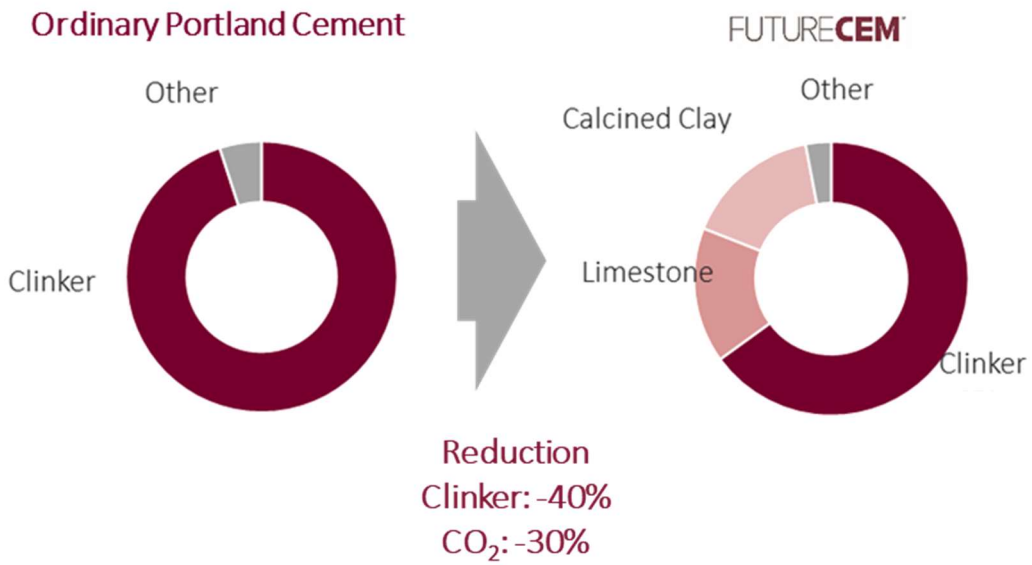
CDP DISCLOSER 2022
A-
Climate Change

CDP DISCLOSER 2022
A-
Water security

Our key actions for the 2023-2030 period

The Roadmap 2030 is focused on the following pillars:

- **Reduction of clinker content to 64% for grey cement and 78% for white cement.** In the production of cement, the majority of CO_2 emissions occur when the raw materials (mainly limestone) calcinates into clinker in the kiln. The CO_2 results from the chemical reaction that starts when limestone is heating up to 1450°C. This process, called calcination, is responsible for about 70% of the total Scope 1 emissions generated by Cementir. Cementir will reduce the clinker content through:
  - The *replacement of clinker with alternative decarbonised mineral additives such as fly ash and slag*.
  - The *development of a new low-carbon cement*, FUTURECEM®, an innovative, validated and patented technology which allows for more than 35% of the energy-intensive clinker in cement to be replaced by limestone and calcined clay. This combination of materials in FUTURECEM® has resulted in a much more sustainable, high-grade cement with a carbon footprint up to 30% lower than regular Portland cement. And the low-carbon benefits of FUTURECEM® have been achieved without compromising the strength and quality of the cement.
    Below is the average composition of an ordinary Portland cement and what is achievable with FUTURECEM®.



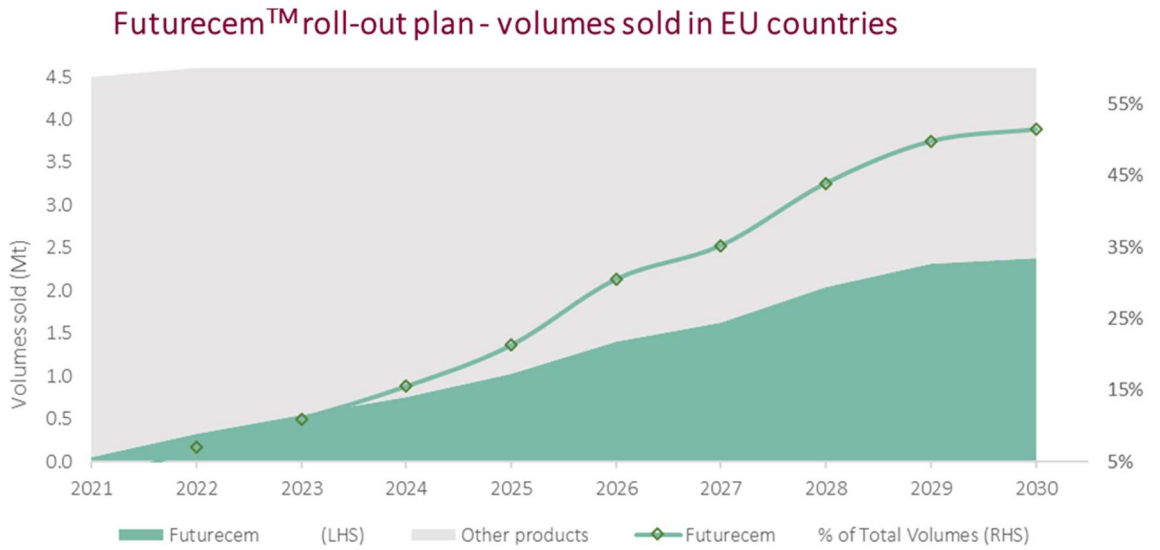
From 2014-2019, Cementir participated, together with researcher institutions and a range of stakeholders and customers from the construction industry, in the Danish project Green Concrete II with the aim of testing FUTURECEM® in a wide range of ready-mix concrete applications. In this project, FUTURECEM® was tested at full-scale in construction parts for infrastructure (two bridges) as well as in an indoor floor and wall in the new concrete laboratory at the Danish Technological Institute.

Those demo projects demonstrate that FUTURECEM® can be implemented in the concrete industry using conventional production and execution technologies.

Between 2018 and 2020, Cementir conducted a survey to explore and determine the status of the 'green transition' in Northern Europe (Scandinavia, France, Belgium and the Netherlands) and how it will change the construction industry in coming years and finally what a building materials manufacturer such as Cementir should do when it comes to sustainability. The goal of the survey was to understand the dynamics of the green transition and the role that FUTURECEM® technology could play in the future.

In January 2021, Cementir started the distribution of FUTURECEM®. The sales expectations were fully met in 2021 and 2022.

By 2030, FUTURECEM® volumes sold are expected to reach around 51% of total volumes sold in Europe and 60% of grey cement volumes.



- **Replacement of fossil fuels with alternative fuels**. We will replace fossil fuels with waste-derived fuels and biomass fuels. For grey cement, by 2030, Cementir will use 50% alternative fuel, while for white cement alternative fuels will amount to 13%. The demand for consistency in the colour of white cement is much higher than for grey cement as a great deal of attention is paid to the purity of the colour. Alternative fuels affect the colour and for this reason their use is drastically limited in the production of white cement.

- **The establishment of a natural gas line to the plant located in Denmark and the installation of multi-fuel main burners for the kilns**. For the Danish plant, we plan a partial transition in fuel consumption from pet coke to natural gas. The switching to natural gas, a fossil fuel with emissions much lower than petcoke, is a transitional solution and essential for Cementir's transition to net-zero emissions. As part of this strategy, Aalborg Portland (the Danish legal entity of Cementir) has

entered into an agreement with the Danish gas distribution company, Evida, to connect the Aalborg plant to the gas distribution grid in 2023.

- **Energy recovery.** The Aalborg plant recovers excess heat from cement production to provide district heating to the local community. The recovered thermal energy is used to provide heating to around 20,000 families in the city of Aalborg, Denmark with the aim of increasing this figure to over 30,000. The annual CO_2 savings related to this heat recovery system has been estimated at 150,000 tons. This calculation is based on the amount of CO_2, that is not emitted from the local coal-fired power station, because the needs are covered by the heat coming from the Aalborg plant.

- **Implementation of Carbon Capture and Storage technology in Aalborg**.

Cementir has for several years investigated the potential for implementation of carbon capture at its cement plants. As part of this, the Group is completing/participating in projects, providing knowledge and experience in all relevant aspects for the value-chain from carbon capture to use or transport and storage of CO_2.

In October 2022, a pilot carbon and capture unit was established at the Aalborg Portland plant and will continue operations for at least 7 months until May 2023. If successful, the project could be scaled up with the potential to capture 400,000 tons of CO_2 per year by 2030. The project, which is named CORT (Carbon capture Open tests and Review of Technologies) and is part of partnership INNO-CCUS, has been developed with the Technical University of Denmark (DTU) and more than fifty collaborators, including Aalborg University, Ørsted and Pentair. CORT is one of the projects currently participated by Cementir focused on developing of breakthrough technology.

Moreover, in 2022, Cementir established an interdisciplinary working group responsible for, among with other areas: understanding of current and future legislation on CO_2 infrastructure and storage, investigating the possible subsidy schemes and partners for future funding, assessing the best solution for the Group.

Details of the main projects participated by Cementir are provided in the following paragraphs.

Carbon Capture Technologies currently investigated by Cementir

CORT

Purpose

The aim of the project is investigating various advanced amine solvents for carbon capture and new heat integration methods (heat pumps). Specifically, the aim is to find the best suited solvents for different carbon capture cases.

For additional information, please see Carbon capture Open tests and Review of Technologies (CORT) - Center for Energy Resources Engineering (dtu.dk).

Total budget

The total funds for the project are € 2.6 million out of which € 150,000 is funded by Cementir.

Start and end date

01-08-2022 - 31-07-2025

Partners

Aalborg Portland, Pentair, Danish Technical University, Chemistry, Ørsted, Aalborg University, FORCE.

Description of scope, content and results

A test unit from the Danish Technical University (DTU) was established at the Aalborg Portland plant in October 2022 and will continue operations for at least 7 months.

ConsenCUS

Purpose

Show how net-zero-carbon industry can be achieved by:

- Demonstrating the techno-economic viability of green electricity-based, energy-efficient CCU innovations in an industrially relevant environment
- Investigating how CO_2 networks in North Europe can cost-efficiently take the captured CO_2 to end users, or permanent and/or intermediate storage.

For additional information, please see https://consencus.eu/

Total budget

The total funds for the project are € 13 million out of which € 240,000 funded by Cementir.

Start and end date

01-04-2020 - 31-05-2025

Partners

19 partners from 7 countries. From Denmark: Aalborg Portland, DTU, GEUS and Dansk Gasteknisk Center

Results

The project is demonstrating the concept of electrified CCUS by constructing and operating a demonstration unit at Aalborg Portland, Greecian Magnesite magnesia plant and Petrom oil refinery. The test unit will operate at Aalborg Portland from November 2023 to February 2024.

Public deliverables of the ConsenCUS project area available at the link https://consencus.eu/results/

GreenCem

Purpose of the project

The core objective was to identify the most promising capture technology and make a concept study of an integrated carbon capture facility at the Aalborg Portland cement plant in terms of available thermal energy, flue gas composition and site logistics leading to the lowest possible carbon capture cost.

For additional information, please see www.greencem.dk

Total budget of the project

The total funds for the project were € 1.5 million, out of which € 500,000 were funded by Cementir.

Start and end date

01-08-2020 - 31-07-2022

Partners

Aalborg Portland, Port of Aalborg, Aalborg Energi Holding, European Energy, Aalborg University, Cemtec Fonden (Hydrogen Valley), DFDS, Reno-Nord. COWI contributed as sub-contractor to Aalborg Portland

Results

The result of the project was a concept study for carbon capture. Two scenarios were investigated: 200,000 tons per year and 1 million tons per year captured CO_2.

For additional information please see https://greencem.dk/konference/

MADE FAST

Purpose

Prepare a technical and economic analysis to investigate the factors (environmental, social, economic, regulatory) that could influence the carbon capture and value chains for utilisation and storage of CO_2 from Aalborg Portland's cement

Total budget

The total funds for the project are € 330.000 out of which € 90,000 funded by Cementir

Start and end date

01-08-2020 - 31-07-2023

Partners

Aalborg Portland, Aalborg University, Manufacturing Academy of Denmark (MADE).

Results

In the project, a PhD student is currently assessing the environmental, economic and societal sustainability of CCUS in Aalborg Portland's cement production.

CO_2 infrastructure for Belgium

The Belgian energy infrastructure company Fluxys is designing a CO_2 pipeline in Belgium, collecting the needs of various emitters and routing such CO_2 to different exit points. Cementir has clearly expressed its interest in being included in such an important project, aiming at optimising the way and cost of CO_2 transportation and centralising liquefaction and loading facilities.

In 2022, CCB, the Belgian subsidiary of Cementir, signed a LoI (Letter of Intent) with Fluxys. For additional information about the CO_2, infrastructure proposed by Fluxys, please see

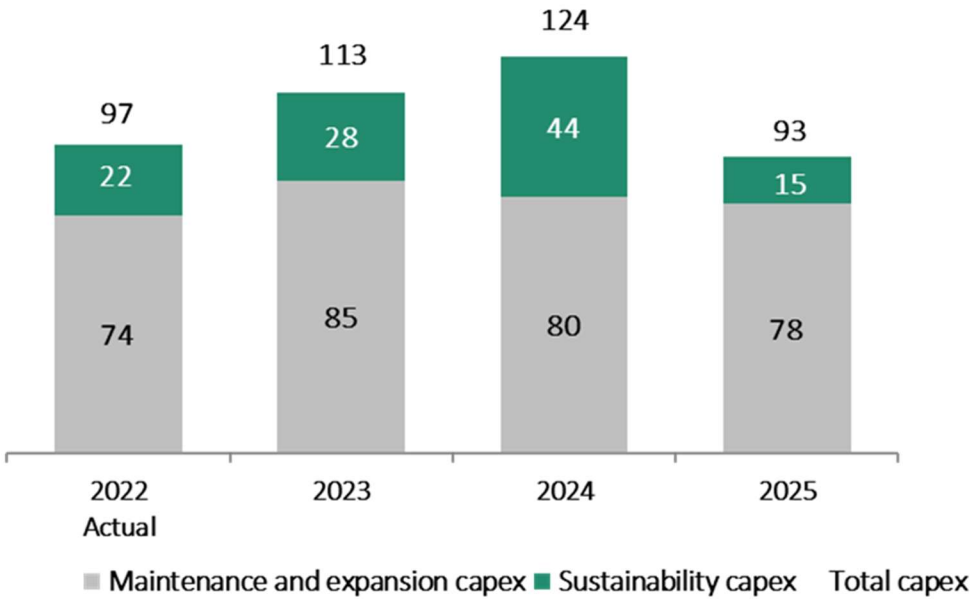
https://www.fluxys.com/en/energy-transition/hydrogen-carbon-infrastructure/carbon_preparing-to-build-the-network

Main investments needed to achieve CO_2 reduction targets

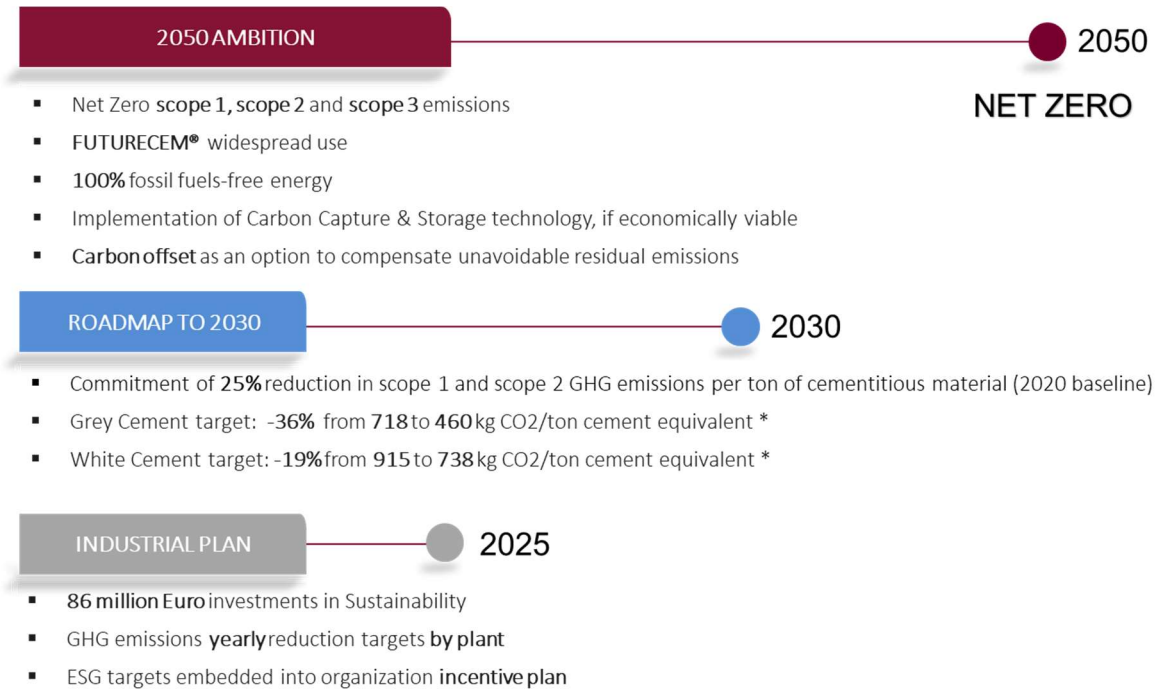
The 2030 Roadmap describes the main investments and programmes needed to support the Group's 2030 carbon reduction targets. To foster the transition of the Group to a low carbon economy, decisions on investments are driven by an internal carbon price (in 2022, this was set at €80 per ton) and a detailed scenario analysis is undertaken to anticipate the CO_2 impact the Group may be exposed to in the coming years.

The 2023-25 Industrial Plan, approved by the Board of Directors in February 2023, targets an € 86 million investments in Sustainability, which will include, among others: the revamping of the kiln at our Belgian plant in order to increase alternative fuels use from the current 40% to over 70%; the switch to natural gas in Aalborg; the ramping up of facilities at the Aalborg plant to produce FUTURECEM®.

Industrial Plan 2023 – 2025: cumulative CapEx



2050 ambition



Cementir's ambition is to reduce CO_2 emission intensity to achieve carbon neutrality along the value chain by 2050.

2050 ambition: Scope 1 emissions

Cementir will maximise existing technology to reduce Scope 1 emissions according to a net-zero pathway endorsed by the SBTi and the EU. This will require:

- Replacing fossil fuels with biomass, waste-derived fuels, CO_2-free fuels and increasing the efficiency of the kilns.
- Widespread development of FUTURECEM® to minimise clinker content in cement.
- Deployment of breakthrough carbon capture and storage/use technologies (CCUS).
- Carbon offset measures to compensate for unavoidable residual emissions.

2050 ambition: Scope 2 emissions

After 2030, Cementir will eliminate Scope 2 emissions by expanding renewable energy sources. The Group will use off-site opportunities, by setting up power purchase agreements and on-site opportunities, and by installing wind and solar solutions for electricity on land that it owns.

2050 ambition: Scope 3 emissions

Cementir will reduce Scope 3 emissions according to a net-zero pathway. This will require the embedding of CO_2 emissions in sourcing decisions for all purchase categories and the promotion of zero-emissions transportation solutions within our network.

Value chain engagement

Investigation of CO_2 emitted by value chain

To understand the environmental impact of a company's economic activity, it is not enough to look at only its direct emissions and risks. The entire value chain must be engaged to evaluate and improve its performance.

For this reason, in 2020, Cementir started to also calculate its Scope 3 emissions, by increasing its suppliers' climate change awareness and understanding where to prioritise reductions in the value chain in line with science-based guidelines.

Since 2020, a selection of strategic suppliers, in increasing numbers, has been invited to participate in the CDP Supply Chain programme.

	2022	2021	2020
A) Suppliers involved	110	75	55
B) Suppliers that responded	43	29	17
C) Response rate (B/A)	39%	39%	31%

To support this engagement and boost supplier response rates, dedicated supplier training webinars were held in 2020, 2021 and 2022.
This training aims to communicate the importance and benefits from transparently reporting on emissions and climate impact. In 2022, each supplier was invited to disclose information about its risks and opportunities associated with climate change, its emissions, details on its emissions management strategy such as targets, and actions it has taken to reduce its emissions.

Supplier Code of Conduct

Recognising the importance of the whole value chain Cementir is committed to ensuring that everyone integrates and respect the highest standards according to the company's policies. As part of this, the Supplier Code of Conduct was reviewed in 2022.

Using a systemic approach, compliance and adoption of practices that are also consistent with internal group policies have been boosted. The area most impacted by the review is that of '*Protection of health, safety and environment*', aligned with company's principles, within which a specific focus on water policy was introduced.

After the publication of the new release all local procurement has been updated. Cementir considers that a necessary step to feed the on-going conversation with its suppliers.

Our commitment on carbon-related public policy

Cutting CO_2 emissions is the Cementir Group's priority, however it clearly cannot achieve a carbon-neutral future alone.

Cementir is actively involved in global and national industry policy discussions on issues related to climate change, sustainable infrastructure, innovation and digital transformation, operational efficiency, health and safety, the circular economy, alternative fuels, and waste management frameworks, among others.

To achieve such challenging goals Cementir believes that collaboration with industries, associations, governments, society, policy makers, researchers and innovators plays a fundamental role by being of crucial importance.

Here some of the major global associations with which Cementir collaborates to tackle climate change and develop innovative and sustainable solutions. Furthermore, at local level subsidiaries are also involved in specific business associations, according to the business in which it operates.

Cementir is a member of the **Global Cement and Concrete Association (GCCA)**, with the aim of fostering innovation and collaboration with industry associations and inspiring architects, engineers and innovators across the globe and along the length of the built environment value chain. Through the GCCA, in 2019, Cementir joined Innovandi, a network connecting cement industry and scientific institutions to drive new ways of working and innovations, with the contribution of several representatives. Cementir is also involved in specific working groups arranged by the GCCA for the development of sector guidelines concerning the definition of a net zero roadmap, the management of health and safety and the ESG reporting.

In 2019, the Group became a member of the **Carbon Disclosure Project (CDP)** in order to improve the Group's accountability for climate change. In 2022, Cementir was awarded an 'A-' rating for Climate Change from the CDP, mantaining stable the 2021 'A-' rating and placing Cementir above the cement and concrete sector average (B) and the European average (B). For the first time, Cementir was also awarded a 'A-' rating for water security, higher that the Europe regional average (B) and higher than the cement and concrete sector average (B).

In July 2021, the **Science Based Targets initiative** (**SBTi**) validated Cementir's CO_2 emission reduction targets, judging them to be consistent with the 'well below 2°C' objective, pursuant to the Paris Climate Agreement of 2015.

Cementir is a member of the **European Cement Research Academy (ECRA)**. The ECRA's most important research projects are related to carbon capture and storage (CCS) technology.

The Group is also a member of the **CEMBUREAU (European Cement Association),** through which it is directly involved in dedicated working groups that are participating in advocacy regarding new legislation, as well as providing feedback to

the EU Commission concerning the EU Taxonomy, and with the aim of supporting the sustainability agenda of the cement industry.

In CEMBUREAU, Cementir participates in the following bodies:

- Board
- Climate & Energy
- Resources and Processes
- Health & Safety
- Markets and Products.

Finally, since November 2019, through the Danish subsidiary, Aalborg Portland, the Group has been involved in the most ambitious CO_2 reduction project ever sponsored by a national government. In autumn 2019, the Danish government made a broad political agreement with all political parties, including one at the parliamentary level, on a binding climate law with the target of reducing Danish CO_2 emissions by 70% by 2030 compared with the 1990 baseline. The Chief Commercial Officer of Aalborg Portland is leading the climate partnership for Danish energy-intensive industry. The working group will provide the Danish government with a technical forecast of all potentially achievable CO_2 reductions and will define the prerequisites (policy, research, innovation, subsidies, etc.) for such reductions.

Governance

The Corporate Governance system

Cementir Holding N.V. (hereinafter 'Cementir Holding' or the 'Company') is a Dutch public limited company with its registered office in Amsterdam, The Netherlands, at 36 Zuidplein, 1077 XV and a secondary and operational office in Rome, Italy, at Corso di Francia, 200. The tax residence of the Company is in Italy.

The Company has been listed on the Milan Stock Exchange since 1955, currently in the Euronext STAR Milan segment.

Cementir Holding has elected the Netherlands as home Member State for the purposes of Article 2(1)(i)(iii) of Directive 2004/109/EC of the European Parliament and the Council of 15 December 2004 (the so-called 'Transparency Directive').

The **Corporate Governance** system adopted by the Cementir Group is in line with the principles and best practice provisions set out in the Dutch Corporate Governance Code (hereinafter the 'Code'), applied by the Company. Compliance with the Code is herein referred to the version dated 8 December 2016 unless otherwise expressly stated. It is based on the essential role of a one tier Board of Directors (as the highest body responsible for managing the Company in the interest of its shareholders), on transparency in the company's decision-making processes and on an effective network of internal controls. The system was implemented by the Group by preparing and adopting codes, standards, rules and procedures that govern and regulate the conduct of the activities of all organisational and operating units of the Group.

The annual Corporate Governance Report is also available for consultation with further details within the Annual Report on the company website Cementir Holding N.V in the Governance section.

Also within the Annual Report Remuneration Policies of the Board and Senior Executives are detailed in the Remuneration Report, on the company website (see section Shareholders' Meetings, Shareholders' Meetings | Cementir Holding N.V.).

The **General Meeting** is responsible for passing ordinary and extraordinary resolutions on the matters reserved to the General Meeting by law or by the Articles of Association.

The **Board of Directors** is vested with the broadest powers of ordinary and extraordinary administration, except for those exclusively reserved to the General Meeting by law and by the Articles of Association. The Board may be composed by one or more Executive Directors and one or more Non-Executive Directors, with a total number of Directors between five and fifteen.

The Executive Director is responsible for the management of the Company with the widest powers to the maximum extent permitted by the applicable law, developing and setting the Company's objectives and strategy, overseeing the associated risk profile and addressing corporate social responsibility issues that are relevant to the Company.

The Executive Director also discusses the effectiveness of the design and operation of the internal risk management and control systems with the Audit Committee and report on this to the Board.

The Chief Executive Officer is primarily responsible for the day-to-day management of the Company and is vested with each and every power of ordinary and extraordinary administration of the Company, to the maximum extent permitted by the applicable law. Only one Executive Director has been appointed and he is also automatically Chief Executive Officer and Chairman pursuant to the Company's Board Rules[11] and Articles of Association[12].

The Board also appoints an independent non-executive director as Senior Non-Executive Director. As set out in the corporate documents of the Company (i.e. the Articles of Association and the Board Rules), the Senior Non-Executive Director acts as chairman of the meeting of the Board of Directors pursuant to Dutch law (article 2:129a Dutch Civil Code) and in compliance with Best Practice Provision 2.1.9 Dutch Corporate Governance Code. In this regard, it should be noted that in its role of chairman, the Senior Non-Executive Director is amongst others responsible for ensuring that there is sufficient time for deliberation and decision-making by the board of directors and that the directors receive all information that is necessary for the proper performance of their duties in a timely fashion. In this capacity, the Senior Non-Executive Director collects and coordinates the requests and contributions of non-executive directors (and more in particular the independent directors). Accordingly, the chair of the Board of Directors, executed by the Senior Non-Executive Director, plays a liaison role between executive and non-executive directors and thus ensures the effective functioning of the Board of Directors. The Senior Non-Executive Director cannot be a former Executive Director and must be independent in accordance with Best Practice provision 2.1.8 of the Code. The Senior Non-Executive Director cannot be the chair of the Audit Committee or the Remuneration and Nomination Committee.

The Board may designate one (1) or more of its Non-Executive Directors as vice-chair for a period decided by the Board. If the Senior Non-Executive Director is absent or unwilling to take the chair, a vice-chair is entrusted with the duties of the Senior Non-Executive Director entrusted to him by the Board.

[11] The document "Board Rules" governing the internal proceedings of the board of directors of Cementir Holding N.V. is available in the corporate website. Please see https://www.cementirholding.com/en/governance/corporate-regulations

[12] The document "Articles of Association" is available in the corporate website. Please see https://www.cementirholding.com/en/governance/corporate-regulations

The Board has established three committees from among its members to provide advice and submit proposals: the Audit Committee, the Remuneration and Nomination Committee and the Sustainability Committee.

Nomination and selection processes of highest corporate body and its committees

Directors are appointed by the General Meeting. Directors can only be nominated for appointment pursuant to:

(i) a proposal of the Board. The Remuneration and Nomination Committee prepares the Board's decision-making, including the proposals of the Board for the General Meeting, regarding:
   a. the drawing up of selection criteria and appointment procedures for Executive Directors and Non-Executive Directors;
   b. the periodical assessment of the size and composition of the Board, and the making of proposal for a composition profile of the Board;
   c. the proposal for appointment and reappointment of Executive Directors and Non-Executive Directors;
   d. the supervision of the policy of the Board regarding the selection criteria and appointment procedures for senior management;
   e. the drawing up of the Company's diversity policy for the composition of the Board; or

(ii) to a proposal of one or more Shareholders, alone or together representing at least the 3% of the issued share capital, provided that the proposal has been notified to the Board in accordance with the requirements of the Articles of Association.

The nomination shall state whether a person is nominated for appointment as Executive Director or Non-Executive Director.

The selection process takes into account the principles and best practice provisions of the Code and the Board Profile setting:

(i) the size, in line with the provisions of the Articles of Association;
(ii) the desired experience, expertise and background, relevant for the business of the Company (as of end of financial year 2022: financial administration and accounting, and internal risk management and control systems; management strategy and risks inherent to the Business; management selection, recommendation and development; compliance, corporate governance, stock exchange rules and stakeholder management; international developments in markets and products in a field comparable with that in which the Company operates or which it is seeking to enter)
(iii) the independence requirements, as defined in the Code and the minimum number of independent members according to the Rules of the Milan Stock Exchange where the Company is listed;

(iv) the diversity whose targets are detailed by the Board in the Diversity Policy, according to the Dutch Civil Code.

The members of the Committees, pursuant to the Board Rules and to the Code, are appointed by the Board.

The Audit Committee and the Remuneration and Nomination Committee are formed by not less than three members, exclusively Non-Executive Directors and more than half of the members of these committees should be independent; at least one member of the Audit Committee must have specific expertise in financial reporting and in the reviewing of financial reports.

The Sustainability Committee consists of at least three members with a majority of Independent Non-Executive Directors. The Board may also at any time and in its complete discretion remove any member of the Sustainability Committee and may fill any vacancy in the Sustainability Committee, upon recommendation of the Remuneration and Nomination Committee.

For each Committee the Board appoints also a chairman from the members of the committee. Neither the Audit Committee nor the Remuneration Committee should be chaired by the Senior Non-Executive Director or by a former executive director of the company.

The Cementir Holding's Committees currently appointed meet the above requirements.

Evaluation of Board's performance

Pursuant to Best Practice provision 2.2.8 and 5.1.5 of the Code, the Non-Executive Directors of Cementir Holding carry out, for each financial year, an assessment on the size, composition and functioning of the members of the Board, the Board itself and its Committees, indicating: (i) how the assessment of the Non-Executive Directors, as a whole and individually, and of the committees was carried out; (ii) how the assessment of the Executive Director was carried out; (iii) summary considerations and suggestions on possible improvements in the functioning of the Board.

The assessment is carried out yearly by the Directors filling in questionnaires regarding the size, composition and functioning of the Board, its members and committees and, upon their request, through a personal interview. The Company's Corporate Affairs Department deals with the collection and management of confidential feedback. The assessment takes into account the replies of the Non-Executive Directors who expressed their views completing the aforementioned questionnaires.

In the light of the suggestions expressed by the Non-Executive Directors during the yearly assessment, the Company evaluates possible actions. In particular, during 2022, the Board resolved to integrate its composition with the appointment of Ms

Adriana Lamberto Floristan, ESG expert, as Independent Non-Executive Director. The appointment increased the number of independent directors and strengthened the Board diversity by nationality, gender and expertise, with particular reference to sustainability.

The Non-Executive Directors expressed a high degree of awareness in relation to sustainability issues, in line with the strategic lines and objectives pursued by the Company, and there was considerable focus on training and information activities of various kinds.

The Company ensure that it carries out continuous training activities, in accordance with Best Practice provision 2.4.5 of the Code, also taking into account the results of the annual assessment provided for by Best Practice provision 2.2.8 of the same Code.

Since the end of 2020, the comprehensive training offered by the Cementir Academy to Cementir Group employees has been extended to board members. The list of courses is designed to be continuously updated and expanded.

In 2021, as a result of the establishment of the Sustainability Committee, the Company has organised some induction sessions for its Non-Executive and independent members aimed at introducing them to the new position and deepening their understanding of sustainability issues, with contributions from the Company and Group functions involved.

Furthermore in 2022, two induction sessions were organised for Directors at the end of the Board Meetings. The induction session on 27 July, in particular, was focused on the future challenges of production and sustainability where sustainable development has been thoroughly discussed.

In addition to the above, at least quarterly the financial results are examined and approved and the achievement of the industrial targets based on sustainability goals reviewed by the Board allowing the Non-Executive Directors to further enhance their knowledge of the sustainable development process.

Composition of the Board

The gender and age distribution of the members of the Board of Directors and the Committees of the Cementir Holding is shown below.

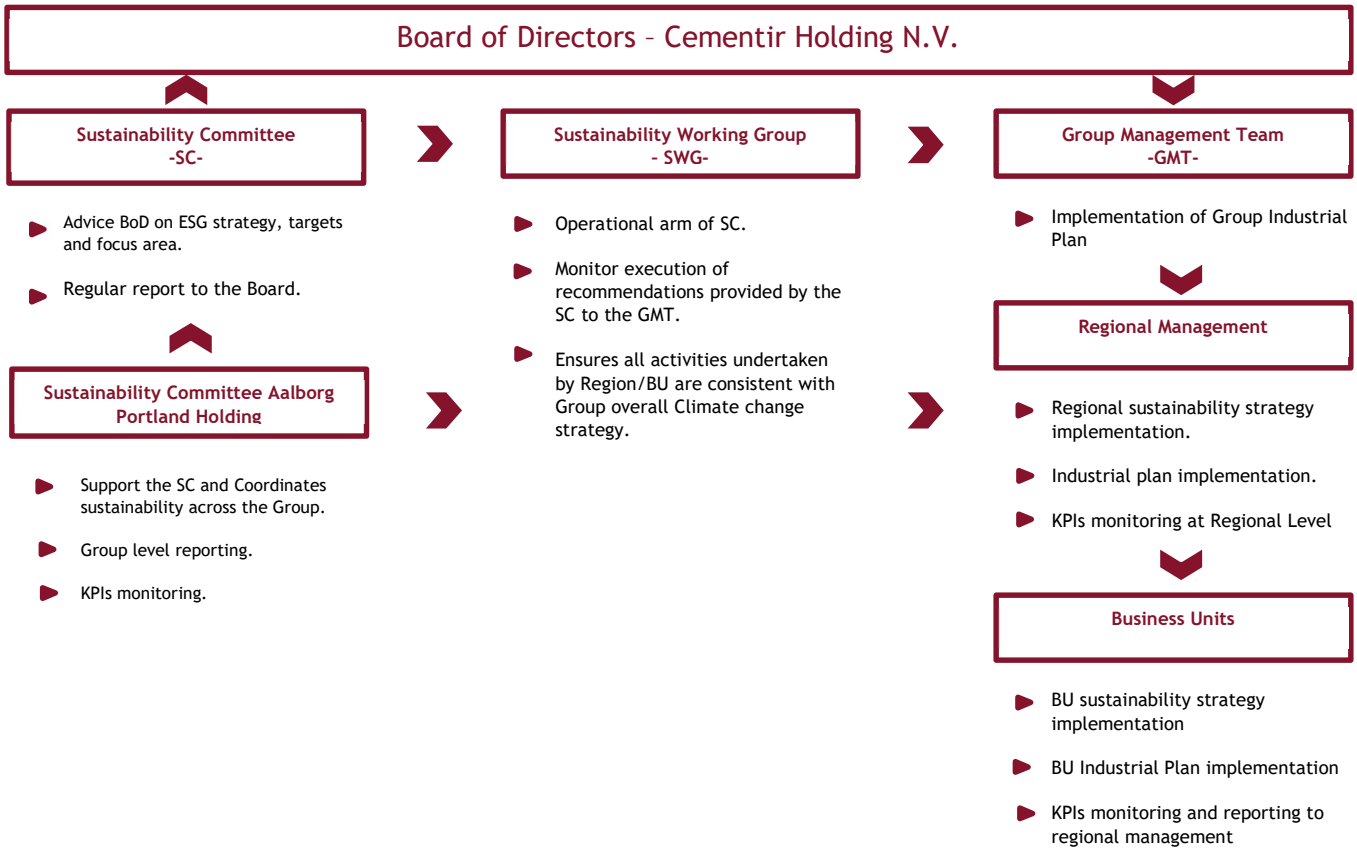
Composition of Corporate Bodies	2022			2021			2020		
	Men	*Women*	***Total***	*Men*	*Women*	***Total***	*Men*	*Women*	***Total***
Board of Directors									
Under 30	0	0	0	0	0	0	0	0	**0**
30-50	1	3	4	2	2	4	2	2	**4**
Over 50	5	1	6	4	1	5	4	1	**5**
TOTAL	**6**	**4**	**10**	**6**	**3**	**9**	**6**	**3**	**9**
Of which independent	1	3	4	1	2	3	1	2	**3**
Audit Committee									
Under 30	0	0	0	0	0	0	0	0	**0**
30-50	0	1	1	0	1	1	0	1	**1**
Over 50	**1**	**1**	**2**	**1**	**1**	**2**	**1**	**1**	**2**
TOTAL	**1**	**2**	**3**	**1**	**2**	**3**	**1**	**2**	**3**
Of which independent	1	2	3	1	2	3	1	2	**3**
Remuneration and Nomination Committee									
Under 30	*0*	*0*	*0*	*0*	*0*	*0*	**0**	**0**	**0**
30-50	*0*	*1*	*1*	*0*	*1*	*1*	**0**	**1**	**1**
Over 50	*1*	*1*	*2*	*1*	*1*	*2*	**1**	**1**	**2**
TOTAL	**1**	**2**	**3**	**1**	**2**	**3**	**1**	**2**	**3**
Of which independent	1	2	3	1	2	3	1	2	**3**
Sustainability Committee									
Under 30	*0*	*0*	*0*	*0*	*0*	*0*			
30-50	*0*	*2*	*2*	*0*	*1*	*1*			
Over 50	*1*	*1*	*2*	*1*	*1*	*2*			
TOTAL	**1**	**3**	**4**	**1**	**2**	**3**			
Of which independent	*0*	*3*	*3*	*0*	*2*	*2*			

The above data referred to the composition of Board and Committees at 31st December of each financial year.

The current composition of the Board of Directors shows a satisfactory degree of diversity and it also meets the target set by current Dutch law on gender ratio, effective from 1 January 2022, i.e. at least one-third of Non-Executive Directors for each gender. The Board has acknowledged the new targets on gender diversity and the Company's compliance to them as detailed above, reviewing the diversity policy

accordingly. It is also compliant with the diversity policy reviewed according to the new provisions of the Dutch Civil Code and with the profile approved by the Board where diversity is not based exclusively on gender and age, but also on technical and professional skills by education and experience, which must be taken into account when appointing new members of the Board of Directors.

The Sustainability Governance system



Every area, function and employee, from the top of the management chain to workers in plants around the world are involved in the implementation of proper sustainability practices.

Several entities within the Group, primarily those included in the diagram, help direct a disciplined approach to sustainability management.

The Board of Directors of Cementir Holding appointed, on 28 July 2021, a Group Sustainability Committee (hereinafter the "Group Sustainability Committee") demonstrating the continuously increasing relevance of sustainability-related issues and sensitivity of the Group towards them.

The Group Sustainability Committee strengthens Group Sustainability Governance by integrating a committee at the parent company level into the existing Sustainability Committee set up in 2019 within Aalborg Portland Holding A/S (hereinafter 'APH Sustainability Committee') as shown in the above chart.

The Group Sustainability Committee plays the fundamental role of assisting the Cementir Holding Board in formulating and implementing a sustainability strategy with a view to creating long-term value for Cementir Holding and the Group and supporting the Board of the Company in the promotion of a healthy, safe and secure environment for stakeholders, sustainable development and social responsibility.

The Group Sustainability Committee examines, evaluates and makes recommendations to the Cementir Holding Board and to other Group bodies such as the Remuneration Committee regarding the sustainability objectives for the incentivisation of management at Group, Region and BU level, acts as delegated by the Cementir Holding Board in matters of sustainability global and local, including as regards the definition, monitoring, evaluation and reporting of policies and practices, management standards, strategy, performance and governance, at global and local level. Furthermore, it regularly interfaces with the APH Sustainability Committee, the Sustainability Working Group (hereinafter the "SWG") and the Group Management Team[13] (hereinafter the "GMT") and provides periodic reports to the Board of Directors.

The main task of the Group Sustainability Committee is to develop a Group Sustainability Strategy.

The Group Sustainability Committee in particular:

- Assists and advises Cementir Holding Board on its supervision of the Group's policies, programmes and related risks, concerning sustainability matters, (including, but not limited to) sustainability matters related to public issues of significance to the Group and its stakeholders that may affect the Group's business, strategy, operations, performance or reputation.
- Receives regular reporting from any subsidiaries' Sustainability Committees and the SWG to respectively collect any required information and provide requested insights and advice to the Cementir Holding Board.
- Provides regular reporting to the Cementir Holding Board.
- Acts under any authority delegated by the Cementir Holding Board relating to global and local sustainability matters, including with respect to setting out, monitoring, evaluating and reporting on policies and practices, management standards, strategy, performance and governance.
- Reviews and approves goals and guidelines for environmental, social and governance compliance, aligned with Group's commitments and legal requirements.

[13] The GMT, composed of the Group COO, CFO, Sales Officer, Procurement Officer, Technical Coordinator Officer, Information Technology Officer and Head of Regions, supports the Group CEO's decisions on relevant topics, defines operating guidelines and plays a vital role in ensuring that sustainability efforts are aligned with economic and business objectives.

- Reviews, discusses and proposes the Group's sustainability initiatives and engagement.
- Assists in the Cementir Holding Board's supervision of risks relating to sustainability matters overseen by the Group Sustainability Committee.
- Reviews, assesses and makes recommendations:
    - To the Cementir Holding Board as to the Group non-financial reporting and annual sustainability report.
    - To the Cementir Holding Board and to other Group bodies such as subsidiaries' Sustainability Committee and/or GMT regarding any sustainable development policy, including overall strategy or specific guidelines, management standards and key performance indicators of the Group relating to sustainability-related issues with the aim of ensuring that Group's policies and procedures are in line with best practices.
    - To the Cementir Holding Board and to other Group bodies such as the Remuneration Committee on sustainability-related targets for management incentives at Group, regional and BU level.
- Recommends to the Cementir Holding Board health and safety targets for the Company and the Group.
- Supports the development of a health and safety culture in the Company and the Group also through its management.
- Annually provides reports of its actions to the Cementir Holding Board and makes recommendations to the Cementir Holding Board and to other Group bodies as it considers appropriate.
- Reviews and reassesses the adequacy of its Charter and recommends to the Cementir Holding Board any improvements to the Charter that the Group Sustainability Committee considers necessary or appropriate.
- Undertakes such other responsibilities or tasks within sustainability matters as the Cementir Holding Board may delegate or assign to the Group Sustainability Committee from time to time.

The Group Sustainability Committee is made up of Mr Francesco Caltagirone Jr., the Chief Executive Officer, who acts as Chairman of the committee and three independent Non-Executive directors, i.e. Ms Chiara Mancini, Ms Veronica De Romanis and Ms Adriana Lamberto Floristan, with the Group General Counsel appointed as secretary. The Group Sustainability Committee is attended by group top management, bringing their respective specific expertise in the field of health and safety, sustainable development and social responsibility, ensuring the

coordination and adequate implementation of the sustainability strategy within the Group.

The Group Sustainability Committee meets at least twice a year.

The APH Sustainability Committee is currently chaired by the Chairman of Aalborg Portland Holding A/S (hereinafter "APH") and sets the Group guidelines and commitment in the field of sustainability.

The APH Sustainability Committee meets at least quarterly undertaking any responsibilities or tasks relating to sustainability matters, with the main task being the development of a Group Sustainability Strategy.

The purpose of the APH Sustainability Committee is to provide regular reports to the APH Board and assist and advise the APH Board in its oversight of the Group's policies, programmes and related risks, however they might concern sustainability matters. It acts under the authority delegated by the APH Board with respect to setting out, monitoring, evaluating and reporting on policies and practices, management standards, strategy, performance and governance, relating to global and local sustainability matters, involving the Group and it regularly interfaces with the Sustainability Department, SWG and GMT to respectively collect any required information and provide requested insights and advice.

In 2020, the Sustainability Working Group (SWG) was established. The SWG is now the operational arm of the Group Sustainability Committee. On a monthly basis, the SWG monitors the execution of the recommendations provided by the Group Sustainability Committee to the GMT. Moreover, it must ensure that all activities undertaken by each Region and BU are consistent with the Group's overall climate change strategy. Each region and BU must report and agree any activities undertaken at local level with business association, policy makers or local communities with the SWG.

The GMT, composed of the Group COO, CFO, Sales Officer, Procurement Officer, Technical Coordinator Officer, Information Technology Officer and Head of Regions, supports the Group CEO's decisions on relevant topics, defines operating guidelines and plays a vital role in ensuring that sustainability efforts are aligned with economic and business objectives.

The Group's management is primarily responsible for internal controls and risk management activities, assisted by the second level control functions in defining adequate risk management and control systems based on the respective levels of responsibility (e.g. EHS, Anti-corruption, Antitrust and Privacy).

Ownership of the Group strategy remains with the Board of the Group parent company, setting the overall strategy, approving the performance objectives and goals for the Group and the yearly Group NFS.

The Board of the parent company defines the guidelines of the risk management system, so that the main risks concerning the whole Group are correctly identified and adequately measured, managed and monitored, determining, moreover, the level of compatibility of such risks with the management of the company in a manner consistent with its strategic objectives. In addition, the Board of the parent Company, with the support of the Audit Committee, reviews and evaluates at least on an annual basis the adequacy of the internal control and risk management system, including climate and other environmental and social considerations in the assessment, taking into account the characteristics of the company and its risk profile, as well as its effectiveness.

Since 2012, the Cementir Group has approved the Corporate and Social Responsibility Policy establishing the set of values to be applied by the Group in terms of social and environmental responsibility and decided to voluntarily share its sustainable development policy by publishing an Environmental Sustainability Report long before it was required by law. Industrial decisions regarding major capital expenditures, acquisitions and/or divestitures, including climate and other environmental and societal matters, are submitted for the approval of internal bodies (GMT and Group Investment Committee[14]) and then for the approval of the Board, according to the relevant Group policies.

Composition of the sustainability bodies		
Group Sustainability Committee (within the Cementir Holding Board)	APH Sustainability Committee (within Aalborg Portland Holding A/S)	Sustainability Working Group (SWG)
Group Chairman and CEO	Group Chairman and CEO	Group Chief Operating Officer
Independent Non-Executive Director	Chairman of Aalborg Portland Holding A/S,	Group Chief Internal Audit Officer
Independent Non-Executive Director	Chairman of Compagnie des Ciments Belges SA	Group Chief Technical Coordination Officer
	Group Chief Operating Officer	Group Chief Sales & Marketing Officer
	Group Chief Financial Officer	Group Sustainability and R&D Director
	Group Investor Relations Officer	Nordic & Baltic Head of Region
	Group General Counsel	Belgium Managing Director
	Group Chief Internal Audit Officer	
	Group Chief Technical Coordination Officer	
	Nordic & Baltic Head of Region	
	Belgium Managing Director	

[14] The Group Investment Committee is responsible for the authorization and monitoring of Group Investment Plan. The Committee is composed by Group CEO Group COO, CFO, Information Technology Officer, Head of Regions and Investment Director.

Role of the Bord of Directors in overseeing the management of Cementir’s impacts

Cementir's long-term sustainability strategy has been developed through a bottom-up approach over recent years. The functions concerned within the local structures, under the coordination of the Group's top management, have translated individual concepts and notions into a unique and coherent way of thinking, defining the Group's internal culture and identity, setting precise expectations, objectives and commitments, along the lines provided for by the regulatory framework. Once consolidated, this core framework was then formally reviewed, approved and validated by the Sustainability Committee set up within the group at the level of the Board of the Danish subsidiary and, finally, transferred to the relevant entities for implementation through structured programmes and specific actions with fixed deadlines. Its assumptions and implications, from basic to more extensive, are summarised in the Group Industrial Plan, approved by the Company’s Board of Directors, the Sustainability Report, again approved by the Company’s Board of Directors and the Group Consolidated Financial Statements, approved by the General Meeting.

As described in paragraph “TCFD – Strategy” of this Sustainability Report - Non-Financial Statement as well as in the Corporate Governance Report, the strategy drawn up by the Chief Executive Officer and submitted to the Board in its entirety for approval in the context of the approval of the Industrial Plan, was inspired by the aim of long-term value creation by the Company and the other companies in the group, with particular reference to the "Sustainability Roadmap" detailed in this Sustainability Report - Non-Financial Statement. Sustainability is clearly one of the main objectives that the Group has set itself and which, by its very nature, implies a process to be carried out in the medium-long term in the interest and for the benefit of the Company, Group, shareholders and stakeholders.

The Board of Directors is an active promoter of behaviour consistent with the Group's values, not only with the approval of the pluriannual Industrial Plan which incorporates them, but also having given the Sustainability Roadmap high priority in recent years.

Based on the analysis carried out, the Group has set 26 Sustainability Goals to be achieved by 2030, which cover the priority areas for Cementir. The objectives are linked to Cementir's effort to adopt all necessary measures and the most innovative technology to minimise the impact of the Cementir’s Group activity on the environment; creating a healthy, safe and inclusive work environment; respecting human rights and building a constructive and transparent relationship with local communities and business partners. These objectives, set by individual plant and by year, are included in the Business Plan and the short-term incentive system for employees. Cementir also pursues the creation of long-term value through a Long-Term Incentive Plan for its top management.

The Board during its regular meetings, at least quarterly, among other issues receives updates on the strategy targets, discusses and approves the quarterly financial reports and monitors the risk management examining and approving the Enterprise Risk Assessment.

Relations with shareholders and financial analysts are handled with a high degree of accuracy and in compliance with the policy, the Code and applicable regulations.

After each Board of Directors' meeting approving periodic financial results, the Company organises conference calls to present these results to the financial community and informs the stakeholders by issuing a press release. A special section on the Company website has been dedicated to investor relations where presentations of financial results and press releases are published in accordance with the Best Practice provisions of the Code.

The Annual General Meeting is the natural event where Company's shareholders can meet the Board of Directors and ask questions, participating to the Company's decisions with their vote. The Board shall provide to the General Meeting any information it requests unless this would be contrary to an overriding interest of the Company. The Annual General Meeting is held every year not later than six months after the end of the financial year of the Company. The purpose of the Annual General Meeting is to discuss, inter alia, the annual report, the adoption of the annual accounts, allocation of profits (including the proposal to distribute dividends), release of members of the Board of Directors from liability for their management and supervision, and other proposals brought up for discussion.

During the Annual General Meetings held in 2020-2022 period, the Company adopted restrictions and safety measures for the attendance at the meetings due to Covid-19 pandemic emergency. However, shareholders have been granted the possibility to submit questions in writing before the meeting and to receive an answer by the date of the meeting, detailed instructions to this purpose have been provided in the notice of meeting.

Further examples of interaction with other stakeholders, such as customers, suppliers, staff, the local community, public institutions and trade associations, are described in paragraph 'Group's Stakeholders' of this Sustainability Report - Non-Financial Statement. The various stakeholders are involved in periodically updating the materiality matrix, which considers as relevant those issues that may have a direct or indirect impact on the Company's ability to establish, maintain or adversely affect the Group's values.

The Chief Executive Officer has appointed the Chief Operating Officer, through and together with the employees of the organisation directed by the same, to pursue the achievement of the targets of the Industrial Plan and manage the related impacts on the economy, environment and people.

The Chief Operating Officer reports regularly to the Chief Executive Officer and at least quarterly to the Board during the meetings where both the Chief Operating Officer and the Chief Financial Officer are in attendance.

Processes for ensuring that conflicts of interest are prevented

The Board is responsible for dealing with any conflicts of interest that Directors or majority shareholders may have in relation to the Company to prevent them. In compliance to the principle 2.7 of the Code, the Board Rules contain rules on dealing with conflicts of interest, including conflicting interests between Executive and Non-Executive directors on the one hand and the Company on the other and also stipulate which transactions require the approval of the board.

In particular, the Directors must be alert to conflicts of interest and may not:

(a) compete with the Company;

(b) demand or accept substantial gifts from the Company for themselves or their spouse, recognised partner or other life companion, foster child or relative by blood or marriage up to the second degree;

(c) provide unjustified advantages to third parties at the Company's expense; or

(d) take advantage of business opportunities that the Company is entitled to, for themselves or for their spouse, recognised partner or other life companion, foster child or relative by blood or marriage up to the second degree.

The Board Rules also provide for the definition of conflict of interest and for the reporting duties to the Board. A Director other than the Senior Non-Executive Director or Vice-Chairman must, without delay, report any conflict of interest or potential conflict of interest to the Senior Non-Executive Director, or in the Senior Non-Executive Director's absence, the Vice-Chairman. The Senior Non-Executive Director must, without delay, report any conflict of interest or potential conflict of interest to the Vice-Chairman or, in the Vice-Chairman's absence, to the other Directors. The Vice-Chairman must, without delay, report any conflict of interest or potential conflict of interest to the Senior Non-Executive Director or, in the Senior Non-Executive Director's absence, to the other Directors. The Director must provide all relevant information, including any relevant information concerning his or her spouse, registered partner or other life companion, foster child and relatives by blood or marriage up to the second degree.

The Board decides whether a Director has a conflict of interest, without the Director concerned being present.

A Director may not participate in the Board's or a committee's deliberations and decision-making process on a subject where the Director is found to have a conflict of interest. This rule doesn't apply when the entire Board is unable to adopt a resolution as a result of all Directors being unable to participate in the deliberations and decision-making process due to a conflict of interest.

Transactions in which there is a conflict of interests shall be performed and disclosed in accordance with applicable law and the Code. During 2022 no transactions in conflict of interest with Directors and/or majority shareholders were reported or took place.

Internal Audit

The Internal Audit department, which operates at a central level, is an independent function that provides Senior Management and the Audit Committee with objective assurance and advisory services designed to assess the adequacy and effectiveness of the company's internal control systems and use of resources. As of January 2019, the Internal Audit assumed a broader role, taking over responsibility for the group risk assessment encompassing all Group companies.

The yearly audit plan is based on a structured analysis of the main risks affecting the group, integrated with statutory assurance and compliance activities.

The audit plan includes:

- Operational audits;
- Compliance audits (e.g. Law 262/05, 231, GDPR);
- Human rights audits, see 'Commitment to Human Rights' and 'Human rights audits performed in 2022';
- Diversity, Equity and Inclusion (DEI) audits, see 'Commitment to Diversity Equity and Inclusion' and 'Diversity, Equity and Inclusion audits performed in 2022';
- Environmental Health and Safety (EHS) audits, to monitor compliance with internal procedures and with the applicable environmental, health and safety regulation;
- Sustainability audits, to monitor the compliance of the main non-financial KPIs with internal procedures and international standards (GRI and GHG protocol);
- business ethics audits, to monitor compliance with the Code of Ethics;
- investigations of any alleged violations received through the whistleblowing system, for additional information see the paragraph 'The Code of Ethics';
- special projects relating to requests put forward by Top Management.

The Internal Audit Department verifies all Group companies on three-years basis. When appropriate times, the internal audit selects external parties to conduct specific audits (e.g. EHS audits).

During 2022, the Internal Audit Department performed 136 audit activities, across all the categories, covering all regions of operation.

Integrity and competition

The Cementir Group sees integrity and competition as fundamental principles, especially in view of the specific risks that characterise the cement and ready-mix concrete production sector. The Group's Code of Ethics is the reference document that sets out the rules of conduct that everyone in the Group and who works with it must follow.

Alongside the Code of Ethics, within the individual regions, specific programmes and procedures have been adopted to ensure that these risks are mitigated and that companies operate correctly. Training courses are held periodically, organised by the Group to maintain a constantly high level of focus on this matter.

The Code of Ethics

Cementir Holding has adopted a Code of Ethics[15] endorsing the business principles that all company officers and employees, and anyone working with the company in any capacity, are required to comply with when pursuing company business. The Code, which has been distributed to all staff and is available for consultation on the website www.cementirholding.com, covers respect for ethical and behavioural principles, and the protection of health, safety and the environment.

The Code of Ethics also states that the Group's operations must compete on the market in accordance with the laws and regulations of the relevant countries, in a spirit of integrity, propriety and confidentiality. To achieve this goal, the Cementir Group requires its employees to adhere to the highest standards of conduct in business, as set out in the Code and in the procedures to which it refers. The Group protects employees if they report violations of the Code and applies fair and proportional sanctions equally to all categories of employees, in accordance with the laws, contracts and domestic regulations applicable in the various jurisdictions.

In order to monitor the continued compliance with the Code of Ethics by those employed by the Company and its subsidiaries and uphold the applicable regulations, the Board of Directors established an Ethics Committee.

The Ethics Committee:

- Monitors dissemination of the Code and suggests possible training and awareness initiatives.
- Reports to the Board of Directors on the status of the process of implementing the Code, describing the programmes and initiatives undertaken to achieve the company's goals, any changes required to ensure its effectiveness and updates to the Code including in response to legal developments.
- Provides support with the interpretation of the Code.
- Verifies violations.

[15] For the Code of Ethics, please see Code of Ethics 25 august 2020.pdf (cementirholding.com)

- Follows up on any reports of infringements.
- Also addresses the periodic information report on whistleblowing.

A whistleblowing system has been in place since 2013, the latest update being on 11 February 2021 with reference to the channels available, which can be used to report breaches of the principles and rules set out in the Code of Ethics and the policies adopted by the Group, or simply to report non-compliance with laws and regulations.

Employees or third parties (suppliers, customers or other stakeholders) can send, with the maximum guarantee of confidentiality, reports of illegal or undesirable behaviour by sending a letter, email or by filling in a dedicated form on the corporate website. (Please visit the corporate website for details: Ethics and compliance | Cementir Holding N.V.)

Cementir Holding's Internal Audit team receives the reports, analyses them and performs the audits. The results and any potential actions are assessed by the Ethics Committee. The relevant people and functions will be notified of any violations.

The Cementir Audit Committee is periodically updated on the status of the allegations.

The Chief Executive Officer is notified in a timely manner in case of critical concerns, including concerns about the organisation's potential and actual negative impacts on stakeholders raised through the grievance mechanisms of whistleblowing described above.

The Board of Directors may be reported of any critical concern, during the meeting(s) when the Sustainability Report is discussed and approved.

In 2022, 12 alleged violations were received and investigated. 4 claims were confirmed, 2 claims were dismissed because there was no enough information to move forward with the investigation, 5 claims were not confirmed and the analysis of 1 claim, as of March 2023, is still in progress.

The alleged violations were grouped according to three categories.

	2022		2021	
Alleged violations	Cases received	Cases Confirmed	Cases received	Cases Confirmed
Healthy, safe and inclusive work environment	8	2	7	2
Asset and information	3	2	16	9
Relations with external parties	1	0	4	1
Total	**12**	**4**	**27**	**12**

The category *healthy, safe and inclusive work environment* includes behaviours related to maintaining a fair and secure workplace as established by the Code of Ethics.

The category *asset and information* includes respecting the group policies and procedures and protecting the group assets.

Relations with external parties involve putting in place business practices in compliance with the ethical standards established by the Code of Ethics and putting in place a socially responsible conduct regarding relations with suppliers, consultants, customers and communities.

For all violations, the disciplinary measures taken were commensurate with the seriousness of the case and comply with local legislation.

No critical concern has been raised through whistleblowing and consequently none has been reported.

Commitment to fighting corruption

The Cementir Group is active in the fight against corruption. In its Code of Ethics, it expressly prohibits *'bribes, illegal favours, collusion, requests, directly and/or through third parties, for personal or career benefits for oneself or for others'*.

Since 2015, the company has stepped up its efforts to combat corruption through a written policy that defines roles, responsibilities, operating methods and behavioural rules. All Group companies, employees and everyone acting in the name and on behalf of subsidiaries must comply with this collection of behavioural rules in the performance of their responsibilities. Disciplinary measures, sanctions and other consequences also apply in the case of non-compliance with the policy.

The main objective of the policy is to provide a consistent approach to the fight against corruption throughout the Group, in order to ensure that companies operate according to Group values, so as to preserve the reputation of individual companies and ensure compliance with applicable laws.

A compliance programme on corruption laws and in particular the UK Bribery Act was established during 2016. As well as covering the anti-corruption policy, the programme also sets out a procedure regulating gifts and hospitality, an assessment of corruption risk, due diligence on third parties and on training and education plans. The programme has been rolled out beginning with the subsidiaries in Türkiye in 2016 and extended during 2017 to various Group companies, including Aalborg Portland Anqing, Aalborg Portland Malaysia, Sinai White Cement and CCB. In 2018, the project was implemented in the Nordic and Baltic region.

Commitment to Human Rights

Respect for **human rights** is a basic tenant of Cementir's beliefs and is consistent with its values and goals to be a more economically, socially and environmentally sustainable group. The Cementir Human Rights Policy aims at supporting and guiding management and employees in achieving these goals.

Cementir endorses the principles set out in the Universal Declaration of Human Rights and the International Labour Organization (ILO) based on respect for the dignity of the individual without distinction of any kind.

Cementir's Human Rights Policy applies the founding principles of:

- The United Nations International Charter (UN):
  - The Universal Declaration of Human Rights
  - The International Covenant on Civil and Political Rights
  - The International Covenant on Economic, Social and Cultural Rights
- The fundamental conventions of the International Labour Organization (ILO) – n. 29, 87, 98, 100, 105, 111, 138, 182 – and the Declaration on Fundamental Principles and Rights at Work
- The UN Convention on the Rights of the Child
- The ILO Conventions n.107 and n.169 on the Rights of Indigenous and Tribal Peoples
- The European Convention on Human Rights.

At the Cementir Group, we are committed to promoting an inclusive and positive work environment, where respecting human rights, promoting equal opportunities and supporting health and well-being are our priorities. Our human rights approach is also driven by proactive stakeholder management engagement. Cementir promotes human rights within its business relationships and adherence to the same human rights standards by its contractors, suppliers and business partners.

In 2020, we designed and launched an online training course primarily focused on the principles described in the Cementir Human Rights Policy and further detailed in local procedures.

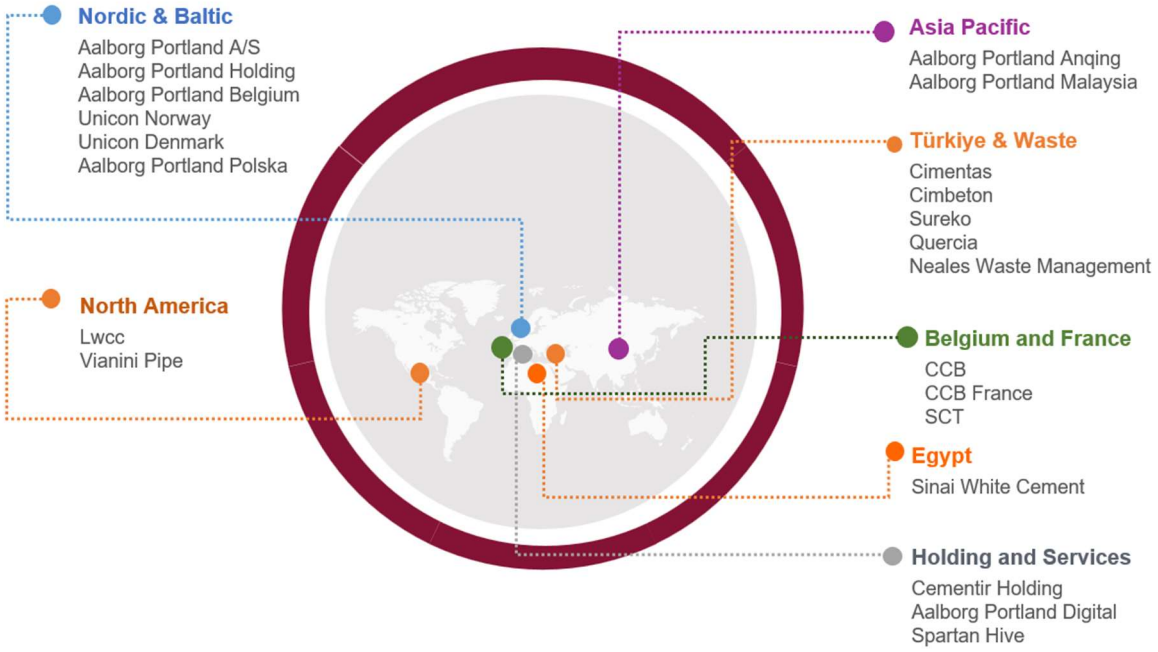
Human rights audits performed in 2022

As part of Cementir's initiative to internally identify and mitigate any risks related to human rights, in 2019 the Internal Audit included a human rights self-assessment checklist as part of the standard internal audit process.

Starting from 2020, the Internal Audit Department has verified the effective compliance of each company for the following areas: Child Labour, Forced Labour, Non-Discrimination, Conditions of employment, Security and Supply chain management. The results of these assessments are included in the annual Cementir Group sustainability reporting process and serve as further evidence of Cementir

Group's commitment to operating responsibly. New sections of analysis have been implemented in 2022, by amplifying the area of interest by adding Community relationship, Customer Management, Diversity, Equity and Inclusion.

In 2022, the activity was carried out in the companies listed below, with a coverage of 100%[16] of Cementir's workforce worldwide, involving the following countries: Belgium, Denmark, Norway, Türkiye, United States, China, Malaysia, Egypt, Italy, United Kingdom and Poland.



The analyses conducted highlighted that internal operations are considered to be in line with internationally recognised human rights and no risks were identified during the audit activities.

Any alleged human rights violations can be reported through the whistleblowing system, in line with all other types of potential violations.

[16] Exception made for the company AB Sydsten, joint venture for which Cementir is not in charge for the operating activities.

Commitment to Diversity Equity and Inclusion (DEI)

In 2022 the Group Diversity, Equity and Inclusion Policy was released, strengthening company's commitment on this topic which is one of its core values.

The purpose of this policy is to establish guidelines in the Cementir Group that promote a culture of respect for diversity, work equality, non-discrimination and the inclusion of labour groups.

The main objectives of this policy are:

- Attract, hire and retain diverse talent for all positions within the Company;
- Facilitate an inclusive working environment that ensures that all people within the Company feel accepted and integrated;
- Promote equal opportunities in all areas of the Company;
- Promoting collaboration and respectful communication among members of all the teams in the Group;
- Promoting the achievement of UN's Agenda 2030 and specifically of goals 5 (Gender Equality) and 10 (Reduce Inequalities).

The Diversity, Equity and Inclusion Policy is communicated to all employees, without distinction of level, in the most appropriate way and in accordance with the local rules and practices.

Further details on the topic can be found under *'Diversity, Equity and Inclusion'*.

Diversity, Equity and Inclusion audits performed in 2022

Beside the human rights self-assessment in 2022 the diversity, equity and inclusion self-assessment was launched becoming integral part of Internal Audit process.

The audit monitors the application of Cementir's core equity and fairness principles to: hiring processes, compensation levels, annual salary reviews and promotions, work-life balance arrangements and events to foster interest in technical careers among women.

In 2022, the activity was carried out in all of the Group's companies, with a coverage of 100%[17] of Cementir's workforce worldwide, involving the following countries: Belgium, Denmark, Norway, Türkiye, United States, China, Malaysia, Egypt, Italy, United Kingdom and Poland.

The analyses highlighted that internal operations are in line with internationally recognised diversity, equity and inclusion principles, and furthermore that no risks were identified during the audit activities.

[17] Exception made for the company AB Sydsten, joint venture for which Cementir is not in charge for the operating activities.

Code of Ethics, Human Rights, Diversity, Equity and Inclusion Awareness Survey

In September 2022, Cementir's commitment to Human Rights and DEI was enforced by the launch, for the first time, of the **Code of Ethics, Human Rights, Diversity, Equity and Inclusion Awareness Survey**.

This survey was addressed to a random sample of white collar, manager and executive employees (coverage: 54% of Cementir's employees). Its aim was to sensibilize and verify the awareness of all employees regarding the contents of the Code of Ethics and Group Diversity, Equity and Inclusion Policy.

Employees were invited to answer both multiple choice and open questions on the company's approach and behaviour about the application, respect and dissemination of those important documents.

The response rate was over 20% and all the answers collected have been discussed with the Top Management and a consequent action plan has been set up to monitor the sensitive and lacking areas.

The findings of this survey, presented to each region, have been integrated into the Human Rights Audit Report to better align every Management Action Plan.

For 2023, the Internal Audit team has renewed its commitment to monitoring progress in this area with the goal of increasing the response rate to 50% of the target population, by raising employees' engagement.

Cementir Holding Antitrust Programme

The corporate culture and basic principles, to which the Group management attaches great importance and which have always characterised the development activities of the Company and of the Cementir Group in its entirety, are: the firm belief that a competitive market is a key value not only for customers but for the healthy growth of the Group business itself; the commitment to have people from all over the Group operate independently from competitors, relying only on their own skills and expertise, on coordination with the rest of the Group and on the high quality of the Group's products.

These values are spread by the affiliates in the various geographical areas where they operate, by adopting consistent, localised antitrust compliance programmes, directed to all employees and executives, informing them about the underlying values, the basic principles of competition law and the specific regulations applicable to their activities, also through specific training events on the subject.

The antitrust compliance programmes adopted locally focus on issuing specific policies, monitoring their application through regular audit procedures, to ensure constant adequacy and correct implementation, as well as on updating the

programme itself, wherever necessary in order to take into account any regulatory and/or legal developments.

Under each competition compliance programme, all relevant actions and transactions of the company are monitored and their compliance with competition law requirements and practices duly scrutinised by Internal Audit.

Relevant litigation

An administrative dispute is pending before the Court of Appeal in Türkiye, brought by the Turkish company Cimentas AS, indirect subsidiary of Cementir Holding. The dispute relates to the order issued by the Turkish stock exchange's regulatory and supervisory body (the Capital Market Board – CMB), requiring Cimentas AS to demand that the concerned Cementir Group companies pay back around 100 million Turkish lira (around 5 million euros) from hidden profit distribution, allegedly generated by an intragroup company sale in 2009. On 29 January 2017, the CMB served a summons to Cementir Holding to appear before the Court of Izmir, requesting that the company be ordered to pay to Cimentas AS an amount provisionally set at approximately 1 million Turkish lira. The Company duly appeared in court, arguing the total lack of foundation of the plaintiff's argument and requested that the civil proceedings be suspended until the administrative proceeding is finally settled. With a ruling of 1 July 2020, the Court of Appeal in Türkiye declared the lack of Turkish jurisdiction in relation to the case in question. The judgement has been challenged before the Supreme Court, which has overturned it. The proceeding is still pending on the merits.

There is not any other significant litigation or significant instances of non-compliance pending.

Risk Management Framework

Internal Control and Risk Management System

The Internal Control and Risk Management System of the Cementir Group is defined as the set of tools, organisational structures, procedures and corporate rules aimed at ensuring – through an appropriate process of identification, evaluation, management and monitoring of the main risks – correct business management, consistent with the set objectives in terms of:

- Compliance with laws and regulations.
- Safeguarding of company assets.
- Effectiveness and efficiency of operating activities.
- Accuracy and completeness of reporting.

The Internal Control system and risk management process takes a top-down and risk-based approach, starting from the definition of Cementir's Industrial Plan. It ensures that major risks are identified, assessed, managed and monitored while taking into account the individual operations, risk profiles and risk management systems of each business unit, to create a wholly integrated risk management process.

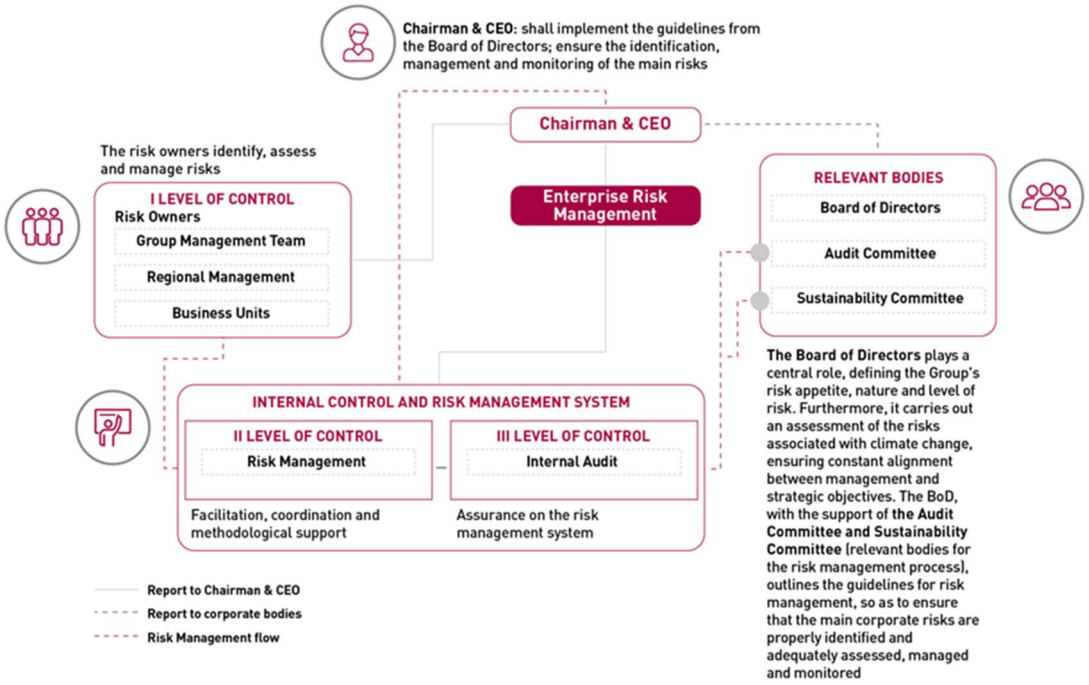
The risks are assessed with quantitative and qualitative tools considering both the likelihood of occurrence and the impacts that would occur in a defined time horizon when the risk occurs. It ensures, also, that all necessary measures are taken to control risks that could threaten assets, the ability to generate profits or the achievement of the Group's objectives.

Risk Governance attributes a central role to the Board of Directors (hereinafter 'BoD') which defines the nature and level of risk in line with strategic targets, supported by the Audit Committee and the Sustainability Committee. In addition, the management of Group companies are involved and are responsible for risk management within their area of competence.

Below is a summary of the those involved and their responsibilities:

- The **Board of Directors** plays a central role, defining the Group's risk appetite and the nature and level of risk. Furthermore, it carries out an assessment of the risks associated with climate change, ensuring constant alignment between management and strategic objectives.
- The BoD, with the support of the **Audit Committee and Sustainability Committee** (relevant bodies for the risk management process), outlines the guidelines for risk management, to ensure that the main corporate risks are properly identified and adequately assessed, managed and monitored.
- **Chairman & CEO**: executes the general guidelines of the Board of Directors, ensuring the identification, management and monitoring of the main risks.

- The **risk owners** (first level of control) are primarily responsible for internal control and risk management activities.
- **Risk Management and Internal Audit** are chiefly responsible for the internal control and risk management system (second and third control levels). They are responsible for verifying that the internal control and risk management system works and is adequate in relation to the size and operations of the Group, verifying, in particular, that Management has identified the main risks, that they have been assessed in a consistent manner and that the appropriate mitigation actions have been defined and implemented.



The Internal Control and Risk Management System of the Cementir Group is incorporated into the organisational, administrative, accounting and governance structure of the Group and it has been organised based on the principles envisaged by the Enterprise Risk Management – Integrated Framework, an international standard issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO Report).

The process includes the following phases:

- **Identification of risks**: The process starts from the definition of the Industrial Plan and focuses on the main risks that could compromise the achievement of the Group's objectives.

- **Risk assessment:** For each risk identified, the management expresses an inherent risk assessment (in the absence of controls / mitigation actions), in terms of probability and impact on the goals of the Industrial Plan, using an assessment system (scoring) at 5 levels:

- Impact: scale from 1 (Negligible) to 5 (Extreme)
- Likelihood: scale from 1 (Rare) to 5 (More than likely).

As regards the impact, three parameters are considered: economic (quantitative), operational (qualitative), reputational (qualitative). Management at the country and at the Group levels assesses and evaluates the potential impacts and likelihood of the key risks which could have a material adverse effect on the current or the future operations of the business. For the sustainability and climate-related risks, the horizon has been extended on a long-term view for analysing various threats that might impair our '10 years Roadmap to Sustainability'. For further details please refer to Non-Financial Disclosure 2022.

- **Identification and assessment** of the adequacy of existing monitoring controls.
- **Assessment of residual risk**: Considering the individual controls to protect against each risk and the adequacy, the residual risk is calculated by applying a uniform calculation method for all Group companies. In the event that the **residual risk** is higher than the predefined risk appetite level, further actions are agreed with the management aimed at mitigating the risk and containing it within acceptable levels.
- **Risk Mitigation:** Mitigation strategies with specific action plans for top risks are defined.
- **Discussion** at Group level of the main risks and the initiatives taken by management to reduce the risks to acceptable levels.

The model, as described, subject to further and future updates, is intended to support the decision-making and operational processes of company management, in such a way as to reduce the possibility that the occurrence of specific events could compromise the ordinary operations of the Group or the achievement of its strategic objectives.

Risks and opportunities

The main risks and opportunities to which the Group is exposed are described below:

UNCERTAIN OUTLOOK

DESCRIPTION	IMPACT	MANAGEMENT STRATEGY
The results of the operation are highly dependent on the economic conditions of the country. In 2022 several events occurred: - with inflation higher and monetary policy tightening, the outlook for global GDP growth is weaker for 2023; - the economic consequences of the war in Ukraine continue to unfold and darken the outlook for the Euro Area economy while pushing up inflationary pressures further. A significant slowdown of GDP is expected in 2023, while picking up in 2024; - Downside revisions to forecasts have been the largest for the US in 2023; - The upswing in China is dampened by the authorities' zero-COVID approach and the downturn in the housing market whose correction is set to continue also in 2023. As for the construction activity, the much higher cost of living combined with rising interest rates will hit the residential sector in most developed and emerging economies. Demand for construction materials is fundamentally driven by economic growth. These changes in underlying demand may impact sales volumes, prices and industry structure.	The Group has estimated a potential reduction in sales volumes	The Group with the support of relevant Group functions actively monitors the market conditions in order to anticipate any adverse scenario. Maintain a strict cost discipline. Establish a long-term contracts to secure favourable logistic and energy costs.

DEVALUATION OF THE TURKISH LIRA

DESCRIPTION	IMPACT	MANAGEMENT STRATEGY
The Group operates with ten different currencies and movements in exchange rates could have an influence on the Group's business, results of operations, and financial condition. The Turkish Lira is the main currency influenced by a significant depreciation over the last few years. The main indicators highlight an increase in CPI (Consumer Price Index) of about 104% (compared to 2003 data) and PPI (Producer Price Index) reached 151% at the end of September 2022 (compared to 2003 data). The Turkish Central Bank is continuing to cut interest rates despite the level of inflation. With these conditions, the Turkish lira may continue to be devaluated against the euro (€) and the US dollars ($). In addition, presidential and parliamentary elections are scheduled in June 2023 and may cause further uncertainty regarding actions that Turkish Financial Institutions might undertake.	Adverse changes in the exchange rates will continue to negatively affect profits	The Group carries out continuous currency monitoring in order to seize opportunities and reduce the overall exposure with hedging transactions.

RAW MATERIAL (FUEL AND ELECTRICITY) PRICE VOLATILITY

DESCRIPTION	IMPACT	MANAGEMENT STRATEGY
Risk is linked to the volatility of market prices of commodities (electricity coal and petcoke) which can affect the Group's results. The Russian attack on Ukraine is having a significant impact on commodity prices. The sanctions against Russia in the energy sectors and Europe's dependence on Russian energy supplies have already contributed to a sharp rise in gas and oil prices and are correspondingly increasing the cost risk for the Company. The Group carefully monitors energy market trends and inventories of the various goods needed for production and continuously seeks the best supply conditions to meet its needs. The control of these risks is governed by each Local Procurement with the coordination of Corporate Global Procurement, which uses financial instruments that are commonly available in the market for the purpose of containing the risk exposure within pre-set limits.	Operational costs increase	The Group is minimising the price risks for energy and fuel by centralising the management of supplies through our trading company. In order to reduce the risk of price volatility, the Group uses financial instruments such as hedging, signs sales contracts based on indexed formulas, enters into long-term contracts with suppliers and is expanding the use of alternative energy sources including gas or green energy.

LOGISTIC AND FREIGHT COST

DESCRIPTION	IMPACT	MANAGEMENT STRATEGY
Logistics costs (road transport) Logistics is one of the key drivers of the Group's business. The recent conflict in Ukraine has had a significant impact on rising fuel prices and thereby on logistical costs. This trend is expected to continue throughout 2023. Freight costs (shipping transport) The Group is exposed to volatile freight costs due to the uncertainty of macroeconomic conditions (recession and high inflation).	Operational costs increase	Logistic costs (road transport): The Group is establishing agreements with a ceiling in order to reduce the impact of increases proposed by carriers. For expiring contracts, the Group is launching tender activities to select the best option. Transport costs (shipping transport): For specific shipping routes such as Europe versus USA or Türkiye versus Belgium and Denmark, the Group is signing COA (Contract of Affreightment) agreements.

CYBER SECURITY

DESCRIPTION	IMPACT	MANAGEMENT STRATEGY
Cyber Security is the practice of protecting computers, servers, mobile devices, electronic systems, networks and data from malicious attacks. The growing use of IT systems increases the Company's exposure to different types of internal and external IT risks. The most significant of these is the risk of cyber-attacks which can be targeted or generic and which constitute a constant threat.	Data losses Privacy impacts Business disruption Reputational damage	Enhancement of network infrastructures. Strengthening of protection systems. Updating of internal procedures. Continuous training for all resources to strengthen corporate culture on cyber security issues.

GEOPOLITICAL RISK

DESCRIPTION	IMPACT	MANAGEMENT STRATEGY
The Group operates on five continents and is exposed to political risks both locally and globally. Geopolitical instability in some of the countries where the Group operates may influence demand trends.	Impact on the Group's economic/financial results	The Group continuously monitors the relevant environment, focusing mainly on political/institutional developments and regulatory aspects that may potentially affect operations. Geographical differentiation, on the other hand, helps the Group limit its exposure to this risk.

COVID-19 PANDEMIC

DESCRIPTION	IMPACT	MANAGEMENT STRATEGY
Risk related to the spread of pandemics Cementir sells its products on a worldwide basis and owns plants located in different countries. The pandemic and the measures implemented to mitigate the effect of the virus by some governmental authorities have been reduced in the last year with the exception of some countries (e.g. China). If these risks coming from new variants will persist during the year, they could alter normal market dynamics and, more generally, in business operating conditions. For instance, the ZERO-Covid Policy applied in China, aimed at achieving zero infection, has caused several effects on the market (slowdown of activities, building sector contracted, decrease in turnover).	Impact on the Group's operation, results, cash flows and financial condition	The Company has promptly adopted control and prevention measures for all employees worldwide: restrictive and preventive measures (also through alternative working methods) in offices and operating sites. Ensure business continuity under government guidelines.

HEALTH AND SAFETY

DESCRIPTION	IMPACT	MANAGEMENT STRATEGY
Risk of accidents that can have consequences for the health of workers and/or cause problems in production processes.	Impacts: • Economic • Organisational • Reputational • Relations with local communities • Workers' health	Improvement of the Group's safety culture by sharing best practices and common rules across the Group (e.g. Golden Rules). Regular risk assessment by all plants to eliminate/mitigate risks (annual action plans). Group monitoring of H&S performance and effectiveness of corrective measures. Periodic verification of the effectiveness of the main H&S processes for all plants (e.g. work permits, incident management, etc.).

TALENT AND RETENTION MANAGEMENT

DESCRIPTION	IMPACT	MANAGEMENT STRATEGY
Existing processes related to "people management", such as attracting, retaining and developing staff members, succession planning, as well as the focus on developing a diverse and inclusive workforce, contribute significantly to the realization of corporate strategies.	Failure to attract talent could hinder the achievement of strategic objectives.	The Group promotes its image among new talent and all employees through specific actions, such as international mobility and career development campaigns, for example the Talent Program and Cementorship Graduate Program initiatives launched in 2022 and continuing in 2023. In November 2022, the Global Survey "Your Voice" was also launched with the aim of collecting feedback from all staff on the working environment and areas for improvement.

COMPLIANCE

DESCRIPTION	IMPACT	MANAGEMENT STRATEGY
These are risks related to compliance with applicable regulations (antitrust, anti-corruption, GDPR, Legislative Decree 231/2001).	Potential violations of laws and regulations.	In relation to these risks, the Legal Department implements targeted programs with guidelines, procedures and training to ensure compliance with the above regulations. The Organisation and Control Models required under Legislative Decree 231/2001 are periodically updated. The Internal Audit function carries out specific audits on compliance with regulations.

Climate risks

The cement industry's ability to reduce its CO_2 emissions and respond to climate change has become a focus of stakeholders. Starting from 2021, Cementir has therefore publicly committed itself to adopting the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) of the Financial Stability Board, which in June 2017 published specific recommendations for the voluntary reporting of the financial impact of climate risks. The TCFD aims to offer consistent and effective financial disclosures that allow investors and other stakeholders to assess the climate risks faced by companies and to take appropriate actions. Cementir is also committed to ensuring the transparency of its climate-related risks and opportunities in line with the EU Taxonomy. Cementir identifies, assesses and manages climate change risks alongside all other types of risk as an integral part of its Risk Management Framework.

The Task Force encourages forward-looking information through scenario analysis, which is a useful tool for considering and enhancing the **resiliency** and **flexibility** of the strategies for climate-related risks. In 2022, the Cementir Group assessed the physical and transitional risks arising from climate change, as well as the opportunities from the transition to a low-carbon economy according to TCFD recommendations based on the different climate-related scenarios. We have involved Sustainable1, part of Standard & Poor's Global (hereinafter 'S&P'), which has supported us in assessing risks relating to climate change, natural resource constraints and broader environmental concerns. The analysis carried out by S&P revealed that the Cementir Group obtained a score of 100% with regard to the overall assessment of the eleven recommendations envisaged by the TCFD, which represents a complete and transparent level of disclosure achieved.

Climate-related scenario analysis

Physical climate scenarios

As part of our TCFD assessment, we have evaluated the exposure of our plants to physical risks, including acute physical risks, which refers to those that are event-driven, including increased severity of extreme weather events, such as cyclones, hurricanes, or floods and chronic physical risks which refers to longer-term shifts in climate patterns (e.g., sustained higher temperatures) that may cause sea level rise or chronic heat waves.

The assessment was done for each of the Group's plants.

For the physical risk, we have taken alternative scenarios developed by the Intergovernmental Panel on Climate Change (hereinafter 'IPCC'[18]) and we have explored three potential futures depending on what policies governments will adopt to cut emissions:

RCP[19]	RCP 8.5	RCP 4.5	RCP 2.6
SCENARIO	**HIGH CLIMATE CHANGE**	**MEDIUM CLIMATE CHANGE**	**LOW CLIMATE CHANGE**
SOURCE	IPCC	IPCC	IPCC
TEMPERATURE	As likely as not to exceed 4°	More likely than not to exceed 2°	Not likely to exceed 2°C
DESCRIPTION	Continuation of business as usual with emissions at current rates. This scenario is expected to result in warming in excess of 4°C by 2100	Strong mitigation actions to reduce emissions to half of the current levels by 2080. This scenario is more likely than not to result in warming in excess of 2°C by 2100.	Aggressive mitigation actions to halve emissions by 2050. This scenario is likely to result in warming of less than 2°C by 2100.

[18] IPCC: the United Nations body responsible for assessing the science related to climate change.
[19] A Representative Concentration Pathway (RCP) is a greenhouse gas concentration (not emissions) trajectory adopted by the IPCC. The pathways describe different climate futures, all of which are considered possible depending on the volume of greenhouse gases (GHG) emitted in the years to come.

Transition scenarios

Cementir assesses the resilience of its climate strategy relating transition risks with different carbon price scenario based on research by the Organisation for Economic Cooperation and Development (hereinafter 'OECD') and the International Energy Agency (hereinafter 'IEA'):

SCENARIO	HIGH CARBON PRICE SCENARIO	MODERATE CARBON PRICE SCENARIO	LOW CARBON PRICE SCENARIO
SOURCE	OECD/IEA	OECD/IEA	OECD/IEA
DESCRIPTION	This scenario represents the implementation of policies that are considered sufficient to reduce greenhouse gas emissions in line with the goal of limiting climate change to 2°C by 2100.	This scenario assumes that policies will be implemented to reduce greenhouse gas emissions and limit climate change to 2°C in the long term, but with action delayed in the short term. Countries with Nationally Determined Contributions that are not aligned to the 2° goal in the short term are assumed to increase their climate mitigation efforts in the medium and long term.	This scenario represents the full implementation of Country Nationally Determined Contributions under the Paris Agreement. Prices in this scenario are considered likely to be insufficient to achieve the goal of the Paris Agreement.
CARBON PRICE USED IN THE SCENARIO ($/tonCO2)	EU - year 2030 - 131 $ EU - year 2050 - 207 $ US - year 2030 – 131$ US - year 2050 – 207$ Asia - year 2030 – 108$ Asia - year 2050 – 189$ China - year 2030 – 98$ China - year 2050 – 186$ Middle east - year 2030 – 131$ Middle east – year 2050 – 207$ Türkiye – year 2030 – 131$ Türkiye – year 2050 – 207$	EU - 2030: 98$ - 2050: 207$ US - 2030: 66$ - 2050: 207$ Asia - 2030: 57$ - 2050: 189$ China- 2030: 49$ - 2050: 186$ Middle east - 2030:58$ - 2050: 207$ Türkiye - 2030: 41$ - 2050: 207$	EU - 2030: 41$ - 2050: 66$ US - 2030: 41$ - 2050: 66$ Asia - 2030: 35$ - 2050: 62$ China - 2030: 33$ - 2050: 62$ Middle east - 2030:41$ - 2050: 66$ Türkiye : 2030: 41$ 2050: 66$

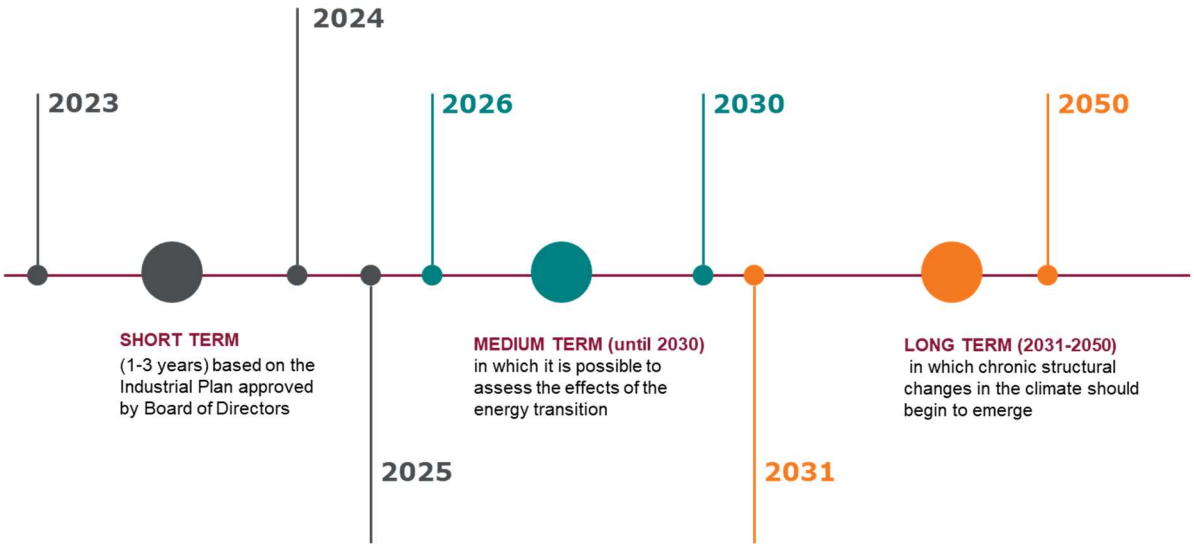
The scenario modelling approach has been adopted to test the sustainability strategy's resilience and for the identification of appropriate mitigation actions. Cementir is committed to moving towards being carbon-neutral by 2050.

The process of transition towards a more sustainable model characterized by a gradual reduction of CO_2 emissions has risks and opportunities connected both with changes in the regulatory and legal context, trends in technology development, reputational damages and the resulting market developments.

The Group has adopted a framework that highlights physical and transition risks and opportunities and indicates the management responses for each of them.

These effects can be assessed from the perspective of three-time horizons: the short term (1-3 years), assessed using sensitivity analyses based on the Industrial Plan; the

medium term (until 2030), in which it is possible to assess the effects of the energy transition; and the long term (until 2050), in which the Group is committed to achieving net-zero emissions across its entire value chain.



As declared by the TCFD, the process of disclosing information on the risks and opportunities connected with climate change will be gradual and incremental from year to year.

Chronic and acute physical phenomena

Cementir's facilities are in locations facing moderate levels of physical risk in the time horizon up to 2050. As part of the assessment of the effects of long-term climate change, we have identified physical events relevant to each facility plant:

Company Level Results – Top Sites Status out to 2050

Risk Exposure Classification

High Medium Low

COUNTRY	WILDFIRE	COLDWAVE	HEATWAVE	WATER STRESS	RIVERINE FLOOD	SEA LEVEL RISE	HURRICANE	RISK EXPOSURE CLASSIFICATION
Turkey – Trakya								HIGH
Belgium – Gaurain								HIGH
USA – Waco								HIGH
Egypt – Sinai								HIGH
Turkey – Izmir								HIGH
Turkey – Kars								HIGH
Turkey – Elazig								MODERATE
Malaysia – Ipoh								MODERATE
USA – York								MODERATE
China – Anqing								LOW
Denmark- Aalborg								LOW
RISK EXPOSURE	MODERATE	LOW	HIGH	HIGH	MODERATE	MODERATE	LOW	MODERATE

On a strategic level, the Group's geographical diversification can provide a high degree of resilience. The Group has adopted business continuity management processes that guarantee an adequate level of maintenance to limit and/or reduce damage to corporate assets and ensures business resilience and operation recovery in case of force-majeure events.

Scenario analysis has shown that the most significant effects of climate change are likely to emerge over the medium to longer term and their timing and magnitude are uncertain. This uncertainty presents challenges for individual organisations in understanding the potential effects of climate change on their businesses, strategies and financial performance.

In the medium term, the analysis pointed out a high exposure of the Group to water stress. See the next table for the potential impact related to this risk and the strategy defined by Cementir to mitigate it.

	RISK	TIME HORIZON	DESCRIPTION	IMPACT	MANAGEMENT STRATEGY	SDGs
PHYSICAL RISKS	**CHRONIC PHYSICAL**	Medium Term	**Water stress due to global warming**	The Company operates in areas exposed to water scarcity which could lead to potential disruptions in operations. Water stress measures the ratio of total water withdrawals to available renewable surface and groundwater supplies. Water withdrawals include domestic, industrial, irrigation, and livestock consumptive and non-consumptive uses. Available renewable water supplies include the impact of upstream consumptive water users and large dams on downstream water availability. This risk can lead to an increase in procurement and operating costs for water recovery used in the production process.	As part of its climate commitments, the Group has defined its policy on water management. Maximising its reuse/recycling, minimising withdrawals and consumption and applying efficient operating practices are areas of focus, starting with those geographical areas with the greatest water scarcity. The Group has set overall reduction targets of 20% in specific water consumption for cement production by 2030 and 25% in areas with increased water stress. For additional information, see the paragraph 'Responsible and efficient use of water' (page 152)	  

Transition risks and opportunities

In recent years, the entire Group has been actively committed to pursuing a transition to a lower-carbon economy, defining the roadmap until 2030 (see paragraph 'Cementir Roadmap 2030'), which envisages a series of initiatives that account for risks and opportunities:

		TIME HORIZON	DESCRIPTION	IMPACT	MANAGEMENT STRATEGY	SDGs
TRANSITION RISKS	**TECHNOLOGY**	Medium - Long Term	OPPORTUNITIES Carbon Capture, Transport and Storage ('CCS')	The implementation of this innovative technology will be a keystone on the path to 'net zero emissions' cement production. The development and implementation of CCS technology will lead the company to achieve its goals of reducing CO_2 emissions. The Group is considering several opportunities, mainly in Denmark and Belgium.	Continues research and innovation support for the development of CCS technologies and CapEx/OpEx support for the full industrialisation of those technologies.	
	REPUTATION	Medium - Long Term	RISK Reputation risk	The risk of being perceived by the public as a major carbon emitter could reduce the Group's attractiveness to stakeholders. The risk is mitigated by the Group's Sustainability Strategy, whose emission reduction targets have been validated by SBTi (well below 2°C).	In Denmark, the new Roadmap has been published with ambitious Scope 1 and Scope 2 emissions targets (73% reduction in CO2 emissions by 2030, compared 2021). Cementir's ambition is to reduce CO_2 emissions intensity to achieve carbon neutrality along the value chain by 2050.	
	POLICY & REGULATION	Medium - Long Term	RISK Exposure to new CO_2 emissions laws and regulations	Following the Paris Climate Agreement (COP21), signatory countries are required to commit to an emission reduction path. The likely effect will be an increasing number of CO_2 regulations that will increase the cost of emissions. The speed and level at which carbon prices could rise are uncertain and will vary between countries and regions. The risk was assessed by S&P through different pricing scenarios applied in each country in which the Group operates and based on the introduction of CCS technology from 2030.	The Group minimises its exposure to the risk of new taxes and regulations through the progressive decarbonisation process. Cementir's ambition is to reduce CO_2 emissions intensity to achieve carbon neutrality along the value chain by 2050. The strategy focused on energy transition makes the Group resilient to the risk associated with introducing more ambitious emission reduction policies and maximises opportunities for infrastructure and technology development.	

	TIME HORIZON	DESCRIPTION	IMPACT	MANAGEMENT STRATEGY	SDGs
POLICY & REGULATION	Medium - Long Term	RISK OPPORTUNITY CBAM – Carbon Border Adjustment Mechanism and ETS reports	Initiatives such as the CBAM (Carbon Border Adjustment Mechanism) are designed to protect the competitiveness of the European Union. On the other hand, the introduction of this tax could change the business model for import activities from regions with less stringent CO_2 regulations. In recent years, the quantities of cement imported into Europe have increased compared to the past. European bodies are considering introducing this tax from 2026.	Monitoring of international bodies (European Union, FSB - Financial Stability Board, Government Authorities).	
MARKET	Medium term	RISK Raw material shortages	The production of cement and ready-mix concrete requires the use of raw materials such as clay, fly ash and blast furnace slag (the latter two are by-products respectively of coal-fired power stations and steelworks whose production is to be reduced). During 2022, following the conflict between Russia and Ukraine, authorities reopened coal-fired power plants to avoid power shortages, which is leading to increased availability of fly ash in the short term (2023 and 2024). In the medium term (from 2025), fly ash may be in short supply again in Europe as coal-fired plants are phased out. A further strategic material for achieving the Group's objectives is the calcined clay required for the production of FUTURECEM® and for the reduction of the clinker ratio.	In order to reduce the shortage of these materials, the Group is securing its supply through long-term contracts, searching for new suppliers and partially replacing fly ash with similar materials available on the market (e.g. oxytone).	
MARKET	Medium term	RISK Increased costs of using alternative fuels and lower availability	CO_2 reduction targets are also achieved through the use of biomass (e.g. meat and bone meal, sawdust, seeds). In current market conditions, quantities of these alternative fuels are shrinking due to increasing demand, and supply costs are rising as suppliers begin to demand a price indexed to production costs.	Identification of partnerships with other suppliers in order to increase flexibility in the supply chain.	

	TIME HORIZON	DESCRIPTION	IMPACT	MANAGEMENT STRATEGY	SDGs
MARKET	Short-Medium Term	OPPORTUNITY Development of low emission impact products	Innovation is a key factor in the long-term success of the company developing low-carbon products. To meet market demand, Cementir Group has developed new types of Cement (e.g. FUTURECEM®) that reduce CO_2 emissions by 30% compared to traditional cement.	The Group meets the needs of customers along the value chain by developing and delivering products, solutions and technologies that address the key challenges facing the construction industry. The Group continuously develops and introduces new low emission products: increasing the use of decarbonised material (e.g. blast furnace slag); producing limestone cement or cement using fly ash. In addition, the Group aims to reduce the clinker ratio by using FUTURECEM® and other new products.	
RESOURCE EFFICIENCY	Short - Medium Term	OPPORTUNITY Recovery and purification of water used in quarry operations	Under the coordination of the Walloon Region, the Group participated in the project to make groundwater from the Clypot quarry drinkable and make it available to the public network. In September 2022, a similar project was signed with the SWDE (Wallonia Water Management Company) for the Gaurain quarry, with the start of drinking water supplies from 2024.	Increase in the amount of water delivered to the public network from the Clypot quarry (up to 3,500,000 m^3 per year). New water supplies from the Gaurain site to the public network from 2024 (up to 1,700,000 m^3 per year). Development of partnerships with local communities.	
ENERGY SOURCE	Medium - Long Term	OPPORTUNITY Green Energy	As part of the Group's strategy to reduce Scope 2 emissions, it is planned to increase electricity from renewable sources, either by purchasing or producing it internally. The Group is assessing the feasibility of wind turbine and solar panel projects.	Definition of a roadmap to increase the use of renewable energy throughout the Group, entering into purchase and/or own production agreements (for example solar panels or wind turbines).	
ENERGY SOURCE	Medium - Long Term	OPPORTUNITY Increased supply of district heating in the city of Aalborg	The Aalborg plant recovers excess heat from cement production to provide district heating to local residents. In 2021, Aalborg Portland delivered approximately 1.7 million GJ of energy to the municipality of Aalborg. According to the engineering project developed by the Group, the Aalborg plant could increase energy supply by a further one million GJ reaching 50,000 households.	Negotiations are ongoing with the municipality of Aalborg to define the size and increase of the capacity of the heating supply.	

The four sustainability pillars that guide our actions

In waste, we see resources: we promote a circular economy

We ensure that waste and secondary products are turned into resources, adopting an increasingly integrated approach to cement production and establishing partnerships with other industry players and public authorities.

Waste management and recycling

Waste is not only a source of recyclable materials, but also of alternative fuels with a high calorific value. Cementir is therefore committed to its use with this double purpose.

From a business perspective, the Group was one of the leading industrial players to capitalise on these opportunities and since 2009 has been operating in the renewable energy, urban and industrial waste management and processing sectors. These operations are conducted through Recydia, which owns the Sureko businesses in Türkiye, and Neales Waste Management in England, where in addition to its waste treatment plant, the company manages a landfill.

Through its modern facility located to the west of the city of Izmir, Sureko is involved in the management of industrial and hazardous waste and the production of alternative fuels that are used at the Izmir plant (further details in the box 'An integrated waste management solution').

NWM Holding, through its subsidiaries Neales Waste Management Ltd and Quercia, is a provider of hazardous and non-hazardous waste treatment, recycling and disposal services in North-West England.

The Group's plants use the latest biological technologies to produce alternative fuels and thermal energy, minimising landfill waste and contributing to the reduction of greenhouse gas emissions.

Storage of urban waste releases methane, a greenhouse gas with a polluting effect 21 times greater than that of carbon dioxide. Therefore, using urban waste as an alternative fuel in cement plants is fundamentally important because it contributes to the sustainable disposal of waste and reducing the negative effects of greenhouse gases. Moreover, unlike the process in waste-to-energy plants, use of waste as an alternative fuel in cement plants does not produce residues, as the ash derived from combustion is recycled in cement production.

Deepening the use of waste as an alternative fuel reveals how the Group applies circular economy principles. Behind the use of alternative fuels derived from

industrial and solid urban wastes, there are major environmental advantages, both because it reduces the use of fossil fuels and because it offers a solution to the problems of storage and disposal.

This approach allows resources to remain in use for longer periods, extracting maximum value from them. In addition, reuse and recycling contribute to environmental footprint reduction by helping to improve sustainability within the cement value chain.

Waste processed in 2022

In 2022, as a result of changes in business conditions, Cementir's plants made greater use of alternative fuels produced by third parties, thus leading to less waste processed internally by the Group.

In 2022, the Group's plants collected and processed 160,000 tons of waste (16% solid urban waste and 84% industrial waste) and produced 39,112 tons of fuel.

Through biomechanical and drying processes, the Cementir Group's treatment plants produced 39,112 tons of fuel from waste in 2022.

Waste processed	Unit	2022	2021	2020
Solid urban waste	t	25,844	61,327	110,659
Industrial waste	t	134,210	156,220	148,879
Total	t	**160,054**	**217,547**	**259,538**

Alternative fuel produced	Unit	2022	2021	2020
Refuse-derived fuel	t	15,857	16,497	14,335
Solid recovered fuel	t	23,255	55,911	64,772
Total	t	**39,112**	**72,408**	**79,107**

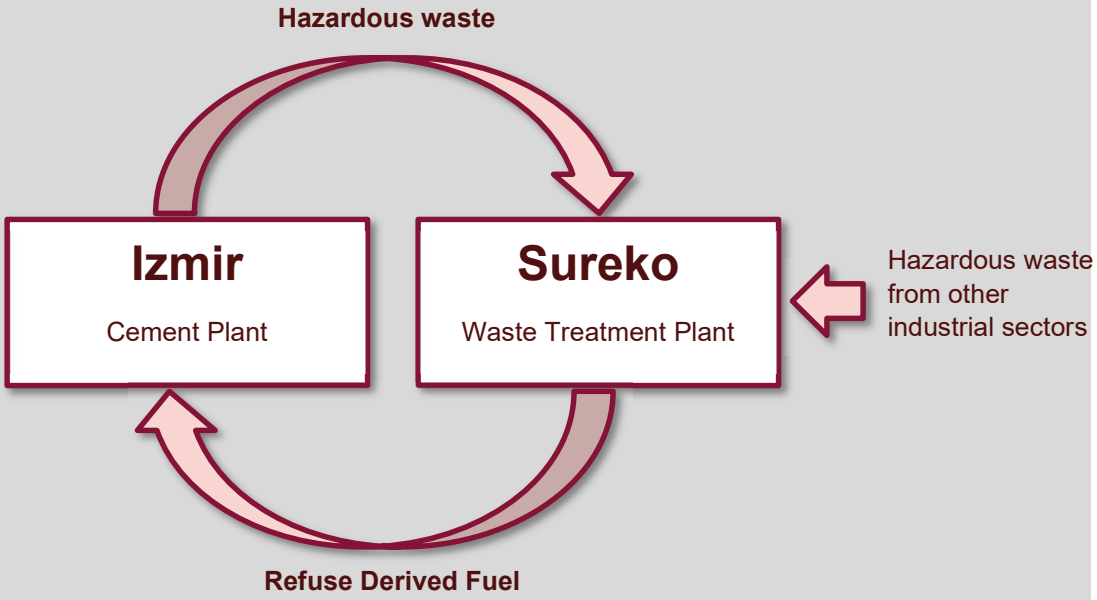
In 2022, the Group's plants recycled, through mechanical selection and treatment processes, 2,043 tons of materials.

Recycled material produced	Unit	2022	2021	2020
Ferrous material	t	595	1,414	1,843
Plastic	t	0	0	527
Aluminium	t	216	693	672
Other materials	t	1,232	3,162	4,389
Total	t	**2,043**	**5,269**	**7,431**

An integrated waste management solution

In Izmir we maximize recycling and/or reusing of waste produced starting with the hazardous ones. In 2022, the 97% of the total hazardous waste produced in the cement plant was sent to Sureko waste treatment plant.

Sureko plant manages hazardous industrial waste to produce Refuse Derived Fuel (RDF) by eliminating the non-combustible fraction, reducing its size and moisture content, and homogenizing the waste. This fuel is supplied to Izmir plant as an environmentally sustainable alternative to conventional fuels (fossil fuels) with low carbon emission. In 2022, Sureko supplied to Izmir more than 16,000 of tons of RDF.



Use of alternative fuels

The thermal energy produced at Cementir Group plants is generated by the combustion of fossil fuels (fuel oil, petroleum coke, coal and natural gas) and, in part, by alternative fuels.

The reduced consumption of non-renewable fossil fuels and the resulting increased use of alternative fuels is a primary aim for reducing environmental impact, particularly associated with emissions.

As discussed in more detail above, alternative fuels play, in that way, a major role toward the reduction of Group's environmental footprint.

By 2030, the Group has indeed planned to increase the proportion of alternative fuels in the fuel mix to 50% for producing grey cement and 13% for white cement. For white cement, the demand for consistency of colour is much higher than with grey as varying shades of white or coloured surfaces are not acceptable. For this reason, the use of alternative fuels is drastically limited in the production of white cement.

The targets have been set for each plant and mid-term targets has been defined for 2025 and 2030.

The 21% of the thermal energy needed in the cement production process is generated from alternative fuels. The goal is to reach 50% from alternative fuels in grey cement production and 13% in white cement production by 2030[20].

Fossil fuel replacement index	U.M.	2022	2021	2020
% of fossil fuel replacement (white and grey combined)	%	21%	20%	19%
% of fossil fuel replacement (only grey cement)	%	32%	30%	28%
% of fossil fuel replacement (only white cement)	%	2%	3%	3%

In 2020-2022 period, the fuel consumption for the cement production decreased constantly, year by year, from 3.6 GJ/ton of clinker in 2020 to 3.4 GJ/ton of clinker in 2022.

Fossil fuel consumption for cement production				
Type	Units	2022	2021	2020
Coal	GJ	7,617,448	7,526,248	5,682,239
Petroleum coke	GJ	16,107,354	15,031,687	20,152,510
Fuel oil	GJ	934,015	457,020	368,464
Lignite	GJ	1,312,041	5,862,081	3,074,765
Gas oil	GJ	0	0	0
LPG	GJ	0	0	194
Natural gas	GJ	1,826,495	1,872,458	1,789,485
District heating	GJ	13,467	36,009	26,386
Total	**GJ**	**27,810,820**	**30,785,503**	**31,094,042**
Fossil fuel per clinker produced	**GJ / ton clinker**	**3.4**	**3.5**	**3.6**

Fossil fuel consumption for white and grey cement production					
Type	Units	White 2022	Grey 2022	White 2021	Grey 2021
Coal	GJ	0	7,617,448	0	7,526,248
Petroleum coke	GJ	9,880,022	6,227,332	11,467,033	3,564,654
Fuel oil	GJ	730,347	203,668	241,166	215,854
Lignite	GJ	0	1,312,041	0	5,862,081
Gas oil	GJ	0	0	0	0
LPG	GJ	0	0	0	0
Natural gas	GJ	1,826,495	0	1,872,458	0
District heating	GJ	0	13,467	0	36,009
Total	**GJ**	**12,436,864**	**15,373,956**	**13,580,657**	**17,204,846**

[20] The quality requirements of white cement production make it difficult to use alternative fuels, as they affect the colour of the cement. For this reason, their use is drastically limited.

Alternative fuel consumption for cement production				
Type	Units	2022	2021	2020
Used oil	GJ	213,935	331,895	161,074
Rubbers and plastics	GJ	185,862	115,095	58,364
Tyres	GJ	797,156	772,592	673,873
Paper/cardboard/wood	GJ	106,809	132,996	133,327
Meat and bone meal	GJ	1,298,176	1,256,250	1,187,248
Dry sewage sludge	GJ	10,331	34,966	41,672
RDF and SRF	GJ	4,390,788	4,645,471	4,787,849
Sunflower oil	GJ	106,988	320,626	41,856
Other alternative fuels	GJ	384,284	100,171	110,799
Total	**GJ**	**7,494,329**	**7,710,062**	**7,196,062**
Alternative Fuel per Clinker produced	**GJ / ton clinker**	**0.93**	**0.88**	**0.85**

Alternative fuel consumption for white and grey cement production					
Type	Units	White	Grey	White	Grey
		2022	2022	2021	2021
Used oil	GJ	0	213,935	0	331,895
Rubbers and plastics	GJ	0	185,862	0	115,095
Tyres	GJ	0	797,156	0	772,592
Paper/cardboard/wood	GJ	0	106,809	0	132,996
Meat and bone meal	GJ	281,872	1,016,304	366,664	889,586
Dry sewage sludge	GJ	0	10,331	0	34,966
RDF and SRF	GJ	0	4,390,788	0	4,645,471
Sunflower oil	GJ	0	106,988	0	320,626
Other alternative fuels	GJ	0	384,284	0	100,171
Total	**GJ**	**281,872**	**7,212,457**	**366,664**	**7,343,398**

Alternative raw materials

Cement production requires large quantities of natural raw materials, such as limestone, clay and gypsum, extracted from natural quarries using various methods. These are initially mixed to produce the meal from which the clinker is made, and subsequently added to the clinker and milled to obtain different types of cement. The Cementir Group is particularly focused on the environmental aspects associated with its operations, with the aim of limiting their impact on ecosystems and on the areas concerned. In this sense, it continues its commitment to reducing the use of non-renewable raw materials, promoting the use of alternative raw materials, so called because they do not originate from quarries but from other production processes.

In 2022, the cement production plants of the Cementir Group used a total of about 15 million tons of materials to produce cement and the percentage of alternative raw materials increased to 11.24% from the 10.79% in 2021.

Raw materials used in cement production	Unit	2022	2021	2020
Non-renewable raw materials	t	13,228,832	14,442,142	15,148,632
Renewable raw materials	t	1,675,008	**1,746,058**	1,563,285
Total	**t**	**14,903,840**	**16,188,200**	**16,711,917**
Renewable raw materials as a percentage of total raw materials used	%	11.24%	10.79%	9.35%

Non-renewable raw materials used in cement production	Unit	2022	2021	2020
Limestone	t	10,410,689	11,387,382	12,103,107
Clay	t	1,109,975	1,101,016	1,063,405
Gypsum	t	422,458	444,419	324,515
Marl	t	312,606	584,158	498,706
Sand	t	483,783	527,779	299,973
Pozzolana	t	161,811	167,747	191,107
Admixtures	t	13,263	14,018	44,977
Auxiliaries	t	0	0	3
Stone	t	0	0	0
Calcium fluoride	t	62,537	47,144	36,431
Bauxite	t	7,772	3,873	5,916
Iron ore	t	151,648	47,657	75,768
Other residual materials	t	92,291	116,949	504,725
Total	t	**13,228,833**	**14,442,142**	**15,148,633**

Renewable materials used in cement production	Unit	2022	2021	2020
Fly ash	t	502,673	473,322	320,633
FGD gypsum	t	80,197	94,292	89,823
Iron oxide	t	48,648	38,482	24,715
Blast-furnace slag	t	327,550	305,745	230,862
Recovered limestone	t	255,828	240,443	164,929
Excavated waste soil (clay)	t	254,396	364.083	189,230
Other materials	t	202,532	229,690	543,093
Total	t	**1,671,824**	**1,746,056**	**1,563,285**

In 2022, Cementir Group plants producing ready-mix concrete used a total of 10.3 million tons of raw materials, mainly rocks and sand. The variation is mainly linked to a decreasing in the total production of concrete recorded in 2022, compared to 2021.

Raw materials used in the production of ready-mix concrete	Unit	2022	2021	2020
Non-renewable raw materials	t	10,237,353	10,964,549	9,501,881
Renewable raw materials	t	101,318	95,789	105,969
Total	t	**10,338,671**	**11,060,338**	**9,607,850**
Renewable raw materials as a percentage of total raw materials used	%	0.98%	0.87%	1.10%

Non-renewable raw materials used in ready-mix concrete production	Unit	2022	2021	2020
Limestone	t	0	0	0
Sand	t	3,064,746	3,255,064	3,020,365
Admixtures	t	16,926	24,287	15,832
Auxiliaries	t	9	9	7
Cement	t	1,482,944	1,549,711	1,326,955
Stones	t	5,667,813	6,131,942	5,135,275
Clay	t	0	0	0
Aggregates	t	0	0	0
Steel fibre	t	4,404	3,083	2,875
Basalt fibre	t	5	5	0
Plastic macrofibre	t	288	246	178
Colour pigment	t	146	95	142
Other materials	t	72	106	252
Total	t	**10,237,353**	**10,964,548**	**9,501,881**

Renewable materials used in ready-mix concrete production	Unit	2022	2021	2020
Fly ash	t	86,971	82,524	95,010
Microsilica	t	11,689	12,008	10,819
Blast-furnace slag	t	2,658	1,257	140
Total	t	**101,318**	**95,789**	**105,969**

Finally, there are the raw materials used for the Group's other production activities (mainly the manufacturing of prefabricated products). Consumption of raw materials and materials is far lower than in the rest of the business (about 72,000 tons) and there are no activities involving the use of recycled materials.

Non-renewable raw materials used in other production activities	Unit	2022	2021	2020
Sand	t	32,406	33,415	39,700
Auxiliaries and admixtures	t	130	134	140
Cement	t	10,999	12,407	12,434
Stones	t	24,073	25,527	25,902
Steel	t	4,012	2,375	2,204
Total	t	**71,620**	**73,858**	**80,380**

Efficient waste management

We are committed to adopt waste management solutions that allow recycling and/or reusing based on an environmental circular approach. For instance, increasing the use of alternative raw materials and fuels (e.g., derived from waste) in cement production is one of the ways to reduce our environmental footprint.
In cement production, we maximize the reuse of clinker kiln dust and bypass dust in the production cycle minimizing the waste disposal in landfill. Our aim is also to minimize the production of hazardous waste.
For instance, in the ready-mix concrete production process, if possible, we reuse some concrete fractions coming from the construction sites as alternative aggregates for new preparations and also recover residual concrete of over-orders and that are left over in the truck-mixer drum (further details are available in the paragraph '*Low-carbon and sustainable concrete*').
In cement industry waste is mainly generated by the periodic maintenance of machine and equipment (e.g., used oil and scrap metal), warehouse and offices.

In 2022:

- No fines and/or penalties related to waste management have been received;
- 99.8% of the total waste produced was non-hazardous waste;
- 71% of the total waste produced was recycled and/or reused;
- The increase in waste production was mainly due to schedule maintenance (some specific cleaning campaigns) and to new facilities started especially in ready-mix concrete.

Please see in the next table the details.

Group waste produced		2022	2021	2020
Total waste	t / 1,000	**392.2**	**378.4**	**361.1**
Cement		140.2	156.3	128.6
RMC		251.6	221.8	232.1
Aggregates		0.4	0.3	0.3
Non-hazardous waste	t / 1,000	**391.3**	**377.3**	**360.0**
Recycling		275.1	271.1	282.6
Incineration with energy recovery		0.5	0.7	0.7
Incineration without energy recovery		0.1	0.1	0.0
Other recovery operations		1.0	0.0	0.0
Landfilling		85.9	98.8	76.6
Other disposal operations		28.6	6.5	0.1
Non-hazardous waste of total waste	%	**99.8**	**99.7**	**99.7**
Cement	%	35.7	41.2	35.5
RMC	%	64.2	58.8	64.4
Aggregates	%	0.1	0.0	0.0
Hazardous waste	t / 1,000	**0.9**	**1.1**	**1.0**
Recycling		0.5	0.4	0.5
Incineration with energy recovery		0.1	0.2	0.2
Incineration without energy recovery		0.0	0.1	0.0
Other recovery operations		0.0	0.4	0.1
Landfilling		0.1	0.0	0.1
Other disposal operations		0.0	0.0	0.1
Cement	%	73.7	79.5	69.5
RMC	%	5.0	4.7	6.1
Aggregates	%	21.2	15.8	24.4

We respect the environment in all our operations

We adopt all necessary measures and the most innovative technological solutions to minimise the impact of our business on the environment.

The cement production process is associated with environmental impacts in the form of atmospheric emissions, mainly carbon dioxide, dust, and nitrogen and sulphur oxides. Most climate experts agree that the world must take urgent action to cut CO_2 emissions and we cannot deny that cement manufacturing is a process that makes intensive use of thermal energy, releasing both direct and indirect CO_2 emissions into the atmosphere.

Cementir wants to address environmental and climate change issues by reducing CO_2 emissions, energy consumption, water withdrawal and to preserve natural habitats and their biodiversity in areas surrounding our sites.
The Group analyses the environmental risks of its operations, involving management to ensure compliance with current regulations, best environmental standards and Best Available Techniques (BAT).
Cementir has committed to all companies active in cement and concrete production operating with a certified environmental management system (ISO 14001).
As of 2022, 8 cement plants (accounting for the 92% of total cement production), 3 RMC companies (accounting for the 30% of total RMC production) and 3 waste management companies (accounting for the 100% of waste managed by the Group) are ISO 14001 certified.

At the end of 2022, Cementir Holding has received the 'A-' rating for the second year in a row for Climate Change from CDP, ranking above the cement and concrete sector average (B) and the European average (B).

Cementir has also obtained a leadership position in CDP Water Security with an 'A-' score, ranking above the sector (B) and European average (B).

Cementir's CO_2 footprint

The Group's CO_2 footprint can be described through the three different categories (Scope 1, 2 and 3 emissions) established by the GHG protocol.
Scope 1 emissions account for **65%** of Cementir's carbon footprint. Scope 1 emissions includes all direct emissions related to the calcination of limestone which, when heated in the kiln at high temperatures, releases CO_2.
Scope 2 emissions, equal to 3% of the total, includes indirect emissions related to electricity purchased for the Group's needs, for example in cement grinding mills.
Scope 3 emissions includes other indirect emissions that occur in the Group's value chain, such as the extraction and production of purchased materials and fuels, and transportation. They account for **32%** of Cementir's carbon footprint.
In 2022 total CO_2 equivalent emissions (direct and indirect) amounted to about 11.3 million tons.

CO_2 emissions - Group	2022 (ton)	2022 (%)	2021 (ton)	2021 (%)	2020 (ton)	2020(%)
CO_2 emissions (Scope 1)	7,324,884	65%	8,006,881	67%	7,977,232	69%
CO_2 emissions (Scope 2)	386,306	3%	707,044	6%	572,227	5%
CO_2 emissions (Scope 3)	3,575,775	32%	3,249,111[21]	27%	2,941,199	26%
Total CO_2 emissions	**11,286,965**	**100%**	**11,963,036**	**100%**	**11,490,658**	**100%**

Cementir's Scope 3 emissions

In 2022, Cementir decided to make the calculation of the Scope 3 emissions more detailed by providing more specific data, leaving aside the spend based calculation method used in previous years. For this estimation the perimeter of the analysis has remained stable (same Scope 3 categories considered) and the calculation method applied has followed the international standards (GHG Protocol). This choice involved a joint effort by different business units within the company and a third-party company specialised in the calculation of CO_2 emissions, that validated Cementir's Scope 3 emissions.
The same method applied for 2022 Scope 3 emissions has also been extended to 2021 Scope 3 emissions, to enable a more correct comparison and to better address internal strategies.
The emissions calculated for each Scope 3 category in 2022 are shown in the next page.

[21] The 2021 data has been recalculated by applying a physical data method. In 2021 the calculation was performed by applying a spend based method. For details about the calculation see 'Cementir's Scope 3 emissions.

Scope 3 category	2022 (tCO_2e)	%	Description
Purchased goods and services	2,096,568	58%	This category includes emissions related to the purchased materials such as clinker, cement, fly ashes, slag, gypsum, pozzolana etc. The calculation was made applying to quantities (tons) LCA emission factors, specific for each material. The emission factor database used for this calculation is Ecoinvent 3.8 for 2021 and Ecoinvent 3.9 for 2022.
Capital Goods	90,635	2%	This category includes emissions related to the production and transportation of the following capital goods: constructions, machineries, electrical and optical equipment and transport equipment. The calculation was made on the basis of spending for CapEx in 2022 and using the GHG Protocol tool https://quantis-suite.com/Scope-3- Evaluator
Fuel and energy-related activities	997,091	28%	This category includes the emissions related to the extraction, production and transportation of fuels and energy purchased by Cementir in 2022 not already accounted for in Scope 1 or 2. The calculation was made applying the well-to-tank emission factors of BEIS&DEFRA, IEA and Econinvent.
Upstream transportation	246,620	7%	This category includes emissions deriving from upstream transportation by external cargo ships, trucks and freight trains of raw materials, semi-products and products. The calculation considers freights (tons) and distances and uses BEIS&DEFRA[22] emission factors, specific for the mean of transportation.
Waste	139	0%	This category includes emissions from external wastewater treatment. The calculation uses Ecoinvent emission factors.
Business travel	3,003	1%	This category includes emissions from employee business travels. The calculation was made on the basis of spending for business travel in 2022, using the GHG Protocol tool for Scope 3 evaluation.
Employee commuting		0%	Category with negligible emissions. Most employees live close to the plants and the related emissions are estimated to be less than 1% of the total Scope 3 emissions.
Upstream leased assets		0%	Category with negligible emissions. According to the Cement Sector Scope 3 GHG Accounting and Reporting Guidance[23], developed by the Cement Sustainability Initiative, this category is considered 'not relevant' to the cement sector. Emissions due to upstream leased assets are estimated to be less than 1% of the total Scope 3 emissions.
Downstream transportation	141,719	4%	This category includes emissions deriving from downstream transportation by external cargo ships, trucks and freight trains of products. The calculation considers freights (tonnes) and distances and uses BEIS&DEFRA emission factors, specific for the mean of transportation.
Processing of sold products		0%	Category with negligible emissions. According to the Cement Sector Scope 3 GHG Accounting and Reporting Guidance, this category is considered 'not relevant' to the cement sector. Emissions due to the processing of sold cement products are estimated to be less than 1% of the total Scope 3 emissions.
Use of sold products		0%	Category with negligible emissions. According to the Cement Sector Scope 3 GHG Accounting and Reporting Guidance, this category is considered 'not relevant' to the cement sector. Emissions due to the direct use-phase of sold cement products over their expected lifetime are estimated to be less than 1% of the total Scope 3 emissions.
End-of-life treatment of sold products		0%	Category with negligible emissions. According to the Cement Sector Scope 3 GHG Accounting and Reporting Guidance, this category is considered 'not relevant' to the cement sector. Emissions due to end-of-life treatment of sold cement products are estimated to be less than 1% of the total Scope 3 emissions.
Downstream leased assets		0%	Not applicable: The Cementir Group's business does not include leased assets.
Franchises		0%	Not applicable: The Cementir Group does not have franchises.
Investments		0%	Not applicable: Provision of capital or financing is not included in Cementir Group's business
TOTAL	**3,575,775**	**100%**	

[22] DEFRA is the UK Department for Environment, Food and Rural Affairs. Please see GOV.UK (www.gov.uk).
[23] Please see the Cement Sector Scope 3 GHG Accounting and Reporting Guidance, developed by the Cement Sustainability Initiative Cement Sector Scope 3 GHG Accounting and Reporting Guidance (wbcsd.org)

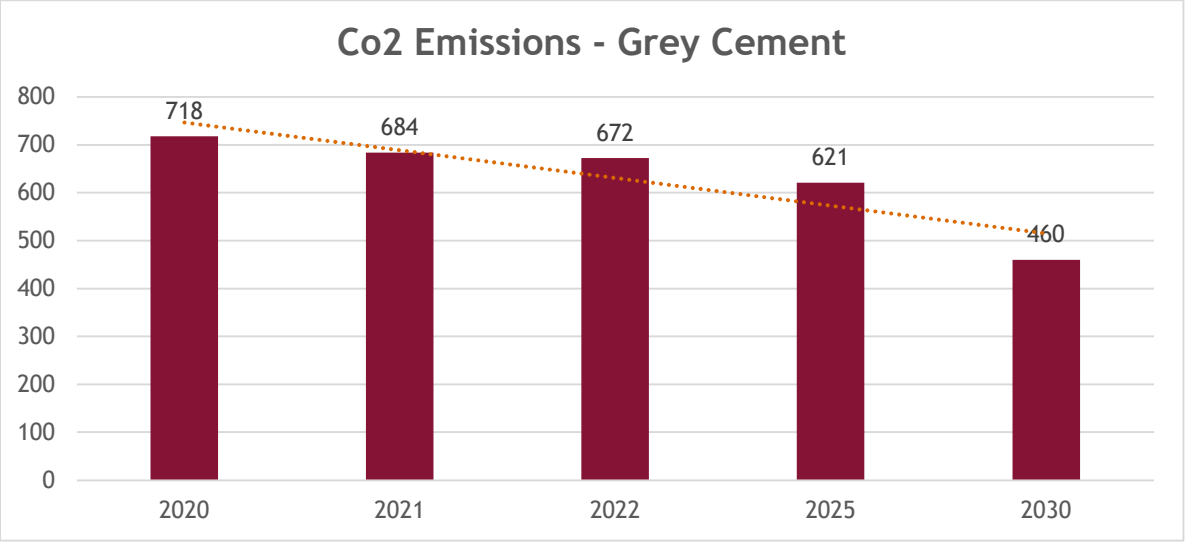
CO_2 emissions related to Cement production

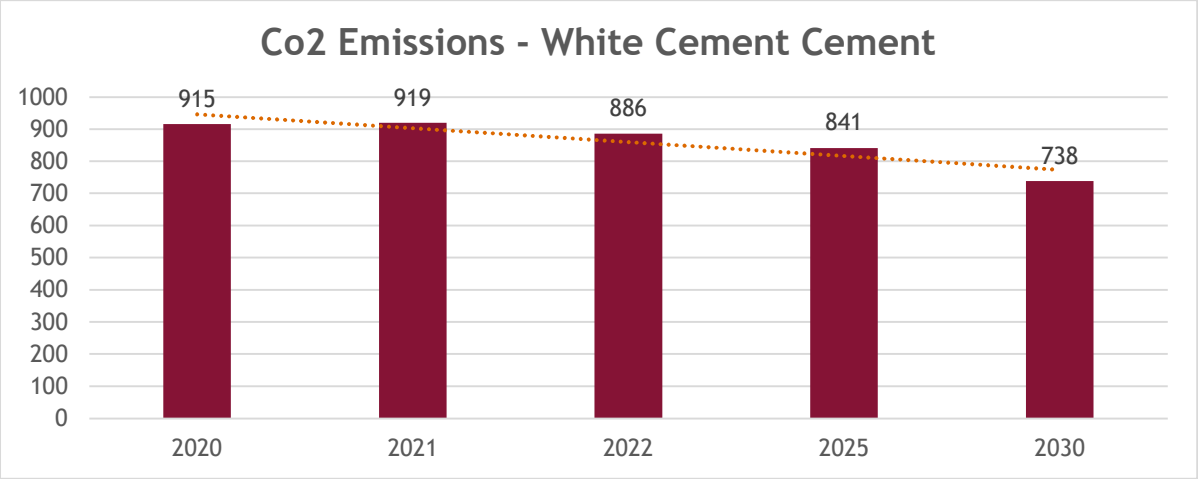
CO_2 emissions - Cement Production	Unit	2022	2021	2020
CO_2 emissions (Scope 1)	t	7,278,336	7,982,250	7,941,401
CO_2 emissions (Scope 2)	t	377,548	691,732	556,014
Total CO_2 emissions	t	7,655,884	8,673,982	8,497,415
CO_2 emissions Scope 1 – Grey cement	kg CO_2/TCE	672	684	718
CO_2 emissions Scope 1 – White cement	kg CO_2/TCE	886	919	915

As reported in the chapter 'Cementir Roadmap 2030', the Group is increasingly focused on the development of new technologies for carbon capture and storage (CCS). For this reason, during 2022, the Roadmap 2030 has been updated assuming the implementation of this technology in the Aalborg plant, in addition to the actions already planned, as the replacement of fossil fuels with alternative 'green' fuels and the reduction of clinker content in the cement produced.

Following the introduction of CCS in Aalborg, Cementir will reduce its Scope 1 emissions to 460 kg of CO_2 per ton of grey cement, below the threshold required by the EU Taxonomy, and 36% lower than 2020 emissions.

The Group also lowered the 2030 target for white cement, which is a special product with niche applications and markets (0.5% of total world cement production). Cementir's plan is to reduce its Scope 1 emissions to 738 kg of CO_2 per ton of white cement. The CO_2 reduction in white cement production will be achieved by replacing traditional fossil fuels with natural gas and biomass and replacing clinker content in cement with mineral additives, such as limestone.





CO_2 emissions related to other activities

For the other activities performed by the Group, ready-mix concrete, production of aggregates, production of concrete prefabricated products and waste collection and treatment, the CO_2 equivalent emissions are significantly lower. The data is presented in the table below.

CO_2 emissions - Other	**Unit**	**2022**	**2021**	**2020**
CO_2 emissions (Scope 1)	t	46,548	24,631	35,831
CO_2 emissions (Scope 2)	t	8,758	15,311	16,213
Total CO_2 emissions	t	55,306	39,942	52,044

Energy consumption

Cement production requires considerable levels of energy consumption in its various processes because of the high temperatures that must be reached in the kiln (1,500°C), the electricity required to grind the product and the quantity of material used.
Thermal energy is used in the start-up and operation of the kilns and the operation of the burners or boilers required to increase production efficiency and optimise the production process (for example, to dry raw materials and fuels). Electricity, on the other hand, is mainly used to operate the mills that grind the raw materials, clinker and fuels.
The intensity coefficients for the environmental performance indicators are calculated using Total Cement Equivalent (TCE), an indicator linked to the plant's production of clinker, based on the production of clinker and on the plant's average clinker-to-cement ratio. This choice was made because the production of clinker, the main constituent of cements, is the phase of production where the environmental impacts are greatest.

In 2022, the cement production plants used 35.4 million GJ of thermal energy and 4.4 million GJ of electricity. The energy index, equal to 3.85 GJ/TCE decreased slightly compared to 2021. Last year the index was 3.87.

Energy consumed to produce cement				
Type	**Unit**	**2022**	**2021**	**2020**
Thermal energy	GJ	35,470,361	38,569,279	38,290,104
Of which: from alternative fuel	GJ	7,494,329	7,710,063	7,196,062
Thermal energy sold	GJ	-1,283,120	-1,661,306	-1,787,593
Electricity	GJ	4,451,819	4,751,610	4,560,025
Total energy	**GJ**	38,639,060	**41,659,583**	**41,062,536**
Thermal energy per t of Total Cement Equivalent	GJ/TCE	3.5	3.6	3.7
Thermal energy produced by alternative sources per t of Total Cement Equivalent	GJ/TCE	0.75	0.72	0.70
Electricity per t of Total Cement Equivalent	GJ/TCE	0.44	0.44	0.44
Total energy per t of Total Cement Equivalent	GJ/TCE	3.85	3.87	3.97

Energy consumed for white and grey cement production					
Type	Units	White	Grey	White	Grey
		2022	2022	2021	2021
Thermal energy	GJ	12,769,695	22,700,665	13,997,266	24,572,013
Of which: from alternative fuel	GJ	281,872	7,212,457	366,664	7,343,399
Thermal energy sold	GJ	-1,283,120	0	-1,661,306	0
Electricity	GJ	1,240,319	3,211,501	1,333,096	3,418,514
Total energy	**GJ**	**12,726,894**	**25,912,166**	**13,669,056**	**27,990,527**
Thermal energy per t of Total Cement Equivalent	GJ/TCE	5.11	3.01	5.34	3.01
Thermal energy produced by alternative sources per t of Total Cement Equivalent	GJ/TCE	0.11	0.96	0.14	0.90
Electricity per t of Total Cement Equivalent	GJ/TCE	0.50	0.43	0.51	0.42
Total energy per t of Total Cement Equivalent	GJ/TCE	5.09	3.44	5.22	3.43

The Aalborg production plant has a system for recovering heat from combustion gases used. The thermal energy recovered from the system is used to supply the district heating network of the city of Aalborg, meeting the annual heating requirements of about 20,000 households

In 2022, seven cement plants, accounting for the 71% of total cement production, adopted the ISO 50001 certification for energy management systems, in line with our goal of increasing the level of energy efficiency.

Cementir has committed all cement plants to certify their energy management system (ISO 50001) by 2025.

The other production activities of the Group have far lower energy requirements than cement plants.

In 2022, the ready-mix concrete production plants used about 93,000 GJ of electricity and 414,689 GJ of thermal energy. The energy intensity index for these plants was calculated using tons of concrete produced during the year as the denominator.

Energy consumed to produce ready-mixed concrete (fuels, electricity)				
Type	**Unit**	**2022**	**2021[24]**	**2020**
Thermal energy	GJ	414,689	365,070	272,752
Electricity	GJ	93,393	72,623	97,292
Total energy	**GJ**	508,082	437,693	**370,044**
Thermal energy per t of ready-mixed concrete	GJ/t	0.05	0.04	0.03
Electricity per t of ready-mixed concrete	GJ/t	0.01	0.01	0.01
Total energy per t of ready-mixed concrete	**GJ/t**	0.06	0.05	**0.04**

For other activities such as the production of aggregates and cement manufacture, the Group used about 128,000 GJ of electricity and 209,000 GJ of thermal energy.

Energy usage of other activities				
Type	**Unit**	**2022**	**2021**	**2020**
Thermal energy	GJ	209,512	218,977	217,755
Electricity	GJ	128,002	127,080	128,430
Total energy	**GJ**	**337,514**	**346,057**	**346,185**
Thermal energy per t of product made	GJ/t	0.01	0.01	0.01
Electricity per t of product made	GJ/t	0.01	0.01	0.01
Total energy per t of product made	**GJ/t**	0.02	0.02	**0.02**

Energy used in the waste management sector				
Type	**Unit**	**2022**	**2021**	**2020**
Thermal energy	GJ	13,017	13,589	14,096
Electricity	GJ	15,336	15,315	19,797
Total energy	**GJ**	**28,353**	**28,904**	**33,893**

[24] The 2021 data has been updated with the inclusion of fuels related to internal transportation.

Responsible and efficient use of water

In all of our activities we promote the reduction of water consumption: we are strongly committed to adopting efficient water management practices, also ensuring – at an appropriate level - minimisation of freshwater withdrawal, reduction of wastewater discharge and enhanced water recycling systems.
During 2022 to further strengthen the water balance of each plant we worked hard to improve the efficiency of our systems for measuring and estimating water flows. In some of our cement plants we have also launched specific actions to reduce leaks and renovated some water network pipes. This has produced good results in terms of water balance accuracy.

For cement, water consumption in 2022 was 3,842 thousand m^3, more than 75% of Group total consumption. Water consumption in high water stress areas was 37% of the total consumption for cement.
Consumption was affected by lower production compared with the previous year especially in white cement (e.g. less condensate water available for reusing/recycling in Aalborg). This is the main reason why water reused/recycled was 29.6% of total water withdrawal in cement production (32.6% in 2021).

In ready-mix concrete production, water is an input resource. Water consumption was 829 thousand of m^3, 16% of the Group total consumption. Water consumption in high water stress area was 59% of the total consumption in ready-mix concrete. The water reused/recycled was 21% of the total water withdrawal in ready-mix concrete.

In aggregates production, water consumption was 456 thousand m^3, 9% of Group total consumption. The water reused/recycled was 14% of the total water withdrawal in aggregates.
Where quarry dewatering is in place, there is an interest in recovering quarry water. Water pumped can be used for a variety of purposes such as washing aggregates, watering tracks, etc. The use of water in quarries, often arranged in closed circuit in order to limit the volume of water taken, is most of the time very marginal in relation to the volume of collected water.

Potabilization of Clypot quarry water, Belgium
During 2022, the volume of Clypot quarry water sent for potabilization was 741 thousand m^3. We recorded a decrease in volumes supplied compared to 2021 due to a technical problem in the potabilization unit. Our target is to maximise the supply, including for the future the Gaurain quarry reaching a total of around 5,000 thousand m^3. The Clypot operations allows the recovery of quarry water into the public distribution network, supplying 20,000 households and avoiding the local authority production from wells and thus spare the aquifer in a high-water stress area, such as Clypot in Belgium.

Reducing drinking water usage in Aalborg, Denmark
Aalborg cement plant used drinking water sprinkling for dust reduction at the coal storage at the harbour.
We studied the possibility of using technical water (e.g. water from chalk pit) to such purpose.
We installed new piping from power central station area to the harbour, including valves, improving water efficiency management.
In 2022, we avoided taking drinking water for more than 16 thousand of m^3.

In 2022, no fines and/or penalties were received related to water management.

An integrated strategy on climate change

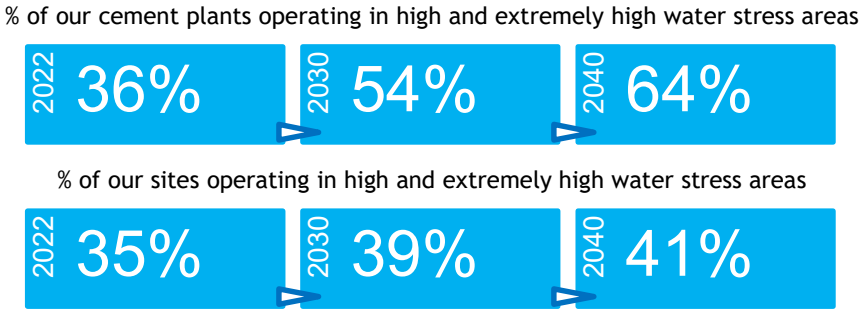
Water risks related to climate change are assessed using the World Resources Institute (WRI) – Aqueduct Water Risk Atlas. The risk levels for each cement plant and region are identified and improvement actions are prioritised and planned. This process has been conducted in accordance with our Roadmap to 2030 (e.g. reduction of clinker ratio).
In 2022, 37% of water consumption in cement was in high and extremely high-water stress areas (Atlas raw value 40% min, including arid and low water use category).
As a first step, we plan to reduce the water consumption per ton of cement produced by 20% no later than 2030 (baseline 2019). In high and extremely high-water stress condition, the reduction target is 25%.

WRI's Aqueduct™ information platform compiles advances in hydrological modelling, sensor data, and published data sets into a freely accessible online platform. Baseline water stress measures the ratio of total water withdrawals to available renewable surface and groundwater supplies. Available renewable water supplies include the impact of upstream consumptive water users and large dams on downstream water availability. Higher values indicate more competition among users.

RAW VALUE	RISK CATEGORY
<10%	Low
10–20%	Low–medium
20–40%	Medium–high
40–80%	High
>80%	Extremely high
	Arid and low water use

In 2024, we will consider further improving our targets regarding cement production considering the water stress scenarios (2030 and 2040) and the different impact of the activities on water consumption.

Water stress future scenarios



In 2022, specific consumption in cement production was further improved compared to our baseline, the value is 382 liters/TCE. However, part of this result is mainly due to the remodulation of production between white and grey cement with timely consequent changes in operating conditions. For this reason, to better understand the progress of our goals, in the table below we specify the specific consumption calculated without considering the effect of the described remodulation.

Water consumption path in cement		2019	2020	2021	2022	2030
Specific water consumption	l/TCE	**480**	**445**	**413**	**402**	**384**
Reduction compared to 2019			*-7%*	*-14%*	*-16%*	***-20%***
Specific water consumption – high water stress areas	l/TCE	**280**	**287**	**276**	**257**	**210**
Reduction compared to 2019			*0%*	*-2%*	*-8%*	***-25%***

Safe Water, Sanitation and Hygiene at the Workplace (WASH)
We are committed to ensure all workers have access to safe and affordable drinking water. Cementir therefore signed the WASH Pledge developed by World Business Council for Sustainable Development (WBCSD). The access to WASH is a fundamental human right and one of the keys to achieving the UN Sustainable Development Goals.
Cementir is committed to comply with requirements of the WASH Pledge at all our workplaces within the next three years through:

- implementing access to safe water, sanitation and hygiene for all our employees in all premises under our control;
- addressing WASH across our value chain including our suppliers, as well as in the communities around our workplaces and/or where our employees live.

During 2022, the first self-assessment was carried out. Most of our sites already meet the WASH standards. For the few that don't, we have defined a specific roadmap to be compliant in the next two years.

Our Water Management System

Water balance is monitored at site level on a monthly basis and consolidated at Group level quarterly. The Group guidelines on monitoring and reporting set the minimum requirements of such activity. The guidelines are consistent with recognised international reference documents such as the Global Reporting Initiative standards and GCCA Sustainability Guidelines for the monitoring and reporting of water in cement manufacturing.
In 2022, 92% of total cement production took place at sites where the Environmental Management System is certified ISO 14001. We aim to obtain the mentioned certification for all cement plants by 2025.
In ready-mix concrete activities, the certified sites represented 30% of total production.

Group water management		2022	2021	2020
Total water withdrawal	m³ / 1,000	**14,908**	**15,651**	**14,842**
Surface water		524	658	744
Groundwater		6,849	6,992	6,282
Seawater		0	0	0
Rainwater		570	764	747
Public water		581	537	462
Quarry water		6,384	6,700	6,607
Total water discharge	m³ / 1,000	**9,808**	**9,737**	**9,067**
By place of discharge				
Surface water		5,255	5,202	5,723
Groundwater		215	9	12
Seawater		3,270	3,121	3,005
External treatment plants and other discharge area		911	1,262	177
Domestic sewage		157	143	150
Total water consumption	m³ / 1,000	**5,099**	**5,914**	**5,775**

In 2022, more than 98% of discharge water was freshwater[25]; water quality is monitored as required by the environmental permits.

Below is the breakdown of water management data in cement and ready-mix concrete production, accounting for about 92% of Group total consumption.

Water management in cement		2022	2021	2020
Total water withdrawal	m³ / 1,000	**9,115**	**9,795**	**9,494**
Surface water		404	605	693
Groundwater		5,014	5,114	4,996
Seawater		0	0	0
Rainwater		346	486	487
Public water		267	254	210
Quarry water		3,084	3,336	3,108
Total water discharge	m³ / 1,000	**5,273**	**5,339**	**4,887**
By place of discharge				
Surface water		1,745	1,959	1,616
Groundwater		11	9	12
Seawater		3,270	3,121	3,005
External treatment plants and other discharge areas		161	160	147
Domestic sewage		86	90	107
Total water consumption	m³ / 1,000	**3,842**	**4,455**	**4,608**
In high water-stress areas	% of total water consumption in cement	37.2	34.4	33.2
Total water reused/recycled	m³ / 1,000	**2,695**	**3,191**	**2,962**
	% of total water withdrawal in cement	29.6	32.6	31.2
Specific water consumption	l / TCE	**402**	**413**	**445**
In high water-stress areas		257	276	287

[25] According to GRI 303, freshwater is defined as the concentration of Total Dissolved Solids is ≤1000 mg/l.

Water management in RMC		2022	2021	2020
Total water withdrawal	m^3 / 1,000	**888**	**884**	**755**
Surface water		96	50	48
Groundwater		345	370	296
Seawater		0	0	0
Rainwater		137	182	161
Public water		310	281	249
Total water discharge	m^3 / 1,000	**59**	**51**	**56**
By place of discharge				
Surface water		13	0	0
Groundwater		0	0	0
Seawater		0	0	0
External treatment plants and other discharge area		1	1	1
Domestic sewage		45	50	55
Total water consumption	m^3 / 1,000	**829**	**833**	**699**
In high water-stress areas	% of total water consumption in ready-mix	59.4	61.3	56.3
Total water reused/recycled	m^3 / 1,000	**183**	**204**	**125**
	% of total water withdrawal in ready-mix	20.6	23.1	16.6
Specific water consumption	l / m^3 ready-mix concrete	**173**	**163**	**158**
In high water-stress areas		191	181	175

Extraction activities, rehabilitation and biodiversity

The first step in cement and aggregates production – the extraction of raw materials from the earth's crust – inevitably has an impact on the surrounding natural and social environment. In particular, the removal of soil and changes in the topography of the area are likely to affect local ecosystems and watersheds. Minimising environmental impact is therefore a fundamental priority for the Group to be able to have sustainable operation.

Cementir extracts a significant part of its raw materials need from own controlled resources (quarries) by embracing responsible and sustainable mining principles for its quarrying operations.

Its key raw material resources that are generally in the vicinity of its production facilities have a key importance for Cementir's business operations continuity and therefore it always considers securing and conserving its resources as a key strategic task.
For this purpose, the Group always pays close attention to managing its resources by:

- strictly following compliance requirements
- optimised and effective mineral resource management
- considering environmental and natural sensitivities
- use of alternative resources and materials for conservation
- closely monitoring its reserves and reserve replacements
- creating dialogue with its stakeholders

Responsible consumption and production

• Thanks to the use of digital tools and technology, we improve our quarrying activities by targeting efficiency increases and resource optimisation and thus only worthwhile materials of a suitable grade and volume are extracted in an economical way and land use is minimised.

- Cementir increases its knowledge of its mineral deposits everyday through ongoing investigations to be able to create more accurate and long-term mining plans.
- The Group always searches for and evaluates any usage possibilities of alternative resources that may have a positive impact on CO_2 emissions, help reduce consumption of own natural mineral resources and thus preserve reserves and limit the need for new extraction sites.
- Cementir is always looking to reuse materials from other industries.

During 2022, the Group continued to seek for alternative raw materials usage to replace own natural resources, below some initiatives carried out in Türkiye.

Izmir plant: 751,000 tons alternative raw materials as well as by-products/wastes of other industries were supplied from several sources that allowed the Group to reduce own deposits (natural resource) consumption as well as creating positive economic contributions for stakeholders and the environment, since such materials must normally be transported long distances and dumped at backfilling sites.

Trakya plant: 46,000 tons of ground ash from 29 different companies was used in 2022. Such usage contributed to clay and iron raw material resources substitution and clay resource and land conservation.

Elazig plant: 14,000 tons of marble processing dust could have been collected and used in 2022 to substitute for limestone usage. Although the contribution to own reserve conservation is limited, such usage has a significant positive impact in terms of land clearing of our stakeholders.

Life on land

- Cementir follows 'avoid, minimise and mitigate' principle for any potential impact on the lands that may occur because of quarrying activities.
- Compliance with all land and environment legislations linked to quarrying activities is a minimum requirement for Cementir. Accordingly, the Group carefully follows and monitors all local requirements as a minimum, and beyond that it applies international good and best practices for improvement where possible.
- Cementir targets full extraction of authorised raw material areas in order to minimise land disturbance with the support of full-scale and optimised mine life plans and expansion of existing quarries rather than developing new sites. Cementir starts rehabilitation of benches that are no longer in use while the quarry is still in operation.
- Cementir starts addressing biodiversity at Group level and it will manage the impacts through biodiversity management plans for high value biodiversity sites.

Biodiversity and rehabilitation

In line with Cementir's commitments, in 2022 a Group Guideline was issued to provide guidance for developing and implementing biodiversity and rehabilitation plans at quarry/pit sites to:

- standardise and improve the process of quarry rehabilitation and biodiversity management across the Cementir Group through planning, implementation and sharing of the practices both in existing and new sites,
- ensure common understanding and consistent reporting of KPIs on biodiversity and quarry rehabilitation in line with cement and aggregate industry and by

doing so, monitoring the performance of its rehabilitation and biodiversity commitments and supporting transparent communication with its stakeholders,

- leave the sites safe and stable for future use of the land, and which may or may not be related to the values of biodiversity,
- identifying biodiversity sensitive sites and having whole life plan and strategies to avoid or minimize the impacts and even to restore and enhance the biodiversity value.

Following the issuance of Cementir's guidelines in 2022, the Group has started reviewing its quarry rehabilitation plans, which are already in place for more than 95% of all quarries, as well as unearthing the available information regarding biodiversity. Cementir uses and refers to environmental impact assessments (EIA) as a first source to obtain relevant information as it is an essential precursor to any quarry operations and provides among others a baseline assessment.

Cementir Group reaffirms with its guideline that compliance to all regulatory requirements for extraction sites for rehabilitation and biodiversity management is a minimum requirement at all extraction sites.

It targets to have ***Rehabilitations Plans*** in place and executed in all extraction sites (100%) regardless of its requirement defined by local regulations.

The specific characteristics of each site include:

- Legislative requirements in the area /permit
- Post-closure land use
- Safety and stability conditions
- Characteristics of the deposit (geology and hydrogeology) and mining plan for the quarry
- Climate, environmental and social characteristics of the site and surrounding area
- Stakeholders
- Biodiversity value

Which are key points to be addressed in the rehabilitation plans while:

- mitigating the impacts identified in Environment Impact Assessments
- implementing progressive rehabilitation as good practice where possible
- sustainable use of land after closure
- mitigating the impacts on biodiversity
- improving the rehabilitation towards restoration

will be promoted in the new rehabilitations plans and in the action plans to improve existing plans.

Cementir targets to develop ***Biodiversity Management Plan*** for all the sites that are sensitive to biodiversity and have high biodiversity value. Accordingly, the Group initiated an evaluation process to identify biodiversity value of its extraction sites. Throughout the identification process, Biodiversity Management Plan preparation will take place for any site that can be identified as having high biodiversity value.

Biodiversity Management Plans will be prepared complementary to Rehabilitation Plans for high biodiversity value sites, whereas it will be directly integrated into the Rehabilitation Plans for the sites with medium or low biodiversity value.

In line with the cement industry guides (ref. Cembureau Biodiversity Roadmap-2021):

- ecosystem rehabilitation & ecosystem services,
- pollinators,
- invasive species,
- protected species,

will be focused for setting Biodiversity Management Plan objectives or for a specific biodiversity project.

Temporary habitats in quarries play an important role, contributing positively to biodiversity and restoration. Therefore, generating temporary habitats along with extraction operations will be promoted and to be monitored as a performance indicator.
The Cementir Group targets to consolidate performance monitoring indicators both for rehabilitation and biodiversity as defined by Group Guidelines and to announce progressively following the completion of as-is situation reviews.

Active projects

"Life in Quarries" Project – CCB

We feel rightly proud of being a partner of the 'Life in Quarries Project' in Belgium which came to an end in 2021 but in fact a new journey started for us, observing our achievements and maintaining and even increasing the pace of our biodiversity actions.

The project started in 2015, co-founded by the European Commission, the Walloon Region (Belgium) and the Belgian extractive sector to develop, optimise and protect the hosting potential for biodiversity in active extractive sites in Belgium, which CCB participated in with its Clypot and Gaurain quarries.

Each year starting from 2022, a summary annual report started to be drawn up in order to list the actions carried out and publish the monitoring indicators.

The report is being automatically sent to the authorities.

2022: post-Life
Commitment to maintain life actions to keep for a period of 15 years.

"Enhance Barry" Project - CCB

To be able to benefit from the experiences and learnings obtained from *Life in Quarries Project*, we initiated a new project at the Barry site (2022) which is currently inactive but will be one of the main raw material extraction sites in the future.

With a full-life time mining plan already established, the project targets to create temporary as well as permanent ponds to attract some species like natterjack toad and crested newt, to observe and enhance biodiversity inventory in the quarry.

Project is funded and managed internally while local expertise support and stakeholders exchange is constantly in place for improvement.

Creation of ponds (for natterjack toad and crested newt)

Planting of a protective hedge around the tunnel entrance

Biological inventories (Latest survey in the tunnel January 18,2023):

Constant increase in the number of bats since 2010. Ex Plecotus auratus

"Biodiversity value assessment in a limestone quarry"- Cimentas

Izmir's limestones quarries decided to be studied to identify their biodiversity value, even if for some of them the operating rights were obtained before the legislation to have environmental impact assessment (1993) to operate. It is normally a baseline information expected to be found in environment impact assessment documents, but in this example such an assessment is not available and not requested by law. Likewise, the choice made denotes the virtuous commitment of the whole Group to act for biodiversity initiatives beyond legislative requirements as promoted.

Following the internal desk and literature review studies, an expert support decided to be taken and the project team was established in 2022 with a participation of a flora expert, fauna expert and a mammologist who are teaching at different universities.

As a result of desk and site studies, biodiversity inventory and protection status have been identified in all the quarries and a 'medium value biodiversity' overall judgement has been reached.

Group is now working on an action plan to address identified risks, mitigate impacts and develop stakeholder involvement mechanisms on the actions to be prioritised.

Gaurain Quarry Water Valorisation – CCB

Similar to the project of quarry water valorisation in Clypot Quarry (see 'Responsible and efficient use of water'), under the Walloon Region coordination, CCB signed an agreement in 2022, with Société Wallonnie des Eaux (SWDE) who is an autonomous public company works for water production (catchment, pumping and treatment), the supply of drinking water through pipelines and the protection of water resources intended for human consumption with a target of pumping 1,7 Mm^3/y from the old quarry of Gaurain to SWDE to reach the drinkable water net (Transhennuyère).

This project is another example of our dedication on circular economy and showing the importance of our partnerships on the route to achieving our goals.

Development of the project

- In 2023: works in the quarry and pipe between the quarry and SWDE (Société Wallonnie des Eaux) station
- Mid 2024: start of valorisation.

Aalborg Portland Chalk Pit Progressive Rehabilitation & Biodiversity Project

Aalborg Portland covers an area of 1,200 hectares, of which 188 are used for cement production and a chalk quarry where raw materials are extracted. The remaining 1,012 hectares consist of lakes, forests, meadows, salt marshes, fallow land and agricultural land. Aalborg Portland's primary raw material needs are supplied from the chalk quarry, where progressive rehabilitation continues alongside quarry extraction activities.

Aalborg Portland is participating in a project which was initiated in 2021 alongside regional authorities, universities, the Danish Nature Agency and the Danish Environmental Protection Agency. The basic principle of the rehabilitation plan is to create a scenic space with slopes, soft green hills with a difference in height.

Aalborg Portland has already established hills and slopes, applied for an extension of the rehabilitation plan, with the aim of creating a vantage point with a view of the lake and the factory.

Today, the north-western slope is designated as protected pasture for a number of species that have been found around the quarry. With this new designated area, even more biodiversity can be created. The project aims to investigate how the local environment can be improved while Aalborg Portland's chalk pit is still active. We are very excited to be involved in such an initiative with our partners, which perfectly fits and supports our Life on Land and Partnership for the Goals priority SDG goals.

Partnerships for the goals

- As a member of Global Cement and Concrete Association, CEMBUREAU (The European Cement Association), TurkCimento (Cement Manufacturers' Association - Türkiye), FEDIEX (Extractive Industry Federation Belgium), AGUB (Aggregate Manufacturers' Association - Türkiye), we collaborate and actively participate in workshops, initiatives and projects related to quarry activities, specifically for rehabilitation and biodiversity management and improvements.
- We are in active dialogue with government bodies to ensure our compliance with our permits and beyond that for specific initiatives regarding land management, rehabilitation, and biodiversity.

Our Commitments

- We will have Rehabilitation Plans for all active sites.
- We will have biodiversity enhancement recommendations to be integrated as part of Environmental Impact Assessments or Rehabilitation Plans for any new extraction site.
- We aim to assess all extraction sites and identify the sites having high biodiversity value.
- We aim to have Biodiversity Management Plan for all high biodiversity value sites.

Targets

- Rehabilitation plan in all active sites by 2025: 100%.
- Biodiversity value assessment of active sites by 2030: 100%.
- Biodiversity value assessment of all sites and Biodiversity Management Plan for high biodiversity sites by 2030: 100%.

Other air emissions management

All the cement plants of the Cementir Group are fully compliant with the limits concerning emissions provided by local regulations and authorities. To achieve this objective the mentioned plants have been provided with appropriate technologies that minimise emissions if needed (e.g. Electrostatic Precipitators and fabric filters for dust, Low NO_x burners and Selective Non-Catalytic Reduction systems for NO_x).

Monitoring and reporting of air emissions are a fundamental part of the Group's activities to minimize the impact on the environment. In particular, continuous Emission Monitoring Systems (CEMS) are efficiently established to monitor the main pollutants - dust, nitrogen oxides (NO_x) and sulphur oxides (reported as SO_2) - emitted in the stack of kiln lines.
In cement manufacturing emissions of Volatile Organic Compounds (VOCs) - measured as Total Organic Compounds (TOC) -, volatile or semi-volatile heavy metals and their compounds, and polychlorinated dibenzodioxins and dibenzofurans (PCDD/Fs) are also relevant. These emissions depend on kiln and process design as well as on the composition of raw materials and fuels, including biomass. Non-volatile metal compounds remain within the process and exit as a part of the clinker composition.
In 2022, we extended[26] the monitoring through CEMS and discontinuous measurements to 100% of all emissions and also increased the frequency (at least equal to or higher than required by emission permits). In the meantime, we verified the appropriate application of the Group's guidelines and the accuracy of the collected data.
Process monitoring and control is a fundamental part of the Environmental Management System implemented in each cement plant. In 2022 more than 90% of our total clinker production took place in sites where the Management System is certified ISO 14001. We aim to obtain the mentioned certification for all cement plants by 2025.

During 2022:

- No fines and/or penalties were received related to air emissions management;
- A remodulation in the production planning of white / grey cement and some operational upsets contributed to the increase of NO_x specific emissions (compared with previous years);
- Heavy metal emissions measurements were carried out in all plants and reported;

[26] According to the Group's Guidelines and GCCA Sustainability Guidelines for the monitoring and reporting of emissions from cement manufacturing.

- In the verification process an error concerning data on dust, NO_x and SO_2 of one of the site's emissions was identified and the related data updated with no significant impact on the calculation of specific emissions in 2020 and 2021.

Air emissions	2022	2021	2020
Dust			
tons	206	213	162
g/t of clinker	25	25	19
NO_x			
tons	10,922	10,583	10,563
g/t of clinker	1,353	1,206	1,242
SO_2			
tons	1,578	1,982	1,960
g/t of clinker	195	226	230
Clinker produced with CEMS of dust, NO_x and SO_2			
% of total production	100	100	100
TOC			
g/t of clinker	44	43	54
n. of kilns reporting	17	17	16
Hg			
g/t of clinker	0.006	0.014	0.009
n. of kilns reporting	17	17	17
PCDD/Fs[27]			
µg TEQ /t of clinker	0.014	0.034	0.016
n. of kilns reporting	17	17	16
∑Cd, Tl			
g/t of clinker	0.009	0.014	0.014
n. of kilns reporting	17	16	15
∑Other heavy metals[28]			
g/t of clinker	0.11	0.11	0.10
n. of kilns reporting	17	16	15
Clinker produced with CEMS and discontinuous measurements of all emissions			
% of total production	100	95	86

[27] PCDD/Fs (Polychlorinated dibenzo-p-dioxins and polychlorinated dibenzo-p-furans; they include the 17 congeners of the NATO scheme adopted internationally and are reported as international Toxic Equivalent, TEQ).
[28] Sb, As, Pb, Cr, Co, Cu, Mn, Ni and V.

We value our people

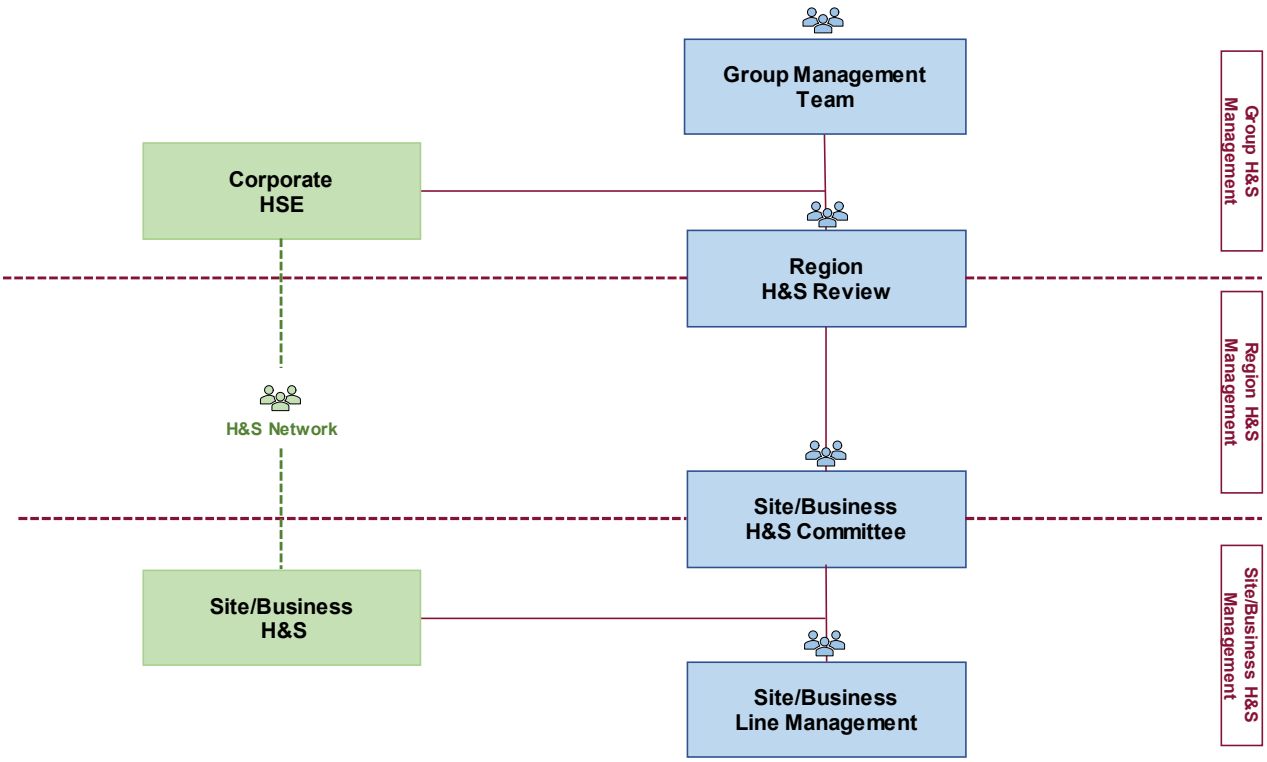
We attract and value talent and ensure a safe and stimulating work environment for our people, who are our most important resource.

Concretely safe

Health and Safety culture, Health and Safety attitude

We are strongly committed to the development of an effective and preventive safety culture: 'Each one protects everyone' is the correct approach for all workers, at every level of the organisation.
We are aware that all accidents and work-related diseases are preventable through proper and timely design, planning, procedures and practices.
Over the last two years the Group started on a management path of improvement, the results of which are beginning to positively reflect the actions implemented.

A strong H&S Governance



The **Group Management Team (GMT)**[29] – formed by Corporate and regional representatives - ensures adequate monthly monitoring of performance and progress of action plans put in place by each operating company to ensure constant improvement. The Corporate Health, Safety & Environment Function supports the Group Management Team in performance analysis and evaluations and proposes changes to Group policies, guidelines and standards.

The **Corporate Health, Safety & Environment Function** is in charge of the definition of H&S Guidelines, Rules and Standards at Group level and of supervising the ongoing implementation, management, and communication of the same. It coordinates local H&S managers functionally and provides advice to Regional senior management on the implementation of policies and procedures including the identification of improvement opportunities in operating activities. The **Group Guidelines, Rules, and Standards** on Health and Safety Management – which are periodically updated - indicate the expected requirements, according to recognised best practices in the industry. The guidelines are focused on the ISO 45001 systemic approach.

The global interconnected **Health and Safety Network**, coordinated by the Corporate Health, Safety & Environment Function as technical area, supports all organizations to share competences, good practices and initiatives. The Network consists of all managers/coordinators on Health & Safety at site/business level which support the line management technically in the implementation of management system locally (e.g. risk factors identification and assessment, safety operating procedures, operational standards and controls, incident investigations, inspections, etc.). The Network deliverables are constantly distributed to all workers through local Health & Safety (e.g. safety

The World Day for Safety and Health at Work - April 28

Every day we are committed to ensuring safe workplaces and operations. It's also part of this attitude to celebrate the way to take care of each other. Following this concept, on April 28th we celebrated, at all plants and locations worldwide where we operate, the World Day for Safety and Health at Work, declared by the International Labour Organization (ILO), promoting the prevention of occupational accidents and diseases strengthen the principle where each one protects and takes care everyone. The level of involvement and active participation of workers has confirmed that the path undertaken is the most effective one. Issues relating to Job Safety Analysis, one of our Golden Rules, were addressed through specific initiatives such as team simulations, safety walk&talks and training sessions.

[29] The GMT, composed of the Group COO, CFO, Sales Officer, Procurement Officer, Technical Coordinator Officer, Information Technology Officer and Head of Regions, supports the Group CEO's decisions on relevant topics, defines operating guidelines and plays a vital role in ensuring that sustainability efforts are aligned with economic and business objectives

alerts, common rules and standards, etc.). During 2022 the Network met 11 times (8 in 2021).

Every Site/Business in each Region has appointed its own **H&S Committee** chaired by the relevant senior manager (e.g. plant manager) with the participation of line managers, H&S manager and workers representatives. Additional monitoring and control governance tools are provided at the operating department level.

During the year, we defined and implemented common leading indicators across the Group. The monitoring of action plans and the measurement of their effectiveness, through these indicators, is making it possible to better understand the link to results in terms of accident prevention.
In 2022, the **Health and Safety Balanced Scorecard** tool - developed by the Corporate Health, Safety & Environment Function - was implemented in 4 cement plants. This tool is meant to verify the management levels achieved considering the objectives set and the Group minimum requirements measured with lagging and leading indicators.
Specific health and safety targets are considered in short-term remuneration for representatives and managers based on risk level of the different business (please see the paragraph '*Remuneration strategy*' for further details).

What we are boosting on

Leadership in Practice
- Managers Safety Walk&Talk program focused on behaviors
- Participation in incident investigations
- Training program on 'Concrete Leadership'
- Safety Leading Targets

Commitment & Responsibility
- Interdependent approach to safety starting from induction phase
- Proactive contribution of all workers
- Positive reinforcement (e.g. Safety Valuable Behavior)
- Procedures effectiveness and discipline in practice

Risk Management
- Identify hazards in all conditions
- No work prior to proper risk assessment and authorization
- Training program on 'Job Safety Assessment'
- Timely implementation of preventive and corrective actions that are identified

Involvement & Participation
- Regular Committees and operational meetings

- Periodic toolboxes at department/shift level on the main risk factors
- Participation in the preparation of safety operating procedures
- Participation in incident investigations and results dissemination (e.g. Safety Alert)

Competence & Awareness

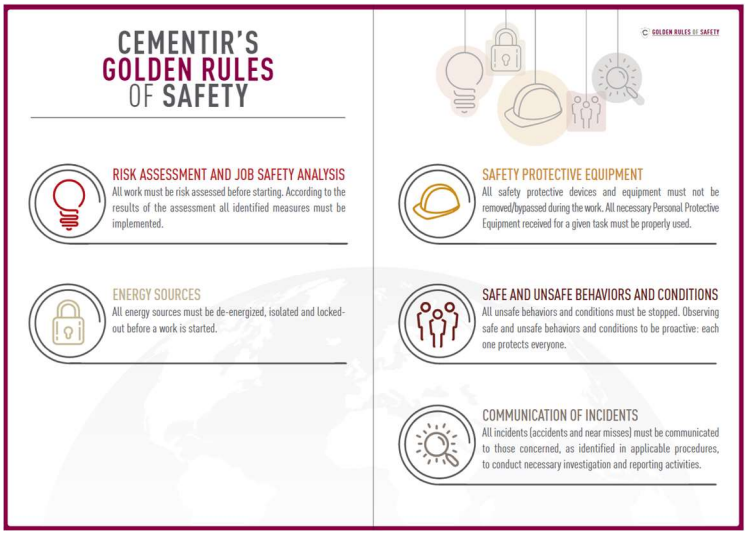
- Safety training on both technical skills and personal attitudes
- Training matrix including all workers and jobs
- Periodic campaigns on incident communication and reporting of unsafe behaviors and conditions
- Safety attitude as an evaluation factor on individual performance

Continuous Improvement

- Learning from events through Root Cause Analysis
- Systemic implementation and reviewing of standards and best practices
- Monitoring of both lagging and leading KPIs and auditing (including contractors)
- Valuable Safety Behaviors

The Group Golden Rules of Safety

Our life-saving rules impact awareness and behavioral change



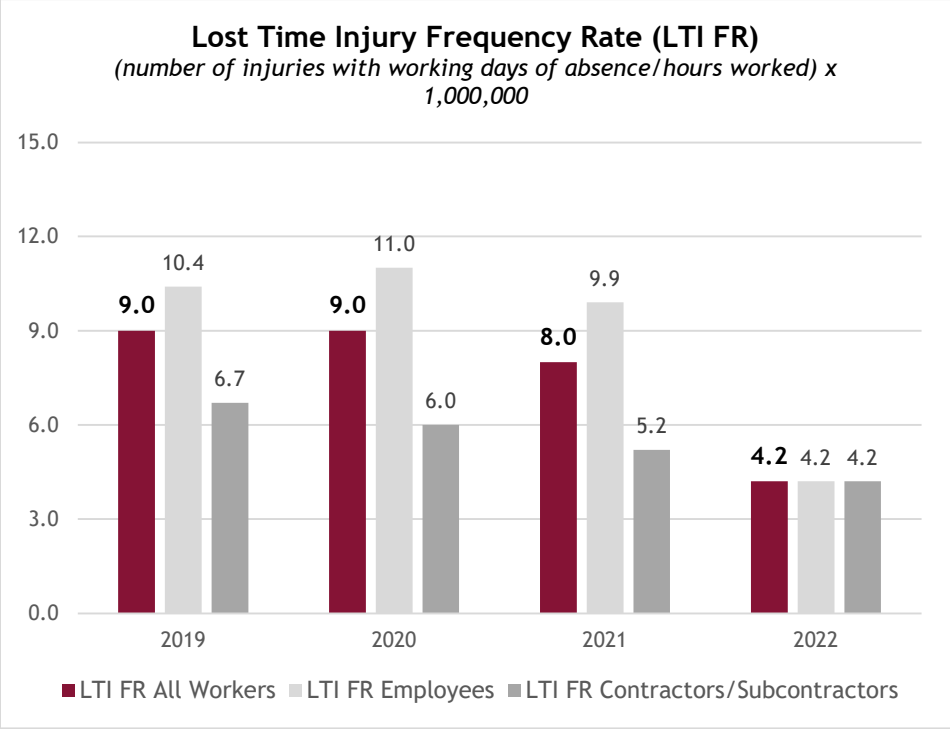
Our Health and Safety Management System

Our framework for the prevention of work-related incidents and illnesses is the effective implementation and maintenance of the Health and Safety Management System according to the ISO 45001 standard, the Group guidelines and standards and the regulation in the countries where we operate.
The **Management Systems Certification Programme** has been completed. As planned, all cement production plants are now ISO 45001 certified.

We strongly believe that the goal we achieved leads to the harmonization of preventive practices through the entire Group and is aimed to improve management and safety performance.

In 2022:

- No Fatal or High-Consequence injuries occurred among employees and contractors/subcontractors;
- Unfortunately, in Denmark a cyclist died because of a traffic accident with one of our trucks;
- The number of Lost Time Injuries (LTI) has been reduced by more than 40% compared to 2021;
- Total Recordable Injury Rate and the Lost Time Injury Rate improved by 34% and 51% respectively compared to the previous three-year average values;
- The Severity Rate of injuries has also decreased (-38% globally). The most significant improvement is for employees (-59% in lost time injury rate; -49% in injury severity rate);
- No occupational illness allegations were received.



We had an increase in hours worked especially regarding contractors mainly due to scheduled plant maintenance and shutdown activities in cement. Specific cleaning campaigns were also carried out. In addition, new facilities and several industrial projects started during the year.

All incidents, starting from High Potential events, have been analysed in terms of root causes and corrective/preventive actions implemented/planned. In 2022, the main causes of incidents were slips, trips and falls (about 40% of the total) mostly

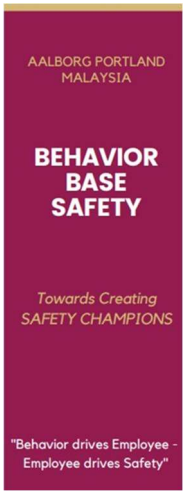
concerning behaviors on which we have launched specific training and awareness-raising initiatives.
During the year training activities have significantly increased compared with previous years on both technical and behavioural aspects.

Behavior-Based Safety (BBS) program in Ipoh, Malaysia

The aim of a BBS program is to increase workers' awareness based on behavioral observations and improve safety conditions. The program is also focused to provide workers with effective feedback and reinforcement.
In Ipoh cement plant the program is following these main steps:

- Create the BBS program team and train it, underline list of unsafe behaviors and determine measurement system and tools (e.g. check lists), choose target behaviors (e.g. from safety audits, near miss reports, toolbox talks and other forms that contain safety related information), identify Safety Champions.
- Perform behavioral observations, provide appropriate feedback on the behavior of the workers, utilize observing data and make necessary changes (e.g. monitoring, interventions approach, audit skill, reporting ability, etc.), remind workers to focus on the safety processes and not on the results.
- Cascade the BBS system to others via Safety Champions, sustain safety leadership, commitment and BBS principal within Safety Champions.

Currently, the program is at the end of the first phase. Some behavioral observations are started. The results are very satisfactory mainly because the program is integrating all leadership initiatives focused for now on department managers and supervisors.



Almost all the employees are included in the health monitoring programmes, taking into account the task risk evaluation for each of them. In 2022 health checks were about 1,700 in accordance with the health protocols identified.

Although during the year the Covid-19 pandemic has been improving, the Group continued to encourage worker access to non-occupational and healthcare services. We focused on facilitating prevention, such as, where possible, making agreements with private laboratories for the performance of swab tests.

Risk analysis and policies adopted

The Cementir Group continues to consolidate the facilities that operate in 18 countries and on 5 continents, with the aim of increasing human resources integration and strengthening the organisational platform. The current market landscape and the increasingly global context in which the Cementir Group operates demands timely, targeted decisions to respond to the various organisational, remuneration, development, labour law and trade union requirements. The Cementir Group has identified a specific risk related to people management, namely the loss of knowledge and professional skills that leads to discontinuity in work. In order to monitor this risk, the Cementir Group has adopted specific KPIs and targets and a solid exit-interview process to understand the main reasons/trends related to voluntary resignations.

In 2022, the Group continued the growth and standardization plan of its organisational strategy, launched in recent years, to make its structure more robust, achieve targets set in the Industrial Plan 2023-2025 and to respond more effectively to market trends and changes. In particular, we have continued to secure, according to the previous years' strategy, several key processes by continuously adopting or reviewing policies and procedures (e.g. Group Quality, Group Antitrust, Group Diversity, Equity and Inclusion) as well as adopting corporate and local standard organisational structures defined and designed in recent years, to consolidate our skills according to the evolving context and to be able to perform job rotation across our Group.

Furthermore, we have continued our commitment to the European Works Council to strengthen our relationship by organising, in June 2022 in Rome, a dedicated summit aimed at sharing the main results of the year and the strategic initiatives in progress across the Group.

We have continued to work on the Cementir 4.0 programme in Belgium, Denmark and Türkiye in order to improve our operational efficiency mainly in technical and supply chain areas, focusing on Maintenance 4.0 and Warehouse 4.0. In 2022, we started the expansion of the Cementir 4.0 programme in the Asia Pacific region, both in China and in Malaysia with a particular focus on Maintenance 4.0, and we set the foundation for implementation of the Business Process Re-engineering Program (BPR) in order to define a standard operative model at group level with a preliminary focus on the Procurement to Pay process

During 2022, we continued the digitalisation process supporting the entire organization thanks to the implementation of the Budget Tool, aiming at defining and periodically updating budget data at Group level.

For core HR processes, the Group confirmed its investment in the Performance Management process with the continuous evolution of SAP platform functionalities.

Group People Survey

The Cementir Group's HR strategy, as the enabler of our Group's Business Strategy, is focused on three main pillars: Group Integration and Identity, Organisational Effectiveness and Agility, and People Development and Engagement.

In line with the Group HR strategy, in November 2022 the Cementir Group launched its second Global People Survey, 'Your Voice'. This survey involved, as already performed in 2019, all Cementir employees. The comprehensive communication strategy deployed, together with the ownership of the initiative displayed by management teams, generated engagement among our employees, with an overall participation rate of 88% (+5% vs 2019 result).

The survey focused on engagement and enablement exploring how people feel, what motivates them and how employees perceive their job, professional working relationships and the work environment.

The results will be fully communicated to the entire organisation in 2023, but the main highlights are:

- Engagement and Enablement levels are increasing compared to 2019 (65% of employees are Engaged +3 points vs 2019, and 63% are Enabled, +1 point vs 2019)
- Intention to stay is improving this year, compared to 2019 results (+2 points vs 2019). It furthermore remains above the two benchmarks considered, one related to High Performing organizations around the world (+5 points) and the other one based on 600 organizations operating worldwide in a variety of industries (+10 points).

The next phase of results' wide spreading will be followed by the launch of specific action plans both at local and Group level. The global action plan will be defined, approved, implemented and monitored by the Group Senior Management Team with periodical updates to all the employees.

Employee Experience Team

In 2022 the **Employee Experience Team** was formed in Türkiye with the purpose of involving employees in the decision process. Their involvement is aimed at increasing employees' engagement and motivation.

The team, with the coordination of an HR member, is composed of approximately 20 employees from different departments that volunteered to join.

The Employee Experience Team meets regularly on a monthly basis to discuss about different topics, from the proposal of activities to improve the wellbeing of employees, involvement in social responsibility projects that also affects the local community and the organization of employee meetings to stimulate discussion and meeting.

The team aim to focus on the most important points that can positively impact employee engagement and motivation. Then they submit these ideas to the management team that, if it finds them interesting, approves and implements them.

Talent review and succession plans for key positions within the Group

In 2022, a Group talent review was conducted with the aim of obtaining an overview of performance trends and potential/readiness to step up into higher or more complex roles. The process also allowed us to identify key people, to be retained through development plans and to identify key roles to be ensured by a list of potential successors, in the short, medium and long term, in order to guarantee business continuity.

Work on the Group succession planning process for critical positions continued to build a strong leadership bench. The list of critical positions has been reviewed and expanded according to the Industrial Plan and the main strategic goals. A further measurement of the results obtained by mapping internal successors highlighted the improvement of some KPIs with a mitigation of the potential risk of business discontinuity and led to some personnel development decisions (e.g. Group development programmes, changes in management and international mobility programmes).

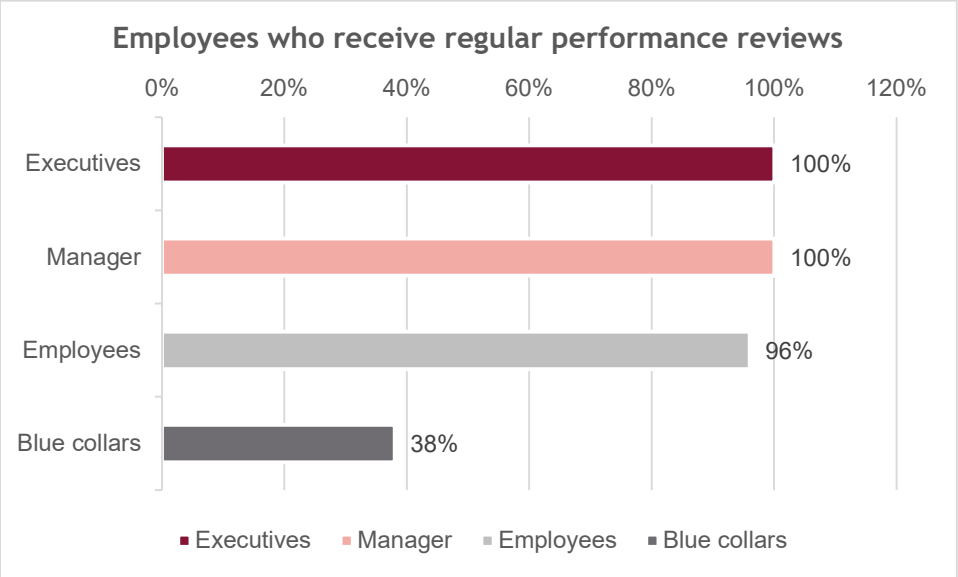
Talent acquisition

Concerning talent acquisition and assessment processes, we finalized the adoption of the reviewed Group approval policy to provide better clarification of roles and responsibilities, to ensure effective stakeholder management and to enable local accountability for each recruiting process.

The adoption of online assessment tools and structured interview processes, as well as the consolidation of a strong partnership between corporate and local HR, enabled the company to reach expected targets in terms of hire quality and employee engagement.

People evaluation and development

In 2022, the Group re-launched the Annual Group Performance Management process that involves all the executives, managers and white collar employees that were hired within the first half of the year. The employees hired in the second part of the year, will be involved in the process starting from the following year. This enables Cementir to monitor and align employees' objectives, competencies and development plans with the Group's strategic objectives. The Performance Management Process will support the development of a new way of looking at performance evaluation: not only as a tool for aligning people with business strategy but also as a process that can stimulate constant development of organisational and people skills as well as competencies.



Remuneration strategy

Cementir adopts a competitive remuneration system which guarantees a balance between corporate strategic objectives and recognition of the merits of Group employees. Using variable short and medium/long term remuneration components, the Policy is designed to facilitate the alignment of staff interests with the pursuit of the priority objective - value creation - and the achievement of financial and sustainability objectives.

The target is also pursued by linking part of the remuneration to the achievement of performance objectives established through the short-term incentive system (STI).

During 2022, the Group enhanced the ESG objectives of the STI program at all levels of the organization. Particular attention was directed to the issues of CO_2 emissions reduction, Green CapEx and Occupational H&S. Nevertheless, there are also objectives related to biodiversity, ISO certification, circularity, clinker factor reduction, human capital and development and water consumption.

The remuneration of the whole C-level is strictly linked to ESG topics (e.g. Occupational Health & Safety, CO_2 emissions reduction and so on), specifically these KPIs account for the 15% - 20% of their remuneration. ESG related issues have therefore a consistent and specific weight in the determination of the variable remuneration of senior executives.

Non-compensation benefit

In 2022, the Group started the analysis of *non-compensation benefit*[30] eligibility for which further details are displayed in the table below:

NON-COMPENSATION BENEFIT	% Employees eligible/Total n° of Employees
INSURANCE *(e.g. health insurance, life insurance...)*	67%
PENSION FUND *(e.g. private pension fund...)*	71%
HOUSE ALLOWANCE *(benefit that is given to employee in order to help him/her pay for the house)*	12%
FUEL SUPPORT/ALLOWANCE *(benefit that is given to employee in order to help him/her pay for the fuel/reimbursement of fuel expenses sustained by employee)*	9%
MEAL & CANTEEN *(benefit that is given to employee in order to help him/her pay for the meal/ canteen service)*	89%
COMPANY CAR *(company car given to the employee)*	9%
WELFARE *(broad range of benefits and services offered to employees, e.g. prepaid vouchers,...)*	15%
OTHER BENEFIT *Other benefit given to employee for specific reasons (e.g. birthday, climate conditions,..)*	10%

30 Non-compensation benefit: a type of employee benefit that holds no inherent monetary value

Cementir Academy

The Cementir Academy continued its extended mission to support Cementir strategy and business results, to develop current and future global leaders, to accelerate Group transformation and to foster diversity and inclusion across the Group. As foreseen in previous years, in 2022 we had the possibility to re-start face to face training activities that were stopped due to the spread of COVID-19.

We designed and delivered key training and development initiatives which include:

- the launch of some **new online courses** in Cementir's Academy catalogue (e.g. Cyber security);
- The **Graduate program** a global initiative dedicated to new-graduates (*Ce-Mentorship Program*) with the aim of selecting, training and growing seven young talents to build our future leaders. Four different countries (Italy, Denmark, Türkiye and Belgium) were involved with this pilot edition, focused on the technical area. The program, entirely designed and developed by internal resources, ended up in October with the assignment of the participants to a technical role to start their professional career path. More than 80 internal trainers/tutors were involved with 1,200 training hours delivered;

- The **Emerging Talent program** a key programme to develop leadership and managerial skills of our internal talents. The programme, stopped in 2020 due to the Covid-19 pandemic, was re-designed and launched in 2022 with a blended formula so that it can be implemented despite any pandemic situation. Two out of three modules have already been delivered to a pool of 35 participants coming from all over the Group with a good satisfaction score from them and the main stakeholders involved. The third module will take place in 2023 and will end the initiative. However, some follow up are planned in order to keep on investing in our talents' pool;

- The celebration of the **World Day for Safety and Health at Work** as an opportunity to focus on our Golden Rules through specific initiatives such as

team simulations, safety walk&talks and training sessions. In 2022, the key topic of the day was the 'Job Safety Analysis';

- the deployment of **functional** and **technical training** to upskill Group professional families and sub-communities (e.g. Value Stream Map).

Employee development is also supported through internal and external local training courses, accompanied by a series of other initiatives such as participation in work projects involving multiple departments and, in some cases, work experience abroad.

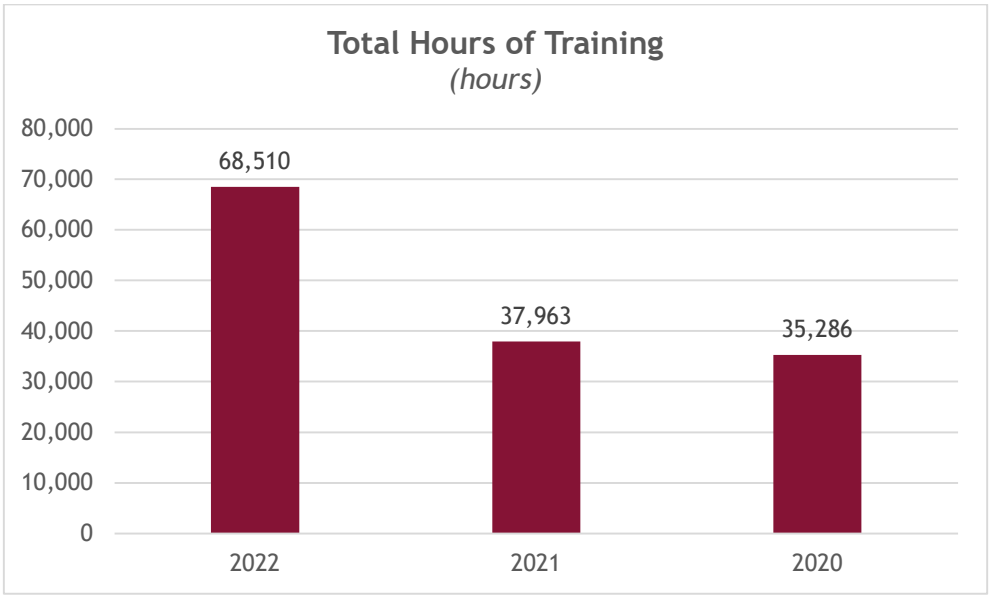
Regarding online training of Cementir's Academy catalogue all group employees, except for blue collars, are required to attend certain courses when they join, as listed in the table below.

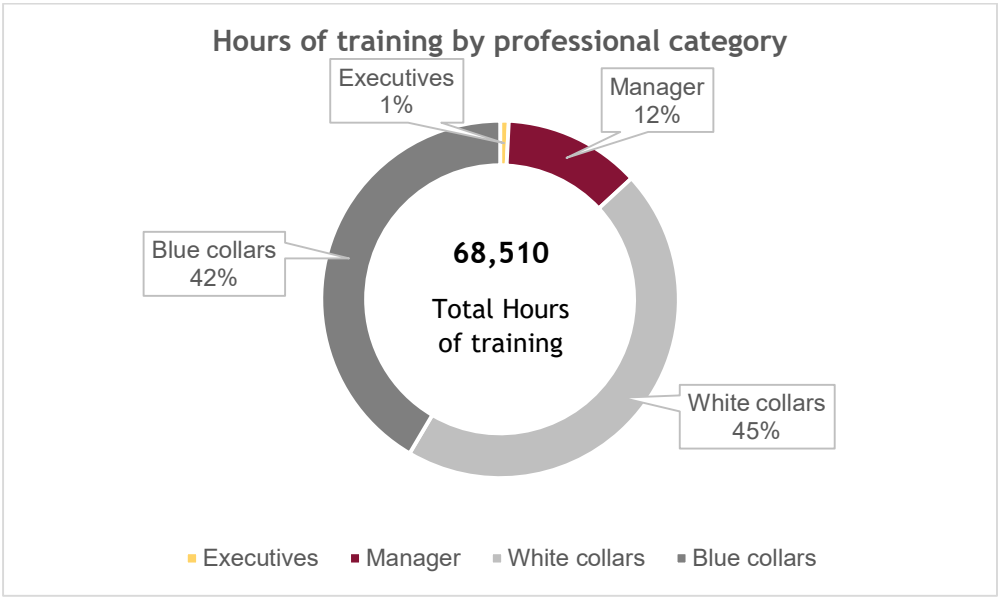
Mandatory online training for new hired employees

- Code of Ethics
- Cybersecurity
- Cybersecurity – Deepfake
- Cybersecurity – Ransomware
- Cybersecurity – Spear Phishing
- Fraud Management & Whistleblowing System
- GDPR (General Data Protection Regulation)
- Human Rights
- Leadership model
- Performance Management
- Privileged Information

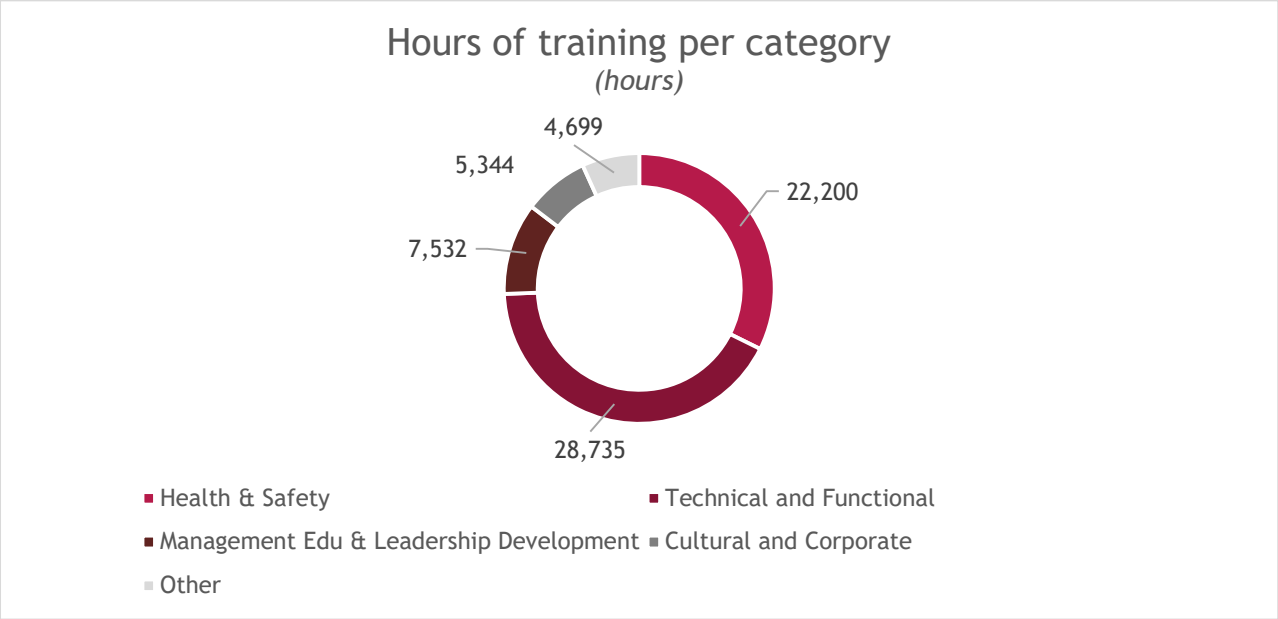
At the same time, to ensure the highest level of inclusion and accessibility, courses are mostly delivered in the local language, or if not yet possible in English. In some cases, those courses have also been extended to blue collar employees, with the possibility of multiple attendance.

More than 68,000 hours of training were provided in 2022, 22.0 hours per member of staff. The measures put in place involved the entire Group workforce in a cross-functional and balanced way covering various roles, as can be seen from the summary table of training hours by professional category.





The hours of training provided fall into various categories, ranging from Code of Ethics training to Health & Safety training, to further specific training such as environmental or cybersecurity training.



Training category	Description
Health & Safety	Training on Health and Safety topics for workers.
Technical and Functional	Functional and technical training to upskill Group professional families and sub-communities.
Management Edu & Leadership Development	Specific initiative aimed at leadership or management skills development, managed at Global or Local level. For example, the Emerging Talent programme.
Cultural and Corporate	Training on Code of Ethics, Whistleblowing System, GDPR (General Data Protection Regulation), Human Rights, Cybersecurity, Performance Management process.
Other	Other type of training, such as language courses.

Diversity, Equity and Inclusion

The production sector, where the Group is active, is historically characterised by a predominantly male workforce. Analysis of 2022 data on personnel distribution shows that 86.68% of employees are male. This is widely linked to a high prevalence of men amongst blue collar employees (the main category of staff) but in past year it has been registered a positive increase of employed women compared to 2021, which shows the commitment of the Group to gender balance.

In recent years, the Group has developed measures to promote equal gender treatment and opportunities throughout the entire organisation, starting by defining Group values and a leadership competency model in which the concepts of inclusion and diversity appreciation are well represented.

With this purpose the **Group Diversity, Equity and Inclusion policy**, published in November 2022, establishes some guidelines in the Cementir Group that promote a culture of respect for diversity, work equality, non-discrimination and the inclusion of labour groups in Cementir Holding. Through this, it strives to ensure equality of opportunities for group employees. The Group Diversity, Equity and Inclusion policy is part of the DEI roadmap, which also includes the definition of a specific action plan including the entire population of the Group.

The commitment of Cementir towards Diversity, Equity and Inclusion matters, is demonstrated by some key achievements, such as:

Objective	Target	2022 Achievement
Diversity in Cementir Holding Board of Directors	Having 1 Additional Board Member of Cementir Holding for the less represented gender by the end of 2022	1 additional member from April 2022
Diversity in CE-mentorship program	Having at least 25% for the less represented gender involved in the program;	50%
Diversity in Emerging Talent program	Having at least 25% for the less represented gender involved in the program;	29%
Diversity in Senior management team[31]	Less represented gender is at 19% (May 2022) and we target to increase by 1% by the end of 2023	22% at 31 Dec 2022

Such commitment will be strengthened extending into future years of the action plan.

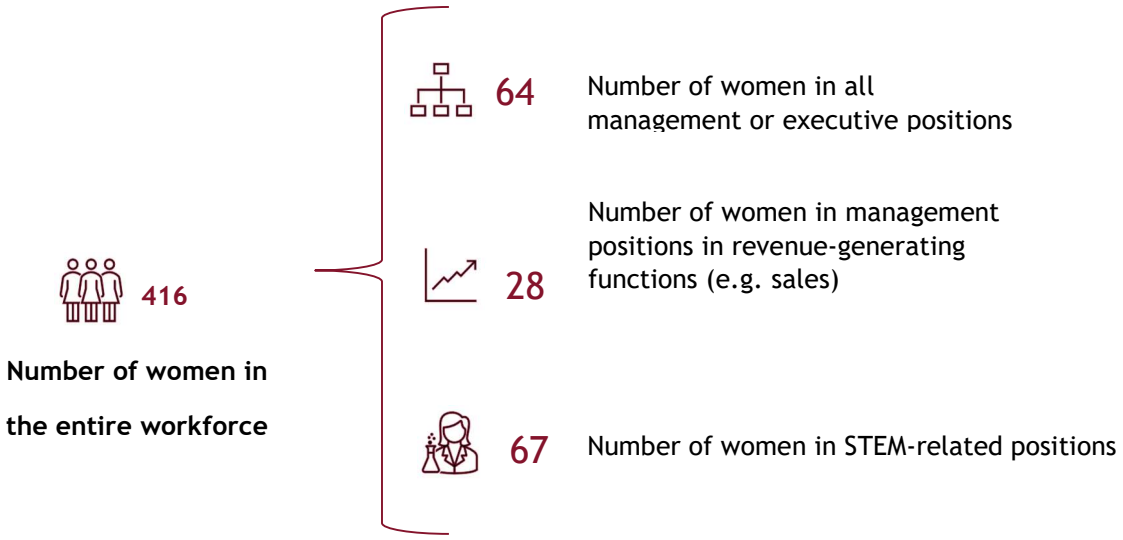
Furthermore, the organisation has always been committed to appreciating and valuing diversity in all HR processes such as hiring, management, evaluation and development, by avoiding any discriminatory approach, starting from the management of recruiting processes and in leadership and talent development programmes. Below is a breakdown of employees by professional category and age range.

[31] The senior management team is the first line reporting of:
- Group CEO/COO
- Group Chief Professional family
- Head of Region/ BU Managing director.

It includes the level N-1 and N-2 in the organization without taking into account the assistant roles and the non-core businesses activities (e.g. Waste).

	31-12-22			31-12-21			31-12-20		
Executive Manager	Men	Women	**Total**	**Men**	**Women**	**Total**	Men	Women	**Total**
<30	0	0	0	0	0	0	0	0	0
30-50	9	3	12	10	3	13	16	3	19
>50	28	1	29	34	1	35	34	1	35
Manager									
<30	13	0	13	13	1	14	11	1	12
30-50	151	45	196	151	45	196	144	36	180
>50	104	15	119	104	13	117	109	12	121
White Collars									
<30	74	57	131	66	44	110	46	30	76
30-50	314	164	478	318	163	481	347	177	524
>50	201	75	276	205	80	285	184	72	256
Blue collars									
<30	213	7	220	214	5	219	178	4	182
30-50	942	42	984	960	39	999	983	34	1,017
>50	656	7	663	648	7	655	584	3	587

Shown below the number of women, recorded in 2022, at different levels of responsibility.



Definitions

Revenue-generating functions: Refers to line management roles in departments such as sales, or that contribute directly to the output of products or services. It excludes support functions such as HR, IT, Legal. May also be referred to as roles that have P&L responsibility.

STEM: Science, technology, engineering and mathematics. STEM workers use their knowledge of science, technology, engineering or mathematics in their daily responsibilities. To be classified as a STEM employee, the employee should have a STEM-related qualification and make use of these skills in their operational position. Positions include, but are not limited to: computer programmer, web developer, statistician, logistician, engineer, physicist, and scientist.

With respect to the themes of diversity and inclusion the Group has carried out an initial analysis on the opportunity to benefit of the parental leave, verifying that it is present in each country of the Group, with differences related to times and methods according to the local regulations. The Group is committed to providing further details and figures related to this KPI starting from 2023 as well as providing data and further analysis on gender pay gap and related annual average compensation.

The Cementir Group operates internationally and for us managing diversity also means paying attention to cultural and religious differences. The Group is respectful towards religious sensibilities in the various countries: in Malaysia, for example, special prayer rooms have been set up in the plant, according to the differing

religious beliefs of employees. Moreover, consumption of certain foods has been avoided out of respect for cultural differences.

The fundamental conventions of the International Labour Organization (ILO), concerning the abolition of forced labour, collective bargaining and the elimination of child labour and discrimination have been ratified[32] in most of the countries where the Group operates. In those countries where they have not been ratified, the Group has defined clear policies relating to these agreements in the Code of Ethics, which states: *'The Group offers the same opportunities to all workers and expressly forbids any form of abuse by those in positions of authority or coordination. Abuse means any behaviour that results in requesting, or persuading to offer, services, personal favours, or other benefits detrimental to the dignity, professionalism or independence of others. All recipients of this Code, defined by national and international legislations, are required to refrain from engaging in illicit behaviour that is harmful to an individual, such as, but not limited to, offences against the individual, child labour, people trafficking and child pornography'.*

In addition, our Group Human Rights Policy has been published in order to raise awareness of these important topics among our employees and our suppliers and a structured audit process on human rights (as explained in the paragraph '*Human Rights audits performed in 2022'*) has been regularly carried out in each country. Cementir is also working on the training plan to support the dissemination of these topics.

[32] Freedom of Association and Protection of the Right to Organise Convention, 1948 (No.87); Right to Organise and Collective Bargaining Convention, 1949 (No. 98); Forced Labour Convention, 1930 (No. 29); Abolition of Forced Labour Convention, 1957 (No. 105); Minimum Age Convention, 1973 (No, 138); Worst Forms of Child Labour Convention, 1999 (No. 182); Equal Remuneration Convention, 1951 (No. 100); Discrimination (employment and occupation) Convention, 1958 (No. 111).

Workforce numbers and composition

The Cementir Group workforce comprises 3,121 employees, spread across 18 countries and 5 continents, as well as 748 contractors.

Cementir employs contractors primarily for the execution of operations inside the quarries and packing operations inside the cement plants.

The Group's workforce is mainly composed of personnel hired with permanent and full-time contracts. For details on employees by gender and by Country, see the Tables on the composition of personnel by country in the Appendix.

The table below summarises[33] the main workforce figures by category as of 31 December 2022.

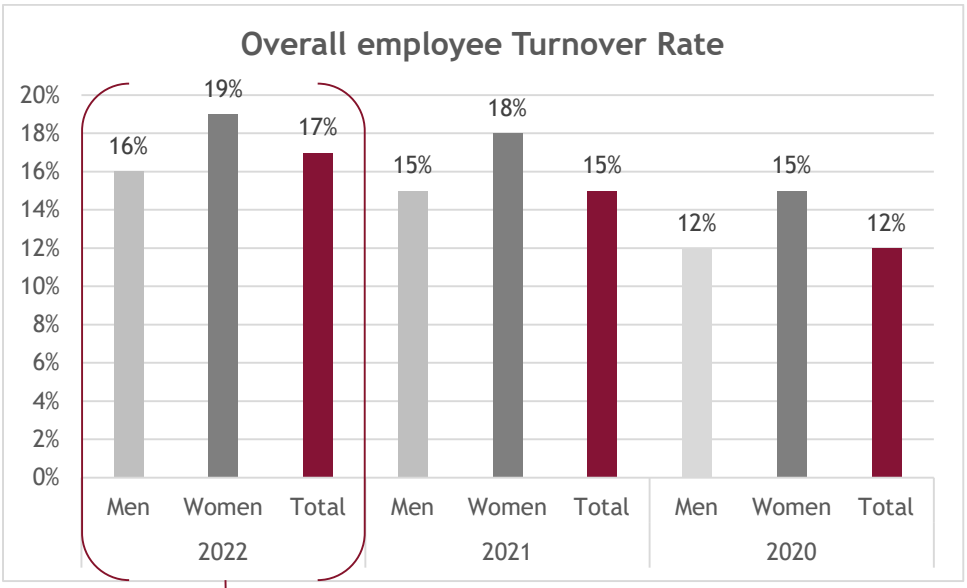
Cementir Group	Headcount as 31-12-22			Headcount as 31-12-21			Headcount as 31-12-20		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Employees	2,705	416	3,121[34]	2,723	401	3,124	2,636	373	**3,009**
Contractors	741	7	748	765	7	772	778	6	**784**
Executives	37	4	**41**	44	4	**48**	50	4	**54**
Manager	268	60	**328**	269	59	**328**	264	49	**313**
White collars	589	296	**885**	588	287	**875**	577	279	**856**
Blue collars	1,811	56	**1,867**	1,822	51	**1,873**	1,745	41	**1,786**
Total			**3,121**			**3,124**			**3,009**

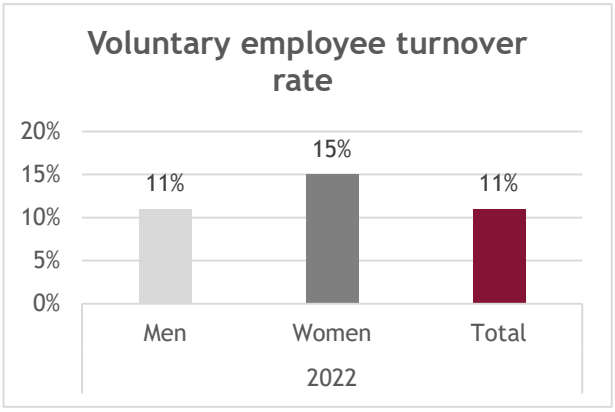
In 2022, the overall turnover rate increased to 17%, up from 15% in 2021 and 12% in 2020. To investigate on the increase of turnover rate, an internal analysis was carried out focusing on the termination reasons and the reasons for leaving. The difference between 2022 and 2020 turnover and the relative increase is mainly related to the Covid-19 pandemic situation during which a decrease in turnover rate was registered compared to the previous years. With the delating of restrictions and the return of the industry environment to a more stable condition the value of the turnover rate has increased.

At the same time, Cementir has also compared its turnover rate with the rate declared by the main competitors. The analysis pointed out that in the period 2020 and 2021 the turnover rate has been in line with the peers.

Cementir is committed to continuing the analysis on a yearly basis in order to identify the main reasons for leaving and consequently possible actions/strategies to mitigate the turnover rate. The turnover risk has also been investigated and analysed through specific question in the most recent 2022 People Survey 'Your Voice' and a dedicated action plan will be defined in the first quarter of 2023.

[33] The appendix contains detailed tables divided by country.
[34] The number of total employees included 100% of SCT as described into the methodology note


Overall employee Turnover Rate
20%
18%
16%
14%
12%
10%
8%
6%
4%
2%
0%
16%
19%
17%
15%
18%
15%
12%
15%
12%
Men
Women
Total
Men
Women
Total
Men
Women
Total
2022
2021
2020


Voluntary employee turnover rate
20%
15%
10%
5%
0%
11%
15%
11%
Men
Women
Total
2022

Industrial relations

Operating in different countries around the World, the Group's companies are subject to different labour regulations and, consequently, the contracts of Group employees vary according to the country in which they were hired.

Around 55% of employees across the entire Group are covered by collective bargaining agreements, and this percentage varies from country to country depending on the applicable local legislation and on the job classification categories. Therefore, even the minimum number of weeks of notice that must be given to workers for organisational changes varies according to country and professional category (some countries do not have any minimum notice periods, while in countries where they do, it can vary according to the type of organisation). The employees not covered by collective labour agreement are protected by the application of minimum wage salaries and the respective national labour agreement, if present. The external market benchmark is also another powerful tool that we use to ensure the alignment of the whole population.

The Cementir Group maintains an ongoing, structured dialogue with the representatives of its companies' European workers, in compliance with EU regulations and according to the framework adopted by the Group's European Company Committee (EWC). Throughout the year, management informed and consulted employees and trade unions on transnational issues concerning the status of its activities and other significant decisions that the Group has taken in relation to the business and its employees. The main topics discussed during the three days meeting held in Rome in June 2022 were:

- Health & Safety roadmap update with a focus on policies and rules applied at group level, communication strategy and related performance both for employees and contractors;
- ESG overview with a focus on the 2030 and 2050 goals and action plan;
- Investment and Projects update with a drilldown on the digitalization Program portfolio deep diving on Cementir 4.0 activities;
- 2021 financial results and 2022 first quarter results presentation;
- Cementorship Program;

The meeting was also an opportunity to review the situation related to the Covid-19 pandemic, updating the participants on the policies and procedures adopted as well as numbers of employees affected.

Representatives from Belgium, Denmark and Norway attended the meeting in person after two years of using video-conferencing system due to the ongoing pandemic situation.

We support our communities

We create value for local communities, listening to their needs and concerns and basing our relationships with them on transparency and accountability.

The commitment towards the community is embedded in Cementir's DNA and directly linked to the company's purpose to positively affects local communities. The company is aware that the creation of long-lasting value is strictly linked to building sustainable initiatives that strength local communities and improve their quality of life and well-being.

For all these reasons Cementir is active on several levels, some well-established and present for many years (e.g. Çimentaş Education and Health Foundation, Recovery of heat from kiln fuel), some others occasional but crucial for building thriving and inclusive communities (e.g. Marche des carrières).

Risk analysis and policies adopted

The Cementir Group is continuously improving technical solutions that reduce environmental impact and balance the interests of the company with those of local communities. The Group has identified the risk that the companies' activities, especially those related to concrete production and waste treatment, may lead to critical and/or unfavourable attitudes among local communities and local stakeholders, resulting in a deterioration of the Company's image.

Actions to mitigate this risk, particularly in Türkiye, involve communication at local level, organising community meetings with feedback sessions, stakeholder analyses and the definition of a communication plan.

For this reason, dialogue with the institutions, communities and associations affected by plant operations is essential for the continuity and preservation of the business.

The Company maintains relationships with opinion groups, trade unions and institutions at all levels, and has set up communication channels to deal with any claims or complaints from the local community.

To handle these topics, the Cementir Group has strengthened a specific function in Corporate, managing health and safety and environmental matters, that leads and coordinates all the related structures of the Group. This becomes even more important where increased urbanisation has brought towns closer to the Group's plants, particularly in Türkiye. For this reason, specific tools have been adopted to map the stakeholders that should be involved in defining actions to be implemented and in communicating important measures regarding plants operations. These tools

also enable our companies to analyse stakeholders' complaints and suggestions, in order to provide the necessary information or plan specifically focused actions.

Dialogue and support of local communities

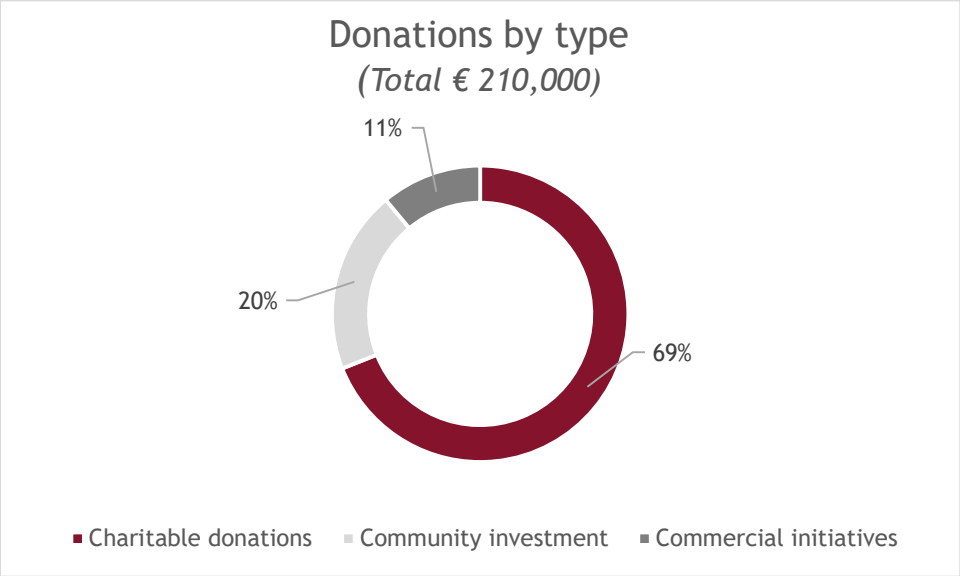
Against this backdrop, the most debated topics with local stakeholders in 2022 mainly concerned permits for the use of quarries and the introduction of alternative fuels, the streamlining and, where possible, the reduction of incoming and outgoing traffic transporting raw materials and fuel to the plants, dust levels and polluting emissions. Regarding members of the community, in some cases we focused on organising meetings with groups of residents in order to provide them with detailed information on the work and operations taking place at the Group's sites.

The proximity of Elazığ and İzmir plants to residential areas involves a constant dialogue with the local communities, who are particularly sensitive to the plants' surroundings and visual impact. To tackle these specific concerns, Çimentaş is adopting specific strategies of involvement and communication with stakeholders interested in the issue. Another issue that is particularly felt in Türkiye is the collection and recycling of waste, since there is no in-depth knowledge of waste management processes and the local community perceives some activities as risky. Precisely for this reason, the Group companies operating in this industry have decided to define a specific engagement and communication plan aimed at stakeholders. This plan entails involving opinion leaders, experts and members of the community in regular meetings, the use of multimedia channels and digital media to provide information on how waste is managed, and meetings and interaction with families living near the plants.

The whole Group, thanks to its worldwide presence, contributes to bringing substantial developments to the economic and social fabric in all the territories where it operates. This is possible, not only through the daily activities, but largely thanks to the donations, investments and commercial initiatives addressed exclusively towards the community.

In 2022, the total philanthropic contributions donated by the Group amounted to € 210,000, mainly comprising donations of cash and concrete to local charitable organisations.

The grants are grouped by type of initiative as explained in the following tables.



Category	Description
Charitable donations	Refers to one-off or occasional support to good causes in response to the needs and appeals of charitable and community organisations, requests from employees, or in reaction to external events such as emergency relief situations.
Community investments	Refers to long-term strategic involvement in, and partnership with, community organisations to address a range of social issues chosen by the Group (for example, periodical grants / donations to local schools).
Commercial initiatives	Refers to business-related activities in the community, usually undertaken by commercial departments to directly support the success of the company, promoting its corporate and brand identities and other policies, in partnership with charities and community-based organisations.

Cementir's involvement with the community is supported by projects strictly related to enhancing the local population and providing support.
The following section includes, for instance, some of the initiatives carried out during the year by some subsidiaries.

In Türkiye, cement companies and waste company donate regularly to local communities food packages, one during Ramadan (religious festivity) and the other one during the New Year, to renew their concrete effort of caring for and providing assistance to the local population.

In 2022, CCB - Compagnie des Ciments Belges reinforced its active involvement in providing support and proximity to local community.
This same year, the company opened the doors of its quarries, reducing the gap between internal and external stakeholders and allowing anyone who wishes to have access to visit its quarries.
There were two main events: '*Marche des carrièrs'* and '*Nuit en carrière'*.
Regarding the first event each year the local school (school for child 3 years old until 12 years old) organize a walk in Gaurain, the walk begins and ends in CCB car park and the walk goes through the CCB plant, quarry and the forest. CCB's employees voluntarily decide to participate and donate their time to a good cause. Employees are in fact in charge of preparing the walk and, furthermore, the day of the walk they stay at the plant to supervise for safety reason and also to give explanations about plant, activities, biodiversity and so on.
In those days event participants have also the opportunity to get into the truck and discover the topic of 'Blind spots', that usually occur when a truck or a mixer truck is driven. '*Nuit en carrière'* is another event, specifically a walk, organized on the site of Clypot to enable local residents to have the opportunity to see the biodiversity of the quarry and better understand the places where the company daily operates and its commitment to the quarry's rehabilitation and protection.

Coherently with its role, Aalborg Portland Malaysia has strongly committed toward the community and especially by supporting local schools and young people's education.
Among various activities, in 2022 the company also donated a certain economic figure to an education fund, established for the families of former company employees who have passed away.

South Türkiye earthquake

At the beginning of February 2023, a devasting earthquake have happened in Türkiye and multiple damages, physical and psychological, occurred. A phenomenon that marks an indelible wound, to which as a Group led us to immediately band together around our Turkish colleagues and their families.

Cementir has decided, through its Turkish subsidiary Çimentaş, to immediately acts and provide support in multiple ways and many employees have offered concrete contributions.

At the end of February 2023, Çimentaş has committed to donate 20 million of Turkish Lira, that approximately corresponds to 1 million euro, to provide in kind and/or cash donations and aid the earthquake victims through institutions and organizations that are legally authorized to collect them.

Below a portion of the actions taken in the immediate period since the occurrence of the earthquake [35]:

- The rescue machine was immediately activated, donating among other things: generators, drills, crushers, medical equipment, polar blankets, sleeping bags, food packages, tents, heaters and many others.
- A collaboration with a wellbeing company has been established, offering the opportunity for all employees to follow a webinar about managing the emotions after trauma. Furthermore, were also organized some online painting activities for employees' children to give them moral support.
- Some of Çimentaş' employees have chosen to act in front lines, by attending search and rescue operations in the earthquake area, by using some constructions equipment in search and rescue operations or by taking charge in disaster coordination center.
- A blood donations campaigns was internally supported and encouraged.

Çimentaş Education and Health Foundation

In Türkiye, through the Çimentaş Education and Health Foundation, established in 1986, we are committed to providing financial assistance and educational materials to families and schools. Since it was founded, the Foundation has sponsored over 500 scholarships for secondary school pupils and university students and has contributed to the renovation of various school buildings close to the plant in Elazığ, Türkiye.

Throughout the years, in Türkiye, our local Foundation has run various educational projects such as the 'Işıkkent Educational Campus', 'Çimentaş Primary School' and 'Çimentaş High School'.

Please visit the following link for further details: https://www.isikkent.k12.tr/en-US. and Çimentaş Eğitim ve Sağlık Vakfı – Çimentaş Eğitim ve Sağlık Vakfı (cesvak.org)

Recovery of waste heat from cement kilns in Aalborg

Since 1990, Aalborg Portland has provided district heating to the municipality of Aalborg.
In order to produce cement, raw materials such as limestone and sand must be burned at temperatures of up to 1500°C. Due to this high temperature process, the Aalborg Portland cement factory has enormous supplies of excess heat. One of the main sources of waste heat is the flue gas emitted by the white kilns. The solution to this energy loss was to implement a heat recovery system, in which

[35] The actions listed, having occurred in 2023, are not accounted in this Sustainability Report and specifically in the paragraph 'Dialogue and support of local communities', where is indicated the amount of donations in 2022.

the flue gasses from the five white kilns of the Aalborg plant are used in heat exchanger installations to transfer the thermal energy from the flue gas to Aalborg's district heating network.

The Aalborg plant recovers excess heat from cement production to provide district heating to local inhabitants. The recovered thermal energy is used to heat the homes of a maximum of 30,000 families. In 2022, Aalborg Portland delivered approximately 1.3 million GJ of energy to the municipality of Aalborg.

The annual CO_2 savings from this heat recovery system have been estimated at 150,000 tons. The calculation is based on the amount of CO_2 that is not emitted from the local coal-fired power station because the total needs are partially covered by the heat coming from the Aalborg plant.

In this way, energy that has already been produced during cement production is recycled and delivered to the district heating system, so that the energy does not have to be produced twice.

Looking at the value created

Cementir's approach to taxes

The Cementir group adopts a decentralized tax management model with reference to the local tax compliance where all the associated companies manage locally their own tax obligations in accordance with the respective regulations.

Global, complex or extraordinary tax matters are then coordinated centrally, such as transfer pricing policy and extraordinary operations, with the support of third-party consultants' companies.

Local Chief Financial Officers and Finance Managers have been invited to engage first-class tax consultants to enhance the level of competences required by the local operations and to be consistently up to date with the evolution of local laws and regulations.

The Cementir group does not include companies or branches located in so called tax heavens or in any case in countries with a reduced direct or indirect taxation and does not adopt aggressive tax planning strategies consisting of incorporation of artificial schemes and entities nor tax-driven transactions in order to obtain tax savings and advantages.

As far as commercial transactions are concerned, from a transfer pricing perspective, group's guidelines were introduced in order to comply with various countries requirements.

Given the internationalization of Cementir group, the global approach to tax is inspired by the guidelines provided by OECD and by the application of the Treaties for the avoidance of double taxation, where applicable.

The Cementir group manages its approach to tax with full transparency and collaborative approach, by complying with the local legislation of the various countries in which the Group operates.

Tax risks may lead to a negative effect on the business goals of the organization and/or to financial or reputational damages.

In this respect, tax risks are in the scope of the Cementir group's risk management framework. Tax risks are then monitored within the group risk management processes and a dedicated set of controls and testing instruments are dedicated to local tax compliance matters.

Main purpose is to control and limit those risks and to avoid possible situations conflicting with local authorities' interpretation of tax regulations.

In addition, as already mentioned in the paragraph 'The Code of Ethics' a whistleblowing system has been in place since 2013, which can be used to report

breaches of the principles and rules set out in the Code of Ethics and the policies adopted by the Group, or to report non-compliance with laws and regulations.

As part of the '207-1 Approach to Tax', the specific and qualified tax knowledge at associated companies' level and the recourse to tier 1 tax consultants, contribute to the proper management of the tax risk within the group as well as to the alignment of the tax approach to the requirements of the countries in which the group operates.

The Cementir group maintains relationships with local tax authorities with respect to information on rules interpretation, contacts during tax audits / inspections as well as ruling procedure, where appropriate.

Local Chief Financial Officer / Finance Manager address these situations with a fully transparent and collaborative approach as well as with a strong focus on the group's business and on the business model adopted in order to avoid any sort of misinterpretation of group and associated companies behaviors.

The Group recognizes the relevance of a transparent management of tax issues, also given its global presence and for this reason, in the next page please see the quantitative information foreseen by GRI 207-4 concerning the 'country-by-country' reporting.

Country	Description	N. employees	Revenues from third-party sales (EUR)[36]	Revenues from intra-group transactions with other tax jurisdictions (EUR)	Profit/loss before tax (EUR)	Tangible assets other than cash and cash equivalents (EUR)	Corporate income tax paid on a cash basis (EUR)	Corporate income tax accrued on profit/loss (EUR)
Italy	Sales, marketing and distribution of cement; Administration, management or support services; Holding of shares or other capital instruments; Ownership and management of intellectual property rights; Internal group financing.	71	38,538,784	171,828,000	(2,615,709)	23,980,915	(236,603)	(616,332)
Australia	Sales, marketing and distribution of cement.	3	24,253,927	-	731,241	207,117	(372,571)	(240,682)
Belgium	Manufacturing of cement and concrete; sales, marketing or distribution.	464	268,937,558	54,885,000	45,214,880	319,145,172	(12,549,929)	(13,066,397)
China	Manufacturing of cement; sales, marketing or distribution.	220	66,315,901	-	12,237,653	40,106,393	(2,651,354)	(1,861,666)
Denmark	Ownership and management of intellectual property rights; Manufacturing or production of cement and concrete; sales, marketing or distribution; Internal group financing; Holding of shares or other capital instruments.	784	439,335,561	70,482,000	89,636,966	224,862,394	(26,762,020)	(23,132,108)
Egypt	Manufacturing of cement; Sales, marketing or distribution.	68	51,825,141	5,288,000	42,314,881	21,833,898	(1,854,176)	(3,880,591)
France	Manufacturing of concrete; sales, marketing or distribution.	33	96,357,457	45,000	2,938,939	6,538,776	(482,171)	(290,348)
Iceland	Sales, marketing and distribution of cement.	10	20,937,878	-	1,115,663	1,015,529	(198,509)	(200,625)
Malaysia	Manufacturing of cement; sales, marketing or distribution.	206	34,018,285	16,436,000	964,600	23,689,363	(415,874)	(303,356)

[36] The values are reported in Euros according to the exchange rates used in the annual financial report

Country	Description	N. employees	Revenues from third-party sales (EUR)[36]	Revenues from intra-group transactions with other tax jurisdictions (EUR)	Profit/loss before tax (EUR)	Tangible assets other than cash and cash equivalents (EUR)	Corporate income tax paid on a cash basis (EUR)	Corporate income tax accrued on profit/loss (EUR)
Norway	Manufacturing of concrete; sales, marketing or distribution.	153	141,111,145	-	2,581,800	30,141,189	(858,689)	(828,590)
Poland	Sales, marketing and distribution of cement.	8	30,180,716	95,000	867,195	484,044	(135,805)	(185,577)
Russia	Sales, marketing and distribution of cement.	-	-	-	1,218	-	0	0
Spain	Holding of shares or other capital instruments.	-	-	-	(21,649)	-	0	0
Sweden	Manufacturing of concrete; sales, marketing or distribution.	130	71,886,975	3,535,000	7,985,994	20,192,143	(1,176,435)	(1,100,138)
Türkiye	Manufacturing of cement and concrete; sales, marketing or distribution; administration, management or support services; Holding of shares or other capital instruments.	755	238,864,581	26,673,000	16,723,862	184,386,760	(963,449)	(690,486)
UK	Waste management and recycling. Holding of shares or other capital instruments.	19	5,359,188	-	7,831,081	4,750,712	0	0
USA	Manufacturing of cement; sales, marketing or distribution; Holding of shares or other capital instruments.	197	195,179,901	1,190,000	7,925,042	82,971,509	1,002,238	(605,963)
Total		3,121	1,723,102,998	350,457,000	236,433,657	984,305,914	(47,655,347)	(47,002,859)

Economic value generated and distributed

Cementir Holding **redistributed part of the wealth generated to its shareholders and stakeholders**, including employees, suppliers, governments and local communities. The representation of this wealth is calculated through economic value generated and distributed, which takes into account the key factors for assessing the social role of a business in the area where it operates and for the people that are involved in its production processes. For example, this calculation includes staff remuneration and costs; taxes paid in countries where the company operates (production excises, VAT, direct taxation) or payments to suppliers.

The analysis of the value-added distribution is based on economic value generated, distributed and retained by the company, calculated by restating the items on the income statement of the Cementir Group's consolidated financial statements. This analysis produces a quantitative assessment of direct socio-economic impact, by looking at the various items that comprise the wealth created and distributed in the form of costs.

(in thousands of euros)	2022	2021	2020
Direct economic value generated[37]	**1,812,784**	**1,406,772**	**1,241,703**
Total operating revenue	**1,777,544**	**1,413,720**	**1,232,799**
Financial income	**5,820**	**5,891**	**12,303**
Foreign exchange rate gains (losses)	**28,448**	**(13,657)**	**(3,970)**
Share of net profits of equity-accounted investees	**972**	**818**	**571**
Economic value distributed	**(1,544,040)**	**(1,193,227)**	**(1,061,382)**
Operating costs	**(1,232,715)**	**(921,362)**	**(768,650)**
Raw materials costs	**(829,446)**	**(566,468)**	**(461,195)**
Other operating costs	**(403,269)**	**(354,894)**	**(307,455)**
Value distributed to employees	**(198,182)**	**(181,406)**	**(188,430)**
Personnel costs	**(198,182)**	**(181,406)**	**(188,430)**
Value distributed to capital providers	**(54,091)**	**(43,514)**	**(54,425)**
Financial expenses	**(23,290)**	**(18,849)**	**(23,519)**
Dividends	**(30,801)**	**(24,665)**	**(30,906)**
Value distributed to governments	**(59,052)**	**(47,125)**	**(49,877)**
Current taxes (income taxes)	**(47,655)**	**(47,125)**	**(37,898)**
Other non-income-related taxes	**(11,397)**	**0**	**(11,979)**
Economic value retained	**274,589**	**232,045**	**177,412**
Profit (loss) for the year, of which:	**150,756**	**122,995**	**78,457**
Profit (loss) from discontinued operations	**0**	**0**	**0**
Amortisation and depreciation	**(124,171)**	**(109,571)**	**(104,223)**
Provisions	**(3,084)**	**(3,234)**	**(990)**
Impairment losses	**(3,573)**	**(364)**	**(1,354)**
Deferred tax liabilities (assets)	**6,995**	**4,119**	**7,612**

[37] The economic value withheld is not the exact difference between the economic value generated and distributed. The slight difference is a cash effect, linked mainly to taxes.

Appendix

Cementir data tables

CO_2 and Energy

CO_2 emissions - Group	Unit	2022	2021	2020	GRI Ref
CO_2 emissions (Scope 1)[38]	t	7,324,884	8,006,881	7,977,232	305-1
CO_2 emissions (Scope 2)[39]	t	386,306	707,044	572,227	305-2
CO_2 emissions (Scope 3)[40]	t	3,575,775	3,249,111[41]	2,941,199	305-3
Total CO_2 emissions	t	11,286,965	11,963,036	11,490,658	

CO_2 emissions - Cement Production	Unit	2022	2021	2020	GRI Ref
CO2 emissions (Scope 1)	t	7,278,336	7,982,250	7,941,401	305-1
CO2 emissions (Scope 2)	t	377,548	691,732	556,014	305-2
Total CO_2 emissions	t	7,655,884	8,673,982	8,497,416	

CO2 emissions Scope 1 - Grey Cement	KgCo2/TCE	672	684	718	305-4

CO2 emissions Scope 1 - White Cement	KgCo2/TCE	886	919	915	305-4

CO_2 emissions - Other[42]	Unit	2022	2021	2020	GRI Ref
CO_2 emissions (Scope 1)	t	46,548	24,631	35,831	305-1
CO_2 emissions (Scope 2)	t	8,758	15,311	16,213	305-2
Total CO_2 emissions	t	55,306	39,942	52,044	

Fossil fuel replacement index	Unit	2022	2021	2020	GRI Ref
% of fossil fuel replacement (white and grey combined)	%	21%	20%	19%	302-3
% of fossil fuel replacement (only grey Cement)	%	32%	30%	28%	302-3
% of fossil fuel replacement (only white cement)	%	2%	3%	3%	302-3

[38] Scope 1 emissions includes all direct emissions related to the calcination of limestone which, when heated in the kiln at high temperatures, releases CO_2.
[39] Scope 2 includes indirect emissions related to electricity purchased for the Group's needs, for example in cement grinding mills.
[40] Scope 3 emissions includes other indirect emissions that occur in the Group value chain, such as the extraction and production of purchased materials and fuels, and transportation. The calculation method for Scope 3 has been updated in 2022. The calculation moved from a spend based method to a physical data method. Also, the data related to 2021 has been restated according to the physical data method.
[41] The 2021 data has been recalculated by applying a physical data method. In 2021 the calculation was performed by applying a spend based method. For details about the calculation see 'Cementir's Scope 3 emissions'.
[42] The other activities are the following businesses: ready-mix concrete, aggregates, concrete products and processing of urban and industrial waste.

Fossil fuel consumption for cement production					
Type	Unit	2022	2021	2020	GRI Ref
Coal	GJ	7,617,448	7,526,248	5,682,239	302-1
Petroleum coke	GJ	16,107,354	15,031,687	20,152,510	302-1
Fuel oil	GJ	934,015	457,020	368,464	302-1
Lignite	GJ	1,312,041	5,862,081	3,074,765	302-1
Gas oil	GJ	0	0	0	302-1
LPG	GJ	0	0	194	302-1
Natural gas	GJ	1,826,495	1,872,458	1,789,485	302-1
District heating	GJ	13,467	36,009	26,386	302-1
Total	**GJ**	**27,810,820**	**30,785,503**	**31,094,042**	302-1
Fossil Fuel per Clinker produced	**GJ / ton clinker**	**3.4**	**3.5**	**3.6**	

Fossil fuel consumption for White and Grey Cement production					
Type	Unit	White	Grey	White	
		2022	2022	2021	GRI Ref
Coal	GJ	0	7,617,448	0	302-1
Petroleum coke	GJ	9,880,022	6,227,332	11,467,033	302-1
Fuel oil	GJ	730,347	203,668	241,166	302-1
Lignite	GJ	0	1,312,041	0	302-1
Gas oil	GJ	0	0	0	302-1
LPG	GJ	0	0	0	302-1
Natural gas	GJ	1,826,495	0	1,872,458	302-1
District heating	GJ	0	13,467	0	302-1
Total	**GJ**	**12,436,864**	**15,373,956**	**13,580,656**	302-1

Alternative fuel consumption for cement production					
Type	Unit	2022	2021	2020	GRI Ref
Used oil	GJ	213,935	331,895	161,074	302-1
Rubbers and plastics	GJ	185,862	115,095	58,364	302-1
Tyres	GJ	797,156	772,592	673,873	302-1
Paper/cardboard/wood	GJ	106,809	132,996	133,327	302-1
Meat and bone meal	GJ	1,298,176	1,256,250	1,187,248	302-1
Dry sewage sludge	GJ	10,331	34,966	41,672	302-1
RDF and SRF[43]	GJ	4,390,788	4,645,471	4,787,849	302-1
Sunflower oil	GJ	106,988	320,626	41,856	302-1
Other alternative fuels	GJ	384,284	100,171	110,799	302-1
Total	**GJ**	**7,494,329**	**7,710,063**	**7,196,062**	302-1
Alternative Fuel per Clinker produced	**GJ / ton clinker**	**0.93**	**0.88**	**0.85**	

[43] RDF: refuse derived fuel. SRF: solid recovered fuel)

Alternative fuel consumption for White and Grey Cement production						
Type	Unit	White 2022	Grey 2022	White 2021	Grey 2021	GRI Ref
Used oil	GJ	0	213,935	0	331,895	302-1
Rubbers and plastics	GJ	0	185,862	0	115,095	302-1
Tyres	GJ	0	797,156	0	772,592	302-1
Paper/cardboard/wood	GJ	0	106,809	0	132,996	302-1
Meat and bone meal	GJ	281,872	1,016,304	366,664	889,586	302-1
Dry sewage sludge	GJ	0	10,331	0	34,966	302-1
RDF and SRF	GJ	0	4,390,788	0	4,645,471	302-1
Sunflower oil	GJ	0	106,988	0	320,626	302-1
Other alternative fuels	GJ	0	384,284	0	100,171	302-1
Total	**GJ**	**281,872**	**7,212,457**	**366,664**	**7,343,399**	302-1

Energy consumed to produce cement					
Type	Unit	2022	2021	2020	GRI Ref
Thermal energy	GJ	35,470,361	38,569,279	38,290,104	302-1
of which: from alternative fuel	GJ	7,494,329	7,710,063	7,196,062	302-1
Thermal energy sold	GJ	-1,283,120	-1,661,306	-1,787,593	302-1
Electricity	GJ	4,451,819	4,751,610	4,560,025	302-1
Total energy	**GJ**	**38,639,060**	**41,659,583**	**41,062,536**	302-1
Thermal energy per t of Total Cement Equivalent	GJ/TCE	3.5	3.6	3.7	302-3
Thermal energy produced by alternative sources per t of Total Cement Equivalent	GJ/TCE	0.75	0.72	0.70	302-3
Electricity per t of Total Cement Equivalent	GJ/TCE	0.44	0.44	0.44	302-3
Total energy per t of Total Cement Equivalent	GJ/TCE	3.85	3.87	3.97	302-3

Energy consumed for White and Grey Cement production						
Type	Unit	White 2022	Grey 2022	White 2021	Grey 2021	GRI Ref
Thermal energy	GJ	12,769,695	22,700,665	13,997,266	24,572,013	302-1
of which: from alternative fuel	GJ	281,872	7,212,457	366,664	7,343,399	302-1
Thermal energy sold	GJ	-1,283,120	0	-1,661,306	0	302-1
Electricity	GJ	1,240,319	3,211,501	1,333,096	3,418,514	302-1
Total energy	**GJ**	**12,726,894**	**25,912,166**	**13,669,056**	**27,990,527**	302-1
Thermal energy per t of Total Cement Equivalent	GJ/TCE	5.11	3.01	5.34	3.01	302-3
Thermal energy produced by alternative sources per t of Total Cement Equivalent	GJ/TCE	0.11	0.96	0.14	0.90	302-3
Electricity per t of Total Cement Equivalent	GJ/TCE	0.50	0.43	0.51	0.42	302-3
Total energy per t of Total Cement Equivalent	GJ/TCE	5.09	3.44	5.22	3.43	302-3

Energy consumed to produce ready-mix concrete (fuels, electricity)					
Type	**Unit**	**2022**	**2021[44]**	**2020**	**GRI Ref**
Thermal energy	GJ	414,689	365,070	272,752	302-1
Electricity	GJ	93,393	72,623	97,292	302-1
Total energy	**GJ**	508,082	437,693	**370,044**	**302-1**
Thermal energy per t of ready-mix concrete	GJ/t	0.05	0.04	0.03	302-3
Electricity per t of ready-mix concrete	GJ/t	0.01	0.01	0.01	302-3
Total energy per t of ready-mix concrete	**GJ/t**	0.06	0.05	**0.04**	**302-3**

Energy usage of other activities[45]					
Type	**Unit**	**2022**	**2021**	**2020**	**GRI Ref**
Thermal energy	GJ	209,512	210,260	217,755	302-1
Electricity	GJ	128,002	132,382	128,430	302-1
Total energy	**GJ**	**337,514**	**342,642**	**346,185**	302-1
Thermal energy per t of product made	GJ/t	0.01	0.01	0.01	302-3
Electricity per t of product made	GJ/t	0.01	0.01	0.01	302-3
Total energy per t of product made	**GJ/t**	**0.02**	**0.02**	**0.02**	302-3

Energy used in the waste management sector					
Type	**Unit**	**2022**	**2021**	**2020**	**GRI Ref**
Thermal energy	GJ	13,017	13,589	14,096	302-1
Electricity	GJ	15,336	15,315	19,797	302-1
Total energy	**GJ**	**28,353**	**28,904**	**33,893**	302-1

[44] The 2021 data has been updated with the inclusion of fuels related to internal transportation.
[45] The other activities are the following businesses: aggregates and concrete products.

Material used

Raw materials used in cement production	Unit	2022	2021	2020	GRI Ref
Non-renewable raw materials	t	13,228,832	14,442,142	15,148,632	301-1
Renewable raw materials	t	1,675,008	1,747,743	1,563,285	301-1
Total	**t**	**14,903,840**	**16,189,885**	**16,711,917**	301-1
Renewable raw materials as a percentage of total raw materials used	%	11.24%	10.80%	10.32%	301-2

Non-renewable raw materials Cement production	Unit	2022	2021	2020	GRI Ref
Limestone	t	10,410,689	11,387,382	12,103,107	301-1
Clay	t	1,109,975	1,101,016	1,063,405	301-1
Gypsum	t	422,458	444,419	324,515	301-1
Marl	t	312,606	584,158	498,706	301-1
Sand	t	483,783	527,779	299,973	301-1
Pozzolana	t	161,811	167,747	191,107	301-1
Admixtures	t	13,263	14,018	44,977	301-1
Auxiliaries	t	0	0	3	301-1
Stone	t	0	0	0	301-1
Calcium fluoride	t	62,537	47,144	36,431	301-1
Bauxite	t	7,772	3,873	5,916	301-1
Iron ore	t	151,648	47,657	75,768	301-1
Other residual materials	t	92,291	116,949	504,725	301-1
Total	**t**	**13,228,833**	**14,442,142**	**15,148,632**	301-1

Renewable materials Cement production	Unit	2022	2021	2020	GRI Ref
Fly ash	t	502,673	481,718	320,633	301-1
FGD gypsum	t	80,197	85,895	89,823	301-1
Iron oxide	t	48,648	38,482	24,715	301-1
Blast-furnace slag	t	327,550	305,745	230,862	301-1
Recovered limestone	t	255,828	240,444	164,929	301-1
Excavated stone (clay replacement)	t	254,396	384,526	189,230	301-1
Other materials	t	202,532	210,933	543,093	301-1
Total	**t**	**1,671,824**	**1,747,743**	**1,563,286**	301-1

Raw materials used in the production of ready-mix concrete	Unit	2022	2021	2020	GRI Ref
Non-renewable raw materials	t	10,237,353	10,964,549	9,501,881	301-1
Renewable raw materials	t	101,318	95,789	105,969	301-1
Total	**t**	**10,338,671**	**11,060,338**	**9,607,850**	301-1
Renewable raw materials as a percentage of total raw materials used	%	0.98%	0.87%	1.10%	301-2

Non-renewable raw materials ready-mix concrete production	Unit	2022	2021	2020	GRI Ref
Limestone	t	0	0	0	301-1
Sand	t	3,064,746	3,255,064	3,020,365	301-1
Admixtures	t	16,926	24,287	15,832	301-1
Auxiliaries	t	9	9	7	301-1
Cement	t	1,482,944	1,549,711	1,326,955	301-1
Stones	t	5,667,813	6,131,942	5,135,275	301-1
Steel Fiber	t	4,404	3,083	2,875	301-1
Basalt Fiber	t	5	5	0	301-1
Plastic macro fiber	t	288	246	178	301-1
Color pigment	t	146	95	143	301-1
Other Materials	t	72	106	252	301-1
Total	**t**	**10,237,353**	**10,964,549**	**9,501,881**	301-1

Renewable materials ready-mix concrete production	Unit	2022	2021	2020	GRI Ref
Fly ash	t	86,971	82,524	95,010	301-1
Microsilica	t	11,689	12,008	10,819	301-1
Blast-furnace slag	t	2,658	1,257	140	301-1
Total	**t**	**101,318**	**95,789**	**105,969**	301-1

Non-renewable raw materials other production activities	Unit	2022	2021	2020	GRI Ref
Sand	t	32,406	33,415	39,700	301-1
Auxiliaries and admistures	t	130	134	140	301-1
Cement	t	10,999	12,407	12,434	301-1
Stones	t	24,073	25,527	25,902	301-1
Steel	t	4,012	2,375	2,204	301-1
Total	**t**	**71,620**	**75,879**	**80,380**	301-1

Other air emissions management

Air emissions		2022	2021	2020	GRI Ref
Dust					
tons		206	213	162	305-7
g/t of clinker		25	25	19	305-7
NO_x					
tons		10,922	10,583	10,563	305-7
g/t of clinker		1,353	1,206	1,242	305-7
SO_2					
tons		1,578	1,982	1,960	305-7
g/t of clinker		195	226	230	305-7
Clinker produced with CEMS of dust, NO_x and SO_2					
% of total production		100	100	100	305-7
TOC					
g/t of clinker		44	43	54	305-7
n. of kilns reporting		17	17	16	305-7
Hg					
g/t of clinker		0.006	0.014	0.009	305-7
n. of kilns reporting		17	17	17	305-7
PCDD/Fs[46]					
µg TEQ /t of clinker		0.014	0.034	0.016	305-7
n. of kilns reporting		17	17	16	305-7
∑Cd, Tl					
g/t of clinker		0.009	0.014	0.014	305-7
n. of kilns reporting		17	16	15	305-7
∑Other heavy metals[47]					
g/t of clinker		0.11	0.11	0.10	305-7
n. of kilns reporting		17	16	15	305-7
Clinker produced with CEMS and discontinuous measurements of all emissions					
% of total production		100	95	86	305-7

[46] PCDD/Fs (Polychlorinated dibenzo-p-dioxins and polychlorinated dibenzo-p-furans; they include the 17 congeners of the NATO scheme adopted internationally and are reported as international Toxic Equivalent, TEQ).
[47] Sb, As, Pb, Cr, Co, Cu, Mn, Ni and V.

Waste produced by the Group

Group waste produced		2022	2021	2020	GRI Ref
Total waste	t / 1,000	**392.2**	**378.4**	**361.1**	**306-2/3/4/5**
Cement		140.2	156.3	128.6	306-2/3/4/5
RMC		251.6	221.8	232.1	306-2/3/4/5
Aggregates		0.4	0.3	0.3	306-2/3/4/5
Non-hazardous waste	t / 1,000	**391.3**	**377.3**	**360**	**306-2/3/4/5**
Recycling		275.1	271.1	282.6	306-2/3/4/5
Incineration with energy recovery		0.5	0.7	0.7	306-2/3/4/5
Incineration without energy recovery		0.1	0.1	0	306-2/3/4/5
Other recovery operations		1	0	0	306-2/3/4/5
Landfilling		85.9	98.8	76.6	306-2/3/4/5
Other disposal operations		28.6	6.5	0.1	306-2/3/4/5
Non-hazardous waste of total waste	%	**99.8**	**99.7**	**99.7**	**306-2/3/4/5**
Cement	%	35.7	41.2	35.5	306-2/3/4/5
RMC	%	64.2	58.8	64.4	306-2/3/4/5
Aggregates	%	0.1	0	0	306-2/3/4/5
Hazardous waste	t / 1,000	**0.9**	**1.1**	**1**	**306-2/3/4/5**
Recycling		0.5	0.4	0.5	306-2/3/4/5
Incineration with energy recovery		0.1	0.2	0.2	306-2/3/4/5
Incineration without energy recovery		0	0.1	0	306-2/3/4/5
Other recovery operations		0	0.4	0.1	306-2/3/4/5
Landfilling		0.1	0	0.1	306-2/3/4/5
Other disposal operations		0	0	0.1	306-2/3/4/5
Cement	%	73.7	79.5	69.5	306-2/3/4/5
RMC	%	5	4.7	6.1	306-2/3/4/5
Aggregates	%	21.2	15.8	24.4	306-2/3/4/5

Waste managed and recycled

Waste processed	Unit	2022	2021	2020	GRI Ref
Solid urban waste	t	25,844	61,327	110,659	306-3
Industrial waste	t	134,210	156,220	148,879	306-3
Total	**t**	**160,054**	**217,547**	**259,538**	306-3

Alternative fuel produced	Unit	2022	2021	2020	GRI Ref
Refuse-derived fuel	t	15,857	16,497	14,335	306-3
Solid recovered fuel	t	23,255	55,911	64,772	306-3
Total	**t**	**39,112**	**72,408**	**79,107**	306-3

Recycled material produced	Unit	2022	2021	2020	GRI Ref
Ferrous material	t	595	1,414	1,843	306-3
Plastic	t	0	0	527	306-3
Aluminum	t	216	693	672	306-3
Other materials	t	1,232	3,162	4,389	306-3
Total	**t**	**2,043**	**5,269**	**7,431**	306-3

Responsible and efficient use of water

Group water management		2022	2021	2020	GRI Ref
Total water withdrawal	m³ / 1,000	**14,908**	**15,651**	**14,842**	**303-3**
Surface water		524	658	744	303-3
Groundwater		6,849	6,992	6,282	303-3
Seawater		0	0	0	303-3
Rainwater		570	764	747	303-3
Public water		581	537	462	303-3
Quarry water		6,384	6,700	6,607	303-3
Total water discharge	m³ / 1,000	**9,808**	**9,737**	**9,067**	**303-4**
By place of discharge					
Surface water		5,255	5,202	5,723	303-4
Groundwater		215	9	12	303-4
Seawater		3,270	3,121	3,005	303-4
External treatment plants and other discharge area		911	1,262	177	303-4
Domestic sewage		157	143	150	303-4
Total water consumption	m³ / 1,000	**5,099**	**5,914**	**5,775**	**303-5**

Water management in cement		2022	2021	2020	GRI Ref
Total water withdrawal	m³ / 1,000	**9,115**	**9,795**	**9,494**	**303-3**
Surface water		404	605	693	303-3
Groundwater		5,014	5,114	4,996	303-3
Seawater		0	0	0	303-3
Rainwater		346	486	487	303-3
Public water		267	254	210	303-3
Quarry water		3,084	3,336	3,108	303-3
Total water discharge	m³ / 1,000	**5,273**	**5,339**	**4,887**	**303-4**
By place of discharge					
Surface water		1,745	1,959	1,616	303-4
Groundwater		11	9	12	303-4
Seawater		3,270	3,121	3,005	303-4
External treatment plants and other discharge areas		161	160	147	303-4
Domestic sewage		86	90	107	303-4
Total water consumption	m³ / 1,000	**3,842**	**4,455**	**4,608**	**303-5**
In high water-stress areas	% of total water consumption in cement	37.2	34.4	33.2	303-5
Total water reused/recycled	m³ / 1,000	**2,695**	**3,191**	**2,962**	**303-5**
	% of total water withdrawal in cement	29.6	32.6	31.2	303-5
Specific water consumption	l / TCE	**402**	**413**	**445**	**303-5**
In high water-stress areas		257	276	287	303-5

Water management in RMC		2022	2021	2020	GRI Ref
Total water withdrawal	m^3 / 1,000	**888**	**884**	**755**	**303-3**
Surface water		96	50	48	303-3
Groundwater		345	370	296	303-3
Seawater		0	0	0	303-3
Rainwater		137	182	161	303-3
Public water		310	281	249	303-3
Total water discharge	m^3 / 1,000	**59**	**51**	**56**	**303-4**
By place of discharge					
Surface water		13	0	0	303-4
Groundwater		0	0	0	303-4
Seawater		0	0	0	303-4
External treatment plants and other discharge area		1	1	1	303-4
Domestic sewage		45	50	55	303-4
Total water consumption	m^3 / 1,000	**829**	**833**	**699**	**303-5**
In high water-stress areas	% of total water consumption in ready-mix	59.4	61.3	56.3	303-5
Total water reused/recycled	m^3 / 1,000	**183**	**204**	**125**	**303-5**
	% of total water withdrawal in ready-mix	20.6	23.1	16.6	303-5
Specific water consumption	l / m^3 ready-mix concrete	**173**	**163**	**158**	**303-5**
In high water-stress areas		191	181	175	303-5

Health and safety

		2022	2021	2020	GRI Ref
Fatality Rate	(fatal injuries/hours worked) x 1,000,000	**0.00**	**0.31**	**0.22**	**403-10**
Employees		**0.00**	**0.00**	**0.00**	403-10
Cement		0.00	0.00	0.00	403-10
RMC		0.00	0.00	0.00	403-10
Aggregates		0.00	0.00	0.00	403-10
Waste		0.00	0.00	0.00	403-10
Other		0.00	0.00	0.00	403-10
Contractors		**0.00**	**0.78**	**0.55**	403-10
Cement		0.00	0.81	0.42	403-10
RMC		0.00	0.83	0.97	403-10
Aggregates		0.00	0.00	0.00	403-10
Waste		0.00	0.00	0.00	403-10
Other		0.00	0.00	0.00	403-10
Number of Fatalities	(number)	**0**	**3**	**2**	403-10
Employees		**0**	**0**	**0**	403-10
Cement		0	0	0	403-10
RMC		0	0	0	403-10
Aggregates		0	0	0	403-10
Waste		0	0	0	403-10
Other		0	0	0	403-10
Contractors		**0**	**3**[48]	**2**[49]	403-10
Cement		0	2	1	403-10
RMC		0	1	1	403-10
Aggregates		0	0	0	403-10
Waste		0	0	0	403-10
Other		0	0	0	403-10
High-Consequence work-related Injury Rate (excluding fatalities)[50]	(high consequence work-related injuries/hours worked) x 1,000,000	**0.00**	**0.00**	**0.00**	**403-9**
Employees		**0.00**	**0.00**	**0.00**	403-9
Cement		0.00	0.00	0.00	403-9
RMC		0.00	0.00	0.00	403-9
Aggregates		0.00	0.00	0.00	403-9
Waste		0.00	0.00	0.00	403-9
Other		0.00	0.00	0.00	403-9
Contractors		**0.00**	**0.00**	**0.00**	403-9
Cement		0.00	0.00	0.00	403-9
RMC		0.00	0.00	0.00	403-9
Aggregates		0.00	0.00	0.00	403-9
Waste		0.00	0.00	0.00	403-9
Other		0.00	0.00	0.00	403-9

[48] One fatality, included in the data, occurred in Türkiye. As of February 2023, it is still under investigation to be clarified if work-related.
[49] One fatality occurred off site (road accident).
[50] High Consequence Work-related Injury: work-related injury that results in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 6 months (excluding fatalities).

		2022	2021	2020	GRI Ref
TRIR (Total Recordable Injury Rate)[51]	(total recordable injuries/hours worked) x 1,000,000	**11.4**	**20.2**	**16.4**	**403-9**
Employees		**11.7**	**27.4**	**20.1**	403-9
Cement		13.5	29.2	18.0	403-9
RMC		6.0	10.9	16.9	403-9
Aggregates		6.6	35.5	37.6	403-9
Waste		23.1	136.4	64.6	403-9
Other		17.9	11.6	12.3	403-9
Contractors		**11.0**	**9.9**	**10.7**	403-9
Cement		12.1	11.4	9.6	403-9
RMC		8.2	5.8	10.7	403-9
Aggregates		10.0	9.0	27.2	403-9
Waste		0.0	51.0	30.3	403-9
Other		19.9	0.0	0.0	403-9
LTI FR (Lost Time Injury Frequency Rate)	(injuries with working days of absence/hours worked) x 1,000,000	**4.2**	**8.0**	**9.0**	**403-9**
Employees		**4.2**	**9.9**	**11.0**	403-9
Cement		4.5	11.0	9.1	403-9
RMC		3.3	8.8	14.0	403-9
Aggregates		3.3	9.7	17.1	403-9
Waste		11.5	5.2	24.8	403-9
Other		3.0	5.8	3.1	403-9
Contractors		**4.2**	**5.2**	**6.0**	403-9
Cement		3.4	5.7	6.2	403-9
RMC		4.9	4.2	3.9	403-9
Aggregates		10.0	0.0	18.2	403-9
Waste		0.0	25.5	15.1	403-9
Other		19.9	0.0	0.0	403-9
LTI SR (Lost Time Injury Severity Rate)	(working days of absence/hours worked) x 1,000	**0.09**	**0.11**	**0.13**	**403-9**
Employees		**0.10**	**0.14**	**0.16**	403-9
Cement		0.12	0.18	0.12	403-9
RMC		0.07	0.06	0.28	403-9
Aggregates		0.00	0.09	0.28	403-9
Waste		0.09	0.08	0.03	403-9
Other		0.05	0.24	0.01	403-9
Contractors		**0.08**	**0.06**	**0.09**	403-9
Cement		0.08	0.07	0.10	403-9
RMC		0.08	0.06	0.08	403-9
Aggregates		0.08	0.00	0.09	403-9
Waste		0.00	0.15	0.05	403-9
Other		0.10	0.00	0.00	403-9

[51] Total Recordable Injuries: the sum of Fatalities, LTIs (Lost Time Injuries), RWIs (Restricted Workday Injuries) and MTCs (Medical Treatment Cases).

		2022	2021	2020	GRI Ref
Near Misses	(number)	**714**	**577**	**446**	**403-9**
Cement		483	334	182	403-9
RMC		201	206	230	403-9
Aggregates		26	33	27	403-9
Waste		0	2	4	403-9
Other		4	2	3	403-9
Man-hours worked	(million hours)	**10.3**	**9.5**	**9.1**	**403-9**
Employees		**5.9**	**5.7**	**5.5**	403-9
Cement		3.6	3.4	3.3	403-9
RMC		1.5	1.5	1.4	403-9
Aggregates		0.3	0.3	0.3	403-9
Waste		0.2	0.2	0.2	403-9
Other		0.3	0.3	0.3	403-9
Contractors		**4.4**	**3.8**	**3.6**	403-9
Cement		2.9	2.4	2.4	403-9
RMC		1.2	1.2	1.0	403-9
Aggregates		0.2	0.1	0.1	403-9
Waste		0.0	0.0	0.1	403-9
Other		0.0	0.0	0.0	403-9
OIFR (Occupational Illness Frequency Rate)	(occupational illness allegations received/hours worked) x 1,000,000	**0.0**	**0.4**	**0.0**	**403-10**

		2022	2021	2020	GRI Ref
Specific Health & Safety Training	(hours)	**22,200**	**15,615**	**12,424**	**404-1**

People

Cementir Group	Headcount 31-12-22			Headcount 31-12-21			Headcount 31-12-20			GRI Ref
	Men	Women	Total	Men	Women	Total	Men	Women	Total	
Employees	2,705	416	3,121[52]	2,723	401	3,124	2,636	373	**3,009**	405-1
Contractors	741	7	748	765	7	772	778	6	**784**	405-1
Executives	37	4	**41**	44	4	**48**	50	4	**54**	405-1
Manager	268	60	**328**	269	59	**328**	264	49	**313**	405-1
White collars	589	296	**885**	588	287	**875**	577	279	**856**	405-1
Blue collars	1,811	56	**1,867**	1,822	51	**1,873**	1,745	41	**1,786**	405-1
Total			**3,121**			**3,124**			**3,009**	

Employees by type of contract	Headcount 31-12-22			Headcount 31-12-21			Headcount 31-12-20			GRI Ref
	Men	Women	Total	Men	Women	Total	Men	Women	Total	
Total number of headcounts with permanent contracts	2,577	383	**2,960**	2,616	373	**2,989**	2,555	352	**2,907**	405-1
Total number of headcounts with fixed term or temporary contracts	128	33	**161**	107	28	**135**	81	21	**102**	405-1
Total	2,705	416	**3,121**	2,723	401	**3,124**	2,636	373	**3,009**	405-1

Employees by employment types[53]	Headcount 31-12-22			Headcount 31-12-21			Headcount 31-12-20			GRI Ref
	Men	Women	Total	Men	Women	Total	Men	Women	Total	
Total number of headcounts with full-time status	2,609	383	**2,992**	2,667	374	**3,041**	2,600	350	**2,950**	405-1
Total number of headcounts with part-time status	96	33	**129**	56	27	**83**	36	23	**59**	405-1
Total	2,705	416	**3,121**	2,723	401	**3,124**	2,636	373	**3,009**	405-1

[52] The number of total employees included 100% of SCT as described into the methodology note
[53] Based on the definitions under the national laws of the country where they are located.

Headcount: breakdown by gender and by region (GRI Ref. 2-7)

	TOTAL			EUROPE			ASIA PACIFIC			NORTH AMERICA			TÜRKIYE			EGYPT		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Total headcount by gender																		
Employees	2705	416	**3121**[54]	1428	248	**1676**	345	84	**429**	172	21	**193**	704	51	**755**	56	12	**68**
Contractors	741	7	**748**	4	1	**5**	40	0	**40**	0	0	**0**	493	6	**499**	204	0	**204**
Employees by category																		
Executive Manager	37	4	**41**	28	4	**32**	3	0	**3**	2	0	**2**	3	0	**3**	1	0	**1**
Manager	268	60	**328**	143	45	**188**	29	4	**33**	36	5	**41**	39	5	**44**	21	1	**22**
White collars	589	296	**885**	311	168	**479**	94	58	**152**	16	16	**32**	147	43	**190**	21	11	**32**
Blue collars	1811	56	**1867**	946	31	**977**	219	22	**241**	118	0	**118**	515	3	**518**	13	0	**13**
Headcount by age																		
Under 30 years old	300	64	**364**	128	37	**165**	47	11	**58**	28	1	**29**	94	13	**107**	3	2	**5**
30 -50 years old	1414	253	**1667**	611	132	**743**	181	63	**244**	64	12	**76**	520	37	**557**	38	9	**47**
Over 50 years old	991	99	**1090**	689	79	**768**	117	10	**127**	80	8	**88**	90	1	**91**	15	1	**16**
Employees by type of contract																		
Total number of headcounts with permanent contracts	2577	383	**2960**	1352	233	**1585**	303	70	**373**	172	21	**193**	704	51	**755**	46	8	**54**
Total number of headcounts with fixed term or temporary contracts	128	33	**161**	76	15	**91**	42	14	**56**	0	0	**0**	0	0	**0**	10	4	**14**
Employees by employment types[55]																		
Total number of headcounts with full-time status	2609	383	**2992**	1332	215	**1547**	345	84	**429**	172	21	**193**	704	51	**755**	56	12	**68**
Total number of headcounts with part-time status	96	33	**129**	96	33	**129**	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**

[54] The number of total employees included 100% of SCT as described into the methodology note
[55] Based on the definitions under the national laws of the country where they are located.

Employees who receive regular performance reviews	2022			2021			2020			GRI Ref
	Men	Women	Total	Men	Women	Total	Men	Women	Total	
Executives	99%	100%	**100%**	98%	100%	**98%**	92%	100%	**93%**	403-3
Manager	100%	99%	**100%**	100%	83%	**99%**	61%	61%	**61%**	403-3
Employees	95%	99%	**96%**	97%	100%	**98%**	79%	73%	**77%**	403-3
Blue collars	38%	32%	**38%**	44%	39%	**44%**	43%	93%	**44%**	403-3

Turnover Rate	2022			2021			2020			GRI Ref
	Men	Women	Total	Men	Women	Total	Men	Women	Total	
Overall employee Turnover Rate	16%	19%	17%	15%	18%	15%	12%	15%	12%	401-1

Voluntary employee turnover rate	2022			GRI Ref
	Men	Women	Total	
Voluntary employee turnover rate	11%	15%	11%	401-1

Group turnover	2022			2021			GRI Ref
	Men	Women	Total	Men	Women	Total	
Incoming							
Under 30	29%	36%	30%	34%	37%	35%	401-1
30-50	10%	12%	10%	11%	14%	11%	401-1
Over 50	5%	5%	5%	5%	6%	5%	401-1
Total	15%	21%	16%	17%	22%	17%	401-1
Outgoing							
Under 30	17%	15%	17%	16%	16%	16%	401-1
30-50	10%	12%	10%	9%	13%	9%	401-1
Over 50	10%	13%	10%	9%	8%	9%	401-1
Total	16%	19%	17%	15%	18%	15%	401-1

Hours of training	Unit	2022			2021			2020			GRI Ref
		Men	Women	Total	Men	Women	Total	Men	Women	Total	
Executives	Hours	467	77	544	358	60	417	374	56	430	404-1
Manager	Hours	7,318	1,151	8,469	5,583	832	6,415	4,902	558	5,460	404-1
White collars	Hours	18,930	12,096	31,026	9,898	4,109	14,007	7,551	3,320	10,871	404-1
Blue collars	Hours	27,230	1,241	28,471	16,680	444	17,124	18,014	512	18,525	404-1
Total	**Hours**	**53,945**	**14,565**	**68,510**	**32,518**	**5,444**	**37,963**	**30,841**	**4,445**	**35,286**	404-1
Executives	h/per	12.6	19.3	13.3	8.1	14.9	8.7	7.5	13.9	8	404-1
Manager	h/per	27.3	19.2	25.8	20.8	14.1	19.6	18.6	11.4	17.4	404-1
White collars	h/per	32.1	40.9	35.1	16.8	14.3	16.0	13.1	11.9	12.7	404-1
Blue collars	h/per	15.0	22.2	15.2	9.2	8.7	9.1	10.3	12.5	10.4	404-1
Total	**h/per**	**19.9**	**35.0**	**22.0**	**11.9**	**13.6**	**12.2**	**11.7**	**11.9**	11.7	404-1

Hours of training per category	Unit	2022			2021		
		Men	Women	Total	Men	Women	Total
Health & Safety	Hours	20,354	1,846	22,200	14,695	920	15,615
Technical and Functional	Hours	19,845	8,890	28,735	11,990	2,404	14,395
Management Edu & Leadership Development	Hours	6,087	1,445	7,532	2,197	708	2,904
Cultural and Corporate	Hours	3,697	1,647	5,344	2,718	1,093	3,811
Other	Hours	3,962	737	4,699	918	319	1,238
Total Hour of Training	**Hours**	53,945	14,565	**68,510**	32,518	5,444	**37,963**
Total Cost for Training[56]	€	**347,311**					

[56] It refers to the total amount spent on training and development in the last fiscal year. This figure does not include 'learning and development' team operational.

Customer engagement

	2022	2021	2020
Overall Net Promoter Score (NPS)	34.8	57	50.1

	2022	2021	2020
Overall Customer Loyalty Score (CLS)	93.2	98.3	98.8

Interaction with customer

Title	Role	Type	Date
2022 China International Coating Summit	Keynote speech	Online Conference	March 2022
Portland OPEN	Organizer	Customer event	June 2022
Ulmer Betontage	Participant	Exhibition/conference	June 2022
Concrete Day Netherlands	Stand and speaker	Exhibition/conference	June 2022
Innovative concrete design & application summit	Speaker	Exhibition	June 2022
Innovative concrete design & application	Speaker	Summit	June 2022
ICCX Central Europe 2022	Stand	Exhibition	June 2022
China Xiamen International Stone Fair	Stand and speaker	Exhibition	August 2022
China Nanjing Concrete Exhibition and Conferences	Stand and speaker	Exhibition	August 2022
China International Conference on Ready-Mixed Mortar Production and Application	Stand and speaker	Seminar	August 2022
Concrete Day Denmark	Stand	Exhibition and conference	September 2022
DSE Career days	Stand	Exhibition	October 2022
Concrete Day Belgium	Stand and speaker	Exhibition and conference	October 2022
3rd Future Cement Conference and Exhibition 2022	Speaker	Exhibition and conference	November 2022
Annual meeting Danish Concrete Ass.	Stand	Exhibition and conference	November 2022
The concrete of tomorrow	Organizer	Hybrid seminar	November 2022

Biodiversity

Biodiversity	n	2022	2021	2020	GRI Ref
Quarry with rehabilitation plan in place	%	95	95	95	304-1

Human rights

Human rights	n	2022	2021	2020	GRI Ref
Human rights assessment	%	100	95	79	412-1

Communities

Communities	n	2022	2021	2020	GRI Ref
Thermal energy delivered to the Aalborg Municipality	GJ	1,283,120	1,661,306	1,787,593	412-1

Relevant certifications

Company/Site	Activity	ISO 45001	ISO 14001	ISO 50001	Other relevant Certification
Aalborg Portland (Denamrk)	Cement	YES	YES	YES	ISO 9001 BENOR Label
Izmir (Türkiye)	Cement	YES	YES	YES	ISO 9001
Edirne (Türkiye)	Cement	YES	YES	YES	ISO 9001
Elazig (Türkiye)	Cement	YES	YES	YES	ISO 9001
Kars (Türkiye)	Cement	YES	YES	YES	ISO 9001
CCB (Belgium)	Cement	YES	YES	N	CSC Silver Certificate
Al Arish (Egypt)	Cement	YES	N	N	-
York (US)	Cement	YES	N	N	-
Waco (US)	Cement	YES	N	N	-
Anqing (China)	Cement	YES	YES	YES	-
Ipoh (Malaisya)	Cement	YES	YES	YES	ISO 9001 Gold EcoVadis Medal

Company/Site	Activity	ISO 45001	ISO 14001	Other relevant Certification
Unicon Denmark	Ready Mix Concrete	N	N	ISO 9001
Unicon Norway	Ready Mix Concrete	N	YES	-
AB Sydsten (Sweden)	Ready Mix Concrete	N	YES	-
Cimbeton (Türkiye)	Ready Mix Concrete	N	N	CSC Bronze Certificate
CCB RMC (France + Belgium)	Ready Mix Concrete	N	YES	BENOR Label Cradle to Cradle® Silver

Company/Site	Activity	ISO 45001	ISO 14001	Other relevant Certification
Sureko (Türkiye)	Waste	YES	YES	Zero Waste Certificate ISO 9001
Quercia (UK)	Waste	N	YES	-
Neales (UK)	Waste	N	YES	British Safety member council ISO 9001

GRI content index

GRI Standard	Disclosure	Section	Omissions and notes
General Disclosure			
GRI 2: General Disclosures	2-1 Organizational details	'The Cementir Group' 'The Corporate Governance system' 'Global presence'	-
	2-2 Entities included in the organization's sustainability reporting	'Methodology note'	-
	2-3 Reporting period, frequency and contact point	'Methodology note'	For contact point please consider communication@cementirholding.it
	2-4 Restatements and information	'Cementir's CO_2 footprint'	The only restatement made from previous reporting period has been the one related to the method applied for Scope 3 calculation data.
	2-5 External assurance	'Methodology note' 'Independent Auditor's report'	-
	2-6 Activities, value chain and other business relationships	'The Cementir Group' 'Global presence' 'Value chain engagement'	-
	2-7 Employees	'Workforce number and composition' 'Cementir Data Tables'	-
	2-8 Workers who are not employees	'Workforce number and composition' 'Cementir Data Tables'	-
	2-9 Governance structure and composition	'Nomination and selection processes of highest corporate body and its committees' 'The Sustainability Governance system'	-
	2-10 Nomination and selection of the highest governance body	'The Corporate Governance system'	-
	2-11 Chair of the highest governance body	'Processes for ensuring that conflicts of interest are prevented'	-
	2-12 Role of the highest governance body in overseeing the management of impacts	'Role of the Bord of Directors in overseeing the management of Cementir's impacts'	-
	2-13 Delegation of responsibility for managing impacts	'Role of the Bord of Directors in overseeing the management of Cementir's impacts'	-
	2-14 Role of the highest governance body in sustainability reporting	'Validation and implementation' 'The Sustainability Governance System'	-
	2-15 Conflicts of interest	'Processes for ensuring that conflicts of interest are prevented'	
	2-16 Communication of critical concern	'The Code of Ethics'	-
	2-17 Collective knowledge of the highest governance body	'Governance'	
	2-18 Evaluation of the performance of the highest governance body	'Evaluation of Board's performance'	-
	2-19 Remuneration policies	'The Corporate Governance system'	Please refer also to Remuneration Report and Remuneration Policy
	2-20 Process to determine remuneration	'The Corporate Governance system'	
	2-21 Annual total compensation ratio	'The Corporate Governance system'	Please refer also to the Annual Report
	2-22 Statement on sustainable development strategy	'Letter to stakeholders' 'UN Global Compact'	
	2-23 Policy commitments	'The Code of Ethics'	

GRI Standard	Disclosure	Section	Omissions and notes
		'Commitment to fighting corruption' 'Commitment to Human Rights' 'Commitment to Diversity, Equity and Inclusion'	
	2-24 Embedding policy commitments	'The Code of Ethics' 'Commitment to fighting corruption' 'Commitment to Human Rights' 'Commitment to Diversity, Equity and Inclusion' 'Cementir Academy'	
	2-25 Processes to remediate negative impacts	'The Code of Ethics'	
	2-26 Mechanisms for seeking advice and raising concerns	'The Code of Ethics'	
	2-27 Compliance with laws and regulations	'Relevant litigation'	
	2-28 Membership associations	'Our commitment on carbon-related public policy'	
	2-29 Approach to stakeholder engagement	'The Group's stakeholders'	
	2-30 Collective bargaining agreements	'Industrial relations'	
Material Topics			
Economic Performance (Business performance and consolidation)			
GRI 3: Material Topics	3-1 Process to determine material topics	'The definition of the material issues' 'Economic value generated and distributed'	-
	3-2 List of material topics	'The definition of the material issues' ' 'Economic value generated and distributed'	-
	3-3 Management of material topics	'The definition of the material issues' 'Risk Management Framework' 'Economic value generated and distributed'	-
GRI 201: Economic Performances	201-1 Direct economic value generated and distributed	'Economic value generated and distributed'	-
Anti-corruption (Regulation; Transparency and Accountability)			
GRI 3: Material Topics	3-1 Process to determine material topics	'The definition of the material issues' 'Governance' 'Commitment to fighting corruption'	-
	3-2 List of material topics	'The definition of the material issues' 'Governance' 'Commitment to fighting corruption'	-
	3-3 Management of material topics	'The definition of the material issues' 'Risk Management Framework' 'Governance' 'Commitment to fighting corruption'	-
GRI 205: Anti-corruption	205-3 Confirmed incidents of corruption and actions taken	'Commitment to fighting corruption'	-
Anti-competitive behaviour (Competitive behaviour; Transparency and Accountability)			
GRI 3: Material Topics	3-1 Process to determine material topics	'The definition of the material issues' 'Governance' 'Integrity and competition'	-
	3-2 List of material topics	'The definition of the material issues' 'Governance' 'Integrity and competition'	-
	3-3 Management of material topics	'The definition of the material issues' 'Risk Management Framework' 'Governance' 'Integrity and competition'	-
GRI 206: Anti-competitiv	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	'Governance' 'Integrity and competition'	-

GRI Standard	Disclosure	Section	Omissions and notes
e behaviour			
GRI 207: Tax	Disclosure 207-1 Approach to tax	'Cementir's approach to taxes'	-
	Disclosure 207-2 Tax governance, control, and risk management	'Cementir's approach to taxes'	-
	Disclosure 207-3 Stakeholder engagement and management of concerns related to tax	'Cementir's approach to taxes'	-
	Disclosure 207-4 Country-by-country reporting	'Cementir's approach to taxes'	-

GRI Standard	Disclosure	Section	Omissions
Materials (Circular economy (Use of alternative fuels and materials); Waste and hazardous materials management)			
GRI 3: Material Topics	3-1 Process to determine material topics	'The definition of the material issues' 'In waste we see resources'	-
	3-2 List of material topics	'The definition of the material issues' 'In waste we see resources' 'Use of alternative fuels' 'Alternative raw materials' 'Efficient waste management'	-
	3-3 Management of material topics	'In waste we see resources' 'Use of alternative fuels' 'Alternative raw materials'	-
GRI 301: Materials	301-1 Materials used by weight or volume	'Alternative raw materials'	-
GRI 306: Waste	306-1: Waste generation and significant waste-related impacts	'In waste we see resources'	-
	306-2 Management of significant waste-related impacts	'In waste we see resources'	-
	306-3 Waste-generated	'In waste we see resources'	-
	306-4: Waste diverted from disposal	'In waste we see resources'	-
	306-5: Waste directed to disposal	'In waste we see resources'	-
Energy (Energy management; Climate Change and GHG emissions)			
GRI 3: Material Topics	3-1 Process to determine material topics	'The definition of the material issues' 'In waste we see resources' 'We respect the environment in all our operations'	-
	3-2 List of material topics	'In waste we see resources' 'We respect the environment in all our operations'	-
	3-3 Management of material topics	'In waste we see resources' 'We respect the environment in all our operations'	-

GRI Standard	Disclosure	Section	Omissions
GRI 302: Energy	302-1 Energy consumption within the organization	'Energy consumption' 'Use of alternative fuels'	-
	302-3 Energy intensity	'Energy consumption'	-
Water (Water management)			
GRI 3: Material Topics	3-1 Process to determine material topics	'The definition of the material issues' 'Responsible and efficient use of water'	-
	3-2 List of material topics	'The definition of the material issues' 'Responsible and efficient use of water'	-
	3-3 Management of material topics	'Task Force on Climate-related Disclosures – TCFD' 'Risk Management Framework' 'Responsible and efficient use of water'	-
GRI 303: Water and Effluents	303-1 Interactions with water as a shared resource	'Responsible and efficient use of water'	-
	303-2 Management of water discharge-related impacts	'Responsible and efficient use of water'	-
	303-3 Water withdrawal	'Responsible and efficient use of water'	-
	303-4 Water discharge	'Responsible and efficient use of water'	-
	303-5 Water consumption	'Responsible and efficient use of water'	-

GRI Standard	Disclosure	Section	Omissions
Emissions (Climate Change and GHG emissions; Other air emissions (non GHG emissions))			
GRI 3: Material Topics	3-1 Process to determine material topics	'The definition of the material issues' 'Task Force on Climate-related Disclosures – TCFD' 'Cementir Roadmap 2030' '2050 ambition' 'Risk Management Framework' 'We respect the environment in all our operations'	-
	3-2 List of material topics	'The definition of the material issues' 'Task Force on Climate-related Disclosures – TCFD' 'Cementir Roadmap 2030' '2050 ambition' 'Risk Management Framework' 'We respect the environment in all our operations'	-
	3-3 Management of material topics	'The definition of the material issues' 'Task Force on Climate-related Disclosures – TCFD' 'Cementir Roadmap 2030' '2050 ambition' 'Risk Management Framework' 'We respect the environment in all our operations'	-
GRI 305: Emissions	305-1 Direct (Scope 1) GHG emissions	'Cementir's CO_2 footprint' 'CO_2 emissions related to cement production' 'CO_2 emissions related to other activities'	-
	305-2 Energy indirect (Scope 2) GHG emissions	'Cementir's CO_2 footprint' 'CO_2 emissions related to cement production' 'CO_2 emissions related to other activities'	-
	305-3 Other indirect (Scope 3) GHG emissions	'Cementir's CO_2 footprint' 'Cementir's Scope 3 emissions'	
	305-4 GHG emissions intensity	'Cementir's CO_2 footprint' 'CO_2 emissions related to cement production' 'CO_2 emissions related to other activities'	-
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	'Other air emissions management'	-
Employment (People management and development)			
GRI 3: Material Topics	3-1 Process to determine material topics	'The definition of the material issues' 'We value our people'	-
	3-2 List of material topics	'The definition of the material issues' 'We value our people'	-
	3-3 Management of material topics	'Risk Management Framework' 'We value our people'	-
GRI 401: Employment	401-1 New employee hires and employee turnover	'Workforce numbers and composition'	
Labor/Management relations (Industrial Relations)			
GRI 3: Material Topics	3-1 Process to determine material topics	'The definition of the material issues' 'We value our people'	-
	3-2 List of material topics	'We value our people'	-
	3-3 Management of material topics	'Risk Management Framework' 'We value our people'	-
GRI 402: Labor/Management relations	402-1 Minimum notice periods regarding operational changes	'Industrial relations'	-
Occupational Health & Safety (Health & Safety)			
GRI 3: Material Topics	3-1 Process to determine material topics	'The definition of the material issues' 'Concretely safe'	-
	3-2 List of material topics	'The definition of the material issues' 'Concretely Safe'	-

GRI Standard	Disclosure	Section	Omissions
	3-3 Management of material topics	'Risk Management Framework' 'Concretely Safe'	-
GRI 403: Occupational Health & Safety	403-1 Occupational health and safety management system	'Concretely Safe'	-
	403-2 Hazard identification, risk assessment, and incident investigation	'Concretely Safe'	-
GRI 403 (2018): Occupational Health & Safety	403-3 Occupational health services	'Concretely Safe'	-
	403-4 Worker participation, consultation, and communication on occupational health and safety	'Concretely Safe'	-
	403-5 Worker training on occupational health and safety	'Concretely Safe'	-
	403-6 Promotion of worker health	'Concretely Safe'	-
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	'Concretely Safe'	-
	403-9 Work-related injuries	'Concretely Safe'	-

GRI Standard	Disclosure	Section	Omissions
Training and education (People management and development)			
GRI 3: Material Topics	3-1 Process to determine material topics	'The definition of the material issues' 'We value our people'	-
	3-2 List of material topics	'The definition of the material issues' 'We value our people'	-
	3-3 Management of material topics	'We value our people'	-
GRI 404: Training and education	404-1 Average hours of training per year per employee	'We value our people' 'Cementir Academy'	-
	404-2 Programs for upgrading employee skills and transition assistance programs	'We value our people'	-
	404-3 Percentage of employees receiving regular performance and career development reviews	'We value our people' 'People evaluation and development'	
Diversity and Equal Opportunity (Diversity Equity and Inclusion)			
GRI 3: Material Topics	3-1 Process to determine material topics	'The definition of the material issues' 'We value our people' 'Diversity, equity and inclusion'	-
	3-2 List of material topics	'The definition of the material issues' 'We value our people' 'Diversity, equity and inclusion'	-
	3-3 Management of material topics	'Commitment to Diversity, Equity and Inclusion' 'Code of Ethics, Human Rights, Diversity, Equity and Inclusion Awareness Survey' 'We value our people' 'Diversity, equity and inclusion'	-
GRI 405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	'Diversity, Equity and inclusion' 'Appendix'	-
Non-discrimination (Human Rights)			
GRI 3: Material Topics	3-1 Process to determine material topics	'The definition of the material issues' 'The Code of ethics' 'Commitment to Human Rights' 'We value our people' 'Diversity, equity and inclusion'	-
	3-2 List of material topics	'The code of ethics' 'Commitment to Human Rights' 'We value our people' 'Diversity, equity and inclusion'	-
	3-3 Management of material topics	'The Code of Ethics' 'Commitment to Human Rights' 'Code of Ethics, Human Rights, Diversity, Equity and Inclusion Awareness Survey' 'We value our people'	-
GRI 406: Non discrimination	406-1 Incidents of discrimination and corrective actions taken	'The Code of Ethics' 'Commitment to Human Rights'	-
Local Communities (Community Engagement)			
GRI 3: Material Topics	3-1 Process to determine material topics	'The definition of the material issues' 'We support our communities'	-
	3-2 List of material topics	'We support our communities'	-
	3-3 Management of material topics	'We support our communities'	-
GRI 413: Local Communities	413-1 Operations with local community engagement, impact assessments, and development programs	'Dialogue and support of local communities'	-

GRI Standard	Disclosure	Section	Omissions
	413-2 Operations with significant actual and potential negative impacts on local communities	'Dialogue and support for local communities'	

GRI Standard	Disclosure	Section	Omissions
Customer Management			
GRI 3: Material Topics	3-1 Process to determine material topics	'The definition of the material issues' 'Customer engagement'	-
	3-2 List of material topics	'The definition of the material issues' 'How cement is made' 'Customer engagement'	-
	3-3 Management of material topics	'How cement is made' 'Customer engagement'	-
N/A	No disclosure of the GRI applicable. The document presents a qualitative description of the subject and actions taken by the Group	'How cement is made' 'Customer engagement'	-
Innovation			
GRI 3: Material Topics	3-1 Process to determine material topics	'The definition of the material issues' 'Sustainable products' 'Cementir roadmap 2030'	-
	3-2 List of material topics	'The definition of the material issues' 'Sustainable products' 'Cementir roadmap 2030'	-
	3-3 Management of material topics	'Sustainable products' 'Cementir roadmap 2030'	-
N/A	No disclosure of the GRI applicable. The document presents a qualitative description of the subject and actions taken by the Group	'Sustainable products' 'Cementir roadmap 2030'	-
Biodiversity			
GRI 3: Material Topics	3-1 Process to determine material topics	'The definition of the material issues'	-
	3-2 List of material topics	'The definition of the material issues'	-
	3-3 Management of material topics	'Extraction activities, rehabilitation and biodiversity'	-
N/A	No disclosure of the GRI applicable. The document presents a qualitative description of the subject and actions taken by the Group	'Extraction activities, rehabilitation and biodiversity'	-
Reliable and Sustainable Supply chain			
GRI 3: Material Topics	3-1 Process to determine material topics	'The definition of the material issues'	-
	3-2 List of material topics	'The definition of the material issues' 'Value chain engagement'	-
	3-3 Management of material topics	'The definition of the material issues' 'Value chain engagement' 'Risk Management Framework'	-
Cybersecurity and data protection			
GRI 3: Material Topics	3-1 Process to determine material topics	'The definition of the material issues'	-
	3-2 List of material topics	'The definition of the material issues'	-
	3-3 Management of material topics	'Risk Management Framework'	-
Geopolitical aspects			
GRI 3: Material Topics	3-1 Process to determine material topics	'The definition of the material issues'	-
	3-2 List of material topics	'The definition of the material issues'	-
	3-3 Management of material topics	'Risk Management Framework'	-

Below is reported a table of correlation between European Directive 95/2014/EU – material issues – GRI Standards:

Issue of European Directive 95/2014/EU	Cementir material issue	Identified risks and managing methods	Policies adopted	Relevant GRI standards	Reported disclosure	Notes
Environmental	Use of alternative fuels and materials	Energy Risk of unavailability of raw materials. Risks connected to climate change. Please see: Chap. 'Task Force on Climate-related Financial Disclosures - TCFD' 'Risk Management Framework' 'In waste, we see resources: we promote a circular economy'' 'We respect the environment in all our operations'	Chap. 'In waste, we see resources: we promote a circular economy'	GRI 2: General Disclosures 2021 GRI 3: Material Topics 2021 GRI 302: Energy GRI 301: Materials	302-1 302-3 301-1	
	Climate change		Chap. 'We respect the environment in all our operations'	GRI 2: General Disclosures 2021 GRI 3: Material Topics 2021 GRI 305: Emissions	305-1 305-2 305-4	
	Other emissions		Chap. 'We respect the environment in all our operations'	GRI 2: General Disclosures 2021 GRI 3: Material Topics 2021 GRI 305: Emissions	305-7	
	Water management		Chap. 'We respect the environment in all our operations'	GRI 2: General Disclosures 2021 GRI 3: Material Topics 2021 GRI 303 (2018): Water and effluents	303-1 303-2 303-3	
Social	Community engagement	Risks related to licences and operating permits. Please see: Chap. 'Risk Management Framework' 'We support our communities'	Chap. 'We support our communities'	GRI 2: General Disclosures 2021 GRI 3: Material Topics 2021 GRI 413: Local Communities	413-2	
	Fair competition	Compliance risks. Please see: Chap. 'Risk Management Framework' Governance'	Chap. 'Governance'	GRI 2: General Disclosures 2021 GRI 3: Material Topics 2021 GRI 206: Anti-competitive behaviour	206-1	

Issue of European Directive 95/2014/EU	Cementir material issue	Identified risks and managing methods	Policies adopted	Relevant GRI standards	Reported disclosure	Notes
	Logistics and supply chain	Risk of unavailability of raw materials. Health and Safety Risks. Some of the Group's environmental and social risks extend to the supply chain.	Chap. 'How cement is made' 'Value chain engagement' 'We value our people'	GRI 2: General Disclosures 2021 GRI 3: Material Topics 2021	-	.
Staff-related	Health and Safety	Health and Safety Risks. Please see: Chap. 'We value our people'	Chap. 'We value our people'	GRI 2: General Disclosures 2021 GRI 3: Material Topics 2021 GRI 403 (2018): Occupational health and safety	403-1 403-2 403-3 403-4 403-5 403-6 403-7 403-9	
	People management and development	Risks of loss of key personnel. Please see: Chap. 'We value our people'	Chap. 'We value our people'	GRI 2: General Disclosures 2021 GRI 3: Material Topics 2021 GRI 401: Employment GRI 404: Training and Education	401-1 404-1 404-2 404-3	
	Diversity management		Chap. 'We value our people'	GRI 2: General Disclosures 2021 GRI 3: Material Topics 2021 GRI 405: Diversity and Equal opportunities	405-1	
	Industrial relations		Chap. 'We value our people'	GRI 2: General Disclosures 2021 GRI 3: Material Topics 2021 GRI 402: Labor/Management Relations	402-1	
Respect for human rights	Human rights	Compliance risks. Please see: Chap. 'We value our people'	Chap. 'We value our people'	GRI 2: General Disclosures 2021 GRI 3: Material Topics 2021 GRI 406: Non-discrimination	406-1	
The fight against corruption	Ethics, anti-corruption and compliance	Compliance risks. Please see: Chap. 'The commitment to fight corruption'	Chap. 'Governance'	GRI 2: General Disclosures 2021 GRI 3: Material Topics 2021 GRI 205: Anti-corruption	205-3	

Rome, 9 March 2023

Francesco Caltagirone Jr.

Chairman of the Board of Directors

Glossary

Cement equivalent (TCE - Ton(s) of Cement Equivalent): An indicator related to the plant's production of clinker, calculated based on the produced clinker and on the average clinker/cement ratio for the year.

CO_2: An acidic oxide (anhydride) formed by a carbon atom bound to two oxygen atoms. Colourless, odourless and tasteless gas, heavier than air, which is formed in all the processes of combustion, respiration and decomposition of organic material, due to the total oxidation of the carbon and, in the cement industry, the decarbonation of limestone. It is an essential substance in the biological processes of plants and animals, but it is also responsible for the increase in global warming. Carbon dioxide, which allows sunlight to pass through unimpeded, absorbs infrared radiation emitted by the earth's surface, causing the so-called 'greenhouse effect'. The cement process emits CO_2 from two sources: the calcination of raw materials (mainly limestone) and the combustion of fuels for heat production.

g/ TCE: Grams per Ton of Cement Equivalent.

Joule: Unit of measurement of energy (one joule is the work required to exert a force of one newton for a distance of one meter). A gigajoule (GJ) is equal to 1×10^9 joules, while a terajoule (TJ) is equal to 1×10^{12} joules.

Frequency rate: Occupational Health and Safety indicator. Number of work-related injuries per hours worked (e.g. per millions of hours worked).

Severity rate: Occupational Health and Safety indicator. Working days of absence due to a work-related injuries per hours worked (e.g. per thousands of hours worked).

Injury: Work-related event due to unexpected and violent cause that results in partial or total inability to work or in the most severe cases, death. Commuting injuries are excluded.

RDF (**Refuse-Derived Fuel**): A solid dry shredded fuel obtained by processing solid urban waste, generally collected in cylindrical blocks known as eco-bales.

SRF (Solid Recovered Fuel): A solid dry shredded fuel obtained by processing solid urban waste compliant with European standard EN 15359.

ISO 14001: A voluntary international standard, establishing the requirements of the environmental management system. ISO 14001 is a certifiable standard, meaning that certification of compliance with its requirements may be obtained from an accredited certification auditor. ISO 14001 certification is not mandatory but is the result of a voluntary choice by a company/organisation that decides to establish/implement/maintain/improve its environmental management system. The adoption of the ISO 14001 standard allows an organisation to identify and monitor the impact of its activities on the environment and improve its environmental performance by implementing a systematic approach that involves the definition and the achievement of specific environmental goals.

ISO 45001: Voluntary international standard, which establishes the requirements the occupational health and safety management system must meet. ISO 45001 is a certifiable

standard, which means that certification of compliance with its requirements can be obtained from an accredited certification agency auditor. ISO 45001 certification is not mandatory but is the result of a voluntary choice by a company/organisation that decides to establish/implement/maintain/improve its occupational health and safety management system. The adoption of the ISO 45001 standard allows an organisation to identify and monitor the impact of its activities on health and safety and improve its performance by implementing a systematic approach that provides for the definition and achievement of specific health and safety objectives.

ISO 50001: A voluntary international standard which establishes the requirements for creating, implementing, maintaining and improving an energy management system. The aim of this system is to make it possible for an organisation to use a systematic approach to continuously improve its energy performance, including energy efficiency as well as energy consumption and use.

ISO 9001: Voluntary international standard which establishes the requirements of the quality management system.

l/t: Litres per ton.

l/TCE: Litres per Total Cement Equivalent

m3: Cubic metre.

NO: Nitrogen oxide.

NO2: Nitrogen dioxide.

NOx: Nitrogen oxides (NO and NO2).

SO2: Sulphur dioxide.

'Scope 1' emissions: All direct emissions from the company's own sources or those controlled by the company.

'Scope 2' emissions: The indirect emissions of the company, those linked to the purchase of energy from sources controlled by another subject (e.g. electricity).

Emission factors used

To calculate the direct emissions of CO_2 equivalents (Scope 1), the default CO_2 emission factors of the Global Cement and Concrete Association were used. Please refer to the Global Cement and Concrete Association (GCCA) The Cement CO_2 and Energy Protocol, Version 3 CO_2 and Energy Accounting and Reporting Standard for the Cement Industry.

To calculate the indirect emissions of CO_2 equivalents (Scope 2), the emission factors provided by Ecoinvent 3.7.1 were used. The Ecoinvent Database is a database that has emission factors linked to the electricity production mix of several countries around the world.

To calculate the indirect emissions of CO_2 equivalents (Scope 3), the emission factor databases used for this calculation were: Ecoinvent 3.8 for 2021, Ecoinvent 3.9 for 2022, BEIS&DEFRA(2021-2022) and IEA (2022).

Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

CEMENTIR HOLDING N.V.

SUSTAINABILITY REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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INDEPENDENT AUDITOR'S REPORT ON THE SUSTAINABILITY REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

To the Board of Directors of Cementir Holding N.V.

We have undertaken a limited assurance engagement on the Sustainability Report of Cementir Holding N.V. and its subsidiaries (the "Group") for the year ended 31 December 2022 prepared in accordance with GRI - Sustainability Reporting Standard ("GRI Standards") and approved by the Board of Directors on 9 March 2023 (the "Report").

Our review does not extend to the information set out in the section "EU Taxonomy" of the Report, prepared to comply with the requirement of article 8 of European Regulation 2020/852.

Responsibilities of the Directors for the Report

The Directors are responsible for the preparation of the Report in accordance with the GRI Standard, identified by them as the reporting standards.

The Directors are also responsible, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of a Report that is free from material misstatement, whether due to fraud or error.

Moreover, the Directors are responsible for defining the sustainability performance targets of the Group, as well as for identifying the stakeholders and the significant aspects to be reported.

Finally, the Directors are responsible for defining the business and organisational model of the Group and, with reference to the matters identified and reported in the Report, for the policies adopted by the Group and for the identification and management of risks generated and/or faced by the Group.

Auditor's Independence and Quality Control

We are independent in accordance with the principles of ethics and independence set out in the Code of Ethics for Professional Accountants published by the International Ethics Standards Board for Accountants, which are based on the fundamental principles of integrity, objectivity, competence and professional diligence, confidentiality and professional behaviour. Our audit firm adopts International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintains an overall quality control system which includes processes and procedures for compliance with ethical and professional principles and with applicable laws and regulations.

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Auditor's responsibilities

We are responsible for expressing a conclusion, on the basis of the work performed, regarding the compliance of the Report with the requirements of the GRI Standards. We conducted our work in accordance with International Standard on Assurance Engagements 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. The standard requires that we plan and apply procedures in order to obtain limited assurance that the Report is free from material misstatement. The procedures performed in a limited assurance engagement are less in scope than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised, and, therefore, do not provide us with a sufficient level of assurance that we have become aware of all significant facts and circumstances that might be identified in a reasonable assurance engagement.

The procedures performed on the Report were based on our professional judgement and consisted in interviews, primarily of company personnel responsible for the preparation of the information presented in the Report, analyses of documents, recalculations and other procedures designed to obtain evidence considered useful.

In detail, we performed the following procedures:

1 analysis of the process aimed at defining the significant reporting areas to be disclosed in the Report, with regard to the methods for their identification, in terms of priority for the various stakeholders, as well as the internal validation of the process findings;

2 understanding of the processes underlying the preparation, collection and management of the significant qualitative and quantitative information included in the Report.
In detail, we held meetings and interviews with the management of Cementir Holding N.V. and we performed limited analysis of documentary evidence, to gather information about the processes and procedures for the collection, consolidation, processing and submission of the non-financial information to the function responsible for the preparation of the Report.

Moreover, for material information, considering the activities and characteristics of the Group:

- at holding level,

  a) with reference to the qualitative information included in the Report, and in particular to the business model, the policies adopted and the main risks, we carried out interviews and acquired supporting documentation to verify its consistency with available evidence;
  b) with reference to quantitative information, we performed analytical procedures as well as limited tests, in order to assess, on a sample basis, the accuracy of consolidation of the information;
  c) understanding the processes underlying the generation, collection, consolidation, processing and management of the Scope 3 emissions data and information ("Purchased Goods and Services", "Capital goods", "Fuel and energy related activities", "Upstream transportation & distribution", "Waste generated in operations", "Business Travel", "Downstream transportation & distribution"); performing of limited verification procedures to ascertain the correct calculation and aggregation of Scope 3 emissions;

d) verification of the inclusion, in the Report, of a section dedicated to the disclosure according to EU Taxonomy.

- for the following companies, Cementir Holding N.V., Aalborg Portland A/S e Çimentaş AS which were selected on the basis of their activities, their contribution to the performance indicators at a consolidated level and their location, we carried out we carried out a remote site visit (Çimentaş AS Izmir plant) and a physical site visit (Aalborg Portland A/S) during which we met local management and gathered supporting documentation regarding the correct application of the procedures and calculation methods used for the key performance indicators.

Conclusions

Based on the work performed, nothing has come to our attention that causes us to believe that the Report of Cementir Holding N.V. for the year ended 31 December 2022 is not prepared, in all material respects, in accordance with the GRI Standards as disclosed in the paragraph "Methodology note" of the Report.

Our conclusions do not extend to the information set out in the section "EU Taxonomy" of the Report.

Rome, 9 March 2023

PricewaterhouseCoopers SpA

Massimiliano Loffredo
(Partner)