

SUSTAINABILITY REPORT 2023

Cementir Group

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]

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LETTER TO THE STAKEHOLDERS



Dear stakeholders,

In 2023, once again, the Group experienced great achievements despite the period of great turbulence in the world. The year was globally characterized by converging crises, including the continuation of international conflicts that fuelled inequalities, global insecurity and instability, along with volatility in the supply chain; economic uncertainty; the impacts of climate change and extreme weather events.

The anticipated context emphasized the importance of adopting a proactive and leading approach as a globally operating Group. This goes beyond passive acceptance of events; it requires taking a driving role, fostering radical and constant innovation, and staying ahead of emerging trends and changes, which we actively pursue at Cementir. We acknowledged that we were well-prepared to navigate through the crisis and that we were and we are capable of creating greater economic and social value over the long term while minimizing business operating risks.

Even for 2023 we further strengthened our plans to reduce our impact on the climate and increase the preservation of planetary resources achieving for this year an important milestone: the validation of

our revised targets by Science-Based Targets initiative (SBTi), aligned with the 1.5°C scenario. With the issuance of the 'Cement Science Based target setting guidance' in September 2022 we promptly initiated the process of updating our targets achieving their validation in early 2024.

Since 2022, Cementir has been a member of the UN Global Compact, joining 15,000 signatory companies committed to developing a more responsible business. This commitment involves respecting human and labour rights, promoting environmental protection and supporting anti-corruption initiatives. In 2023, as a voluntary practice for the year, Cementir chose to publicly disclose the company's 2022 data on the official UN Global Compact's platform - CoP (Communication on Progress), reinforcing its dedication to transparency.

Cementir's commitment to international organization is evident through its endorsement of the WASH Pledge, an initiative developed by the World Business Council for Sustainable Development (WBCSD) and supported by the United Nations. As of the end of 2023, the Group's average compliance with WASH standards was nearly 90%.

This year has seen a significantly greater focus on innovation, one of our fundamental drivers. It will be

the key to helping create better living conditions, by allowing communities to thrive. We have been engaged in ongoing studies and development of low carbon cement, as well as feasibility studies of the implementation of Carbon Capture and Storage technologies at some of our plants. Group's plan envisages to install a CCS system in Aalborg, in 2030, with which the Group will reduce CO₂ emissions per ton of grey cement to 458 kg, with an emission level below the limits required by the European Taxonomy and equal to a reduction of 36% compared to 2020 levels.

Aligned with this the Group has defined a Roadmap to 2030 that will allow for the constant reduction of CO₂ emissions per ton of cement. In 2023, emissions per ton of grey cement were 655 kg, down 9% compared to 2020, while emissions per ton of white cement were 846 kg, down 7% compared to 2020.

For white cement, which is a niche product for specific applications, with a market equal to 0.5% of world production, CO₂ emissions will be reduced to 737 kg per ton of product. 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.

Thanks also to all these efforts aimed at reducing CO₂ emissions, we were able to increase the percentage of Taxonomy-aligned activities in 2023. In that year, three plants met the threshold established by the Taxonomy. As a result, the proportions of Cementir Group's turnover, capital expenditure (CapEx), and operating expenditure (OpEx) that were Taxonomy-aligned were 28.51%, 38.66%, and 26.96% respectively.

Even in 2023, we also reaffirmed our steadfast dedication to the preservation and enhancement of global biodiversity. We have completed post-guideline evaluations, conducted gap analyses, and

identified initiatives to further enhance our commitment to biodiversity conservation. Cementir targets to develop Biodiversity Management Plan for all the sites that are sensitive with respect to biodiversity and that have high biodiversity value.

The cornerstone of our operations is embodied by our employees, who shape the future of the construction materials sector with perseverance, dedication and foresight. Through their unwavering commitment and hard work, we, as a Group, are more steadfast in our mission to assume the role of sustainability leader in our communities.

The Group's top priority then remains the promotion of a robust health and safety culture with the goal of implementing a zero-accident strategy. In 2023, there were no fatal injuries reported among employees, contractors, or subcontractors. The significant efforts in health and safety also led to a 16% reduction in the total number of lost time injuries compared to 2022.

We are proud in fostering a work environment that promotes authenticity for everyone. As a global company, we recognize the fundamental importance of embracing differences, seeking alternative views and hear the diverse voices and thoughts of all individuals. We are therefore aware of the inestimable value of diversity, which enables both corporate and personal enrichment. In 2023, to enforce the company's commitment to Diversity, Equity and Inclusion (DEI), we performed several activities. We launched a specific training on the topic and we achieved all of our DEI targets for 2023.

Thanks to the company's commitment to transparency and the business model established by Cementir to create sustainable value in the long-term, as evidenced throughout the entire Sustainability Report, in 2023, it mainly confirmed or improved its ESG ratings. Notable improvements to highlight include the upgrade to A in the MSCI rating and to A- in the Refinitiv rating.

In 2023, Cementir was awarded an 'A-' rating for Climate Change from the CDP, for the third year in row, rating and placing Cementir above the cement and concrete sector average (B) and the European average (B). For the second year, then, Cementir was also awarded a 'A-' rating for water security, higher than the Europe regional average (C) and higher than the Cement and concrete sector average (B).

Cementir embraces and applies a holistic approach to sustainability, with organizations and individuals striving to create a harmonious and resilient balance between environmental stewardship, social responsibility, and economic prosperity. All the

significant achievements are then documented in the comprehensive Sustainability Report.

Looking ahead, Cementir will persist in pursuing these approaches to promote a sustainable and thorough business model that can generate shared value and positive impact for present and future generations. We believe that we are well-equipped, to continue being pioneers in sustainable value creation in the materials sector.

The achievements of 2023 would not have been possible without the passion of our employees and their continued engagement, to whom I renew my gratitude.

Rome, 11 March 2024

Francesco Caltagirone, Jr.
Chairman of the Board of Directors



Ready-mix concrete plant in Brussels, Belgium

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 the 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 subsidiaries¹. 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 is derived 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 2023 - 31 December 2023, is drafted annually, and is approved by the Board of Directors of Cementir Holding N.V. Data from previous years 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 the 'GRI Sustainability Standards' as a methodological reference issued by the Global Reporting Initiative (GRI), a leading international association in the development of Sustainability Reporting Standards. The information has been reported 'in accordance' with the GRI Standards, referring to the period between January 1st, 2023 and December 31st, 2023. 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 2023 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 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 CO₂ 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.

¹For the Group details see the Group Annual report.

THE DEFINITION OF MATERIAL ISSUES

According to the GRI Sustainability Reporting Standards, material topics are those 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 clearly delineates the relationships between corporate interests and those of stakeholders, highlighting areas of sustainability that are of mutual interest and should be the primary focus of reporting and strategic actions.

Cementir Holding's approach to sustainability is based on this tool and, therefore, we have committed to updating it annually. This commitment is also appropriate considering the numerous changes that have occurred in the field of sustainability in recent years and underscores the importance of meeting stakeholders' evolving expectations and priorities.

The materiality matrix has been reviewed in accordance with the GRI 2021.

The update conducted in 2023 largely yields the same outcomes, using as baseline the categorisation of material topics into three areas: Environmental, Social and Governance (ESG).

Consistent with the previous year, the most significant material topics in 2023 are **Health & Safety** and **Climate Change and GHG emissions**, confirming complete alignment with corporate strategies and implemented practices.

The materiality matrix review process performed in 2023 can be delineated into four distinct phases.



1. Identification and research

Material topics have been identified and validated through the consultation of Sector Specific Standards, ESG mega trends, ESG rating agencies and examination of competitors' materiality matrix.



2. Stakeholder engagement

Conversations and consultations with internal and external stakeholder have been conducted to prioritize and assess each material topic, assigning its degree of relevance.



3. Prioritisation

Following the collected results, the prioritization of material topics was carried out, both based on the assigned degree of relevance and the assessment provided by various stakeholders.



4. Validation and implementation

The results gathered in the previous phases have been analyzed and conclusively validated. The findings are then presented to the Sustainability Committee for approval.

IDENTIFICATION AND RESEARCH

The groundwork for this stage began with the identification and validation of material topics through consultation with multiple sources, both internal and external. Given the constant changes in the market, business relationships and trends, for us it is crucial that the process of identifying impacts is conducted regularly.

Initially, an analysis of the actual and potential impacts generated on the economy, environment and people through corporate operations was carried out. This analysis was facilitated by consulting internal documents from 2023, such as the Group's strategy, the Group's sustainability targets (for details, see the paragraph 'Sustainability Targets'), audits results, complaints received through the whistleblowing channel and Group Enterprise Risk Management.

Concerning the Group Risk Management, consultation of the risk register allowed for a more accurate delineation of the main business impacts (for further information on 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 the 2022 material topics. By doing this, we were able to validate our internal trends understanding 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 Finder (sector specific)
- the MSCI ESG Industry Materiality Map
- documents and research issued by cement trade associations.

An important stage of the process was then to analyse main laws and regulations in the countries where the Group operates.

To further verify the alignment of our material topics with the needs of our stakeholders, we provided consultation and analysis of ESG mega trends, as reported by MSCI, Refinitiv, S&P Global and from official ESG papers of the main international consulting firms.

We further enriched our analysis by using a benchmark of material topics identified by the main players in the cement sector with an industry benchmarking of 10 competitors.

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 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 the 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 a Biodiversity Management Plan for the quarries assessed as having a 'High biodiversity value'. In this way each plant is committed to the development of appropriately focused rehabilitation and management plans to preserve biodiversity and ensure quarry rehabilitation.		
● Circular economy	Respect, application and dissemination of the circularity 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. It also involves the integration of alternative fuels, encompassing the exploration, implementation and promotion of sustainable and environmentally friendly energy sources beyond traditional fossil fuels.		
● 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 is committed to developing a business model in line with the sustainability strategic goals and the CO ₂ emission reduction targets judged by the Science Based Targets initiative (SBTi) to be consistent with a 1.5°C world. In February 2024, SBTi validated that the CO ₂ reduction targets for the near-term (2030) and long-term (2050) defined by Cementir are in line with the 1.5°C Scenario.		
● Energy management	Internal monitoring process aimed at the correct 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 48% for producing grey cement and 14% for white cement. Energy management is not only related to source of supply but also to its sale. In Aalborg plant, excess heat is recovered from cement production and distributed to provide district heating to local inhabitants.		
● Innovation	Foster a culture of innovation, in all Group operations, to stay ahead of market trends, enhance operational efficiency and address emerging challenges. Cementir aims to lead our industry, drive sustainable growth and positively impact the markets we serve. High levels of innovation are also crucial toward climate change mitigation, practical examples are the implementation and feasibility study of CCS (Carbon Capture and Storage) technologies in our plants and the development of low carbon cement, by minimising clinker content.		
● Other air emissions (different from GHG emissions)	Monitoring, target definition and possible reduction of other air emissions, other than Greenhouse Gas emissions that the company generates through its activities. The company is committed to the constant monitoring of air quality for the analysis of both absolute and specific emissions as PM, NO _x , SO ₂ , NH ₃ , HCl, HF, Hg, TOC, CO and similar pollutants.		

Material topics	Description
● Waste and Hazardous Materials Management	Provision of internal processes to ensure the correct storage of unwanted waste items that have served their purpose but are 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. Using the latest biological technologies, the Group contributes to the reduction of greenhouse gas emissions.
● Water management	The control and movement of water resources to minimise damage to life and property and to maximise efficient beneficial use. 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 standard for all employees in all premises under our direct control. Cementir is also committed to acting on WASH across its value chain (suppliers and communities).
● Community engagement	Engaging with the communities that the company operate within, ensuring their active involvement and participation. All by respecting their human rights and enhancing the efforts towards the distribution of benefits to the local communities.
● Customer management	Encompasses the strategic and operational activities undertaken by our company to understand, engage with and satisfy the needs of our diverse customer base. It involves the seamless integration of processes, technologies, and human interactions to foster positive relationships throughout the entire customer journey.
● 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	The company is dedicated to establishing and endorsing a safe and healthy workplace environment, free from injuries, fatalities, and illnesses. Since 2022, all cement plants have been covered by ISO 45001 certification, reinforcing the company's steadfast commitment to this important topic.
● Human rights	To ensure full respect for human rights, the company is committed to upholding the rights of all its stakeholders. This commitment is further strengthened by adhering to the Group's Human Rights policy.
● 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 value chain	Throughout the entire value chain, the Group ensures that everyone integrates and adheres to the highest standards in accordance with the company's policies, international frameworks, and public commitments.
● Business performance and consolidation	Capability to achieve company's objectives and expected results including all its subsidiaries. This is further enhanced by risk management's activities, that supports management in identifying, assessing and monitoring risks, as well as defining the most effective response strategies for their mitigation.
● Competitive behaviour and business ethics	Management always operates in full accordance with and respect of the market: ensuring fair competition, application of anti-corruption practices and policies, implementation of ethical business practices; all aimed at value creation.
● Cybersecurity and data protection	The integration of practices aimed at protecting digital information from unauthorised access, corruption, or data theft, ensuring a safe business and maintaining the trust of our stakeholders.
● Geopolitical aspects	Direct and indirect impacts on the business caused by geopolitical events around the world (such as inflation, stagflation and conflicts).
● Industrial relations	The consolidation and maintenance of a positive and secure relationship between Top Management and employees are paramount, emphasising the implementation of good labour management practices (e.g. ensuring freedom of association).
● Regulation	Company's responsiveness to adapt its processes and reporting documents to the latest releases of laws, regulations and standards. While the company operates in a sector that is considered a major emitter, legislation, at European level, as well as, at an international level, is becoming more rigorous. Looking at the regulatory landscape, the most impactful laws that affect the company are: the CSRD (Corporate Sustainability Reporting Directive), the EU Taxonomy, the CBAM (Carbon Border Adjustment Mechanism), the future implementation of ETS systems in non-EU countries and the CSDD (Corporate Sustainability Due Diligence Directive).
● 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 2022 material topics, several adjustments have been implemented to provide a more comprehensive description of corporate activities and, most importantly, to ensure complete alignment with the corporate strategy, ESG and market trends.

The main reviews carried out are outlined below.

2022 Material Topics	2023 Material Topics	Reasons for the update
Circular economy (use of alternative fuels and materials)	Circular economy	Greater accuracy on our commitment to the topic
Reliable and sustainable supply chain	Reliable and sustainable value chain	Emphasising the daily commitment towards the whole value chain, extending beyond just our suppliers
Competitive behaviour	Competitive behaviour and business ethics	Highlighting the company's commitment to ensuring good corporate practices, as a guarantee of compliance

DEFINITION THROUGH STAKEHOLDER ENGAGEMENT

Once the material topics for Cementir Holding had been defined, the next stage involved all stakeholders, both internal and external who were previously identified and mapped, in the validation process.

The stakeholders involved in this process were 662 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 both the Ethics and Sustainability Committees.
- Cementir's independent board members.
- A heterogeneous and random sample of employees.

We also involved the following external stakeholders:

- Customers.
- Suppliers.
- Institutional bodies (entities with a primary role in the field of sustainability, e.g. international and well recognised non-profit organizations dedicated to combating climate change, ESG rating agencies).

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 boosted the comprehension of the significance of material topics to the next stage.

PRIORITISATION

The prioritisation phase, immediately following the stakeholder engagement activity, involved an analysis by the Group and its management of the results obtained. Through the comparison of stakeholder opinions, it was possible to prioritise Cementir’s material topics, categorised according to the assigned degree of relevance. Additionally, this phase enabled the Cementir Group to monitor and compare the different levels of importance assigned to various issues by each category of stakeholders. It also allowed verification of the level of alignment or misalignment between internal relevance and external expectations on these issues.

This process identified the most significant topics for the Group, which include:



Environmental: **Climate Change and GHG emissions**;



Social: **Health and Safety**;



Governance: **Competitive behaviour** and **Cybersecurity and data protection**, two material issues assessed with equal relevance for the Group.

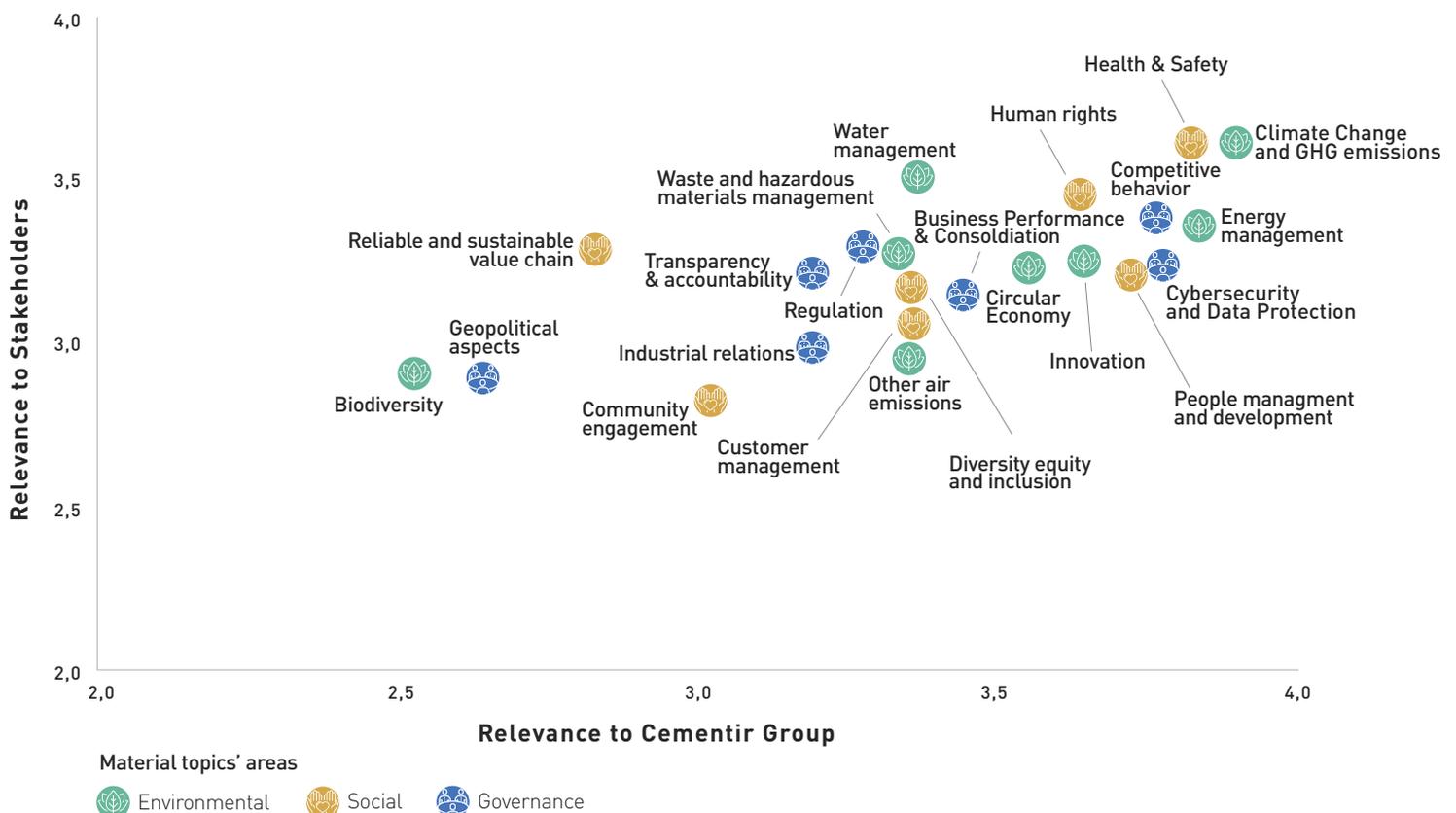
VALIDATION AND IMPLEMENTATION

The results collected in the previous stages were used to produce the Group’s materiality matrix.

In order to further validate this result, a comparison with the existing corporate strategy and the Group’s targets was also necessary.

At this stage, validation was performed first by the Sustainability Committee.

The final result of this whole process is a valuable strategic and communication tool for both internal and external use, enabling 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 varying needs with whom the company interacts on a daily basis. Every category of stakeholder has their own method and frequency of listening and involvement, based on the subject, topic, interest and characteristics of the Group's various regions.

Cementir Holding works to build a strong and long-lasting relationship with all of them, as is 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, recognising that each stakeholder has unique needs, interests and expectations of the organisation, is therefore strongly committed to engaging with them as much as possible.

Recognising this and in accordance with the Dutch Corporate Governance Code, in 2023, the Group issued the Stakeholder Engagement Policy. Its purpose is to establish guidelines for engaging stakeholders in company's operations and it applies to all operational activities of the Cementir Group (for further information see the 'Role of the Board of Directors in overseeing the management of Cementir's impacts' section). The constant and constructive dialogue with the stakeholders involved is fundamental to the proper functioning of the company's business model, which aims to create economic, social and environmental value for all.



With the implementation of a wide range of actions, Cementir is in a position to anticipate stakeholders' needs and priorities, knowing that Cementir's actions will have a direct impact on the ecosystem it is a part of, and that they take into account the environment, the economy and society as inseparable parts of the same whole. While recognising this individuality, the Company is committed to identifying and analysing priorities and expectations for each stakeholder category defined in the previous phase and adapting engagement strategies and actions accordingly. This analysis process allows for the adoption of targeted, customised and proactive engagement plans to foster effective communication, accurate information sharing and constructive collaboration with relevant stakeholders.

Based on the working and non-working relationships that the Group, each region and each individual business unit has externally and internally as well as directly and indirectly the Group proceeded with the identification of its stakeholders. The identified and listed stakeholders are those that the company interfaces and has a stable relationship with (Holding level or regional level).

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 their 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.



Hybrid truck of Unicon Denmark

Type of stakeholder	Subject of interest	Engagement's tool	For more details
Personnel 	<ul style="list-style-type: none"> ● Cybersecurity and data protection ● Diversity, Equity and Inclusion ● Health and Safety ● Human rights ● Industrial relations ● Innovation ● People management and development 	<ul style="list-style-type: none"> - Group Annual Convention - Intranet - Mail - Official reports - Social networks - Survey - Training 	<ul style="list-style-type: none"> - 'Governance' - 'We value our people'
Institutions and Authorities (local and national) 	<ul style="list-style-type: none"> ● Climate change and GHG emissions ● Competitive behaviour and business ethics ● Energy management ● Health and Safety ● Human rights ● Industrial relations ● Innovation ● Other air emissions (different from GHG emissions) ● Regulation ● Waste and Hazardous Materials Management 	<ul style="list-style-type: none"> - Exhibitions - Official reports - Participation in Global and Business Associations - Press releases - Public conferences 	<ul style="list-style-type: none"> - 'Governance' - 'We respect the environment in all our operations' - 'We value our people'
Shareholders 	<ul style="list-style-type: none"> ● Climate change and GHG emissions ● Business performance and consolidation ● Competitive behaviour and business ethics ● Regulation ● Health and Safety ● Human rights 	<ul style="list-style-type: none"> - Direct contact - Official reports - Press releases - Shareholder meetings 	<ul style="list-style-type: none"> - 'Governance'
Trade Unions 	<ul style="list-style-type: none"> ● Human rights ● Industrial relations 	<ul style="list-style-type: none"> - Dedicated meetings - European Worker Council - Networking - Official reports - Working group 	<ul style="list-style-type: none"> - 'Governance' - 'We value our people'

Type of stakeholder	Subject of interest	Engagement's tool	For more details
Local communities and local committees 	<ul style="list-style-type: none"> ● Circular economy ● Climate change and GHG emissions ● Community engagement ● Human rights ● Other air emissions (different from GHG emissions) ● Waste and Hazardous Materials Management ● Water management 	<ul style="list-style-type: none"> - Dedicated meetings - Direct contact - Official reports 	<ul style="list-style-type: none"> - 'In waste, we see resources: we promote a circular economy' - 'We respect the environment in all our operations' - 'We support our communities'
Customers 	<ul style="list-style-type: none"> ● Climate change and GHG emissions ● Competitive behaviour and business ethics ● Customer management ● Innovation 	<ul style="list-style-type: none"> - Blog - Exhibitions - Official reports - Sales departments - Social networks - Survey - Training - Website 	<ul style="list-style-type: none"> - 'Sustainable products' - 'Customer engagement' - 'Cementir Roadmap 2030' - 'Governance' - 'We respect the environment in all our operations'
Suppliers and contractors 	<ul style="list-style-type: none"> ● Circular economy ● Health and safety ● Reliable and Sustainable value chain 	<ul style="list-style-type: none"> - CDP Supply Chain - Exhibitions - Official reports - Training 	<ul style="list-style-type: none"> - 'Value chain engagement' - 'In waste, we see resources: we promote a circular economy' - 'We value our people'
Environmentalist Associations 	<ul style="list-style-type: none"> ● Biodiversity ● Circular economy ● Climate change and GHG emissions ● Energy management ● Innovation ● Other air emissions (different from GHG emissions) ● Waste and Hazardous Materials Management ● Water management 	<ul style="list-style-type: none"> - Official reports - Social networks - Website 	<ul style="list-style-type: none"> - 'Cementir Roadmap 2030' - 'In waste, we see resources: we promote a circular economy' - 'We respect the environment in all our operations'
Financiers 	<ul style="list-style-type: none"> ● Business performance and consolidation ● Competitive behaviour and business ethics ● Regulation ● Transparency and accountability 	<ul style="list-style-type: none"> - Direct contact - ESG ratings - Investor presentation - Official reports - Press releases 	<ul style="list-style-type: none"> - 'ESG ratings' - 'Governance'

SUSTAINABILITY TARGETS

Sustainability is one of Cementir’s main values, on which it bases its activities and choices. For this reason, the Sustainable Development Goals (SDGs) and the Ten Principles of the UN Global Compact are incorporated into Cementir’s guidelines, the compass by which we direct our actions.

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.



Beside the achievement of the SDGs, the Group also focuses its attention on the Ten Principles of the UN Global Compact. Ensuring their fulfilment and compliance enables the company’s operation to foster a culture that respects human rights, labour, the environment and anti-corruption. In doing so, the Group is committed to acting with full respect of people and planet, giving utmost importance to its long-term success (for further information see the paragraph ‘UN Global Compact’).

In the next pages, the breakdown of all the principles impacted through the company’s operations and strategies.

 HUMAN RIGHTS	 LABOUR	 ENVIRONMENT	 ANTI-CORRUPTION
<p>Principle 1: business should support and respect the protection of internationally proclaimed human rights;</p> <p>Principle 2: make sure that they are not complicit in human rights abuses.</p>	<p>Principle 3: business should uphold the freedom of association and the effective recognition of the right to collective bargaining;</p> <p>Principle 4: elimination of all forms of forced and compulsory labour;</p> <p>Principle 5: the effective abolition of child labour;</p> <p>Principle 6: the elimination of discrimination in respect of employment and occupation.</p>	<p>Principle 7: business should support a precautionary approach to environmental challenges;</p> <p>Principle 8: undertake initiatives to promote greater environmental responsibility;</p> <p>Principle 9: encourage the development and diffusion on environmentally friendly technologies.</p>	<p>Principle 10: business should work against all forms of corruption, including extortion and bribery.</p>



The above-mentioned frameworks surround and lay the foundations for shaping 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 responsible 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 made by the Group for each individual Sustainability Target is disclosed, along with the corresponding Sustainable Development Goals (SDGs) and Ten Principles of the UN Global Compact, the results achieved in 2023 and the material topics impacted.



Cement plant in Ipoh, Malaysia

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, HR 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

CO₂ reduction target for grey and white cement

Detailed description

The Group has defined a Roadmap to 2030 that will allow for the constant reduction of CO₂ emissions per ton of cement. The Group will reduce emissions of CO₂ per ton of grey cement to 458 kg, which is below the limits required by the European Taxonomy and equates to a 36% reduction from 2020 levels. For white cement, CO₂ emissions will be reduced to 737 kg per ton of cement.

2023 Results

The implementation of the Roadmap is proceeding as planned. In 2023, emissions per ton of grey cement were 655 kg, down 9% compared to 2020, while emissions per ton of white cement were 846 kg, down 7% compared to 2020.

Deadline and progress

2025
2030

Target in line with the planned roadmap

Pages

Cementir Roadmap 2030 (Page 75)

Impacted Material Topic

● Climate change and GHG emissions



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.

In February 2024, the Science Based Targets Initiative (SBTi) validated that the CO₂ reduction targets for the near-term (2030) and long-term (2050) defined by Cementir are in line with the 1.5°C Scenario.

2050

Target in line with the planned roadmap

Science Based Targets Initiative (Page 27)

2050 ambition (Page 85)

Value chain engagement (Page 86)

Cementir's Scope 3 emissions (Page 140)

● Climate change and GHG emissions

● Reliable and sustainable Value Chain



€ 100 million investments in the 2024-2026 period

The 2024-26 Industrial Plan, approved by the Board of Directors in February 2024, targets € 100 million investments in Sustainability and Digitalisation, which will include, among others: preliminary studies for CCS in Denmark and Belgium; the kiln upgrade at the Belgian plant to increase the use of alternative fuels from the current 40% to over 70%; the transition to natural gas in some of the Group's plants, the preparation of the structures necessary for the production of FUTURECEM® in Denmark.

In February 2024, the Board of Directors approved the 2024-2026 Industrial Plan.

2026

Target in line with the planned roadmap

Main investments to achieve CO₂ reduction targets (Page 84)

● Energy management

● Climate change and GHG emissions



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 2023, the clinker ratio for grey cement was decreased to 79%, from the 80% of 2022. In January 2021, Cementir started the distribution of FUTURECEM® and the sales expectations were fully met in 2021-2023 period.

2025
2030

Target in line with the planned roadmap

Cementir Roadmap 2030 (Page 75)

● Climate change and GHG emissions

follow

UN SDGs	Target	Detailed description	2023 Results	Deadline and progress	Pages	Impacted Material Topic
 	48% 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 2023, the use of alternative fuels increased by 1 percentage points compared to 2022 (33% in 2023 versus the 32% of 2021).	2025 2030	Target in line with the planned roadmap Cementir Roadmap 2030 (Page 75)	<ul style="list-style-type: none"> ● Circular economy
	Lowering clinker content of white cement to 78%	For white cement, CO ₂ emissions will be reduced to 737 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 2023, the clinker to cement ratio for white cement was 79%, down from 81% in 2022.	2025 2030	Target in line with the planned roadmap Cementir Roadmap 2030 (Page 75)	<ul style="list-style-type: none"> ● Climate change and GHG emissions
 	14% alternative fuel use for white cement production by 2030	For white cement, CO ₂ emissions will be reduced to 737 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 2023, the use of alternative fuels was 2% and the natural gas 16%. 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 75)	<ul style="list-style-type: none"> ● Circular economy
 	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 2023, the Group's treatment plants produced a total of 11,120 tons of fuel from waste.	ongoing	Target in line with the planned roadmap Waste processed in 2023 (Page 132)	<ul style="list-style-type: none"> ● Waste and Hazardous Materials Management ● Circular economy

follow

UN SDGs	Target	Detailed description	2023 Results	Deadline and progress	Pages	Impacted Material Topic	
	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 2023, 8 cement plants (accounting for the 93% of total cement production), 3 RMC companies (accounting for the 30% of total RMC production) and one 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 139)	<ul style="list-style-type: none"> Water management Other air emissions (different from GHG emissions) Waste and hazardous materials management
	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%.	<p>In 2023, specific water consumption was further reduced.</p> <p>In 2023, water consumption was 387 litres per ton of cement, versus 402 recorded in 2022.</p> <p>For plants located in high water-stress areas, water consumption was 246 litres per ton of cement versus 257 recorded in 2022.</p>	2030	Target in line with the planned roadmap	Responsible and efficient use of water (Page 145)	<ul style="list-style-type: none"> Water management
	Biodiversity preservation	<p>Cementir is committed to minimising negative impacts and where possible enhancing biodiversity by following the established international best practices.</p> <p>Rehabilitation plan in all active sites by 2025: 100%.</p> <p>Biodiversity value assessment of all active sites and Biodiversity Management Plan for all high biodiversity sites by 2030.</p>	<p>As of 2023, 95% of quarry rehabilitation plans are in place.</p> <p>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.</p>	2025 2030	Target in line with the planned roadmap	Extraction activities, rehabilitation and biodiversity (Page 150)	<ul style="list-style-type: none"> Biodiversity

follow

UN SDGs



Target

Supporting Denmark in delivering a 70% reduction in greenhouse gases by 2030

Detailed description

Through Aalborg Portland, the Group is involved in the most ambitious CO₂ 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 CO₂ reductions achievable by energy intensive industries in Denmark and will define the prerequisites (policy, research, innovation, subsidies, etc.) for such reductions.

2023 Results

Aalborg Portland has committed to reducing its Scope 1 emissions to to maximum 600.000 tonnes by 2030. This reduction entails delivering a 73% reduction of Scope 1 emission compared to 2021 levels.

Deadline and progress

2030

Target in line with the planned roadmap

Pages

Cementir Roadmap 2030 (Page 75)

Impacted Material Topic

● Climate change and GHG emissions



Sustainable talent management

Key positions are filled internally with top-class candidates worldwide.

In 2023, a Group talent review was conducted with the aim of obtaining an overview of performance trends and assessing potential readiness for advancement into higher or more complex roles. This process enabled us to identify key individuals for retention through development plans and to pinpoint key roles that need to be filled by a roster of potential successors in the short, medium, and long term, thereby ensuring business continuity.

ongoing

Target in line with the planned roadmap

Talent review and succession plans for key positions within the Group (Page 166)

Cementir academy (Page 170)

● People management and development



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 2023, 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 105)

Diversity, Equity and Inclusion audits performed in 2023 (Page 105)

● Diversity Equity and Inclusion
● Human rights



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 164)

● People management and development

follow

UN SDGs	Target	Detailed description	2023 Results	Deadline and progress	Pages	Impacted Material Topic	
 	Zero accidents strategy	To achieve it the Group is focusing on: <ul style="list-style-type: none"> • Leadership in practice • Commitment & Responsibility • Risk Management • Involvement & Participation • Competence & Awareness • Continuous improvement 	In 2023, there were no fatalities among employees and contractors/subcontractors.	ongoing	Target in line with the planned roadmap	Health and safety is a common value (Page 158)	● Health & Safety
	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	Health and safety is a common value (Page 158)	● Health & Safety
	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 80,000 hours of training were provided in 2023.	ongoing	Target in line with the planned roadmap	Cementir Academy (Page 170)	● People management and development
 	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.	2023	Target achieved	Remuneration strategy (Page 168)	● People management and development
 	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 2023 the Board was composed for its 50% by women, outperforming the defined target.	ongoing	Target achieved	The Corporate Governance system (Page 89)	● Diversity Equity and Inclusion ● Human rights

follow

follow

UN SDGs



UN SDGs	Target	Detailed description	2023 Results	Deadline and progress	Pages	Impacted Material Topic
	Transparent communication with stakeholders	In 2023, filling in the CDP Climate Change Questionnaire and Water Security Questionnaire and an assurance by the external auditors.	In 2023, Cementir was awarded 'A-' both for the management of climate change issues and for water management. In 2023, a limited assurance engagement on the Sustainability Report was provided by external auditors.	2023 Target achieved	Our commitment on carbon-related public policy (Page 88) Independent Auditor's Report (Page 230)	● Transparency and accountability
	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 183)	● Community engagement
	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 2023, 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 and Poland.	ongoing Target in line with the planned roadmap	Commitment to Human Rights (Page 103)	● 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 quickly 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.



THE FIRST YEAR OF MEMBERSHIP

Although it is only a voluntary practice for 2023, Cementir has decided to publicly disclose the company's 2022 data on the official UN Global Compact's platform - CoP (Communication on Progress).

Specifically, the Group has renewed its ongoing commitment towards the UN Global Compact's Principles by signing the CEO Statement of Continued Support.

In addition, through the official platform, available only for UN Global Compact members, the Group disclosed information on five main areas (Governance, Human Rights, Labour, Environment, Anti-Corruption).

The disclosure on CoP enables measurement and tracking of the company's progress on the actual implementation of the UN Global Compact's Ten Principles and of the Sustainable Development Goals over years. It also enables comparison with other members to bridge gaps and improve its performance.

Cement plant in Aalborg, Denmark



SCIENCE BASED TARGETS INITIATIVE (SBTi)

Cementir is committed to developing a business model in line with the sustainability strategic goals and the CO₂ emission reduction targets judged by the Science Based Targets initiative (SBTi) to be consistent with a 1.5°C world. In February 2024, the Science Based Targets Initiative (SBTi) validated that the CO₂ reduction targets for the near-term (2030) and long-term (2050) defined by Cementir are in line with the 1.5°C Scenario. SBTi disclosed the approval of the target on February 29, 2024.



Overall Net-Zero Target

Cementir Holding N.V. commits to achieving net-zero greenhouse gas (GHG) emissions across the value chain by 2050.

Near-Term Targets

Cementir Holding N.V. commits to reduce gross scope 1 and 2 GHG emissions 29.33% per ton of cementitious product by 2030 from a 2021 base year. Cementir Holding N.V. commits to reduce gross scope 3 GHG emissions from purchased goods and services 23.00% per ton of purchased clinker and cement by 2030 from a 2021 base year.

Long-Term Targets

Cementir Holding N.V. commits to reducing its gross Scope 1 and 2 GHG emissions by 96.1% per ton of cement by 2050 from a 2021 base year. Cementir Holding N.V. commits to reduce absolute scope 3 GHG emissions 90% by 2050 from a 2021 base year³.

ESG RATINGS

In recent years ESG ratings have become increasingly significant and enable external stakeholders to have a comprehensive view of the company's approach to environmental, social and governance issues. Furthermore, these ESG issues also drive investment decision and are instrumental in defining sustainable investment strategies.

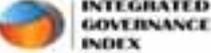
The annual participation of Cementir in both solicited and unsolicited ESG ratings is always a valuable opportunity to improve overall. The process followed by the company for each rating leads to deep internal analysis, a significant reshaping of its actions and often an awareness of the multitude of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

Cementir's ESG ratings for 2023 provided both confirmation in many cases and improvements in many others, including, for example, rising to 'A' in the MSCI rating and to 'A-' in the Refinitiv rating. The results achieved demonstrate the strong commitment of the Group to sustainability as well as the many actions implemented over time to improve its positive impact on society as a whole.

Following, a selection of Cementir's ESG ratings.

³ The target boundary includes land-related emissions and removals from bioenergy feedstocks.

ESG ratings

	Rating			Description
	2021	2022	2023	
 CDP Climate Change	A-	A-	A-	In 2023, for the third year in a row Cementir Holding N.V. has been confirmed leader with the 'A-' rating for Climate Change from CDP, ranking above the European average (B) and the cement & concrete sector average (B).
 CDP Water Security	B	A-	A-	In 2023, Cementir has also been confirmed leader in CDP Water Security with an 'A-' score for the second year in a row ranking above the sector (B) and European average (C).
	B	B+	A-	In 2023, Cementir improved its score, ranking 10th out of a total of 119 companies in the construction material sector.
	BBB	BBB	A	In September 2023, the MSCI ESG rating improved, for the first time, the rating with Cementir rising to an 'A' rating.
	52/100	54/100	56/100	Cementir has been scored 56/100 in the 2023 S&P Global Corporate Sustainability Assessment (CSA score), ranking 21 st out of a total of 123 companies in the Construction Materials Sector.
	Not Scored	C+ Prime	C+ Prime	In 2022, Cementir received a C+ Prime, rating above 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.
	Not Scored	55/100	55/100	Cementir improved its score, obtaining 55/100 and thus placing 6 th 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).
	57/100	64/100	70/100	In 2022, Cementir was scored 70/100 by EthisFinance.
	54/100	57/100	52/100	In 2023, Cementir received a score of 52/100. The questionnaire assesses the degree of integration of ESG factors into company strategies.



Oksenvad gravel pit, Denmark

 unicon

1

2

3

4



Ready-mix plant in Denmark

1 THE CEMENTIR GROUP

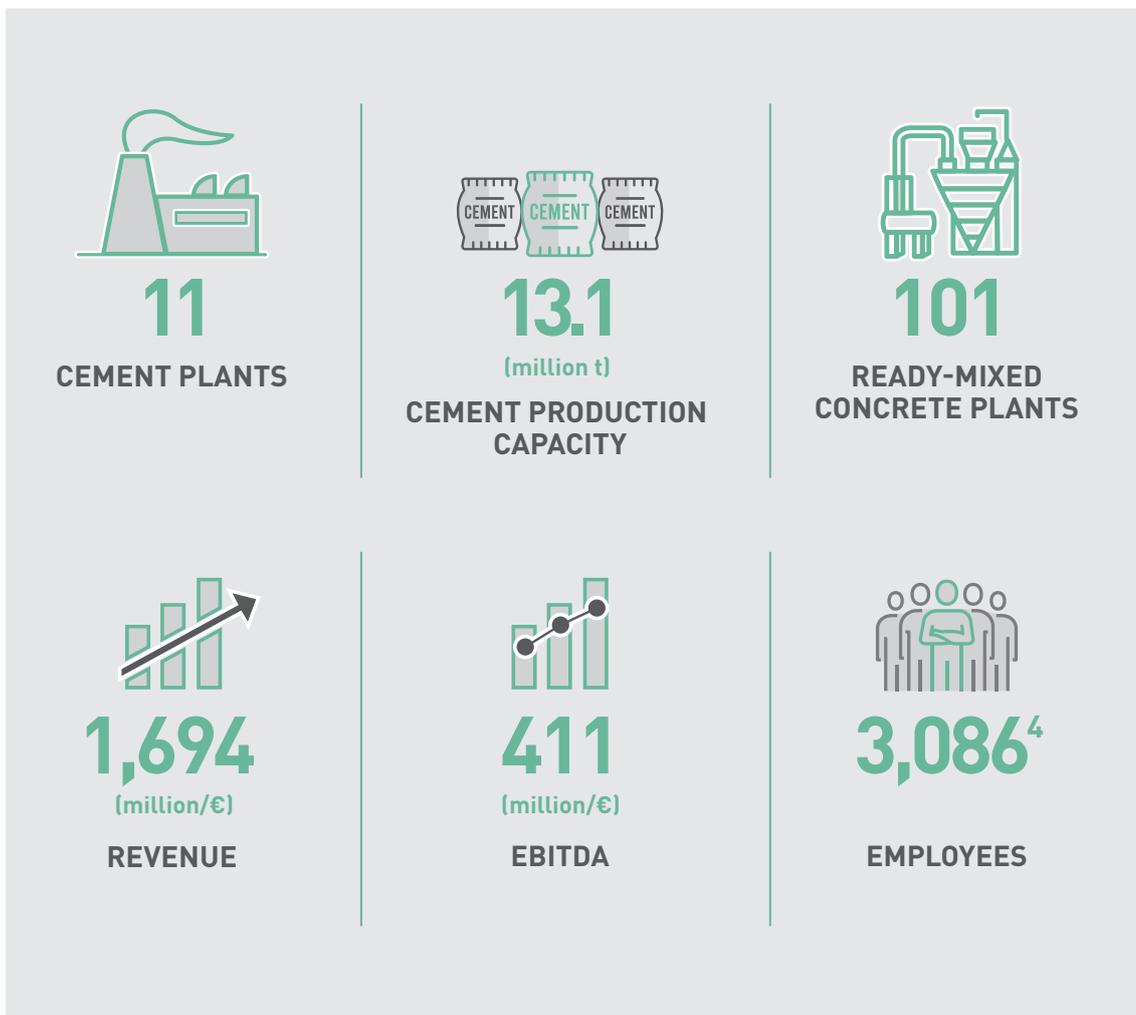
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119	Climate-related scenario analysis
121	Chronic and acute physical phenomena
124	Transition risks and related opportunities

THE CEMENTIR GROUP

Cementir Holding is a multinational company with registered offices in the Netherlands, 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 players 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 is active in the processing of industrial waste, used to produce waste-derived fuel for cement plants.

Cementir pursues a sustainable growth strategy, 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 and 2050 decarbonization objectives by the Science Based Target initiative (SBTi) and an 'A-' rating by CDP on both climate change and water security. The Group also holds an investment grade BBB- financial rating with stable outlook from Standard & Poor's.

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.



⁴ The number of total employees includes 100% of SCT as described into the methodology note.

IDENTITY

We are an international group aspiring to be product leader who believes that the constant search for quality in every business process is key to success.

We are a dynamic Group, constantly looking for new opportunities, who gives importance to the development of our employees, of the community in which we operate and to the value creation for our shareholders.

We believe in sustainable development and in diversity as a fundamental value of our activity.

VISION

We want to keep our uniqueness on the market by focusing on innovation, sustainable solutions and business diversification. We are concrete.

At the same time, we want to create value thanks to an agile organization, capable of taking advantage of growth opportunities, respecting the environment and promoting dialogue and interaction with local communities. We are dynamic.

We are Concretely Dynamic.

MISSION

Our Mission is to generate value for our stakeholders through a path of sustainable growth by focusing on product leadership, the pursuit of excellence and the efficiency of operating processes.

VALUES



SUSTAINABILITY

We believe that there can be no success without respect for the environment: we are responsible to the communities in which we live and work, safeguarding the environment and natural resources.



DYNAMISM

We look beyond, to anticipate and seize the best market opportunities. Being dynamic and flexible is what makes us unique and allows us to respond quickly to the needs of our customers.



QUALITY

We are committed every day and invest to improve the quality of our products, constantly innovating our offer. We focus on the needs of our customers while maintaining the highest quality standards. We pursue the efficiency and effectiveness of our processes.



VALUE OF PEOPLE

We build long-term relationships with our employees and stakeholders. We have a responsibility to ensuring a healthy and safe working environment and to recognize the merits and skills of each individual.



DIVERSITY AND INCLUSION

We consider diversity and inclusion a great resource. We work every day in a multicultural workplace and we value diversity at all levels of the organization.

GROUP STRATEGY

Cementir pursues a sustainable growth strategy aimed at generating value for all stakeholders and based on five strategic priorities, set in the Group Industrial Plan: Sustainability, Innovation, Competitiveness Improvement, Growth and Positioning, Enhancement of people.



SUSTAINABILITY

Cementir is committed to achieving carbon neutrality by 2050, defining sustainability objectives consistent with those of the United Nations to promote the circular economy, reduce the impact on the environment, give value to people and communities, and promote health and safety in the workplace. These ESG targets are embedded in the Group strategic objectives and management's incentive schemes.

The Group decarbonization strategy includes an investment program to reduce carbon emissions in cement production through a number of initiatives, including: the reduction of clinker content in cement, the greater use of less polluting or alternative fuels; the recycling and reuse of materials; the optimization of thermal efficiency. A series of initiatives are also envisaged to reduce the climate impact of transport, procurement, logistics and the optimization of water resources usage in the production process.

The 2030 Plan assumes the implementation of a carbon capture and storage (CCS) technology both in Denmark, where the Group has started a second pilot project financed in part by the Danish Innovation Fund, and in Belgium, and the establishment of long-term Power Purchase Agreements (PPAs) for the direct purchase of electricity from renewable projects.



INNOVATION

The Group is progressively increasing the production of new low carbon cements and other sustainable and high added value products such as FUTURECEM®, which enables clinker content reduction thus cutting CO₂ emissions by approximately 30%. In addition to the aforementioned pilot projects for Carbon Capture, Usage and Storage, with the participation of leading industrial and technological partners, other initiatives include the adoption of artificial intelligence solutions in the production, commercial and supply chain sectors.



IMPROVEMENT OF COMPETITIVENESS

The Group is implementing a series of actions to further improve the profitability and operational efficiency of manufacturing and logistics processes, with process digitization initiatives, preventive and predictive maintenance, advanced production control systems, intelligent logistics, warehouse management and integrated digital sales planning.



GROWTH AND POSITIONING

Cementir continues to invest in strengthening vertical integration and its competitive position in the Nordic & Baltic, Belgium and Türkiye areas, as well as consolidating its global leadership in white cement with targeted actions in strategic markets.

The Group is also ready to seize potential external growth opportunities in the core business.



VALUING PEOPLE

The Group's commitment is to further promote the culture of health and safety with the initiatives envisaged by the Zero Accidents program. It also intends to promote diversity and inclusion, the development of human capital and the valorization of skills, also through adequate evaluation and remuneration policies aimed at improving the performance of both the individual and the wider organization, including the achievement of sustainability objectives.

GLOBAL PRESENCE

Grey cement
production capacity
9.8 million t

Cement
plants
11

White cement
production capacity
3.3 million t

Terminals
65

Grey cement
sales
8.0 million t

Ready-mixed
concrete plants
101

White cement
sales
2.7 million t

Quarries
34

Ready-mixed
concrete sales
4.3 million m³

Precast
concrete plants
1

Aggregate
sales
9.4 million t

Waste management
facilities
1

BELGIUM/FRANCE

Belgium

Grey cement production capacity: **2.3 million t**

Cement plants: **1**

Ready-mixed concrete plants: **8**

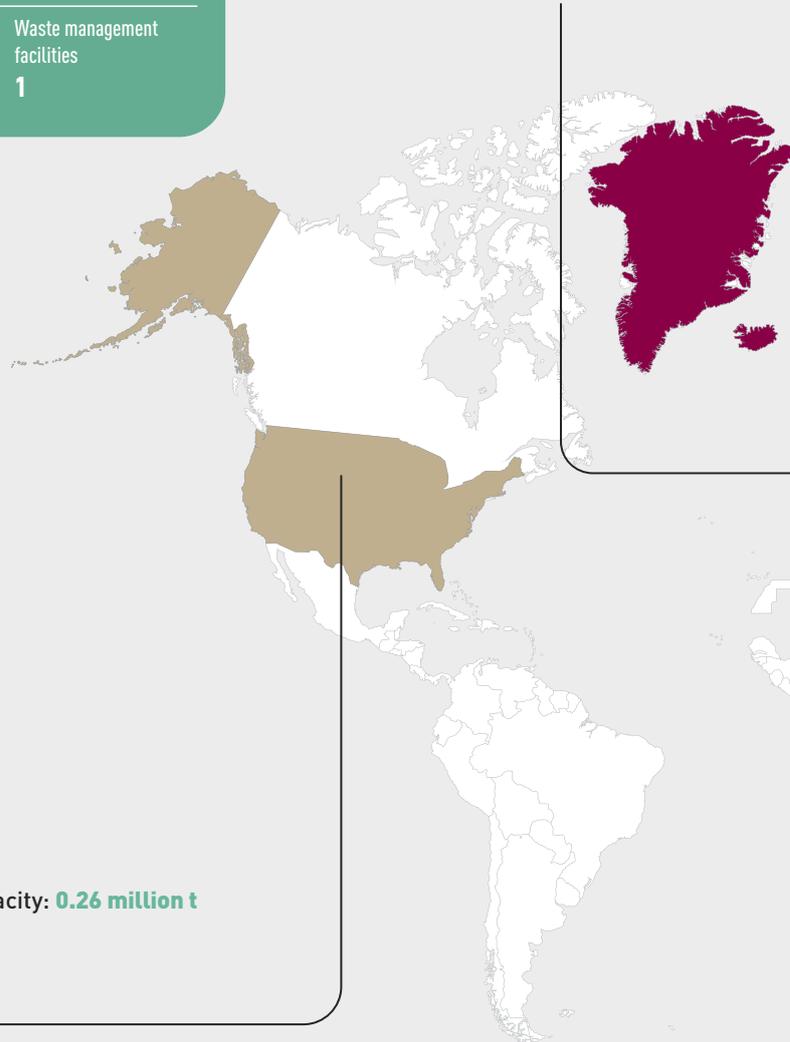
Terminals: **2**

Quarries: **3**

France

Ready-mixed concrete plants: **4**

Terminals: **2**



NORTH AMERICA

USA

White cement production capacity: **0.26 million t**

Cement plants: **2**

Precast concrete plants: **1**

Terminals: **32**

NORDIC & BALTIC

Denmark

Grey cement production capacity: **2.1 million t**
 White cement production capacity: **0.85 million t**
 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: **5**
 Terminals: **1**

Latvia

Terminals: **1**

Iceland

Terminals: **2**

Netherlands

Terminals: **1**

Poland

Terminals: **1**

ASIA PACIFIC

China

White cement production capacity: **0.75 million t**
 Cement plants: **1**
 Terminals: **4**
 Quarries: **1**

Malaysia

White cement production capacity: **0.35 million t**
 Cement plants: **1**
 Terminals: **2**
 Quarries: **2**

Australia

Terminals: **7**

EGYPT

White cement production capacity: **1.1 million t**
 Cement plants: **1**
 Quarries: **1**

TÜRKIYE

Türkiye

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

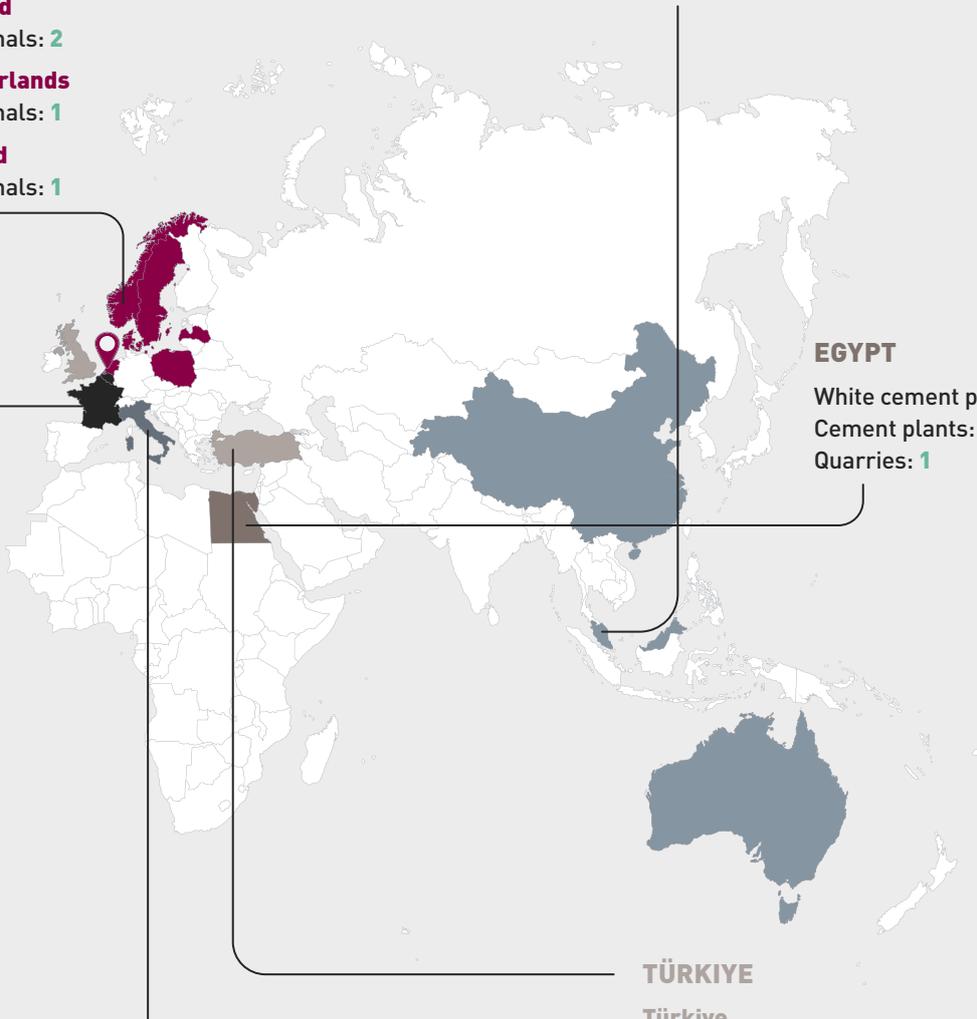
United Kingdom

Terminals: **1**

HOLDING AND SERVICES

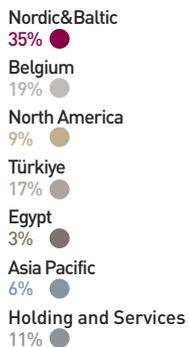
Italy

Secondary and operational office
 of Cementir Holding N.V.

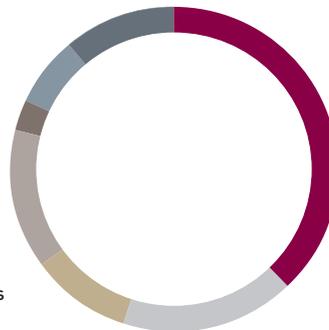
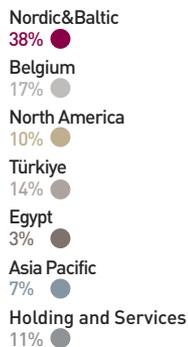


REVENUE FROM SALES AND SERVICES BY GEOGRAPHICAL SEGMENT

2023 (Non- GAAP)



2022 (Non- GAAP)



[EUR '000]	2023 (Non-GAAP)	2022 (Non-GAAP)	Change %
Nordic & Baltic	664,669	736,210	-9.7%
Belgium	359,873	334,396	7.6%
North America	182,840	196,370	-6.9%
Türkiye	329,744	272,581	21.0%
Egypt	50,255	57,113	-12.0%
Asia Pacific	121,440	124,588	-2.5%
Holding and Services	204,492	210,367	-2.8%
Eliminations	(218,675)	(210,754)	-
Total revenue from sales and services	1,694,638	1,720,871	-1.5%



Cement Plant in Izmir, Türkiye

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.

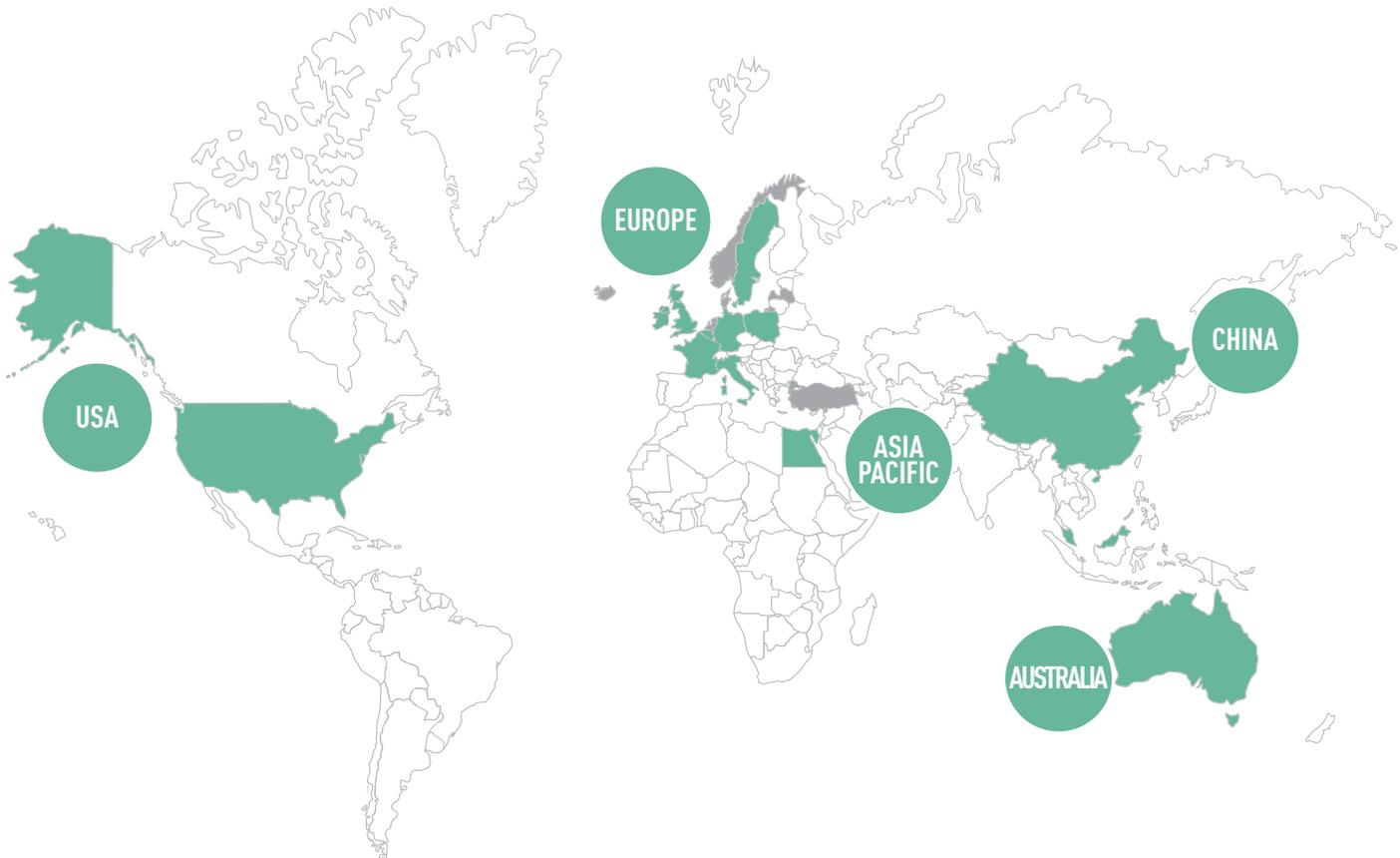
Thanks to its strong industrial capacity and a comprehensive presence on international markets, in 2023 Cementir Holding distributed worldwide around 8.0 million tons of grey cement and around 2.7 million tons of white cement of various types and classes, produced in 11 plants located in Denmark, Belgium, Türkiye, Egypt, China, Malaysia and the US.



Xuan Paper Town in Anhui China, Aalborg White based White cast-in-situ concrete, constructed by Xuancheng Municipal Construction

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, Denmark⁵.

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.

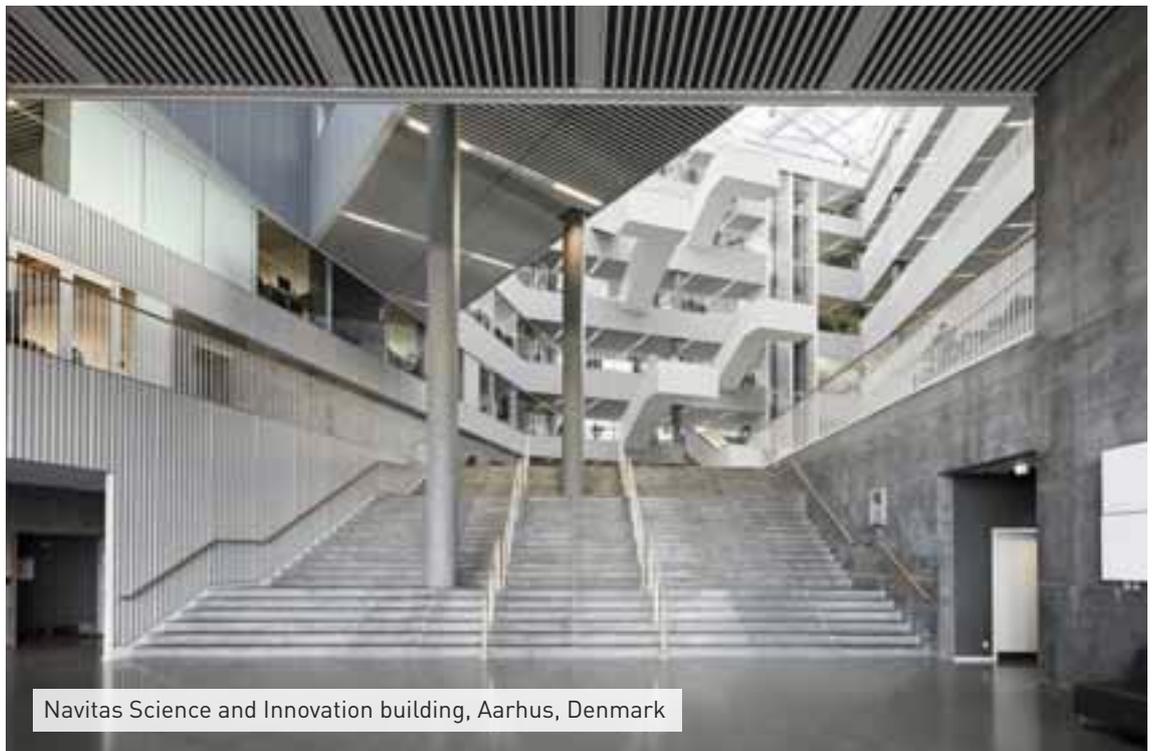
⁵Please see Projects | Cementir Holding N.V. for the main applications of our cements.

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 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.



Navitas Science and Innovation building, Aarhus, Denmark

	White cement	Grey cement
Applications (est. % of cement consumption by segment in Europe)	<ul style="list-style-type: none"> • Dry mix/mortars/specialty products (50-70%) <ul style="list-style-type: none"> - Cement-based paint - Plaster - Grout, putty - Decorative concrete panels - Sealing products • Bricks, blocks and tiles (20-30%) <ul style="list-style-type: none"> - Terrazzo (up to 15% in Mediterranean countries) - Decorative bricks and tiles • In-situ and pre-cast concrete (10-20%) <ul style="list-style-type: none"> - Facade elements - Iconic buildings and other aesthetic applications 	<ul style="list-style-type: none"> • Ready mixed and pre-cast concrete (55-65%) <ul style="list-style-type: none"> - Mass concrete for infrastructure works: dams, harbours, bridges, tunnels, culverts, road surfaces - Housing and industrial buildings • Bricks, blocks and tiles (30-40%) <ul style="list-style-type: none"> - Pipes - Paving stones, kerbs - Roofing tiles • Dry mix/mortars and other applications (5-10%)
Market position	Niche product	Commodity product
Raw materials	<ul style="list-style-type: none"> • High grade, iron-poor chalk, limestone or marble • Kaolin, bauxite • Iron-poor sand (quartz sand, shifting sand, etc.) 	<ul style="list-style-type: none"> • Locally available limestone or marl • Clay, shale, fly ash • Low-grade sand • Iron oxide, pyrite ash

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



Ultra-high performance concrete, He Fei Wan Ke Cultural Central Park, China

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

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.



Tile adhesive

Renderers, 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, Belgium

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

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, Couldrey house, Australia

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 strength, 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

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.

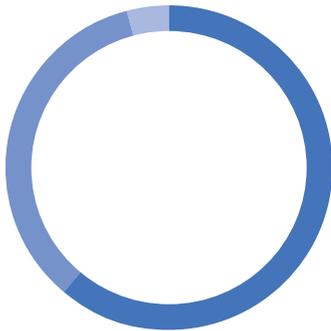
Fig. 2: Estimated market segments for white and grey cement⁶.

White

Pre cast concrete
35%

Ready-mix concrete
4%

Others
62%

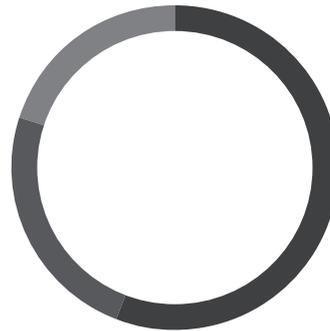


Grey

Pre cast concrete
20%

Ready-mix concrete
56%

Others
24%



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.

⁶ For white, the dry-mix segment has the lion's share in the 'others' group.

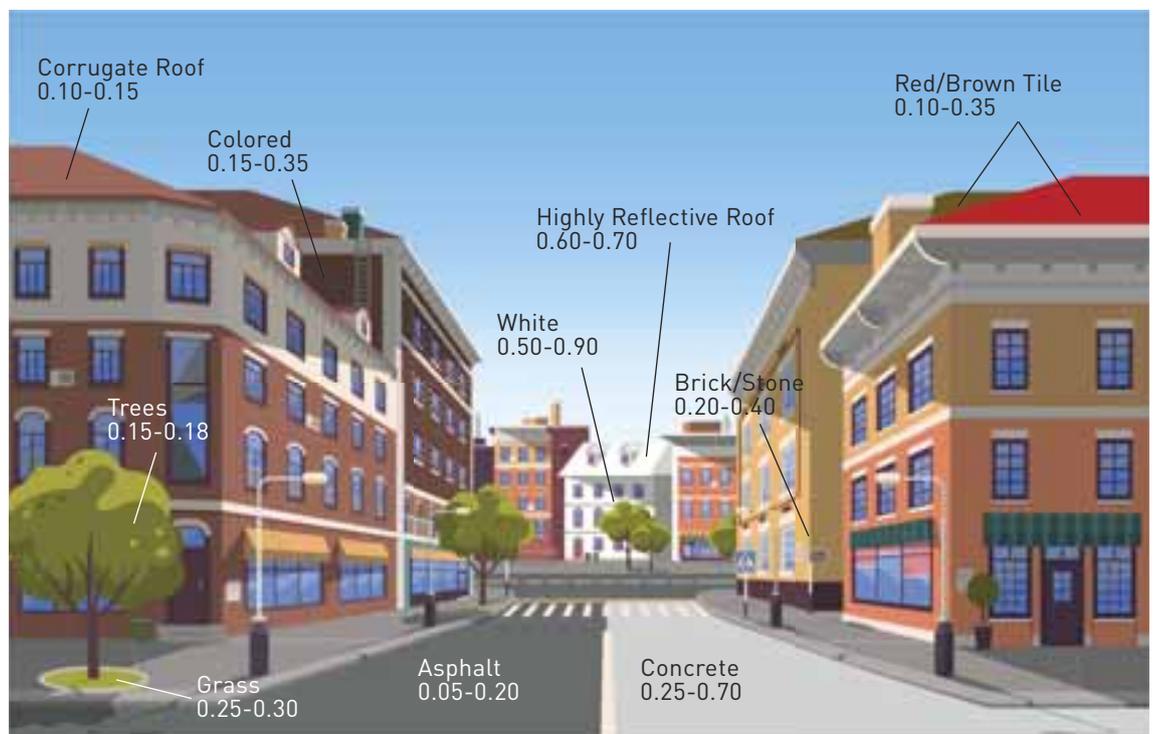
EFFECT OF WHITE CEMENT ON GLOBAL WARMING AND HUMAN SAFETY

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'.

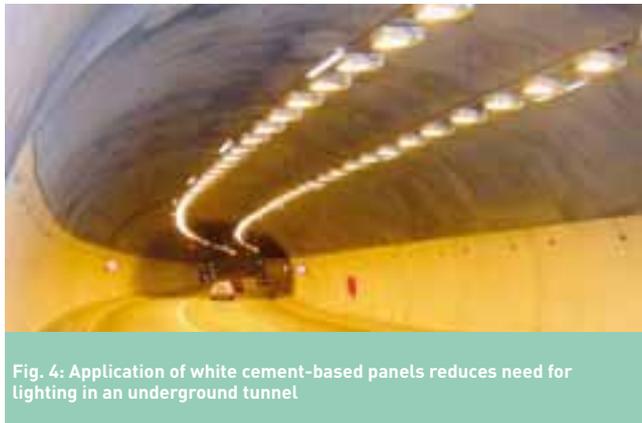
Furthermore, it is estimated that 40% of the total energy consumed around the world is used in building air conditioning. This energy consumption can be reduced significantly by lighter colouration of the facades and roofs of buildings. This way, more solar energy will be reflected and the temperature 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 CO₂ 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 CO₂ emissions associated with this production is 1.2 tons CO₂ per ton of white cement, the CO₂ savings will be greater than the emissions associated with the cement production in under two years.

The energy consumption can be reduced significantly by lighter colouration of the facades and roofs of buildings

Fig. 3: 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. 4).



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. 5). Painting grey road barriers white is not a safe option, as the paint will wear off and require frequent repainting (which rarely happens) (Fig. 6).



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 limestone and calcined clay, has been producing FUTURECEM® 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 of both well-established and emerging applications for white cement and the technical expertise of its internationally acclaimed R&D centre located in Aalborg, Denmark.

The 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 provides 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 UHPC in the Far East region, Aalborg Excel® has also been produced in our plant in Malaysia since 2023.

All InWhite® products are based on FUTURECEM® technology.

PRODUCTION OF READY-MIXED CONCRETE

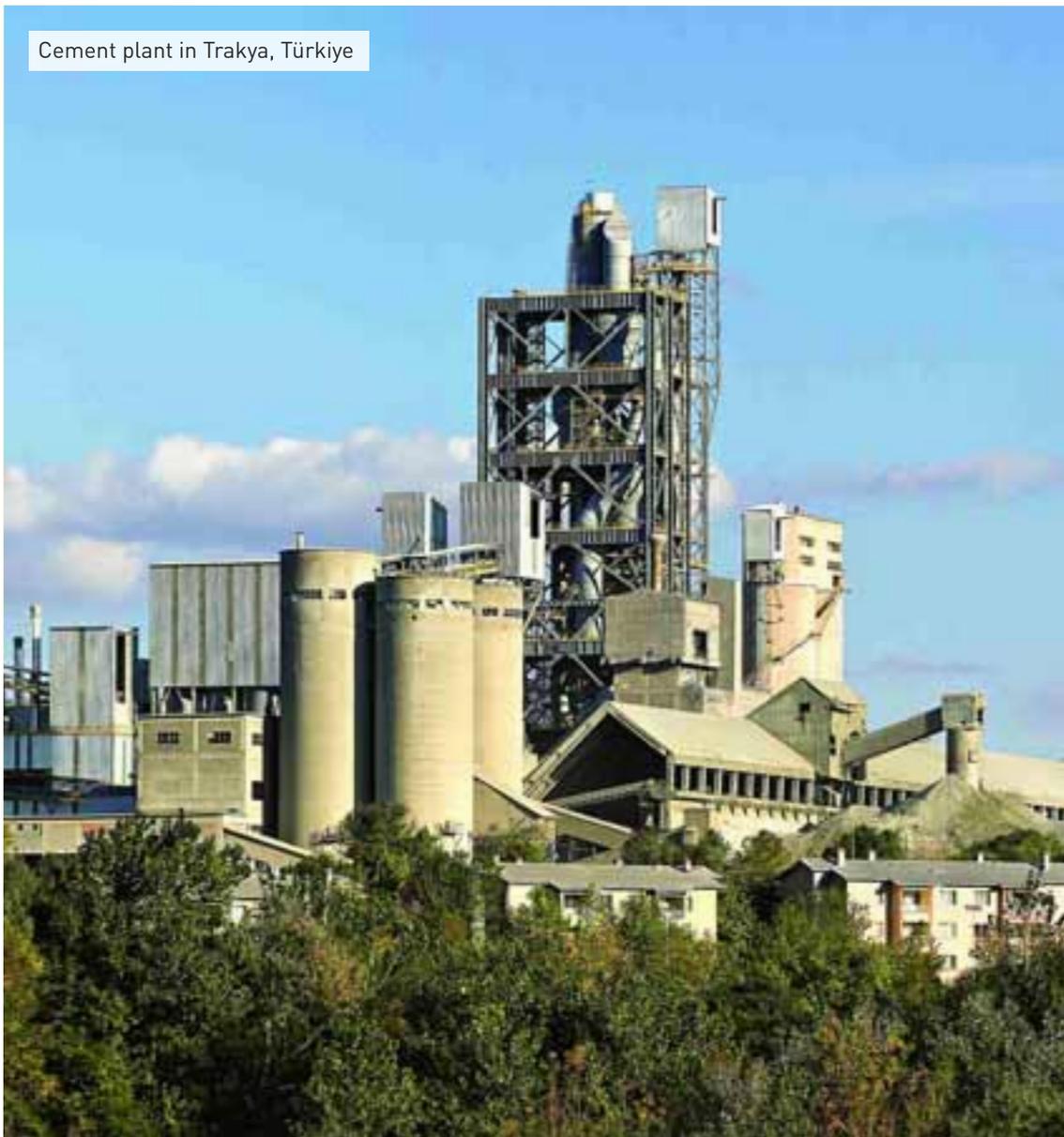
In 2023, Cementir Holding produced and distributed 4.3 million cubic metres of ready-mix concrete of all types and classes. Ready-mix concrete is widely used in construction and is made of a mixture of cement and aggregates like sand, gravel, water and any additives. The aggregates serve as bulk, while 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 based on an innovative, validated and proven technology which allows more than 35% of clinker in cement to be substituted with limestone and calcined clay. Leveraging 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[®] 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 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.

A total of 4,880 m² FUTURECEM[®] was also used in RMC for the Bjarke Ingels Group HQ office, which opened in 2023 and is set to be awarded the DGNB Gold certificate. The use of Uni-Green - a new type of concrete based on FUTURECEM[®] from Cementir Group subsidiary, Unicon has resulted in a CO₂ reduction of approx. 25%, equivalent to a CO₂ footprint of 11.3kg CO₂ eq./m²/year.

In CCB, FUTURECEM[®] in 2023 has been fully commercialised in the reference markets (France and Belgium) thanks to the achievement of the ATG (*Agrément Technique*) certification which allows the use in concrete according to Belgium standards. ATG has been required as an extra certification in Belgium, because CCB is a pioneer with limestone calcined clay cement in Belgium.

FUTURECEM[®] has resulted in more sustainable and performing cement with up to 30% lower carbon footprint compared to ordinary Portland cement

Thanks to this development, CCB has been able to start exploiting new applications as well as the ready-mix concrete market in the most relevant exposure classes. The interest in FUTURECEM® is also growing in the technical academy (i.e. University of Mons) with some research in other countries and public authorities (i.e. Genie Civil France).

It is also included in the 'Blocs B40 for low carbon concrete' research project, led by the CERIB.

In collaboration with customers, FUTURECEM® is now a reference to be further implemented in precast elements: the precast sector is in fact a leading consumer of this type of cement.

Internally in CCB Béton, FUTURECEM® implementation has been continuing.

OTHER LOW-CARBON CEMENTS

Along with FUTURECEM®, the Cementir Group produces blended cement by leveraging on the main Supplementary Cementing Materials (SCMs) 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 CO₂ emission reduction target.

In Nordic & Baltic region, Aalborg Portland has been continuing its strategy to replace CEM I with CEM II/A and CEM II/B and also extending the focus on both concrete products and precast elements.

In 2023, CCB has almost completed phasing-out CEM I 52,5R replacing it with CEM II/A-LL 52.5R to provide a reduced emission cement for the precast sector.

As part of further developments specific feasibility studies (market and industrial) on type II/C cement are ongoing in order to extend the low-carbon cement offer for end customers.

Çimentoş, Cementir Group subsidiary in Türkiye, has been pursuing a strategy to reduce carbon emissions for its products, by transitioning from CEM I to CEM II/A and CEM II/B in all the region in 2023.

Additionally in 2023, Çimentoş launched "MINERALIN", which is a CEM IV/B cement, for use as a secondary binder for ready-mix concrete producers due to difficulty in accessing fly ash. MINERALIN is used together with CEM I and CEM II cements, minimising the use of clinker in concrete, and lowering the embedded carbon. Further low carbon products are under evaluation in all the regions with specific projects involving all the value chain.

D-CARB: DECARBONISATION OF AALBORG WHITE®

Addressing white cement challenges in reducing carbon emissions, Cementir is introducing



D-Carb, representing a continuous and consistent decarbonisation effort for Aalborg White. As a leader in white cement, Cementir has embraced the challenge of lowering cement's carbon footprint within the constraints linked to colour and performance requirements. Leveraging long-term expertise in research & development and industrial production, a comprehensive investigation was carried out, starting from customer needs, and looking upstream to the entire value chain, encompassing clinker and cement composition, production and raw materials selection.

To provide customers with more than just a product, technical collaborations were established with leading companies in the admixtures sector as well as with loyal customers. Fast-prototyping techniques were deployed, involving extensive experimentation at lab and full-scale trial levels. This approach allowed the transformation of a proven concept into an industrial reality: the D-Carb family.

D-Carb by Cementir Group is a new umbrella brand for low-carbon cements and solutions, supporting industry-wide decarbonisation efforts. The first product under this brand, a CEM II/A-LL 52.5R produced in Aalborg, is set to launch in Q1/2024 in bulk and bags, expanding our product offerings in Europe. This product, with a documented 15% reduction in emissions verified by a third-party Environmental Product Declaration, exhibits outstanding performances at early ages comparable to CEM I. Moreover, it offers improved rheology and whiteness in certain applications. The well-known interaction between Aalborg White® clinker and limestone has been optimised, leveraging in-house expanded expertise in white cement.

This high-quality standard enables our customers to consider replacing CEM I in their manufacturing processes after a specific testing programme. No incompatibility with admixtures has been experienced during the extensive experimental phase. The Cementir Group will continue its customer-centric approach, with our technical experts are equipped to guide customers in adopting this new product and integrating it into their production processes. As part of the Cementir Group's overarching roadmap, ongoing evaluations are under way to boost the D-Carb offering within the low-carbon cement range. Cementir Group is committed to leading the way in sustainable cement production, contributing to a more sustainable future for the construction industry.

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 CO₂ emission footprint (FUTURECEM® technology and other blended cements).

Below are some conceptual examples of the Group's commitment to this issue and specifically the experience of some subsidiaries.

UNICON Denmark

In 2023, with a continued focus on CO₂-reductions, Unicon Denmark, the Cementir Group RMC company in Denmark, once again achieved a reduction in the total CO₂-eqv. of 15% in Scope 1 and 2 compared to 2022. Furthermore, it reduced the total CO₂ footprint through the "UNI-Green" concrete product series based on the low carbon cement FUTURECEM®. Unicon used FUTURECEM® with a conversion rate of 35% in 2023 compared to a rate of 20% in 2022.

Unicon Denmark came a long way in 2023, making the UNI-Green series the new standard concrete, and at the same time developed a new UNI-GREEN PLUS product series, with the aim of further reductions in CO₂ by using new recipe formulas, FUTURECEM® and utilizing 56-days strengths rather than the traditional 28-days strengths. The aim is a reduction of up to 50% in CO₂-emissions or compared to comparable traditional concretes.

Moving towards 2030, Unicon Denmark aims for a 70% CO₂ reduction compared to 2019, in close collaboration with our Group R&D, internal stakeholders, customers and suppliers, participating in research and development projects. To document improvements in the CO₂ footprint, Unicon Denmark produces third party verified environmental product declarations (EPDs) at product and/or project level. The product EPDs are made public, through lca.no using the same set-up as Unicon Norway.

In 2023, Unicon Denmark reduced the total waste generated by 20,000 tons. This happened by both collaboration in the value chain as well as using supply chain integrations such as Kudsk & Dahl. The improvements follow Unicon's zero-waste strategy which involves extending collaboration with industry partners and academic institutions to develop new methods for re-using waste. Additionally, Unicon participates in discussions that push the standards for use of recycled materials, as the use of these materials faces limitations that require new thresholds.

In 2023 Unicon and Volvo Trucks presented the world's first electric truck and concrete semitrailer combination, with a range of up to 300 kilometres without recharging and load sizes of over 11 cubic meters of ready-mix concrete possible. The all-electric combination is the first of a total of eight sets of the same type that will be deployed in Greater Copenhagen by April 2024. With this fleet, it will for the first time be possible to ensure emission-free delivery for even large castings with continuous deliveries to Zealand construction sites. The truck mixer sets, together with Unicon's Zealand truck fleet of mobile concrete pumps, which all run on the environmentally friendly fuel HVO, gives a unique opportunity to reduce emissions in connection with the delivery and pumping of ready-mix concrete.



UNICON Norway

Unicon Norway, Cementir's RMC subsidiary in Norway, places a strong emphasis on sustainable solutions, aligning with Norway's market demand for materials with low Global Warming Potential (GWP), measured in CO₂ equivalents, for both building and infrastructure projects. To further reduce CO₂ emissions, it supplies all categories of low carbon concrete outlined in the Norwegian Concrete Association's publication no. 37. Notably, in 2023, there was a widespread increase in the use of low carbon 'class A' concrete, extending beyond the Oslo region. The Oslo market specifically is experiencing a growing demand for the 'Extreme' class, which uses CEM III/B-cement containing 65% Ground Granulated Blast Furnace Slag (GGBS). Cement production remains a pivotal factor in GWP for concrete, contributing 70-90% of the carbon footprint. Environmental Product Declarations (EPDs) serve as the foundation for GWP calculations, and Unicon Norway and Unicon Denmark have adopted the same tool (lca.no) for creating project specific EPDs.

Apart from cement, aggregates constitute another key raw material in concrete production. Unicon Norway, in collaboration with Veidekke Sirkulær, a major construction company in Norway, has introduced recycled aggregates (RCA), derived from crushed concrete from building demolitions, as a commercial product. Unicon initiated its third project involving recycled aggregates in 2023.

Taking effect from 1 January, 2023, a new chapter in pollution regulations for RMC came into force in Norway. The regulations mandate emissions control for water, noise, proper handling of concrete waste, and reporting to authorities. This aims to standardise environmental requirements, establish uniform practices, and ensure fair competition conditions throughout the country. Unicon Norway responded by updating environmental procedures for all 24 RMC plants to comply with the new legislation.

Furthermore, Unicon Norway has reduced its environmental footprint through the introduction of a fleet of fully electric concrete trucks. Presently, the company operates three fully electric concrete trucks in Oslo, with five more anticipated to be operational by Q1 2024. Additionally, it has provided 10 trucks running on HVO (Hydrotreated Vegetable Oil) with conventional concrete drums, and 90% of its trucks comply with the Euro 6 standards, enabling HVO operation if necessary. In the Bergen and Trondheim regions, Unicon Norway has gained access to electric concrete pumps requiring a power supply on the construction site.

CCB France and Belgium

In 2023, CCB Béton in France and Belgium reduced its clinker ratio by 15%, exceeding the reduction target for 2023/2024 of 10% in the clinker ratio in the RMC products.

In 2024, specific studies will be carried out to optimise our C-GREEN-Neutral range in order to reduce the CO₂ footprint of our products as much as possible by using other raw materials with low CO₂ emissions like limestone filler, specific additives, etc. In 2023, CCB Béton obtained 8 Gold CSC certificates for its plants, in addition to the certifications obtained for aggregates and cement activities, but also renewed its Cradle-to-Cradle Certificate.

The ambition for 2024 is to integrate the CO₂ module issued from the CSC certification.

Concretely, CCB Béton is launching a working group called the 'Upcycling Project', consisting of the reuse of returned concrete as a raw material to produce high-performance concrete.

In 2023, 10% of the high-performance concrete production at CCB Bruxelles is based on this circularity.

In addition, recycled concrete aggregates have been available since 2023 at two plants as part of our ambition to promote the C-GREEN Recy range. The roll-out of those specific products will continue in 2024 with two additional plants.

In the sustainability transition, CCB Béton converted two additional plants in 2023 (Mont-Saint-Guibert and Fouquières Les Lens) to renewable energy reaching a total of 5 plants supplied with renewable energy.

ÇİMBETON

In Türkiye, ÇİMBETON Işıkkent Ready-Mix Concrete Plant in 2023 was awarded "Bronze level" CSC certificate.

Following the carbon reduction strategy, RMC plants in Izmir are using mainly cement II/B, while also using "MINERALIN"(CEM IV/B) at a ratio of 19% with respect to the amount of binder in the concrete in 2023.

ENVIRONMENTAL PRODUCT DECLARATION (EPD)

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

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

Specifically, Aalborg Portland Denmark's products are almost fully covered with EPDs, while CCB has obtained them for its main products in 2023. In addition, 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.

CEMENTIR QUALITY SYSTEM

All Cementir business units, including the cement plants in Türkiye, Belgium, Denmark, China, Malaysia, and the US, and the concrete batching plants in Europe and Türkiye, comply with the national requirements for quality management and production control with third-party verification.

In addition to the ISO 9000 System, Cementir has Internal Quality management.

A comprehensive Quality Policy and Quality management system is in place at the corporate level to ensure that all business units fully comply with external and group rules and procedures.

The Internal Quality Policy is divided into three sections: 'Organization and Guidelines', which mainly provides definitions and the framework for the quality system, including the CON-CQ (Consistent Cement Quality) process; 'Rules and Procedures' mainly provides the rules for setting DoQs (Declaration of Quality) and other targets, testing proficiency requirements, common KPIs for benchmarking product quality performance and the quality system across the group and 'Reports' which includes a database of all relevant technical reports and studies related to quality and the impact of the production process on quality, so that valuable information is retained and shared across the group. Quality management is developed to ensure a business model oriented towards customer satisfaction and continuously improving company performance.

CON-CQ (CON-sistent Cement Quality) provides a framework for measuring and improving our performance.

The CON-CQ system is organised into three different levels:

- 1. Business Unit CON-CQ** establishes procedures and organisation and ensures this is done consistently and maintained over time. It is sponsored by the Managing Director and led by the Technical Director (for multi-plant BUs) or Plant Manager/Director (for single-plant BUs) with the participation of quality, production, and sales corporate functions. The meetings are held every four months. It defines the product portfolio and critical services, updates and defines the Declaration of Quality (DoQs), and the quality control programme based on relevant inputs (holding strategy and guidelines, market, competition, plant constraints, raw materials, etc.). It monitors and reviews DoQs compliance and testing proficiency.
- 2. Plant CON-CQ**, led by the plant manager and facilitated by the quality manager, is done monthly and ensures proper execution of product portfolio/services (production, quality control, etc.), compliance with DoQs, and a sufficient measurement system. The Plant CON-CQ identifies and addresses gaps/incidents/complaints.
- 3. Quality Monthly meeting** led by Corporate Quality function with the participation of Quality and laboratory plant managers to analyse the quality data situation of the plant and results of round robin tests.

Six Sigma and Lean Six Sigma methodologies are also incorporated in most quality systems, sometimes with a



dedicated Continuous Improvement Department, such as in Türkiye, where there are 14 certified green belts and one black belt, which processed 26 Six-Sigma projects in 2023.

The Group Research and Quality Competence Centre (GRQCC) ensures a common framework for setting targets for process efficiency, cement performance and the Global Warming Potential (GWP) of the finished product placed on the market.

Furthermore, the system is fully integrated with GRQCC's responsibility for research and innovation, a prerequisite for achieving the company's long-term CO₂ emission reduction and environmental sustainability roadmap.

GRQCC has two green belts and all projects follow the Six Sigma methodology.

Finally, the central laboratory of GRQCC in Aalborg is EN ISO/IEC 17025 certified. The certification guarantees compliance with international standards, including environmental aspects. A certified laboratory assists with adhering to environmental regulatory requirements; by implementing this certification, the laboratory is committed to improving the quality of its activities and reducing the ecological impact of testing and calibration operations. It can also promote the adoption of sustainable practices in the industry, encouraging partners and clients to follow environmental quality standards.

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 for allowing 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 programs, 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 further 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

The Group has developed its own more direct, closer and more 'local' business model, to improve customer support and to understand customers' needs

e-learning on our product performances and applications and to share the latest information and projects. Cementir has at various times acted as organiser, speaker and participant with its own stand, at both local and international level on several occasions.

Aalborg Portland, in collaboration with Group sales, arranged *AALBORG WHITE*® OPEN 2023 which brought together customers and partners from across Europe, representing 12 different nationalities and 10 different languages. It was a fantastic opportunity to update people on the white cement market and learn about the latest sustainability and strategic initiatives, including upcoming new products in the Aalborg White® range and Aalborg InWhite® Solutions. The two days were filled with interesting presentations, fruitful open discussions, and intensive networking sessions. **CCB**, from the other hand, organised a seminar entitled “*Concrete, on its way out?*” which was attended by more than 200 people. At this, the company’s roadmap about decarbonization was presented, while several experts, stakeholders, sector association and developers shared their views on the future of the sector and concrete materials in particular. All participants expressed the need for a change in behaviours in a sector undergoing major transformation and innovation. In November 2023, **Çimbeton**, Group ready-mix company operating in Türkiye was invited to make a presentation entitled “*Circular economy in RMC industry*” at the BETON 2023 Congress held in İstanbul. Çimbeton shared its best practices and experiences of using blended cement (IDEALCEM) to reduce the carbon footprint of concrete. The appendix includes a full list of all seminars and exhibitions attended in the ‘*Cementir Data tables*’ section.



WHITE-HUB

White-Hub acts as an online community dedicated to Aalborg White® and InWhite® solutions, fostering connections between professionals in the building material and construction sectors. It stands out as the only global community focused on white cement, benefiting from Cementir’s unique geographic presence in different regions.

In 2023, around 40 blogs were meticulously developed through the collaborative efforts of our in-house team, industrial experts, university professors, architects, contractor engineers, and our valued end-users, all coming from different regions and cultural backgrounds. The informative content spans diverse topics such as cutting-edge technologies and applications, sustainable practices, voice of customers and innovative trends in the industry. The platform facilitates mutual communications, allowing industrial users to stay informed about our local and global news while contributing their own content, establishing an influential ‘community of practice’ centred around white cement and its value chain.

In line with our ‘glocal’ approach, the blogs have been translated into local languages, and distributed through our regional/local official media channels. The extensive reach has been further amplified through partnerships with industry associations’ media outlets, acting as a pivotal connection for local customers and industries to understand the footprints, achievements and developments of the Cementir at a global level. This approach has won acclaim and recognition in the sector, consolidating the position of brand leader in the industry and customer loyalty.

E-LEARNING

The eLearning platform functions as a vital communication tool, intimately connecting Cementir with its customers and industrial users over the globe, offering value added services tied to our products. This digital platform provides a flexible and convenient solution without any constraints related to geography, timing or costs. Courses are carefully designed based on a customer-driven approach, featuring insightful and in-depth educational content. This includes demonstrations of new products, inspiring applications and case studies, and the achievements and outlooks of our business through collaboration with in-house experts, innovators and pioneering industrial users, successfully enhancing our brand credibility.

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 a Voice of the Customer Survey (VoC) annually to measure customer satisfaction and engagement on product quality, services, innovation, relationships, sales processes, after-sales services 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 for improvement and is oriented towards strategic inter-functional, inter-company and inter-regional initiatives, some of which are incorporated in the strategic project programme. In 2023, our market perimeter remained constant, with enhanced content and greater surveying of populations.

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 2023, the overall NPS was 40.6. Targeted activities rolled out in the market helped to recover from gap decline in the previous year, affected by particular and unique market conditions.

Looking at the CLS in 2023, 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 94.9 higher than in 2022.

EU TAXONOMY

The EU Taxonomy has been introduced by Regulation EU/2020/852 (also referred to as the «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.

The six environmental objectives to which economic activities can potentially contribute as Taxonomy-eligible activities are:

- 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.

To be classified as Taxonomy-aligned, and therefore 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.

Starting from their annual reports on fiscal year 2022, non-financial corporations were required to extend the analysis of eligibility conducted on fiscal year 2021 by reporting on the level of alignment of their economic activities. However, as of 2023, technical screening criteria had only been published with reference to the environmental objectives of climate change mitigation and climate change adaptation. Consequently, Cementir Group's 2022 Taxonomy disclosure only focused on the requirements set out for the two climate-related environmental objectives.

For the present disclosure on fiscal year 2023, the remaining environmental delegated acts having been published, the analysis includes the required screening of eligibility and alignment to the objectives of climate change mitigation and climate change adaptation plus the required screening of eligibility to the remaining objectives. On a voluntary basis, as detailed below, Cementir has also conducted the alignment analysis in relation to the identified eligible activity to the remaining environmental objectives.

Looking ahead, the Group is closely monitoring the developments of the EU Taxonomy in relation to the possible development of a social and governance Taxonomy and to the compliance with the Corporate Sustainability Reporting Directive (CSRD) that will require to integrate the Taxonomy disclosure in a dedicated section of its Management Report.

ELIGIBILITY ASSESSMENT

In continuity with the activities performed in the previous years, Cementir conducted the eligibility assessment by associating the Group's economic activities with the descriptions of the eligible activities provided by the Taxonomy Delegated Acts and used the activity codes of the Statistical Classification of Economic Activities in the European Community (NACE codes) as a guide. During this phase, only the inclusion of the Group's economic activities among those listed by the delegated acts has been gauged, irrespectively of whether such activities were suitable to meet any of the technical screening criteria established by the Regulation.

From this analysis, Cementir Group identified the following eligible economic activities:

Table 1: Eligible Activities

Activity	Description	Climate change Mitigation	Climate change Adaptation	Sustainable use and protection of water and marine resources
2.1 Water Supply	Construction, extension, operation, and renewal of water collection, treatment and supply systems intended for human consumption based on the abstraction of natural resources of water from surface or ground water sources.			
3.7. Manufacture of cement	Manufacture of cement clinker, cement or alternative binder.			
4.25 Production of heat/cool using waste heat	Construction and operation of facilities that produce heat/cool using waste heat.			
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.			
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 identified eligible activities are equivalent to the ones identified for fiscal year 2022 except for the inclusion of activity 2.1. Water Supply. The latter can contribute to the objective of sustainable use of water and marine resources and its technical screening criteria have been made available in the newly delegated act containing the technical screening criteria for the remaining environmental objectives. As such, this inclusion needs to be understood as a natural progression in the application of the EU Taxonomy Regulation.

An additional note should be made in relation to activities 5.5. Collection and transport of non-hazardous waste in source separated fractions and 5.9. Material recovery from non-hazardous waste that this year are limited to the legal entity of Sureko.

Lastly, it should be emphasized that the economic activities that have not been identified as Taxonomy-eligible are simply not included in the EU Taxonomy Regulation at present and, therefore, do not constitute any form of non-compliance. This is the case for the production of white cement, ready-mix concrete, aggregates, and concrete products, activities which are not yet included in the Delegated Acts of the EU Taxonomy Regulation and represent 61.88% of Cementir Group's 2023 total turnover.

Please find in the table reported in the next page the list of the Group's legal entities linked to each eligible economic activity identified:

Table 2: Group's legal entities - eligibility**Activity 2.1 Water Supply**

Compagnie des Ciments Belges S.A.	Recovery and potabilization of water removed during the exploitation of our quarry of limestone in Clypot (Belgium)
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Activity 3.7 Manufacture of cement

Cimentas A.S.	Production of grey cement only with its plants located in Izmir and Trakya
Kars Cimento A.S.	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 S.A.	Production of grey cement, ready-mix concrete and aggregates Only the grey cement portion will be considered in the analysis
Aalborg Islandi	Does not produce grey cement, but resells grey cement purchased intra-group
CCB France	Does not produce grey cement, but resells grey cement purchased intra-group
Spartan Hive	Does not produce grey cement, but resells grey cement purchased intra-group

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

Sureko SA	Collecting and transporting hazardous and non-hazardous waste
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Activity 5.9 Material recovery from non-hazardous waste

Sureko SA	Recycling materials produced (ferrous materials, aluminium etc.) and recovery fuels (RDF/SRF)
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ALIGNMENT ASSESSMENT

As anticipated, for its 2023 non-financial disclosure, Cementir Group is required to conduct the alignment analysis for the identified eligible activities to the objectives of climate change mitigation and climate change adaptation. However, on a voluntary basis, the Group has also conducted the alignment analysis for activity 2.1. Water Supply, eligible to the objective of sustainable use of water and marine resources.

As a result of the alignment analysis, 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 for activity 3.7. *Manufacture of Cement* limited to the grey cement production and for activity 4.25. Production of heat/cool using waste heat.

For these activities, Cementir Group has been able to meet all the respective technical screening criteria detailed in the Delegated Acts of the EU Taxonomy Regulation.

In relation to activity 2.1. *Water Supply*, it was found that it does not produce turnover and that it should be considered as an individual measure enabling the target activity to become low-carbon or to lead to greenhouse gas reductions. Its voluntary alignment assessment resulted in partial compliance due to the non-applicability of several of the technical screening criteria. Awaiting to witness the application of such criteria on a broader scale and the possibility to conduct deeper research on the subject, activity 2.1. *Water Supply* is not considered aligned in light of the present disclosure.

With special regard to activity 3.7. *Manufacture of cement*, the Group's core business, alignment was found to be limited to three legal entities because of the ambitious emissions thresholds set out by the criteria of Substantial Contribution to Climate Change Mitigation and of Do Not Significant Harm to Climate Change Mitigation. As of 2023, the plants of Aalborg Portland A/S, Compagnie des Ciments Belges S.A., and Cimentas A.S. - Trakya respect one such limitation on emissions - the one set by the Do Not Significant Harm to Climate Change Mitigation. However, as further explained below, the Group has developed an investment plan which will allow to cut GHG emissions on several other plants in the coming years. The very inclusion of Aalborg Portland A/S for 2023 is an example of such developments.

Despite representing a residual part of Cementir Group's business activities, the production of heat recovered from Aalborg's Klin operations has been assessed as aligned with the EU Taxonomy as it is conducted by respecting all technical screening criteria.

As for the 2022 disclosure, 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 due to the non-compliance with the criteria of Substantial Contribution to Climate Change Adaptation and of Do Not Significant Harm to 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. Based on the gaps identified in our analysis, it was deemed reasonable to assign the percentage of eligibility of these activities to the objective of Climate Change Adaptation.



SUBSTANTIAL CONTRIBUTION AND DO NO SIGNIFICANT HARM (DNSH)

As required, all identified eligible economic activities were screened to assess the compliance with the Substantial Contribution criteria and the Do No Significant Harm criteria. The analysis allowed to distinguish between eligible-not aligned activities and eligible-aligned activities. We hereby report the assessment results of the eligible-aligned activities.

Activity 3.7 Manufacture of Cement (Aalborg Portland A/S, Cimentas A.S. - Trakya, 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 Aalborg Portland A/S, Cimentas A.S. - Trakya and Compagnie des Ciments Belges S.A., the greenhouse gas emissions from grey cement clinker production processes are lower than 0.816 tCO ₂ e 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 Aalborg Portland A/S and Compagnie des Ciments Belges S.A. the Environmental Impact Assessment was carried out in accordance the most up to date European Directives. For Cimentas A.S. - Trakya the Environmental Impact Assessment was carried out in accordance with equivalent local regulation and standards.
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 all three plants are in line with the BAT-AEL ranges and no significant cross-media effects occur ⁷ . 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 Aalborg Portland A/S and Compagnie des Ciments Belges S.A. the Environmental Impact Assessment was carried out in accordance with the most up to date European Directives. The Environmental Impact Assessments carried out for the sites of Cimentas A.S. Trakya were conducted in accordance with local regulation and standards equivalent to the European ones. The sites of Aalborg Portland A/S and of Cimentas A.S. Trakya are not located within or near biodiversity sensitive areas such as to have a significant impact on them.

⁷ For information about cross-media effects, please refer to [ecm_bref_0706.pdf \(europa.eu\)](#).

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.
Do No Significant Harm Protection and Restoration of Biodiversity	The Environmental Impact Assessment for Aalborg Plant A/S was carried out in accordance with the most up to date European Directives. The plant is not located within or near biodiversity sensitive areas such as to have a significant impact on them.



It is worth noticing 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 analyzed based on a medium- and long-term scenario-analysis on the geographical locations in which 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 adaptation solutions need to be implemented to prevent negative effects in sensitive geographical areas. In particular, the assessment was based on 3 different climate scenarios (High Climate Change Scenario RCP8.5, Moderate Climate Change Scenario RCP4.5, Low Climate Change Scenario RCP2.6), using 2020 as the baseline and projecting the respective effects at 2030 and 2050. For further information regarding the analysis please refer to paragraph “*Climate-related scenario analysis*”.

With regard to the Do No Significant Harm criteria to the objective of Climate Change Mitigation in relation to activity 3.7 Manufacture of cement, the Climate Delegated Act defines thresholds of greenhouse gas emissions for 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 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 Group 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 the plants of Trakya (Cimentas A.S.) and Compagnie des Ciments Belges S.A.

In the context of the Group’s 2030 Roadmap described in the paragraph “*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 by recurring to both incremental efficiency-driven interventions and disruptive technologies which could considerably improve the environmental performance of the Group’s cement producing facilities. According to such 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 the year 2030, thus allowing other Cementir’s grey cement production plants to reach alignment (in case all other technical screening criteria will still be met by these plants). Please, find in the following table the share of CapEx invested in FY2023 as part of the 2030 Roadmap:

Aligned Roadmap CapEx [EUR]	2022	2023
Aalborg Grey Cement	5,297,294	5,355,470
CCB Grey Cement	14,645,000	10,700,000

MINIMUM SAFEGUARDS

Compliance with the minimum safeguard criteria was assessed based directly on Art. 18 of the 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 focused on whether 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, Cementir Group's assessment for compliance was based on the following 4 areas of analysis for which it has not been convicted in court cases:

- human rights: Cementir Group annually conducts due diligence activities focused on human rights by having all legal entities undergo a self-assessment survey and conducting related audits to verify the accuracy of the information reported. Cementir operates to promote and ensure that these are respected in all its operations and those of its suppliers. The Group has also defined its Human rights Policy, which can be downloaded from the corporate website under the section Governance/Ethics and Compliance;
- 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 on paragraph "The Code of Ethics";
- taxation: the Group conducts its business activities in a manner that complies with tax regulations in all the countries 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, on Cementir's approach to taxes;
- 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.

Moreover, the Group is aware of the integration of D&I requirements within the minimum safeguards and, in accordance with Dutch law and the New Dutch Code of Corporate Governance, it set diversity targets for a good balance of D&I aspects in the Board and in the Senior Management. As a matter of fact, Cementir reports the board gender diversity and during 2023 it conducted a pilot project to calculate the gender pay gap of its Turkish workforce, region selected based on the ease of data processing. This pilot will then be extended with the goal to collect and calculate the gender pay gap of the whole workforce. More information can be found on paragraph "Gender Pay Gap". Lastly, the Group is not involved in the manufacture or selling of controversial weapons.

INDICATORS AND ACCOUNTING POLICIES

The proportion of Cementir Group's turnover, capital expenditure (CapEx) and operating expenditure (OpEx) associated with the execution of their eligible and aligned economic activities are hereby reported in accordance with Article 8 of the EU Taxonomy Regulation and its respective supporting Delegated Act. 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 the Art. 8 Delegated Act) the activities identified as aligned were attributed to a single environmental objective.

Proportion of Taxonomy-eligible and Taxonomy-aligned economic activities in total turnover, CapEx and OpEx

Year 2023	Total EUR	Proportion of Taxonomy-eligible economic activities (%)	Proportion of Taxonomy-aligned activity (%) Substantial contribution to climate change mitigation (Obt 1)	Proportion of Taxonomy-aligned activity (%) Substantial contribution to climate change adaptation (Obt 2)
Turnover	1,694,246,561	38.12%	0.29%	28.22%
Operating expenditure (OpEx)	132,941,586	33.83%	0.38%	26.58%
Capital expenditure (CapEx)	153,727,185	46.32%	0.15%	38.51%

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 economic activities (numerator) divided by the total consolidated net turnover (denominator). For further details on our accounting policies regarding our consolidated net turnover, see chapter 'Accounting policies' of the 2023 Annual Report. The accounting items for this indicator have been derived from the 2023 consolidated Profit & Loss statement of Cementir Group.

For legal entities considered in 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, amortization, 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 chapter 'Accounting policies' of the 2023 Annual Report.

Investments are extrapolated from Cementir's 2023 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' (Sect. 1.1.2.2. (a) of Annex I to Art. 8 Delegated Act), eventually of investments that are part of Cementir's 2030 Investment Plan to allow Taxonomy-eligible cement production activities to become Taxonomy-aligned (Sect. 1.1.2.2. (b) of Annex I to Art. 8 Delegated Act), and of individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions (Sect. 1.1.2.2. (c) of Annex I to Art. 8 Delegated Act).

Since Aalborg Portland A/S produces both grey and white cement, it was necessary to use a driver to select only the proportion of eligible CapEx that was computed based on the proportion of tonnes of grey cement produced on total tonnes produced by the entity (77.30%).

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). This indicator is limited to non-capitalized 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 the 2023 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 CaEx KPI, since Aalborg Portland A/S produces both grey and white cement, it was necessary to use a cost driver to calculate the OpEx KPI, as well. Again, this was based on the proportion of tons of grey cement produced in relation to the total tons produced by the entity (77.30%).

TAXONOMY TEMPLATES

Legenda for Templates reported in the next pages

For the purposes of tabular representation, the following legend applies:

- (1) Climate Change Mitigation: CCM;
 - (2) Climate Change Adaptation: CCA;
 - (3) Water and Marine Resources: WTR;
 - (4) Circular Economy: CE;
 - (5) Pollution Prevention and Control: PPC;
 - (6) Biodiversity and ecosystems: BIO;
- MS Minimum Safeguards.

For the reading of the alignment section of the templates, the following legend applies:

- Y - Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective;
- N - No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective;
- N/A - Not applicable, technical screening criteria not listed by the Regulation.

For the reading of the eligibility section of the templates, the following legend applies:

- N/EL - not eligible, Taxonomy non-eligible activity for the relevant environmental objective;
- EL - Taxonomy eligible activity for the relevant objective;
- N/A - Not applicable.

Table 3 - Proportion of turnover from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2023

Financial year 2023		Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')						MS	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) Turnover, year 2022	Category enabling activity	Category transitional activity		
Economic activities	Code	Turnover	Proportion of Turnover, year N	(1)	(2)	(3)	(4)	(5)	(6)	(1)	(2)	(3)	(4)					(5)	(6)
		mlnEUR	%	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL		%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of cement	CCM 3.7/ CCA 3.7	478,074,589.31	28.22%	N	Y	N/EL	N/EL	N/EL	N/EL	Y	N/A	Y	N/A	Y	Y	Y	11.71%	-	-
Production of heat/cool using waste heat	CCM 4.25/ CCA 4.25	4,879,000.00	0.29%	Y	N	N/EL	N/EL	N/EL	N/A	Y	N/A	Y	Y	Y	Y	Y	0.49%	-	-
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		482,953,589.31	28.51%														12.20%		
Of which Enabling		-	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	-	-
Of which Transitional		-	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	-	-
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of cement	CCM 3.7/ CCA 3.7	160,778,021.83	9.49%	EL	EL	N/EL	N/EL	N/EL	N/EL								18.91%	-	-
Collection and transport of non-hazardous waste in source separated fractions	CCM 5.5/ CCA 5.5	1,874,575.00	0.11%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.13%	-	-
Material recovery from non-hazardous waste	CCM 5.9/ CCA 5.9	181,333.00	0.01%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.04%	-	-
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		162,833,929.83	9.61%																
Turnover of Taxonomy eligible activities (A.1 + A.2)		645,787,519.13	38.12%	0.29%	37.82%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	31.29%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		1,048,459,041.87	61.88%																
Total		1,694,246,561.00	100.00%																

Table 4 - Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2023

Financial year 2023		Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')						MS	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year 2022	Category enabling activity	Category transitional activity		
Economic activities	Code	CapEx	Proportion of CapEx, year N	(1)	(2)	(3)	(4)	(5)	(6)	(1)	(2)	(3)	(4)					(5)	(6)
		mlnEUR	%	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL		%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of cement	CCM 3.7/ CCA 3.7	59,202,776.02	38.51%	N	Y	N/EL	N/EL	N/EL	N/EL	Y	N/A	Y	N/A	Y	Y	Y	23.21%	-	-
Production of heat/cool using waste heat	CCM 4.25/ CCA 4.25	224,378.30	0.15%	Y	N	N/EL	N/EL	N/EL	N/EL	N/A	Y	N/A	Y	Y	Y	Y	0.10%	-	-
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		59,427,154.31	38.66%														23.31%		
Of which Enabling		-	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	-	-
Of which Transitional		-	0.00%	-						-	-	-	-	-	-	-	0.00%	-	-
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
						EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Water Supply	WTR 2.1	374,439.37	0.24%	N/EL	N/EL	EL	N/EL	N/EL	N/EL								0.00%		
Manufacture of cement	CCM 3.7/ CCA 3.7	10,377,967.14	6.75%	EL	EL	N/EL	N/EL	N/EL	N/EL								18.33%	-	-
Collection and transport of non-hazardous waste in source separated fractions	CCM 5.5/ CCA 5.5	1,023,565.33	0.67%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.51%	-	-
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		11,775,971.83	7.66%																
CapEx of Taxonomy eligible activities (A.1 + A.2)		71,203,126.15	46.32%	0.15%	45.93%	0.24%	0.00%	0.00%	0.00%	0.00%							42.15%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		82,524,058.52	53.68%																
Total		153,727,184.67	100.00%																

Table 5 - Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2023

Financial year 2023			Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')						MS	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year 2022	Category enabling activity	Category transitional activity	
Economic activities	Code	OpEx	Proportion of OpEx, year N	(1)	(2)	(3)	(4)	(5)	(6)	(1)	(2)	(3)	(4)	(5)					(6)
		mlnEUR	%	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL		%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of cement	CCM 3.7/ CCA 3.7	35,335,832.85	26.58%	N	Y	N/EL	N/EL	N/EL	N/EL	Y	N/A	Y	N/A	Y	Y	Y	12.74%	-	-
Production of heat/cool using waste heat	CCM 4.25/ CCA 4.25	509,996.26	0.38%	Y	N	N/EL	N/EL	N/EL	N/EL	N/A	Y	N/A	Y	Y	Y	Y	0.81%	-	-
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		35,845,829.11	26.96%														13.55%		
Of which Enabling		-	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	-	-
Of which Transitional		-	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	-	-
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
						EL; EL; N/EL N/EL	EL; EL; N/EL N/EL	EL; EL; N/EL N/EL	EL; EL; N/EL N/EL										
Water Supply	WTR 2.1	64,000.00	0.05%	N/EL	N/EL	EL	N/EL	N/EL	N/EL								0.00%		
Manufacture of cement	CCM 3.7/ CCA 3.7	8,963,981.41	6.74%	EL	EL	N/EL	N/EL	N/EL	N/EL								17.45%	-	-
Collection and transport of non-hazardous waste in source separated fractions	CCM 5.5/ CCA 5.5	93,854.62	0.07%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.48%	-	-
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		9,121,836.04	6.86%																
OpEx of Taxonomy eligible activities (A.1 + A.2)		44,967,665.15	33.83%	0.38%	33.39%	0.05%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	31.48%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		87,973,921.03	66.17%																
Total		132,941,586.18	100.00%																

Table 3.1 - Proportion of turnover from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2023

Proportion of Turnover / Total Turnover

	Taxonomy-Aligned	Taxonomy-Eligible
CCM	0.29%	0.29%
CCA	28.22%	37.82%
WTR	0.00%	0.00%
CE	0.00%	0.00%
PPC	0.00%	0.00%
BIO	0.00%	0.00%

Table 4.1 - Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2023

Proportion of CapEx/Total CapEx

	Taxonomy-Aligned	Taxonomy-Eligible
CCM	0.15%	0.15%
CCA	38.51%	45.93%
WTR	0.00%	0.24%
CE	0.00%	0.00%
PPC	0.00%	0.00%
BIO	0.00%	0.00%

Table 5.1 - Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2023

Proportion of OpEx/Total OpEx

	Taxonomy-Aligned	Taxonomy-Eligible
CCM	0.38%	0.38%
CCA	26.58%	33.39%
WTR	0.00%	0.05%
CE	0.00%	0.00%
PPC	0.00%	0.00%
BIO	0.00%	0.00%

Table 6 - Nuclear and fossil gas related activities

Proportion of Turnover / Total Turnover

Row	Nuclear energy related activities	YES/NO
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
Fossil gas related activities		
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No



Ready-mix plant, Denmark

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 organization operate: governance, strategy, risk management and metrics and targets.

GOVERNANCE

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

a) Describe the Board's oversight of climate-related risks and opportunities

Disclosure

- Chapter: The Corporate Governance System (see page 89)
- Chapter: Evaluation of Board's performance (see page 91)
- Chapter: The Sustainability Governance System (see page 94)
- Chapter: Role of the Bord of Directors in overseeing the management of Cementir's impacts (see page 97)

b) Describe management's role in assessing and managing climate-related risks and opportunities

- Chapter: The Corporate Governance System (see page 89)
- Chapter: Evaluation of Board's performance (see page 91)
- Chapter: The Sustainability Governance System (see page 94)
- Chapter: Role of the Bord of Directors in overseeing the management of Cementir's impacts (see page 97)

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 has been 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	<ul style="list-style-type: none"> • Chapter: Internal Control and Risk Management System (page 108) • Chapter: Climate risks (page 118) • Chapter: Climate-related scenario analysis (page 119) • Chapter: Chronic and acute physical phenomena (page 121) • Chapter: Transition risks and opportunities (page 124)
b) Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning	<ul style="list-style-type: none"> • Chapter: Internal Control and Risk Management System (page 108) • Chapter: Climate risks (page 118) • Chapter: Climate-related scenario analysis (page 119) • Chapter: Chronic and acute physical phenomena (page 121) • Chapter: Transition risks and opportunities (page 124)
c) Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2° or lower scenario	<ul style="list-style-type: none"> • Chapter: Internal Control and Risk Management System (page 108) • Chapter: Climate risks (page 118) • Chapter: Climate-related scenario analysis (page 119) • Chapter: Chronic and acute physical phenomena (page 121) • Chapter: Transition risks and opportunities (page 124) • Chapter: Our 2030 commitment in numbers (page 75) • Chapter: Our key actions for the 2023-2030 period (page 76) • Chapter: Main investments needed to achieve CO₂ reduction targets (page 84) • Chapter: 2050 ambition (page 85) • Chapter: Responsible and efficient use of water (page 145)

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 108)
- Chapter: Climate risks (page 118)
- Chapter: Climate-related scenario analysis (page 119)
- Chapter: Chronic and acute physical phenomena (page 121)
- Chapter: Transition risks and opportunities (page 124)

b) Describe the organization's processes for managing climate-related risks

- Chapter: Internal Control and Risk Management System (page 108)
- Chapter: Climate risks (page 118)
- Chapter: Climate-related scenario analysis (page 119)
- Chapter: Chronic and acute physical phenomena (page 121)
- Chapter: Transition risks and opportunities (page 124)
- Chapter: Our 2030 commitment in numbers (page 75)
- Chapter: Our key actions for the 2024-2030 period (page 76)
- Chapter: Main investments needed to achieve CO₂ reduction targets (page 84)
- Chapter: 2050 ambition (page 85)
- Chapter: Responsible and efficient use of water (page 145)

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 108)
- Chapter: Climate risks (page 118)
- Chapter: Climate-related scenario analysis (page 119)
- Chapter: Chronic and acute physical phenomena (page 121)
- Chapter: Transition risks and opportunities (page 124)
- Chapter: Our 2030 commitment in numbers (page 75)
- Chapter: Our key actions for the 2024-2030 period (page 76)
- Chapter: Main investments needed to achieve CO₂ reduction targets (page 84)
- Chapter: 2050 ambition (page 85)
- Chapter: Responsible and efficient use of water (page 145)

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 133)
- Chapter: Alternative raw materials (page 135)
- Chapter: Cementir's CO₂ footprint (page 139)
- Chapter: Cementir's Scope 3 emissions (page 140)
- Chapter: Energy consumption (page 143)

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 139)
- Chapter: Cementir's Scope 3 emissions (page 140)
- Chapter: Climate Risks (page 118)

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 75)
- Chapter: Our key actions for the 2024-2030 period (page 76)
- Chapter: 2050 ambition (page 85)

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 CO₂-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.

The Group has defined a Roadmap to 2030 that will allow for the constant reduction of CO₂ emissions per ton of cement. The implementation of the Roadmap is proceeding as planned. In 2023, emissions per ton of grey cement were 655 kg, down 9% compared to 2020, while emissions per ton of white cement were 846 kg, down 7% compared to 2020.

The Group has focused its research activity on the testing, through pilot projects, of new technologies for carbon capture and storage (CCS). The Plan envisages the implementation of a CCS system in Aalborg, in 2030, with which the Group will reduce Scope 1 emissions per tonne of grey cement to 458 kg, with an emission level below the limits required by the European Taxonomy and equal to a reduction of 36% compared to 2020 levels.

For white cement, which is a niche product for specific applications, with a market equal to 0.5% of world production, Scope 1 emissions will be reduced to 737 kg per tonne of product. 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.

The climate change targets established by the Group have been deployed per single plant and year and were included in the 2024-2026 Industrial Plan approved by the Board of Directors of Cementir Holding on 8 February 2024.

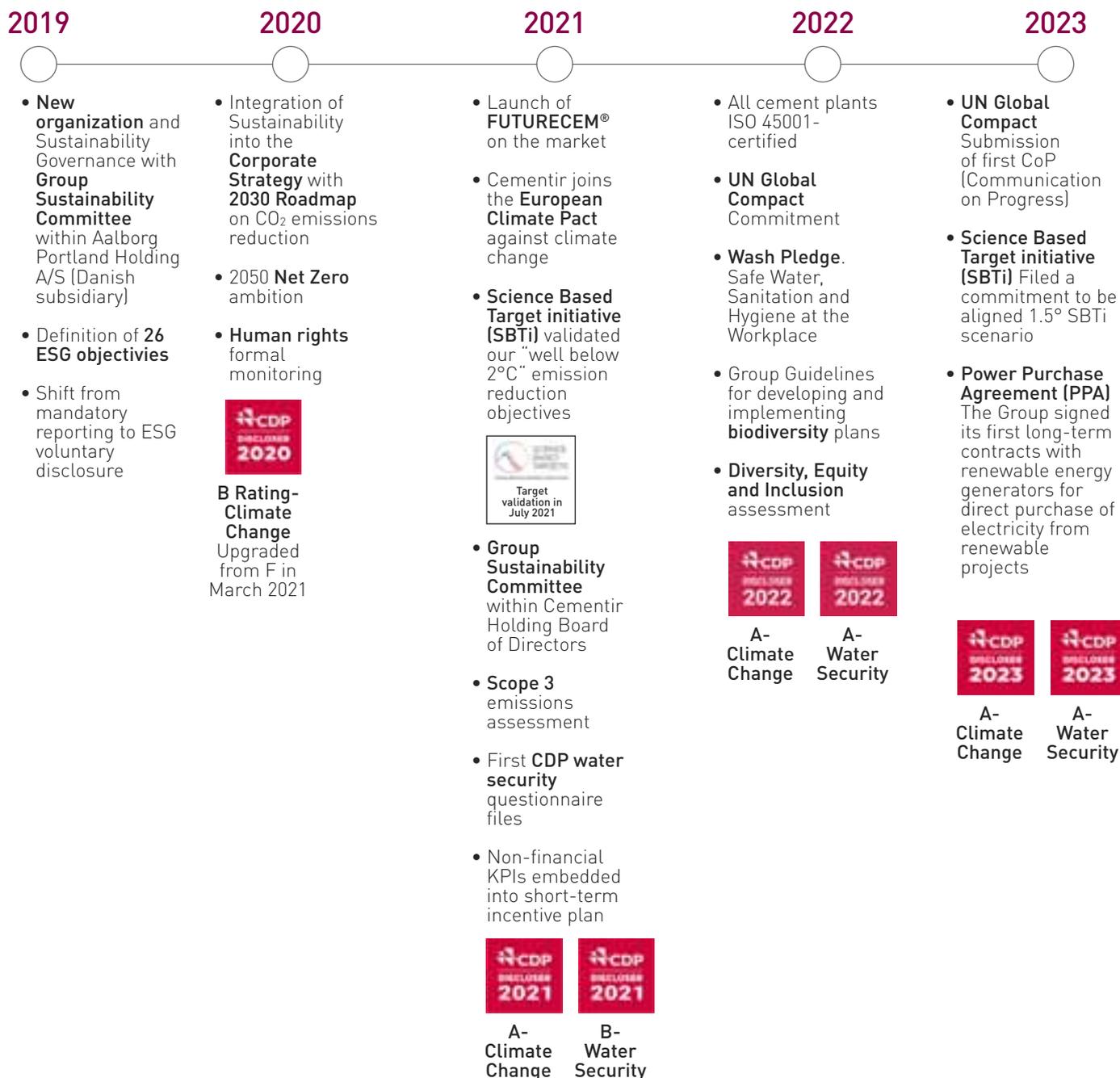
See the table in the next page for details.

GREY CEMENT	2020	2021	2022	2023	2025	2030
Use of traditional fuel in %	72%	70%	68%	67%	61%	52%
Use of alternative fuel in %	28%	30%	32%	33%	39%	48%
Clinker Ratio	82%	81%	80%	79%	75%	64%
CO ₂ emissions (kg CO ₂ /ton cement)	718	684	672	655	617	458
Reduction versus 2020	0%	-5%	-6%	-9%	-14%	-36%

WHITE CEMENT	2020	2021	2022	2023	2025	2030
Use of traditional fuel in %	85%	85%	85%	82%	82%	54%
Use of natural gas%	12%	12%	13%	16%	16%	32%
Use of alternative fuel in %	3%	3%	2%	2%	2%	14%
Clinker ratio	82%	83%	81%	79%	79%	78%
CO ₂ emissions (kg CO ₂ /ton cement)	915	919	886	846	845	737
Reduction versus 2020	0%	0%	-3%	-7%	8%	-19%

Specific targets for alternative fuels, clinker ratio and CO₂ emissions have been established to accomplish the 2030 goals. Such targets have been deployed in every single plant and were included in the 2024-2026 Industrial Plan and in our employee short-term incentive system.

Our sustainability commitment timeline since 2019



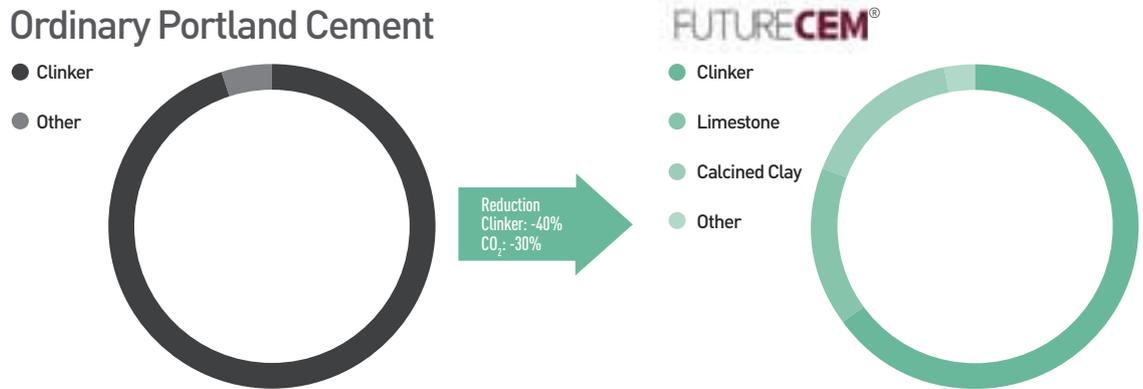
OUR KEY ACTIONS FOR THE 2024-2030 PERIOD

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 CO₂ emissions occur when the raw materials (mainly limestone) calcinates into clinker in the kiln. The CO₂ 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 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®.



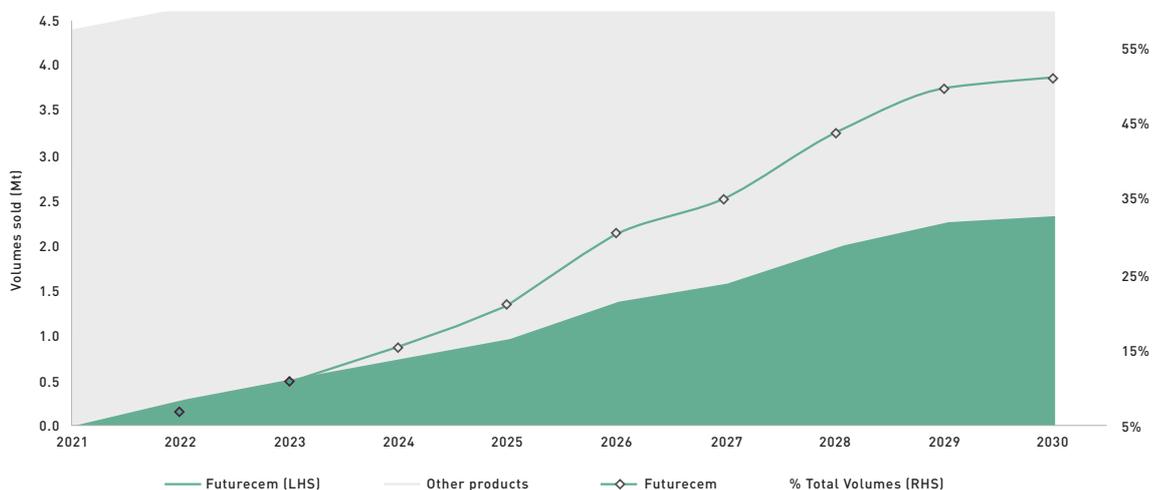
From 2014-2019, Cementir participated, together with researcher institutions and a range of stakeholders and customers from the construction industry, in the Danish project Green Concrete II with the aim of testing FUTURECEM® in a wide range of ready-mix concrete applications. In this project, FUTURECEM® 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- 2023 period.

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

FUTURECEM® roll-out plan - Volumes sold in EU countries



- **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 48% alternative fuel, while for white cement alternative fuels will amount to 14%. 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 Belgium and the installation of multi-fuel main burners for the kilns.** For the Danish and Belgium plants, 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 already entered into an agreement with the Danish gas distribution company, Evida, to connect the Aalborg plant to the gas distribution grid.
- **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 CO₂ savings related to this heat recovery system has been estimated at 150,000 tons. This calculation is based on the amount of CO₂, 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 CO₂.
Details of the main projects participated by Cementir are provided in the following paragraphs.

Cement plant in Gaurain, Belgium



CARBON CAPTURE TECHNOLOGIES CURRENTLY INVESTIGATED BY CEMENTIR

The Cementir Group has assembled a dedicated team focused on advancing the potential implementation for carbon capture at its facility in Aalborg, Denmark. The Cementir Group is engaged in various research projects aimed at facilitating the implementation of Carbon Capture, Utilisation, and Storage (CCUS) in its operations.

These projects can be categorised into three types.

Firstly, **techno-economic assessments** explore different technologies suitable for CO₂

capture, offering preliminary insights into the potential configurations of carbon capture plants at various capacities in select facilities.

Secondly, **pilot projects** are under way to capture CO₂ at a small scale, facilitating the testing of diverse technologies and enhancing our understanding of flue gas behaviour under different methods.

Lastly, the company is actively involved in projects dedicated to developing value chains, fostering research and development efforts in **transport and permanent storage** activities in North Jutland.

This multifaceted approach demonstrates Cementir Group's comprehensive commitment to making progress in reducing its CO₂ emissions. The next section will examine the specifics of each project.



ConsenCUS plant inaugurated by His Majesty The King of Denmark

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 of which € 150,000 is funded by Cementir with co-funding from the INNO-CCUS partnership funded by the Danish Innovation Fund.

Start and end date

01/08/2022 - 31/07/2025

Partners

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

Results

A test unit from the Danish Technical University (DTU) was established at the Aalborg Portland plant in October 2022 and it was removed in October 2023. Conclusions from gas analysis and gas purity measurements obtained and tests completed. Results for a broader audience are being prepared for sharing in April 2024.

ConsenCUS

Purpose

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

- Demonstrating the technical and economic viability of green electricity-based, energy-efficient CCU innovations in an industrially relevant environment
- Investigating how CO₂ networks in Northern Europe can cost-efficiently take the captured CO₂ to end users, or permanent and/or intermediate storage.

For additional information, please see <https://consensus.eu/>

Total budget

The total funds for the project are € 13 million of which € 240,000 is funded by Cementir and co-funded by the EU-Horizon 2020 programme.

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

On November 27th 2023, the demonstration plant was inaugurated during a short ceremony headed by the H.K.H. Kronprins and now HM King Frederik X, Ms. Simson, EU-commissioner for Energy and Mr. Aagaard, Danish Minister for Energy, Climate and Utilities. The opening event was part of the 3rd international CCUS FORUM. The CCUS FORUM is a robust stakeholder consultation platform established by the European Commission in 2021.

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://consensus.eu/results/>

Portland CC

Purpose

This project is part of the CO₂ Vision partnership. The aim was to provide an initial techno-economic assessment of two carbon capture technologies: the amine scrubber technology (reactive absorption-stripping) and the Chart/Sustainable Energy Solutions Cryogenic Carbon Capture™ (CCC) technology applied to one kiln in the Aalborg Portland A/S cement plant. The analysis provides an estimation of component costs for the configurations under consideration using the features available in Aspen Plus®, along with electricity cost estimations for 2021 and 2022. Moreover, a suitable formulation for estimation of the cost of CO₂ was presented.

Total budget

The total funds for the project were € 503,000 of which € 131,000 was funded by Cementir. This project is supported by the EU Regional Fund and the EU Social Fund, as well as the EU Just Transition Fund.

Start and end date

01/06/2022 to 31/08/2023

Partners

Aalborg Portland, Aalborg University, Aalborg CSP

Results

Both the amine scrubber technology and the Chart Cryogenic Carbon Capture™ shown to be highly effective for capturing CO₂ at high purity level and capture efficiency across gaseous and liquid states. The CCC technology, in particular, distinguished itself by offering a lower energy penalty, leading to reduced OpEx, and presenting lower initial CapEx compared to the amine scrubber technology.

During the project work some future research and development activities related to capture technologies were identified as including piping and networks between the capture process and transport and storage infrastructure. It was also suggested to look at integration of capture process with other domains e.g. district heating.

For additional information see: <https://www.co2vision.dk/english/>

This project has been carried out as part of the activities of the public-private partnership CO₂Vision. This partnership brings together local industries, educational institutions, business organisations and local government with the aim of investigating the establishment of infrastructure for CCUS in North Jutland-Denmark, including the import of CO₂ for onshore and offshore storage, as well as use for production of methanol and sustainable aviation fuel.

CO₂Vision partners was awarded € 12.4 million from the Danish Board of Business Development in 2022 and € 6.7 million from the EU Just Transition Fund in 2023.

The consortium partners include Aalborg University, Aalborg Portland, Labour Market Office Mid/North, Business Region North Denmark, Business House North Jutland, Energy Cluster Denmark, Evida, Green Hub Denmark, North Denmark EU Office and University College North Jutland.

GreenCem

Purpose

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

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 CO₂. 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 CO₂ from Aalborg Portland's cement.

Total budget

The total funds for the project were € 330,000 of which € 90,000 was funded by Cementir. This project was funded by the Manufacturing Academy of Denmark-MADE.

Start and end date

01/08/2020 - 31/07/2023

Partners

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

Results

The environmental analysis shows that it is possible to reach carbon neutrality when implementing CCUS if the cement facility operates with renewable energy and with a high share of alternative fuels. More details are provided in the following academic publication: Preconditions for achieving carbon neutrality in cement production through CCUS.

CASPER

Purpose

The project aims to demonstrate the full CCS value chain from a cement plant. This will be done by capturing and processing at least 20 tons of CO₂ from the flue gas during a campaign in 2024. Measuring the quality of the CO₂ and compare with existing standards relevant in 2024. In addition, evaluating the effect of impurities on CO₂ transportation in a new 50 m long CO₂ pipe test facility to prepare for CO₂ infrastructure that can be implemented in 2025.

Total budget

The total budget is approximately € 2 million of which € 600,000 is funded by the project partners, including Cementir with the rest funded by the INNO-CCUS partnership funded by the Danish Innovation Fund.

Start and end date

2024 to 2026

Partners

Cementir Holding-Aalborg Portland, Technical University of Denmark-DTU, Pentair, Teknologisk Institut, Dansk Gasteknisk Center, EVIDA, Gas Storage Denmark.

Results

-

NORNE

Purpose

Norne Carbon Storage Hub is a wholly owned subsidiary of Fidelis New Energy, and it consists of two reception facility sites in Denmark - one at the Port of Aalborg and one at the Port of Kalundborg. Norne is developing the CO₂ pipelines and storage facilities to safely and permanently store CO₂. Norne will receive and store CO₂ from both Danish and European CO₂ emitters in need of CO₂ storage. The Norne hub will deliver significant climate impact by enabling CO₂ emitters to permanently store their emissions.

In June 2023 Aalborg Portland signed a letter of intent with Norne, enabling the cement producer to potentially store CO₂ to the Norne Carbon Storage Hub in Aalborg through a direct pipeline connection by 2030.

Total budget

Not identified, yet

Start and end date

8th June 2023 -
Not identified, yet

Partners

-

Results

-

Greenport Scandinavia

Purpose

Project for the implementation of a terminal for the transportation and storage of CO₂.
About - Greenport Scandinavia

Total budget

This project has received € 14,6 million from the EU Just Transition Fund.

Start and end date

13th June 2023

Partners

INEOS Energy, Wintershall Dea, Evida, Biocarb Solution, Hirtshals Havn, Aalborg Portland, Greenport North, EUC Nord, Hydrogen Valley and Energy Cluster Denmark.

Results

-

SNAM-Polimi-CCB

Purpose

Evaluation of various capture technologies: partial Oxyfuel with Hydrogen, Partial Oxyfuel with chemical absorption using amines and chilled ammonia.

Total budget

N/A

Start and end date

March to December 2022

Partners

SNAM, Politecnico di Milano, CCB.

Results

Advantages and disadvantages of each technology were identified taking into consideration the specific conditions at the CCB cement plant. Relevant KPIs such as CapEx, OpEx and cost of CO₂ avoidance were obtained for each solution. Further research suggests studying and concept design of an integrated project considering also CO₂ transport and storage, leveraging on existing and announced projects (i. e. Fluxys) and continue with a feasibility study on the final solution.

CO₂ infrastructure for Belgium

The Belgian energy infrastructure company Fluxys is designing a CO₂ pipeline in Belgium, collecting the needs of various emitters and routing such CO₂ to different exit points. Cementir has clearly expressed its interest in being included in such an important project, aiming at optimising the method and cost of CO₂ transportation and centralising liquefaction and loading facilities.

In 2022, CCB, the Belgian subsidiary of Cementir, signed a Lol (Letter of Intent) with Fluxys. For additional information about the CO₂ infrastructure proposed by Fluxys, please see

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

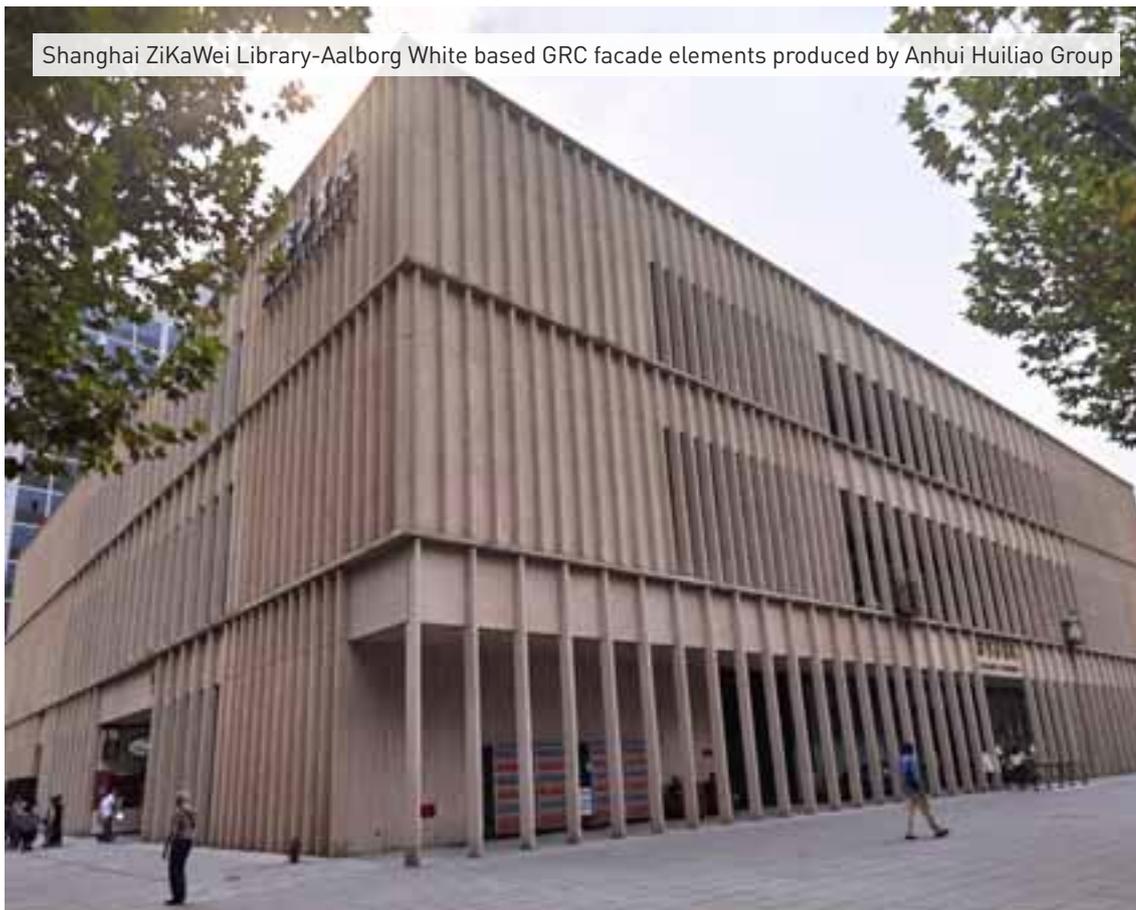
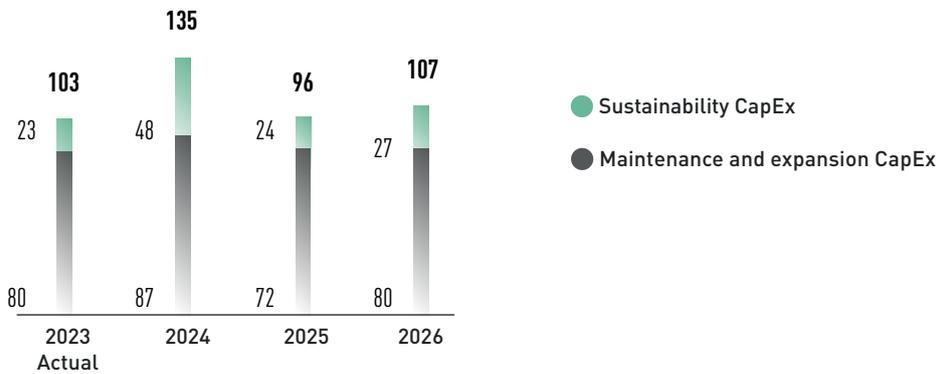
MAIN INVESTMENTS NEEDED TO ACHIEVE CO₂ REDUCTION TARGETS

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 2023, this was set at €83 per ton) and a detailed scenario analysis is undertaken to anticipate the CO₂ impact the Group may be exposed to in the coming years.

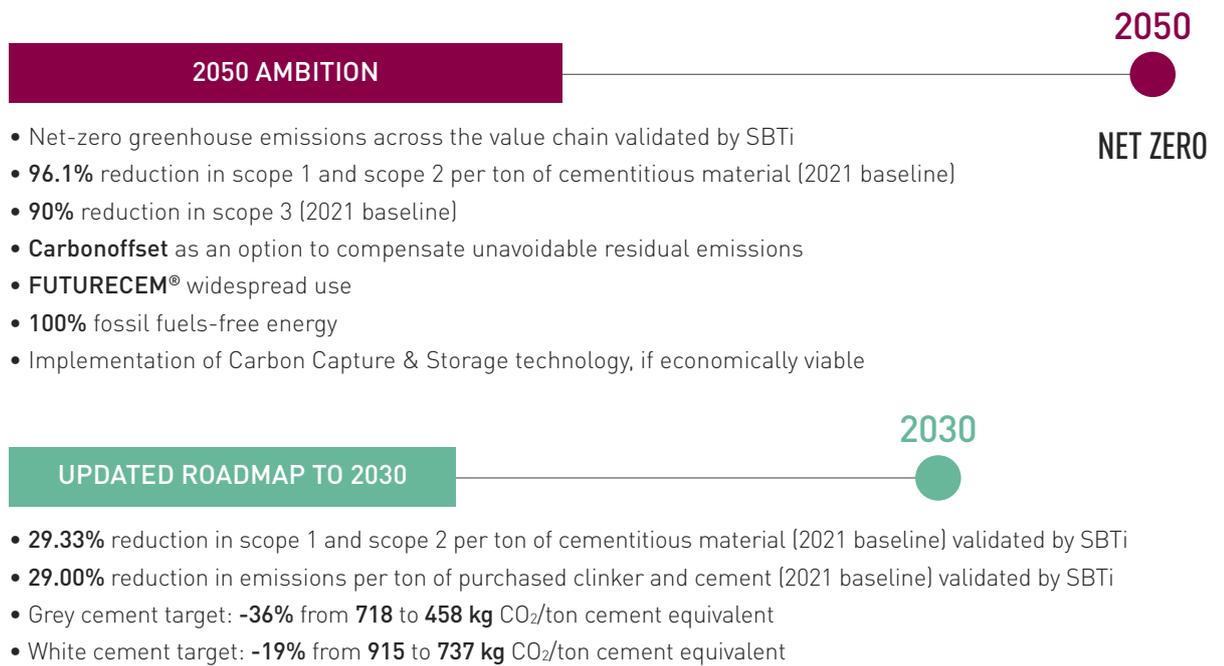
In the three-year period 2024-2026, the Group expects to invest approximately € 100 million in sustainability projects including: preliminary studies for CCS in Denmark and Belgium; the kiln upgrade at the Belgian plant to increase the use of alternative fuels from the current 40% to over 70%; the transition to natural gas in some of the Group’s plants, the preparation of the structures necessary for the production of FUTURECEM® in Denmark, the increase in the use of alternative fuels in Türkiye and other projects to reduce the climate impact of transport, procurement, logistics and the optimisation of water resources usage in the production process.

INDUSTRIAL PLAN 2024 - 2026: CUMULATIVE CAPEX

Million Euro



2050 AMBITION



Cementir Holding N.V. commits to achieving net-zero greenhouse gas (GHG) emissions across 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, CO₂-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.

In this regard, in 2023 the Group signed agreements (PPA) with *Engie* and *EtherEnergy* for the subsidiary in Belgium, CCB, reaching a maximum deliverable capacity, between wind and solar, of 25 MWh.

2050 ambition: Scope 3 emissions

Cementir will reduce Scope 3 emissions according to a net-zero pathway. This will require the embedding of CO₂ emissions in sourcing decisions for all purchase categories and the promotion of zero-emissions transportation solutions within our network.

VALUE CHAIN ENGAGEMENT

THE IMPACT OF THE VALUE CHAIN ON CLIMATE CHANGE AND WATER SECURITY

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.

The value chain engagement is, therefore, an essential component for managing risks, ensuring quality, fostering innovation, and aligning with ethical and sustainable practices. This collaborative approach enhances a company’s overall resilience and competitiveness in the market.

For all these reasons, starting from 2020, Cementir has started to 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.

Furthermore, the suppliers’ engagement process has been enriched through participation in the CDP Supply Chain programme. Since 2020, an increasing number of strategic suppliers have been invited to complete the Climate Change Questionnaire. In this questionnaire, suppliers disclose information about their risks and opportunities related to climate change, emissions data, specifics about their emissions management strategy - including targets - and the actions they have implemented to mitigate their emissions.

Starting from 2023, the suppliers’ engagement process has been enriched by the invitation to complete the Water Security Questionnaire as well. This specific module facilitates the identification of water resources used, by suppliers, in their direct operations and supply chain, the procedures in place for their water risk assessments, and their risk-related mitigation strategies/opportunities.

Cementir’s strategy emphasises the growing importance the Group places on preserving and safeguarding these valuable common natural resources.

As in previous years, the engagement has been focused on the Top Group Suppliers, those suppliers evaluated strategic by the Group due to factors such as the proportion of spending, geographic location, type of raw material and services provided.

Below are the results from 2023, for both questionnaires, through the involvement of suppliers.

1. CDP Supply Chain - Climate Change

- a. The number of suppliers responding to Climate Change increased by 13 suppliers (1.26x) when compared to 2022
- b. The highest responding industry was the one of Materials
- c. The highest responding country was the United States of America
- d. The 90% of responding suppliers have in place emission reduction initiatives
- e. The 67% of responding suppliers have a transition plan aligned to a 1.5-degree world.

The value chain engagement is an essential component for managing risks, ensuring quality, fostering innovation, and aligning with ethical and sustainable practices

	2023	2022	2021	2020
A) Suppliers involved	154	110	75	55
B) Suppliers that responded	63	43	29	17
C) Response rate (B/A)	41%	39%	39%	31%

2. CDP Supply Chain - Water Security

- a. The 100% of responding suppliers have a risk assessment procedure in place
- b. The 85% of responding supplier report withdrawal from water stressed areas
- c. The 100% of responding suppliers report water-management at the C-suite
- d. The 91% of responding suppliers report water targets or goals, with a prevalence of WASH targets

2023

A) Suppliers involved	154
B) Suppliers that responded	34
C) Response rate (B/A)	22%

To support suppliers' engagement and boost the response rates, dedicated supplier training webinars have been held since 2020.

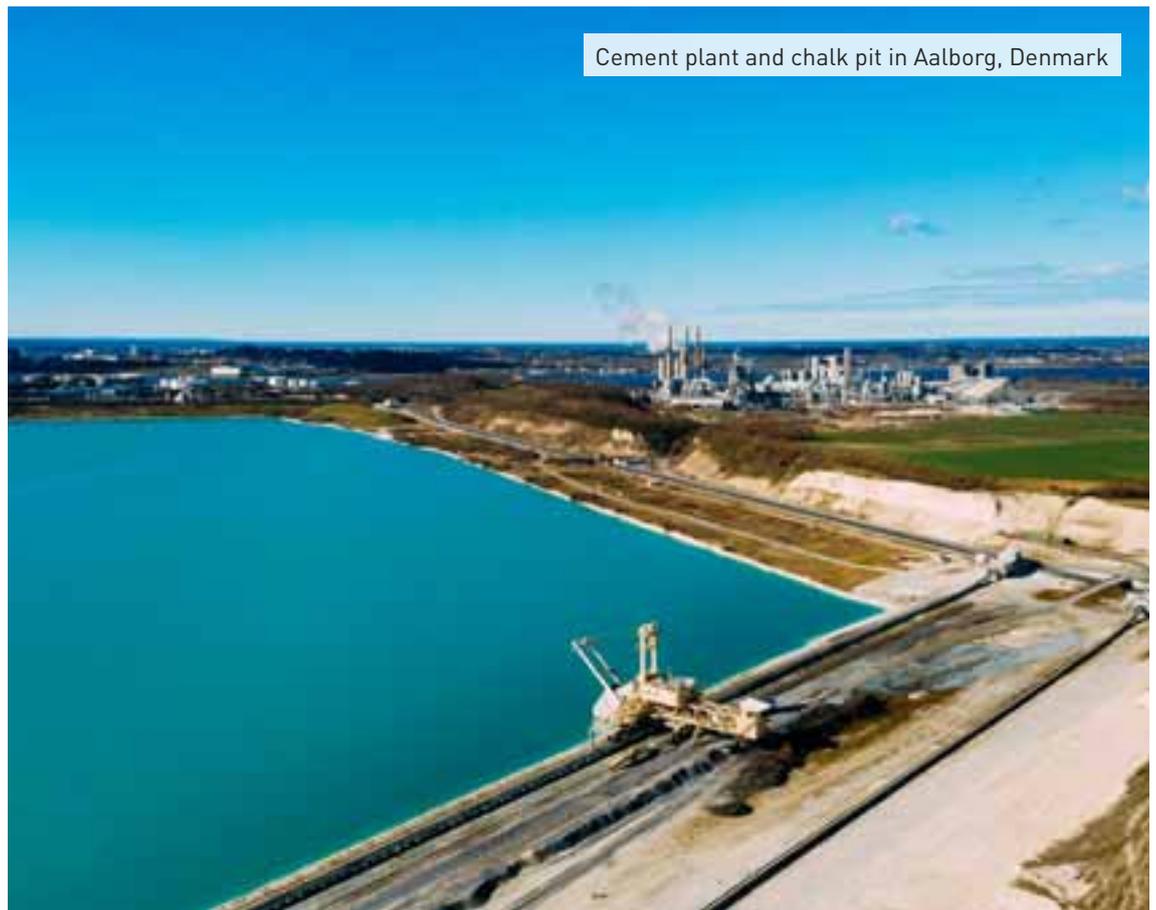
This training aims to communicate the importance and benefits from transparently reporting on emissions, climate impact and water security.

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 the company's principles, with a specific focus on water policy was introduced.

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



Cement plant and chalk pit in Aalborg, Denmark

OUR COMMITMENT ON CARBON-RELATED PUBLIC POLICY

Cutting CO₂ 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.

Cementir is collaborating with some of the major global associations with which to tackle climate change and develop innovative and sustainable solutions. Furthermore, at the 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 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 2023, Cementir was awarded an 'A-' rating for Climate Change from the CDP, maintaining the 2022 'A-' rating and placing Cementir above the cement and concrete sector average (B) and the European average (B). For the second time, Cementir was also awarded a 'A-' rating for water security, higher than the Europe regional average (C) and higher than the cement and concrete sector average (B).



In February 2024, the **Science Based Targets initiative (SBTi)** validated Cementir's CO₂ emission reduction targets, judging them to be consistent with the 1.5 °C scenario see paragraph "Science Based Targets Initiative (SBTi)".



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, CSRD (Corporate Sustainability Reporting Directive) 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 CO₂ 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 CO₂ 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 CO₂ 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 current version of the Dutch Corporate Governance Code (hereinafter the 'Corporate Governance 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 detailed within the Annual Report are the Remuneration Policies of the Board and Senior Executives, comprehensive in the Remuneration Report, on the company website (see the Shareholders' Meetings section, Shareholders' Meetings | Cementir Holding N.V.).

The **General Meeting** is responsible for passing ordinary and extraordinary resolutions on 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 reports 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 Rules⁸ and Articles of Association⁹.

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

⁸ 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>.

⁹ The document "Articles of Association" is available in the corporate website. Please see <https://www.cementirholding.com/en/governance/corporate-regulations>.

Dutch Civil Code) and in compliance with Best Practice Provision 2.1.9 of the 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 timely receive all information that is necessary for the proper performance of their duties. 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 Corporate Governance 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 act as the chair, a vice-chair is entrusted with the duties of the Senior Non-Executive Director entrusted to him by the Board.

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 and inclusion policy for the composition of the Board and a category of employees in managerial positions ("senior management") determined by 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 Corporate Governance 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 Company¹⁰ and the personal qualities¹¹;

¹⁰ As of end of financial year 2023: finance, administration and accounting and internal risk management and control systems, with specific expertise in the preparation and auditing of annual accounts; 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; long and consolidated knowledge and experience in the field of industrial production in general and of the cement and/or construction and/or building industry in particular; Environmental, Social and Governance (ESG) and sustainability.

¹¹ As of end of financial year 2023: Managerial experience and skills at highest levels; Experience with large, listed companies; Understanding of a global business; Entrepreneurial attitude; Sound business judgement, common sense, and decisiveness; International orientation; Adequate availability, in a way that appropriate amount of time may be dedicated to preparation and attendance of meetings; Impartiality, integrity, tolerance of other points of view, balance and ability to act critically and independently; No conflicts of interest.

- (iii) the independence requirements, as defined in the Corporate Governance 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 and inclusion targets detailed by the Board in the Diversity and Inclusion 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 sole 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 also appoints 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 Corporate Governance Code, the Non-Executive Directors of Cementir Holding carry out, for each financial year, an assessment of the size, composition, profile (including competencies and expertise) 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 paying attention also to substantive aspects and events in practice from which lessons may be learned, conduct and culture, the mutual interaction and collaboration; (ii) how the assessment of the Executive Director was carried out; (iii) the main findings and conclusions of the evaluations; (iv) what has been or will be done with the conclusions from the evaluations.

The assessment is carried out yearly by the Directors filling in questionnaires regarding the size, composition, profile and functioning of the Board, its members and the 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 filling in 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 2023, the Board organised several induction sessions, among them a cybersecurity session, in light of the high level of awareness shown towards training and information activities of various kinds also in relation to the Group's structure and industrial business development strategies and took into

account the updated Board Profile in the renewal of the Board including ESG expertise and international orientation and background. The new Board reflects the suggested reduction in number, strengthening the achievement of diversity targets in the composition of the Board, as detailed in Board Profile, under several aspects relevant to the Company and, specifically, expertise, education, background, gender and personal qualities.

The Non-Executive Directors expressed in general a high degree of awareness in relation to sustainability issues, in line with the strategic lines and objectives pursued by the Company.

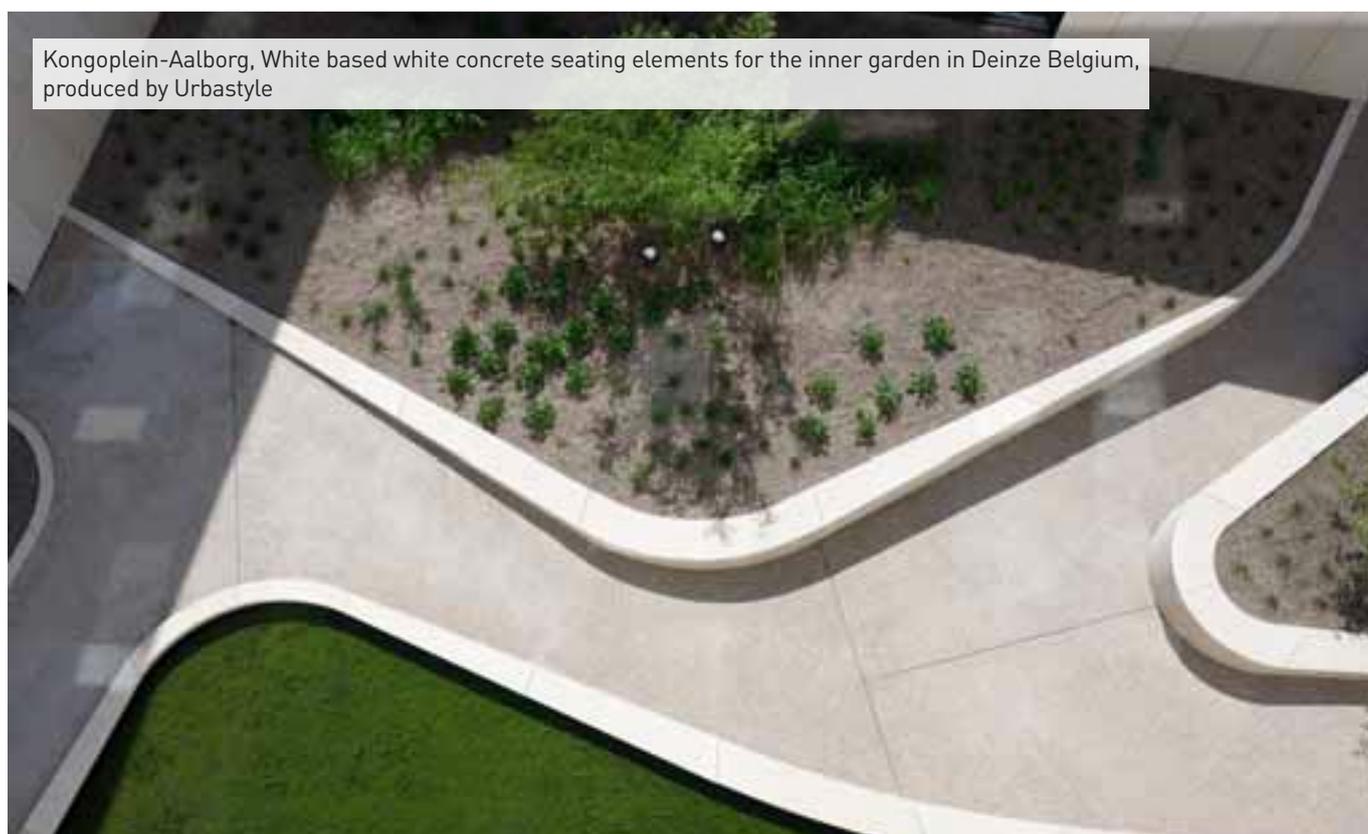
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The Company ensures that it carries out continuous training activities, in accordance with Best Practice provision 2.4.5 of the Corporate Governance Code, also taking into account the results of the annual assessment provided for by Best Practice provision 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 2023, a deep introductory induction programme was prepared for the new Non-Executive Independent Members, also with the aim of illustrating the specific aspects unique to the Company and the Group as well as the business and the management. Furthermore, an induction session on cybersecurity and digitalisation was organised for all Directors at the end of the Board Meeting of the 6th of November.

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.

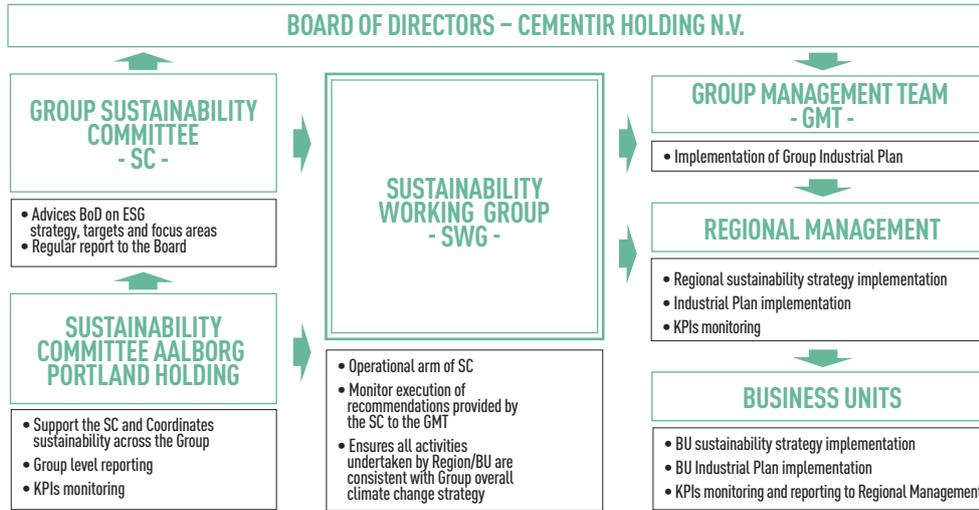
Composition of Corporate Bodies

	2023			2022			2021		
	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	2	3	1	3	4	2	2	4
Over 50	3	2	5	5	1	6	4	1	5
TOTAL	4	4	8	6	4	10	6	3	9
Of which independent	0	3	3	1	3	4	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	0	2	2	1	1	2	1	1	2
TOTAL	0	3	3	1	2	3	1	2	3
Of which independent	0	3	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	0	2	2	1	1	2	1	1	2
TOTAL	0	3	3	1	2	3	1	2	3
Of which independent	0	3	3	1	2	3	1	2	3
Sustainability Committee									
Under 30	0	0	0	0	0	0	0	0	0
30-50	0	1	1	0	2	2	0	0	0
Over 50	1	2	3	1	1	2	0	0	0
TOTAL	1	3	4	1	3	4	0	0	0
Of which independent	0	3	3	0	3	3	0	0	0

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 with 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.

A more detailed report on the diversity targets achieved during 2023 is available in the corporate governance section of the Annual Report but is also partially included in the paragraph 'Diversity, Equity and Inclusion' paragraph of the Sustainability Report.

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 for the first time, on 28 July 2021 and then most recently on 27 April 2023 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 global and local sustainability, 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 (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

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

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 reports 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 reports 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 the Group's commitments and legal requirements.
- 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 the 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 health and safety targets for the Company and the Group to the Cementir Holding Board.
- Supports the development of a health and safety culture in the Company and the Group also through its management.



Nanjing Youth Olympic Center, Nanjing, China

- 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 Benedetta Navarra, Ms Annalisa Pescatori 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 associations, 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 designs, implements and maintains the guidelines of the risk management and control system, so that the main risks associated with the strategy and activities of the whole Group, in any case the strategic, operational, compliance and reporting risks, 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 establishing the risk appetite

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

and mitigation measures. 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. Attention should be paid in particular to any weakness, instance of misconduct and irregularity, whistleblowing, lessons learned and findings from internal audit function and external auditors.

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 Committee¹²) and then for the approval of the Board, according to the relevant Group policies.

Composition of the main 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
Independent Non-Executive Director	Group General Counsel	Belgium Managing Director
	Group Chief Internal Audit Officer	
	Group Chief Technical Coordination Officer	
	Nordic & Baltic Head of Region	
	Belgium Managing Director	
	Türkiye Managing Director	

ROLE OF THE BOARD 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.

¹² 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.

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 sustainable 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 sustainable 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, revised during the year in light of the Corporate Governance Code and applicable regulations.

After each meeting of the Board of Directors 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 Corporate Governance 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.

In 2023 the company, in compliance with the provisions of the Corporate Governance Code, approved and published the Company's website the Stakeholder Engagement Policy, recognising the vital role that stakeholders play in the company's business operations and the importance of fostering positive and collaborative relationship with them, striving a constructive dialogue with all stakeholders, to build an effective, long lasting and shared beneficial relationship.

Further examples of interaction with stakeholders other than shareholders, such as customers, suppliers, staff, the local community, public institutions and trade associations, are described in paragraph '*Group's Stakeholders*' in 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 Corporate Governance 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 is responsible for dealing with any conflicts of interest that Directors or majority shareholders may have in relation to the Company to prevent them

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 does not 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 Corporate Governance Code. During 2023, no transactions involving conflicts of interest among 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 2023';
- Diversity, Equity and Inclusion (DEI) audits, see 'Commitment to Diversity Equity and Inclusion' and 'Diversity, Equity and Inclusion audits performed in 2023';
- Environmental Health and Safety (EHS) audits, to monitor compliance with internal procedures and with the applicable environmental, health and safety regulation;
- ESG 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 2023, the Internal Audit Department performed 136 audit activities, which included operational audits, compliance audits, Human rights audits, Diversity, Equity and Inclusion (DEI) audits, Environmental Health and Safety (EHS) audits, ESG audits, Business ethics audits, Investigations of any alleged violations received through the whistleblowing system, Special projects relating to requests put forward by Top Management, covering all regions and BUs of the Group.

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 Ethics¹³ 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 of Ethics, 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 of Ethics and suggests possible training and awareness initiatives.
- Reports to the Board of Directors on the status of the process of implementing the Code of Ethics, 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 of Ethics.
- Verifies violations.
- Follows up on any reports of infringements.
- Also addresses the periodic information report on whistleblowing.

A whistleblowing system has been in place since 2013 and has been constantly updated (in 2023 as well with the EU Whistleblowing Directive 2019/1937 transposed in Italy by Legislative Decree 24/2023 that came into force) because the Company and the Group recognise its importance as an effective instrument to prevent illicit activities and allow individuals to exercise their freedom of expression as a fundamental human right. Consequently, employees, collaborators, administrators and third parties are able to report - without fear of retaliation or intimidation - any information regarding potential violations, non-compliant or unlawful behaviours and practices in relation to applicable regulations, including European Union legislation, the Group's Code of Ethics, internal procedures, and the respective companies' Organizational Model pursuant to Italian Legislative Decree 231/2001. With the last update



Aalborg Chalk pit, Denmark

¹³ For the Code of Ethics, please see Code of Ethics 25 august 2020.pdf (cementirholding.com).

put in place an additional and dedicated reporting channel, operated by a third party using a dedicated IT platform, has been created to further ensure confidentiality and protection of the whistleblowers. Please visit the corporate website for further 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 and the Chairman of the Audit Committee are reported 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 2023, 15 alleged violations were received and investigated. Specifically:

- 5 claims were confirmed,
- 2 claim were dismissed because there was not enough information to move forward with the investigation,
- 4 claims were not confirmed,
- 2 claims were partially confirmed as several allegations were received in one complaint but only part of them were confirmed,
- the analysis for 2 claims, as of March 2024, are still in progress,

The alleged violations were grouped according to three categories.

Alleged violations	2023		2022	
	Cases received	Cases confirmed	Cases received	Cases confirmed
Healthy, safe and inclusive work environment	5	2	8	2
Asset and information	4	3	3	2
Relations with external parties	6	2	1	0
Total	15	7	12	4

The three categories related to:

- *'Healthy, safe and inclusive work environment'*: behaviours which maintain a fair and secure workplace as established by the Code of Ethics.
- *'Asset and information'*: respect of the group policies and procedures and protecting the group assets.
- *'Relations with external parties'*: put in place business practices in compliance with the ethical standards established by the Code of Ethics and 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



People at work, Denmark

- The ILO Conventions n.107 and n.169 on the Rights of Indigenous and Tribal Peoples
- The European Convention on Human Rights.

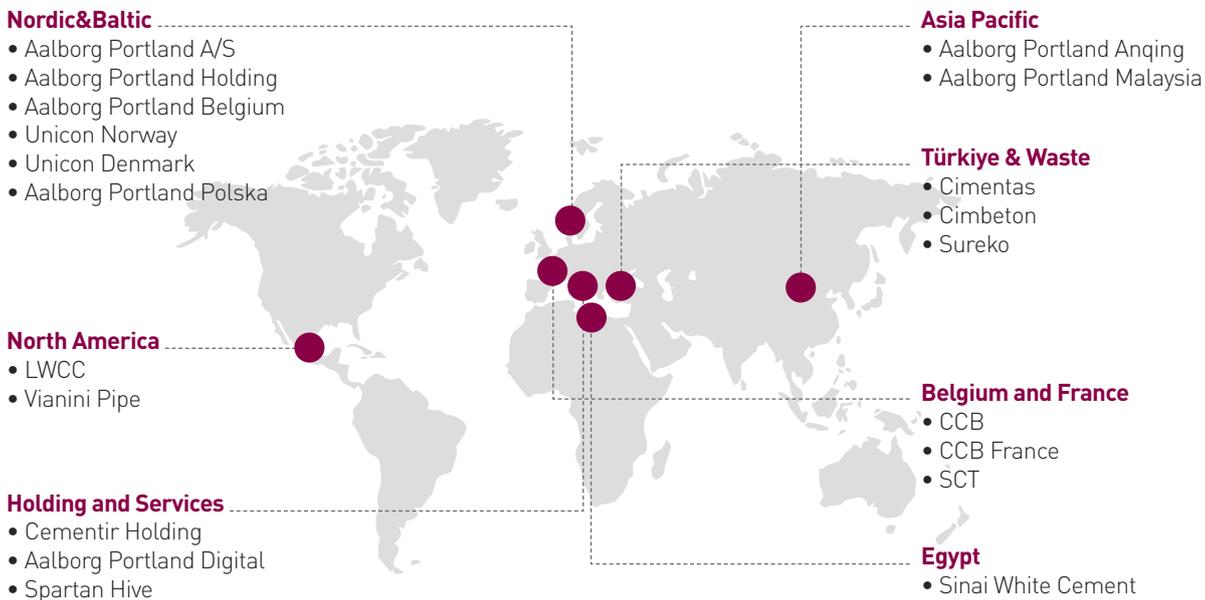
At the Cementir Group, we are committed to promoting an inclusive and positive work environment, where respecting human rights, promoting equal opportunities and supporting health and well-being are our priorities. Our human rights approach is also driven by proactive stakeholder management engagement.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

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

HUMAN RIGHTS AUDITS PERFORMED IN 2023

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, Community Relationship, Customer Management and Diversity, Equity and Inclusion. 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.

In 2023, the activity was carried out in the companies listed below, with a coverage of 100%¹⁴ of Cementir’s workforce worldwide, involving the following countries: Belgium, Denmark, Norway, Türkiye, United States, China, Malaysia, Egypt, Italy 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.

¹⁴ 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 the 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. In 2023 specific training on this topic was launched in order to make all employees fully aware of this subject, for strengthen the development of the policy and ensure the establishment of a safe and equitable workplace for everyone, focusing on alliance and empathy, as key concepts for inclusive behaviour.

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

DIVERSITY, EQUITY AND INCLUSION AUDITS PERFORMED IN 2023

Beside the Human Rights self-assessment, as already implemented in 2022, the Diversity, Equity and Inclusion Self-Assessment was launched as part of the standard internal audit process to internally identify and mitigate any risks related to Diversity, Equity and Inclusion.

Starting from 2022, the Internal Audit Department has monitored 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 2023, the activity was carried out in all the Group's companies, with a coverage of 100%¹⁵ of Cementir's workforce worldwide, involving the following countries: Belgium, Denmark, Norway, Türkiye, United States, China, Malaysia, Egypt, Italy 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.

¹⁵ 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 December 2023, the Internal Audit team has renewed its commitment to monitoring progress in Human Rights and DE&I by launching, for the second time, the **Code of Ethics, Human Rights, Diversity, Equity and Inclusion Awareness Survey**.

The survey was addressed to all white collar, manager and executive employees (coverage: 51% of Cementir's employees with the aim of verifying the awareness of all employees regarding the contents of the Code of Ethics, the Group Diversity, Equity and Inclusion Policy and the whistleblowing system. 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 topics.

The response rate was over 20% and all the answers collected have been discussed with the Top Management and a resulting 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.

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.

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

RELEVANT LITIGATION

An administrative dispute is pending before the Court of Appeal in Türkiye, brought by the Turkish company Çimentoş 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 Çimentoş AS to demand that the concerned Cementir Group companies pay back around 100 million Turkish lira (now equal to around 3 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 Çimentaş 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 these proceedings. That judgment was overturned on 18 October 2021 by the Supreme Court, which definitively affirmed the existence of Turkish jurisdiction. In a judgment dated 6 September 2023, the Izmir Court ordered Cementir Holding to pay Cimentas approximately 1 million Turkish lira. Cementir Holding and CMB appealed the decision before the Court of Appeal.

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

CYBERSECURITY

Cementir Group addresses the cybersecurity risk embracing a multi-year Cybersecurity Program.

The Cementir Group Cybersecurity Program is inspired by the indications contained in the NIST Cybersecurity Framework, investing resources to deploy a proper Cybersecurity environment.

The Cementir Group Cybersecurity Framework includes several items: Extended Detection and Response tool (XDR), SASE environment, NextGen firewalling, Multi Factor Authentication (MFA), email filtering and protection, vulnerability management and a SOC team (security Operation Centre) which analyses the outcome of the different items to identify possible threats.

Special attention given to employees' cybersecurity awareness. Indeed, to reinforce their sensitivity on the topic, several courses were held in 2023 (some of them based on a game/learning platform) and regular phishing campaigns have been issued throughout the year, evaluating the results and using them as a 'lesson learned' activity. Further details are available at the paragraph '*Cementir Academy*'.

Every year a Cybersecurity Assessment is conducted, and based on the outcomes, some actions are regularly deployed.

In the most recent calendar year, the following actions were deployed:

- Reinforced Vulnerability Management and patching process.
- Activation of a SOC service.
- Deployment and testing a Security Incident Response Plan.
- Cybersecurity controls that are regularly performed and monitored.
- Limiting and management of Privileged Accounts.
- Phishing Campaigns and Advanced Training on the latest threats.

Lastly, in order to review our Cybersecurity posture, the Cementir Group is submitted to a Cybersecurity Rating Program and to some ethical hacking activities.

The Cybersecurity Program is directly sponsored by the COO, and the activities are shared regularly with the Board of Directors.

RISK MANAGEMENT FRAMEWORK

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

The Cementir Group's Internal Control and Risk Management System is defined as the set of tools, organisational structure, procedures and company rules to guarantee, through an adequate process of identification, measurement, management and monitoring of the main risks, correct and consistent business management with objectives set in terms of:

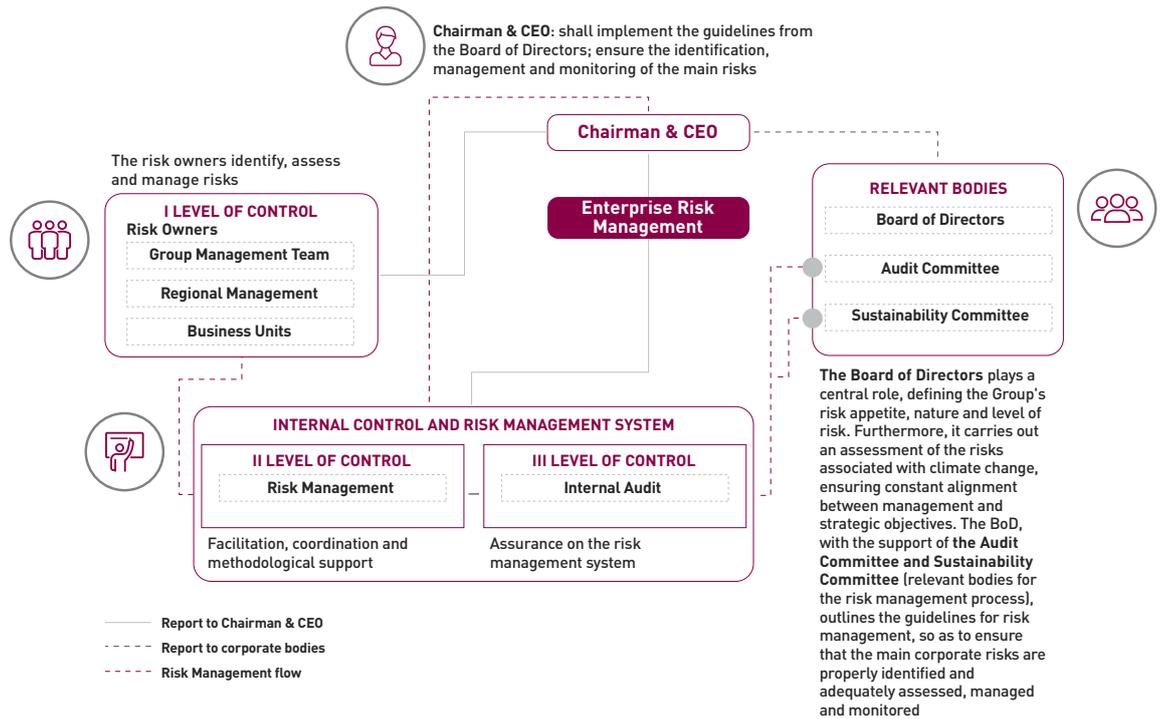
- compliance with laws and regulations;
- safeguarding of corporate assets;
- operating activity effectiveness and efficiency;
- reporting accuracy and completeness.

The Internal Control and Risk Management System adopts a 'top-down' and 'risk-based' approach that starts from the definition of the Cementir Group's Industrial Plan. It ensures that the main risks are identified, assessed and monitored taking into account each business unit, to create a fully integrated risk management process. Risks are assessed with quantitative and qualitative tools considering both the probability of occurrence and the impacts that would be generated in a given time horizon if the risk were to occur. It also ensures that all necessary measures are taken to control risks that could threaten the Group's assets, its ability to generate profits or achieve its objectives.

Roles and responsibilities in risk management have been defined starting from the Company's Board of Directors, which defines strategy, policy and risk appetite, supported by the Audit Committee and the Sustainability Committee. In addition, management teams from the Group companies are involved, with responsibility for risk management within their area of expertise.

Below is a summary of the people and bodies involved and their responsibilities:

- **The Board of Directors** plays the central role, defining the Group's risk appetite, the nature and level of risk. In addition, it carries out an assessment of the risks related to climate change, ensuring constant compatibility of management and strategic objectives.
- **The Audit Committee and the Sustainability Committee** (corporate bodies relevant in the risk definition process) support the Board of Directors, subject to a favourable opinion, in the definition and management of risks;
- **The CEO & Chairman**: implements the general guidelines of the Board of Directors, ensuring the identification, management and monitoring of the main risks;
- **Risk owners**, or the first level of control, are primarily responsible for internal control and risk management activities;
- Finally, **Risk Management and Internal Audit** are the main responsible for the internal control and risk management system (second and third level of control). They are responsible for verifying that the Internal Control and Risk Management System is functioning and adequate with respect to the size and operations of the Group, verifying, in particular, that the Management has identified the main risks, that they have been evaluated in a consistent manner and that the appropriate mitigation actions have been defined and implemented.



The Cementir Group's Internal Control and Risk Management System is integrated into the Group's organisational, administrative, accounting and governance structure and has been prepared on the basis of the principles laid down by the Enterprise Risk Management - Integrated Framework, an international standard developed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO Report), also ensuring greater detail in the identification of the risks of the companies and Group and integration with the results of the Audit activities. The methodology followed involves an iterative process consisting of the following steps:

- **Risk identification:** the process starts with 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 identified risk, management gives an inherent risk assessment (in the absence of controls/mitigation actions), in terms of probability and impact during the horizon of the Industrial Plan, using a five-level assessment system (scoring):
 - Impact: scale from 1 (Negligible) to 5 (Extreme);
 - Probability: scale from 1 (Rare) to 5 (More than Likely)
- With regard to impact, three parameters are considered: economic (quantitative), operational (qualitative), reputational (qualitative). Management at Region and Group level assesses the potential impacts and likelihood of major risks that could have a material adverse effect on the company's current or future operations. For sustainability and climate-related risks, the time horizon was extended to a long-term view for the analysis of the various threats that could jeopardise the success of the '10-year Roadmap to Sustainability'. For more details, see 'Cementir Roadmap 2030'
- **Identification and assessment** of the adequacy of the existing principals: for each identified risk, all the controls/actions currently in place for risk mitigation are identified with the management;
- **Residual Risk Assessment:** taking into account the individual controls for each risk and the relative adequacy, the residual risk is calculated by applying a uniform calculation methodology to all Group companies;
- **Identification of further actions:** in the event that the residual risk is higher than the predefined level of risk appetite, further actions are agreed with management to mitigate the risk and contain it within acceptable levels. The initiatives are taken promptly and within budget limits, to effectively contribute to risk mitigation;

- **Risk mitigation:** mitigation strategies are defined with specific action plans for key risks;
- **Reporting:** reports are prepared at the company and Group level, showing the main risks and initiatives taken by management to reduce the risks to acceptable levels;
- **Monitoring:** existing risk assessments, assessment parameters, are reviewed periodically, and new risks can be identified if necessary.

The model, as described, subject to further and future updates, aims to provide support for the decision-making and operational processes of company management, so as to reduce the possibility that specific events could compromise the Group's ordinary operations or the achievement of its strategic objectives.

To this end, the risk appetite level adopted in relation to strategic risks is consistent with the vision of creating value, while always respecting the environment and promoting integration with local communities. In relation to operational risks, the risk appetite level is defined on the basis of the effectiveness and efficiency targets set by the management.

Provisions for compliance and financial reporting are different. The Group does not accept an assumption of non-compliance risk for laws and regulations (including those relating to safety), and of possible alterations to the integrity of financial reporting.

The Cementir Group's Internal Control and Risk Management System is integrated with the Group's Sustainability Strategy. Starting from 2021 the Cementir Group launched a project to implement the recommendations of the TCFD (Task Force on Climate-Related Financial Disclosure) committing to be transparent on risks and opportunities related to climate change. The identification, assessment and effective management of risks and opportunities related to climate change are fully integrated into the Group's risk management process. To promote and improve its climate change disclosure, in 2022, the Group engaged Standard & Poor's (S&P) to assess physical and transitional climate risks and develop scenario analyses to support the implementation of the TCFD guidelines. The analysis carried out by S&P showed that the Cementir Group scored 100% on the overall assessment of the eleven recommendations of the TCFD, which represents a complete and transparent level of disclosure achieved. Furthermore, the Group is integrating the guidelines published by the European Union "EU Taxonomy Regulation", which together with the TCFD constitute the reference frameworks. For further details, see the paragraph "Main risks to which the group is exposed".

In relation to accounting and financial reporting, the existing Internal Control System ensures its accuracy and completeness through constantly updated administrative and accounting procedures.

Furthermore, as part of the compliance activities with the COSO structure, during the year, the Internal Audit function carries out audit activities on the aforementioned procedures to ascertain whether the provided key controls are being correctly applied by the company structures involved. The assessment of the Internal Control System on financial reporting provided for by Cementir Group procedures was carried out based on this activity. On the basis of the activity performed by the Internal Audit department and the related results, the Audit Committee assessed the Internal Control and Risk Management System as adequate, effective and appropriate for dealing with business, operational, environmental, financial and compliance risks.

Starting from October 2023, the Group launched the strategic initiative for the digitalization of Risk Management aiming to enhance organisational resilience by leveraging advanced technology solutions, streamlining data-driven risk assessments and implementing real-time monitoring capabilities, fostering a proactive and agile approach to risk mitigation across all business functions. The digitalization of Risk Management will commence with the updating of the model during 2024, ensuring our risk management practices are at the forefront of industry standards.

RISK CATEGORIES

The Group is subject to various risks and uncertainties. The risk library is the basis for each company’s risk assessment process. The most important risks and their categorisation (strategic, operational, compliance, financial and sustainability) have been listed facilitating the identification of the main risk category that may impact the Group. The following table includes an non-exhaustive sample of the main company risks.



Category	Risk	Description
 STRATEGIC	Uncertain Outlook	Risk linked to uncertainties in economic, political, technological, or market-related factor
	Geopolitical Risk	Risk coming from the complex interplay of geopolitical events, government actions, international relations and global developments
	Price Pressure	Risk to reduce profit margins, financial strain and other adverse effects for business in case of a strong pressure on prices due to unfair competition
	Market Landscape	Risk of inadequate monitoring of market trends, industry conditions making it difficult to navigate the complexity of its market
	Strategic Planning	Risk of adopting strategic choices that could adversely affect the company’s performance to a considerable degree
	Talent and Retention Management	Risk to potential challenges and negative impacts that may arise from issues related to attracting, developing, and retaining key employees within an organization
	 OPERATIONAL	Health and safety
Cybersecurity		Risk of cyber attacks or sensitive data stealing
Lack of raw materials/fuels/aggregates		Risk to not source the resource necessary for business operations
Asset management		Risk of losing the value or returns of investments on company’s assets
Supply chain disruption		Risk that the occurrence of supply chain disruption may lead to increased costs or shortages of products or resources
Customer management		Risk of failure to meet customer’s expectations, needs or orders making difficult to acquire or retain customers
Freight and logistic Cost		Risk associated to volatile or increased freight/logistic costs

Category	Risk	Description
 <p>COMPLIANCE</p>	Accounting compliance	Risk of non-compliance with international or national accounting regulations and laws
	Antitrust compliance	Risk of non-compliance with international or national antitrust regulations and laws
	Tax compliance	Risk of non-compliance with international or national fiscal regulations and laws
	Business ethics and compliance	Risk of non-compliance with international or national business ethics regulations and laws, with company's Code of Ethics
	Compliance with law and regulations	Risk related to non-compliance with all applicable regulations
 <p>FINANCIAL</p>	Currency exchange risk	Risk of potential financial loss that can occur as a result of fluctuations in the exchange rates
	Credit risk	Risk of potential financial loss that the company may incur if a counterparty fails to fulfil their contractual obligations
	Inadequate management of the financial planning and budget process	Risk of failure to effectively plan, budget and manage company's financial resources
 <p>SUSTAINABILITY</p>	Physical risk	Risk linked to unpredictable extreme weather events or scarcity of natural resources (e.g., water) in the regions where the company operates
	CO ₂ emissions laws and regulations	Risk of cost increase and non-compliance to international and local regulations with the introduction of new laws
	Environmental regulation and claims from the community	Risk related to (i) environmental incidents, (ii) non-compliance with environmental regulation and (iii) claims from the community
	Product innovation	Risk of not innovating adequately, without introducing or updating products on the market that contributes to the reduction and mitigation of carbon emissions
	Innovation technology	Risk to not implement new and advanced technologies within the organization, key to company's reduction targets achievement
	Availabilities of alternative fuels	Risk of absence or partial availability of alternative fuels, strategic for the achievement of our targets

INTERNAL CONTROL SYSTEM FOR FRAUD RISK MANAGEMENT

This risk relates to intentional acts perpetrated by deception by one or more members of management, those responsible for governance activities and/or employees, alone or with third parties, to obtain unlawful advantages. In any case, fraud, whether through false financial reporting or misappropriation of company assets, implies the existence of incentives or pressure to commit it and the perception of an opportunity to do so. The nature of the Group's industry does not pose additional potential vulnerabilities to fraud and corruption on top of those which any business of a significant magnitude is exposed to, which can be summarized as follows: (i) fraudulent activities in financial transactions, such as misappropriation of funds or fraudulent invoicing; (ii) risks of collusion or conflicts of interest extending to relationships with suppliers, customers, and employees; (iii) non-compliance with anti-corruption laws and regulations; (iv) theft or mismanagement of inventory leading to financial losses. The potential

impact of fraud risks, if realized, may result in financial losses, reputational damage, and regulatory consequences.

The Top Management, supported by the Internal Audit team, identify in advance potential fraud risks. The process involves conducting interviews, inquiries, reviewing business sources, analysing industry trends and evaluating external references, such as the country risk (i.e., corruption level, specific laws). The source for the country risk is the Corruption Perception Index¹⁶ where the country risk rate is identified on a scale from 0 to 100. Different levels of risk, from high to low, are assigned based on the identified score.

After the preliminary identification of risks the Group proceeds with their assessment, considering both likelihood and impact. To mitigate the risks the Group has implemented a combination of preventive, detective, and corrective measures to minimize exposure to fraudulent activities.

Cementir is constantly striving to enhance its internal control system and resilience to identify any potential new fraudulent activities, by establishing

processes, policies and regulatory frameworks.

Among the activities carried out, Cementir assess and evaluate all suppliers' and customers' compliance with certain minimum standards, as set out in Cementir Ethics Standard. This requires suppliers and customers to maintain accurate financial records and conduct their business affairs with integrity. All suppliers are required to sign the Supplier Code of Conduct, demonstrating their adherence to Group's Ethics Standards, thus reducing the risk of fraud within the supply chain.

Cementir, being active in many countries, is subject to diverse regulations and jurisdictions with different, and sometimes not fully reconcilable, legal frameworks, including criminal laws on corruption. The Group takes into account these laws and regulations, addressing issues such as such as money laundering, fraud, to ensure compliance and address any instances of non-compliance.

The Group has adopted a confidential whistleblower system to encourage suppliers, customers and/or employees to promptly report any fraudulent activities as soon as they become aware of it, facilitating early detection and mitigation of fraud risks. Comprehensive information about this system, including details on the channels to use, is available on the Group's official website: <https://www.cementirholding.com/en/governance/ethics-and-compliance>. All these activities are performed with the support of the Internal Audit function, that conducts regular inspections and performance reviews. Furthermore, the Internal Audit leads a thorough specific analysis of potential fraud risks during the risk assessment phase when formulating the Audit Plan. Priority is given to areas considered at risk, either inherently or based on previous experiences, with a focus on assessing identified fraud risks, including the probability of occurrence and possible impacts. All operational and

The Top Management, supported by the Internal Audit team, identify in advance potential fraud risks. The process involves conducting interviews, inquiries, reviewing business sources, analysing industry trends and evaluating external references, such as the country risk

¹⁶ 2023 Corruption Perceptions Index: Explore the... - Transparency.org

compliance audits (particularly those required under Italian law 262) foresee a preliminary assessment of the ability of the internal control system to prevent any potential fraud. Following the audit results, all actions and control measures agreed upon with the Management are primarily aimed to secure the process from exposure to fraud and then to make it more effective. In the assessments carried out from time to time, all reports emerging from whistleblowing channels and cases of fraud detected in the last 12 months are also taken into account.

Furthermore, the Ethics Committee (committee appointed by the Board of Directors), on a quarterly basis, analyses the results of the investigative activities carried out by the Internal Audit and verifies the implementation of each disciplinary, organisational and operational actions for each detected breach. The Ethics Committee reports on its work to the Audit Committee and the Board of Directors.

Another measure to mention is the adoption of a data mining tool called Celonis. This tool proves instrumental in detecting unusual patterns or trends in financial transactions. Finally, the Group naturally implements the Segregation of Duties as an operating practice, making it difficult for a single individual to carry out and conceal any fraudulent activities.

The implemented measures are expected to significantly reduce the vulnerability to fraud and corruption within the operations across the board.

MAIN RISKS TO WHICH THE GROUP IS EXPOSED

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

STRATEGIC RISKS

UNCERTAIN OUTLOOK

DESCRIPTION	IMPACT	MITIGATION ACTIONS
<p>The results of the operation are highly dependent on the economic conditions of the country:</p> <ul style="list-style-type: none"> - Inflation is projected to moderate gradually in 2023 and 2024 but is expected to remain above central bank objectives in most economies. Headline inflation in the G20 economies is projected to ease to 6% in 2023 and 4.8% in 2024; - Monetary policy needs to remain restrictive until clear signs emerge that underlying inflation pressures have durably abated; - The economic slowdown in China poses a significant risk to global output growth; - The US expansion is anticipated to be weak in 2024, and Europe is expected to experience modest growth; <p>Scenarios related to Russia's invasion of Ukraine are anticipated to remain unresolved at least until 2024, but with decreasing intensity. The rivalry between the United States and China is expected to persist as a significant source of geopolitical risk, shaping the strategies of global companies with regards to supply chains and markets. Furthermore, the emerging conflicts in the Middle East and in the Red Sea Area have the potential to further adversely impact economic growth.</p> <p>Demand for construction materials is fundamentally driven by economic growth. These changes in underlying demand may impact sales volumes, prices, and industry structure.</p>	<p>The Group estimated a potential reduction in sales volumes</p>	<p>The Group with the support of relevant Group functions:</p> <ul style="list-style-type: none"> • Actively monitors the market conditions in order to anticipate any adverse scenario. • Optimizes our portfolio for growth by increasing the profitable low-carbon solution. • Maintains a strict cost discipline. • Keeps prices stable to maintain high contribution margin. • Establishes long-term contracts to secure favorable logistics and energy costs.

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GEOPOLITICAL RISK

DESCRIPTION	IMPACT	MITIGATION ACTIONS
<p>The Group operates on five continents and is exposed to global and local political risks. Geopolitical instability in the countries in which the Group operates (i.e. Türkiye, and Egypt) could affect business operations and demands.</p> <p>The most recent geopolitical tension took place on 12th January 2023 in Yemen, where the US and the UK launched multiple airstrikes at 60 Houthi Targets, following the Iran-backed group attacking commercial shipping in the Red Sea.</p> <p>These attacks are a source of growing international alarm around one of the main maritime routes.</p> <p>This situation complements and is heightened by the previous conflict involving the tension occurred since 7 October 2023 when Palestinian militant groups led by Hamas launched a large-scale invasion and offensive against Israel from the Gaza Strip. Given the strategic locations of the conflicts, the impacts on the worldwide economy are very relevant and will bring:</p> <ul style="list-style-type: none"> - Uncertainty on the markets - Likely increases in freight and logistic costs, affecting both our sourcing and selling processes - Global insecurity and instability - Another spike in oil prices pressuring the Federal Reserve and other central banks to further push up interest rates - An increase in oil prices weighing down the global economy and increasing inflation. <p>For the Cementir Group, the impacts could be related to an increase of logistic and freight costs, to a reduction of volumes of some specific sales from our Egyptian subsidiary departing from the military port of Al Arish (close to the Gaza Strip).</p> <p>The ongoing conflict and humanitarian crisis in Gaza have the potential to lead to an influx of refugees into neighboring regions or countries, such as Egypt, causing social instability and emergency restrictions.</p>	<p>Impact on the Group's economic/financial results</p>	<p>Continuous monitoring of the environment, mainly focused on critical political and institutional developments and regulatory aspects which can potentially affect the business, however geographical differentiation helps to limit exposure to any particular market and currency.</p> <p>Alternative markets.</p>

TALENT AND RETENTION MANAGEMENT

DESCRIPTION	IMPACT	MITIGATION ACTIONS
<p>Existing processes around people management, including attracting, retaining and developing people, leadership succession planning, fostering a diverse and inclusive workforce, and dealing with collective representation groups, may not deliver, inhibiting the Group from achieving its strategy. The Group operates in a labor-intensive industry and is currently grappling with a shortage of labor that is impacting certain positions.</p>	<p>Failing to attract, manage, and retain workers, as well as plan for leadership succession, could impede the achievement of strategic objectives</p>	<p>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 Graduate Program initiatives launched in 2022 and continuing in 2023 and in the following years.</p> <p>In November 2022, the Global Survey "Your Voice" was initiated to evaluate staff engagement across the group, and corresponding action plans are currently in progress.</p> <p>The Group maintains constructive relationships with Unions that represent certain employees under collective agreements: the Group has updated the collective agreement with the European Working Council for the next four years.</p> <p>The Group continuously works on succession plans to ensure continuity after retirement.</p>

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FINANCIAL RISK

CURRENCY EXCHANGE RISK

DESCRIPTION	IMPACT	MITIGATION ACTIONS
<p>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 and the Egyptian Pound are the principal currencies influenced by a significant depreciation over the last few years.</p> <p>The Turkish Lira is the primary currency, experiencing a notable depreciation over the past few years, amounting to 80% compared to September 2022 (September 2022: €/TRY 18.14 - January 2024: €/TRY 32.93). The Turkish lira continued to depreciate, averaging a 30% decline following the election held in May 2023. In January 2024, the Turkish central bank raised its rate up to 40%, to prevent a further devaluation, marking a change in course, when at the election date, it was equal to 8.5%. Starting from April 2022, the Turkish economy is classified as hyperinflationary, as per the criteria outlined in "IAS 29 - Financial Reporting in Hyperinflationary Economies".</p> <p>The Egyptian Pound has significantly depreciated in value over the past year, weakening by 76% against the Euro compared to September 2022 (September 2022: €/EGP 19.19 - January 2024: €/EGP 33.8079). Additionally, after the presidential elections run in December 2023, there is potential for increased uncertainty (further devaluation) regarding actions that financial institutions might undertake, with a devaluation expected in the middle of 2024.</p> <p>These adverse changes in the exchange rates used to covert these currencies into the reporting currency have impacted and will continue to impact consolidated results.</p>	<p>Adverse changes in the exchange rates may negatively affect Group's profits</p>	<p>The Group carries out continuous currency monitoring in order to seize opportunities via hedging transactions.</p> <p>To mitigate potential losses, the Group creates a balance between bank accounts in the local currency and bank accounts in hard currency.</p>

OPERATIONAL RISKS

HEALTH AND SAFETY

DESCRIPTION	IMPACT	MITIGATION ACTIONS
<p>The Group's businesses operate in an industry with inherent health and safety risks, including for instance operation of heavy vehicles, working at heights, working in confined spaces, energized equipment management, etc. Failure to ensure safe workplaces could result in a deterioration in the Group's safety performance and related adverse regulatory action or legal liability. Health and safety incidents could significantly impact the Group's operational and financial performance, as well as its reputation.</p> <p>Risk of incidents/accidents due to unsafe behaviors or conditions, which may cause health consequences for workers and/or problems in production processes.</p> <p>In the last year, the main health and safety indicators have been improved as a result of the Road Map defined by the Group focused on increasing awareness and workers' involvement and strengthening internal procedures.</p>	<p>Impacts:</p> <ul style="list-style-type: none">• Economic• Organisational• Reputational• Relations with local communities• Workers' health	<p>Improvement of the Group's safety culture by sharing best practices and common rules across the Group (e.g. Golden Rules).</p> <p>Regular risk assessment by all plants to eliminate/mitigate risks (annual action plans).</p> <p>Group monitoring of H&S performance and effectiveness of corrective measures.</p> <p>Periodic verification of the effectiveness of the main H&S processes for all plants (e.g. work permits, incident management, etc.).</p>

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CYBERSECURITY

DESCRIPTION

Cybersecurity 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 cyberattacks which can be targeted or generic and which constitute a constant threat.

IMPACT

- Fraud
- Data losses
- GDPR (General Data Protection Regulation)
- Business disruption
- Reputational damages

MITIGATION ACTIONS

- Strengthening of network infrastructure;
- Strengthening of protection systems;
- Constant updating of internal procedures;
- Continuous training for all staff to strengthen the corporate culture on cyber security issues.

COMPLIANCE RISKS

COMPLIANCE

DESCRIPTION

These are risks related to compliance with applicable regulations (antitrust, anti-corruption, GDPR, Legislative Decree 231/2001).

IMPACT

Potential violations of laws and regulations

MITIGATION ACTIONS

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.

Waste treatment plant in Kula, Türkiye



CLIMATE RISKS

The cement industry's ability to reduce its CO₂ emissions and respond to climate change has become a focal point for investors. In 2021, the Cementir Group launched a project to implement the recommendations of the TCFD (Task Force on Climate-Related Financial Disclosure) committing to be transparent on risks and opportunities related to climate change. Cementir is also committed to ensuring the transparency of its climate-related risks and opportunities in line with the EU Taxonomy. The identification, assessment and effective management of risks and opportunities related to climate change are fully integrated into the Group's risk management process.

As suggested by the TCFD, the Group monitors the risks and opportunities arising from the evolution of transition scenarios and the evolution of physical variables. For its assessment, the Group has used the moderate scenario and all results are described in the following pages.

Physical variables are divided into two categories of risk:

- Acute: related to the occurrence of extreme weather conditions such as cyclones, hurricanes or floods. Acute physical phenomena, in the various cases, are characterised by considerable intensity and a frequency of occurrence that is not high in the short term, but which, considering long-term scenarios, sees a clear upward trend;
- Chronic: refers to gradual and long-term changes in climate patterns (e.g., sustained high temperatures) that can cause sea-level rises or chronic heat waves.

With regard to the energy transition process, towards a progressive reduction of carbon emissions, there are risks and opportunities linked to changes in the regulatory, technological, market and reputational context.

The Group has decided to align itself with the TCFD framework to clearly represent the types of risks and opportunities by indicating how each of them should be managed. The effects were assessed over three-time horizons: the short term (1-3 years), linked to the implementation of the Business Plan; the medium term until 2030 during which it will be possible to see the effects of the energy transition; the long term until 2050, during which the Group undertakes to achieve net-zero emissions throughout its value chain. As the TCFD states, the process of disclosing risks and opportunities related to climate change will be gradual and incremental from year to year.

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'¹⁷) and we have explored three potential futures depending on what policies governments will adopt to cut emissions:

RCP ¹⁸	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°C	More likely than not to exceed 2°C	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



Cement plant in Ipoh, Malaysia

¹⁷ IPCC: the United Nations body responsible for assessing the science related to climate change.

¹⁸ 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'):

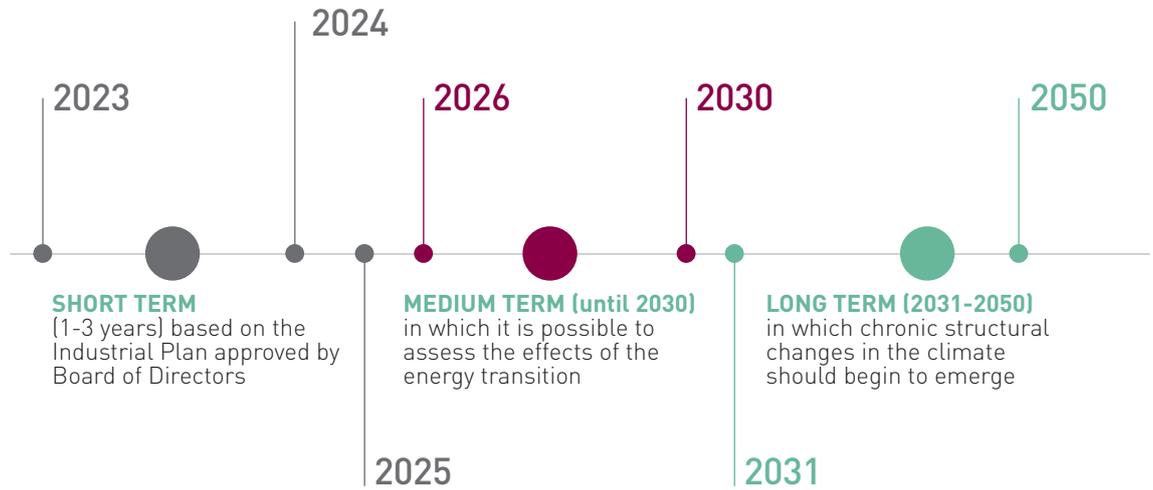
SCENARIO	HIGH CARBON PRICE SCENARIO	MODERATE CARBON PRICE SCENARIO	LOW CARBON PRICE SCENARIO
SOURCE	OECD/IEA	OECD/IEA	OECD/IEA
DESCRIPTION	This scenario represents the implementation of policies that are considered sufficient to reduce greenhouse gas emissions in line with the goal of limiting climate 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° C 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 CO₂ 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

The Group's plants are located in premises with overall moderate levels of physical risk over the time horizon to 2050, as shown in the following table.

Status as of 2023

WEATHER EVENTS	WILDFIRE	COLDWAVE	HEATHWAVE	WATER STRESS	RIVERINE FLOOD	SEA LEVEL RISE	HURRICANE
RISK EXPOSURE CLASSIFICATION	LOW	MODERATE	LOW	HIGH	LOW	LOW	LOW

Risk Exposure Classification

● High ● Moderate ● Low

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

Status as of 2050

							
WEATHER EVENTS	WILDFIRE	COLDWAVE	HEATHWAVE	WATER STRESS	RIVERINE FLOOD	SEA LEVEL RISE	HURRICANE
RISK EXPOSURE CLASSIFICATION	MODERATE	LOW	HIGH	HIGH	MODERATE	MODERATE	LOW

Strategically, the Group's geographical diversification provides a high degree of resilience. The Group adopts business continuity management processes that ensure an adequate level of maintenance in order to limit and/or reduce damage to corporate assets and ensures the resilience of the business and the restoration of operations in the event of force majeure.

In some areas (Belgium, Türkiye, Egypt) there is also significant exposure to water stress.

Facilities	2023	2030	2050	2080
CCB - GAURAIN	EXTREMELY HIGH	EXTREMELY HIGH	EXTREMELY HIGH	EXTREMELY HIGH
AAP - AALBORG	LOW	LOW	LOW	LOW
TÜRKIYE - IZMIR	EXTREMELY HIGH	EXTREMELY HIGH	EXTREMELY HIGH	EXTREMELY HIGH
TÜRKIYE - TRAKYA	LOW-MEDIUM	LOW-MEDIUM	LOW-MEDIUM	LOW-MEDIUM
TÜRKIYE - KARS	MEDIUM-HIGH	MEDIUM-HIGH	MEDIUM-HIGH	MEDIUM-HIGH
TÜRKIYE - ELAZIG	LOW-MEDIUM	LOW-MEDIUM	MEDIUM-HIGH	MEDIUM-HIGH
SWC - SINAI	ARID	ARID	EXTREMELY HIGH	EXTREMELY HIGH
MALAYSIA - IPOH	LOW	LOW	LOW	LOW
CHINA - ANQING	LOW-MEDIUM	LOW	LOW	LOW
LWCC - WACO	LOW-MEDIUM	LOW-MEDIUM	LOW-MEDIUM	MEDIUM-HIGH
LWCC - YORK	LOW	LOW	LOW-MEDIUM	LOW-MEDIUM

¹⁹

¹⁹ Data based on the assessment conducted in September 2023.

PHYSICAL RISK - CHRONIC RISK

TIME HORIZON	DESCRIPTION	IMPACT	MITIGATION ACTIONS	SDGs
Medium Term	Water stress due to global warming	The Group operates in certain areas defined as under high water stress, with the risk of increased supply costs.	<p>As part of its climate commitments, the Group has established a water management policy. Prioritizing the maximization of reuse/recycling, minimizing withdrawals and consumption (including losses) and implementing efficient operating practices are key focus areas, beginning with regions facing the most severe water stress. The Group has set targets for improving the specific consumption of water in cement production ("water consumption (liters) / TCE (ton of cement equivalent)") with a targeted reduction of 25% by 2030 in water-stress areas (compared to 2019 value) and a 20% reduction across all Group areas.</p> <p>In 2022, by becoming a signatory of the WASH Pledge, the Group is committed to ensuring access to WASH (water, sanitation and hygiene) at an appropriate level of standard for all employees and contractors in all premises under our direct control, supporting partners across our value chains and communities. Compliance and progress on WASH action plans are periodically monitored.</p>	  



Chalk pit in Aalborg, Denmark

TRANSITION RISKS AND OPPORTUNITIES

In recent years, the entire Group has been actively engaged in pursuing a transition to a low-carbon economy by defining a 10-year Roadmap. Related risks and opportunities are presented in the following table:

TRANSITION RISKS

TIME HORIZON	DESCRIPTION	IMPACT	MITIGATION ACTIONS	SDGs
Medium - Long Term	RISK/ OPPORTUNITY Carbon Capture "CCS"	TECHNOLOGY Technology stands as the primary driver to significantly diminish the Company's CO ₂ footprint in the medium to long term. The adoption of breakthrough technology is essential to realizing the production of "net zero emissions" cement. The Company places emphasis on the development and implementation of Carbon Capture and Storage (CCS) technology as a key component in achieving its CO ₂ emission reduction targets. Currently, the Group is exploring various opportunities, primarily in Denmark and Belgium.	Continued support for research and innovation for the development of CCS and the use of CAPEX/OPEX for the full industrialisation of these technologies.	 
Short Term	RISK Reputational risk	REPUTATION According to the Global Cement and Concrete Association, the cement industry accounts for around 7% of global CO ₂ emissions. The risk of being perceived as a large carbon emitter by public opinion could reduce the Company's attractiveness to stakeholders. In addition, increasing stakeholder expectations regarding climate targets need to be constantly monitored.	The Group is committed to achieving its ambition of becoming a net-zero business by 2050, setting an industry-leading target of a 36% (grey cement) reduction in absolute carbon emissions by 2030 (2020 baseline). Operational enhancements at plants, including the use of alternative fuels to reduce CO ₂ emissions, not only contribute to environmental goals but also yield financial efficiencies and support the circular economy. Cementir actively engages with ESG rating agencies to ensure accurate evaluation and communication with stakeholders. Cementir's Scope 1 and 2 GHG transition pathway is aligned with the 1.5 °C scenario defined in the Cement Sector guidance of the SBTi.	 
Medium - Long Term	RISK Exposure to new CO₂ emissions laws and regulations	POLICY & REGULATION Following the climate agreement reached at Paris COP21, signatory countries are mandated to commit to a reduction pathway. The anticipated outcome is an increase in the number of CO ₂ regulations, subsequently raising the cost of emissions. Carbon prices linked to emissions trading schemes, carbon taxes, and other policies are expected to escalate in the future as governments implement measures to reduce greenhouse gas emissions in line with the Paris Agreement. The speed and magnitude of the potential increase in carbon prices due to new regulations are uncertain and likely to vary across countries and regions. It has been assessed this risk through different price scenarios (high, medium, and low) based on the projected future carbon prices in each country, taking into account the introduction of Carbon Capture and Storage (CCS) technology starting in 2030.	The Group is minimizing its exposure to risks through the progressive decarbonization process. Cementir's ambition is to reduce CO ₂ emission intensity to achieve carbon neutrality along the value chain by 2050. The strategy focused on the energy transition makes the Group resilient to the risk associated with the introduction of more ambitious policies for emission reductions and maximizes opportunities for the development of infrastructure and technologies.	 

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TRANSITION RISKS

TIME HORIZON	DESCRIPTION	IMPACT	MITIGATION ACTIONS	SDGs
Medium - Long Term	<p>RISK/ OPPORTUNITY</p> <p>CBAM - Carbon Border Adjustment Mechanism and ETS reports</p>	<p>POLICY & REGULATION</p> <p>If initiatives such as the 'Carbon Border Adjustment Mechanism' (CBAM) are not sufficiently designed to protect EU competitiveness, the cement business may face pricing pressure due to imports from regions with less stringent CO₂ regulations. Conversely, the introduction of this tax could create a competitive advantage compared to other cement companies' extra UE in terms of price. In the recent period, the quantities of imported cement have increased compared to previous years.</p>	<p>Monitoring of international bodies (European Union, FSB - Financial Stability Board, Government Authorities).</p> <p>The Industrial Road Map will support the Group in becoming a resilient business through a low-carbon economy.</p>	  
Medium Term	<p>RISK</p> <p>Strategic decarbonized material shortages</p>	<p>MARKET</p> <p>The procurement of alternative raw materials, such as fly ash and blast furnace slag, has become increasingly critical due to the declining steel production, resulting in lower slag availability, and the gradual closure of coal plants. As global demand for these materials continues to rise, there is a potential for shortages to emerge. In the medium term, starting from 2024 in Europe, the progressive shutdown of coal-fired power generation plants may lead to a shortage of fly ash.</p> <p>Another strategic material for achieving the Group's objectives is calcined clay, which is essential for FUTURECEM® production and reducing the clinker ratio. Today there is a limited number of suppliers, which further increases the risk of performance. With the development of low-carbon products, the demand for these materials will grow, making the Group more dependent on their prices and availability.</p>	<p>In order to reduce the shortage of these materials, the Group is securing its supply through long-term contracts; search for new suppliers and partial replacement of fly ash with similar materials available on the market (e.g. oxytone).</p> <p>Another strategy implemented is to secure a clay quarry source for FUTURECEM® production.</p>	 
Short - Medium term	<p>OPPORTUNITY</p> <p>Development of low emission impact products</p>	<p>MARKET</p> <p>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 CO₂ emissions by 30% compared to traditional cement.</p>	<p>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.</p> <p>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;</p> <p>In addition, the Group aims to reduce the clinker ratio by using FUTURECEM® and other new products.</p>	  

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TRANSITION RISKS

TIME HORIZON	DESCRIPTION	IMPACT	MITIGATION ACTIONS	SDGs
Short - Medium term	OPPORTUNITY Recovery and purification of water used in quarry operations	<p>RESOURCE EFFICIENCY</p> <p>Recovery and potabilization of water removed during the exploitation of our quarry of limestone in Belgium (Clypot and Gaurain) is a great opportunity because thanks to new infrastructures developed with the local water provider and the local authority, CCB recovers water to supply the local community allowing the local authority to close production wells and thus spare the aquifer in a high water-stress area.</p>	<p>Increase the water deliveries up to 2,000,000 mc³ year in Clypot.</p> <p>New water deliveries up to 2,000,000 mc³ per year in Gaurain (from 2024).</p> <p>In collaboration with the local authority, CCB developed a new way of doing business minimizing the impact for the local community in the high-water stress area.</p>	   
		<p>This strategic move enhances the company's resilience to future regulatory changes, reduces the risk of conflicts with other stakeholders using the same aquifer (e.g., villagers, customers), and contributes to the sustainable management of water resources.</p> <p>In Clypot, the entire system has been operational since March 2021, and during the 2021/2022 period, 1,800 megaliters of water were successfully recovered, treated, and delivered to the public distribution as potable water.</p> <p>As for the Gaurain quarry, an agreement was signed with the local authority in 2022 to implement a similar water potabilization project, scheduled to commence in 2024. Upon completion of the project in Gaurain, an additional 2,000 megaliters of water per year can be recovered, contributing further to sustainable water management and community supply.</p>		
Medium - Long Term	OPPORTUNITY Green Energy	<p>ENERGY SOURCE</p> <p>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.</p>	<p>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).</p> <p>In this regard, in 2023 the Group signed agreements with Engie and EtherEnergy for the subsidiary in Belgium, CCB, reaching a maximum deliverable capacity, between wind and solar, of 25 Mwh.</p>	 
Short - Medium term	OPPORTUNITY Increased supply of district heating in the city of Aalborg	<p>ENERGY SOURCE</p> <p>The Aalborg plant recovers excess heat from cement production to provide district heating to local residents. In 2022, Aalborg Portland delivered approximately 1,3 million GJ of energy to the municipality of Aalborg. According to the engineering project developed by the Group, the Aalborg plant could improve energy supply by a further one million GJ reaching 50,000 households.</p>	<p>Negotiations are ongoing with the municipality of Aalborg to define the size and increase of the capacity of the heating supply.</p>	 



Workers at the construction site, Denmark



Cement plant in Gaurain, Belgium

2 THE FOUR SUSTAINABILITY PILLARS THAT GUIDE OUR ACTIONS

130	In waste, we see resources: we promote a circular economy
131	Waste management and recycling
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175	Gender Pay Gap
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180	Risk analysis and policies adopted
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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.



RDF production line in Türkiye

WASTE MANAGEMENT AND RECYCLING



We are committed adopting a co-processing and circular approach to waste.

Co-processing of waste in cement kilns is an established and environmentally effective option and a circular solution for end-of-life materials. It not only recovers the energy content of the waste, but also recycles its mineral content into high-value products. Co-processing results in the reduction of raw materials and fossil fuel consumption mitigating the effect of green-house gases. It also offers an effective solution to the waste management (e.g., storage and disposal). For example, co-processing of waste allows for prevention of plastic pollution in the environment and avoiding options not environmentally sustainable such as disposal in landfills. Waste is not only a source of recyclable materials, but also alternative fuels with a high calorific value. Cementir is therefore committed to this dual-purpose use.

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.

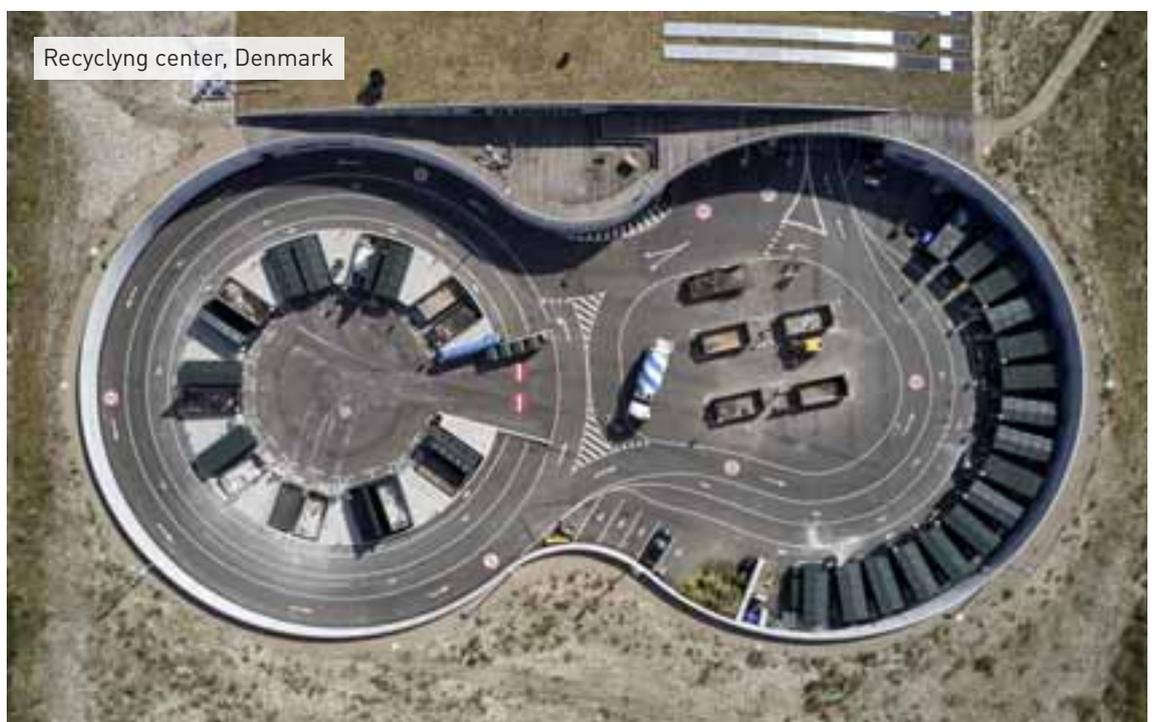
Through its modern facility located to the west of the city of Izmir, Sureko is involved in the management of industrial and hazardous waste and the production of alternative fuels that are used at the Izmir plant (further details in the box *'An integrated waste management solution'*).

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 2023

In 2023, the Group's plants collected and processed 62,710 tons of waste (4% solid urban waste and 96% industrial waste).

Through biomechanical and drying processes, the Cementir Group's treatment plants produced 11,120 tons of fuel from waste in 2023.

Waste processed

	Unit	2023	2022	2021
Solid urban waste	t	2,377	25,844	61,327
Industrial waste	t	60,333	134,210	156,220
Total	t	62,710	160,055	217,547

Alternative fuel produced

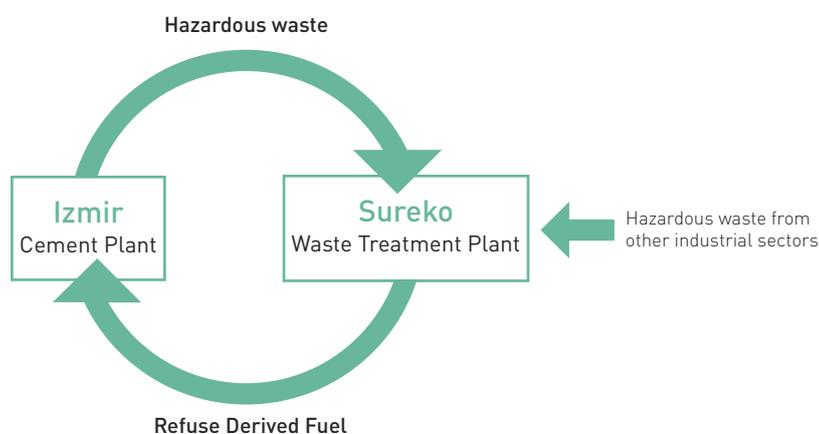
	Unit	2023	2022	2021
Total	t	11,120	39,112	72,408

In 2023, 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. Moreover, in November 2023, the English companies of the Neales Waste Management Group, active in the production of alternative fuels, were sold.

An integrated waste management solution

In Izmir we maximize recycling and/or reusing of produced waste starting with hazardous waste. In 2023, 86% of all hazardous waste produced in the cement plant was sent to the Sureko waste treatment plant.

Sureko plant manages industrial hazardous waste to produce Refuse Derived Fuel (RDF) by eliminating the non-combustible fraction, reducing its size and moisture content and homogenising the waste. This fuel is supplied to Izmir plant as an environmentally sustainable alternative to conventional fuels (fossil fuels) with low carbon emissions. In 2023, Sureko supplied to Izmir 9,9 ktons 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, in this way, plays a major role toward the reduction of Group’s environmental footprint.

By 2030, the Group plans 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 intermediate targets have been defined for 2025 and 2030.

The 22% 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



The 22% 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 2030²⁰.

Fossil fuel replacement index

	Unit	2023	2022	2021
% of fossil fuel replacement (white and grey combined)	%	22%	21%	20%
% of fossil fuel replacement (only grey cement)	%	33%	32%	30%
% of fossil fuel replacement (only white cement)	%	2%	2%	3%

In 2021-2023 period, fuel consumption for cement production decreased constantly, year by year, from 3.5 GJ/ton of clinker in 2021 to 3.3 GJ/ton of clinker in 2023.

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.

Fossil fuel consumption for cement production

Type	Unit	2023	2022	2021
Coal	GJ	7,639,540	7,617,448	7,526,248
Petroleum coke	GJ	16,085,194	16,107,354	15,031,687
Fuel oil	GJ	696,208	934,015	457,020
Lignite	GJ	471,456	1,312,041	5,862,081
Gas oil	GJ	0	0	0
LPG	GJ	0	0	0
Natural gas	GJ	1,884,062	1,826,495	1,872,458
District heating	GJ	12,161	13,467	36,009
Total	GJ	26,788,621	27,810,820	30,785,503
Fossil fuel per clinker produced	GJ / ton clinker	3.3	3.4	3.5

Fossil fuel consumption for White and Grey Cement production

Type	Unit	2023		2022	
		White	Grey	White	Grey
Coal	GJ	0	7,639,540	0	7,617,448
Petroleum coke	GJ	8,893,547	7,191,647	9,880,022	6,227,332
Fuel oil	GJ	512,377	183,831	730,347	203,668
Lignite	GJ	0	471,456	0	1,312,041
Gas oil	GJ	0	0	0	0
LPG	GJ	0	0	0	0
Natural gas	GJ	1,884,062	0	1,826,495	0
District heating	GJ	0	12,161	0	13,467
Total	GJ	11,289,986	15,498,635	12,436,864	15,373,956

Alternative fuel consumption for cement production

Type	Unit	2023	2022	2021
Used oil	GJ	254,526	213,935	331,895
Rubbers and plastics	GJ	180,693	185,862	115,095
Tyres	GJ	702,384	797,156	772,592
Paper/cardboard/wood	GJ	24,762	106,809	132,996
Meat and bone meal	GJ	1,291,097	1,298,176	1,256,250
Dry sewage sludge	GJ	0	10,331	34,966
RDF and SRF	GJ	3,965,894	4,390,788	4,645,471
Sunflower oil	GJ	117,469	106,988	320,626
Other alternative fuels	GJ	1,159,159	384,284	100,171
Total	GJ	7,695,984	7,494,329	7,710,063
Alternative Fuel per Clinker produced	GJ / ton clinker	0.96	0.93	0.88

Alternative fuel consumption for White and Grey Cement production

Type	Unit	2023		2022	
		White	Grey	White	Grey
Used oil	GJ	0	254,526	0	213,935
Rubbers and plastics	GJ	0	180,693	0	185,862
Tyres	GJ	0	702,384	0	797,156
Paper/cardboard/wood	GJ	0	24,762	0	106,809
Meat and bone meal	GJ	245,610	1,045,487	281,872	1,016,304
Dry sewage sludge	GJ	0	0	0	10,331
RDF and SRF	GJ	0	3,965,894	0	4,390,788
Sunflower oil	GJ	0	117,469	0	106,988
Other alternative fuels	GJ	0	1,159,159	0	384,284
Total	GJ	245,610	7,450,374	281,872	7,212,457

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 2023, the cement production plants of the Cementir Group used a total of about 14.7 million tons of materials to produce cement and the percentage of alternative raw materials increased to 12% from the 11% in 2022.



Fluorescent tubes recycling in Kula, Türkiye

Raw materials used in cement production

	Unit	2023	2022	2021
Non-renewable raw materials	t	12,945,259	13,228,832	14,442,142
Renewable raw materials	t	1,752,381	1,675,008	1,747,743
Total	t	14,697,640	14,903,840	16,189,885
Renewable raw materials as a percentage of total raw materials used	%	12%	11%	11%

Non-renewable raw materials used in cement production

	Unit	2023	2022	2021
Limestone	t	10,054,479	10,410,689	11,387,382
Clay	t	993,046	1,109,975	1,101,016
Gypsum	t	415,316	422,458	444,419
Marl	t	535,594	312,606	584,158
Sand	t	469,806	483,783	527,779
Pozzolana	t	156,034	161,811	167,747
Admixtures	t	10,757	13,263	14,018
Auxiliaries	t	0	0	0
Stone	t	0	0	0
Calcium fluoride	t	52,060	62,537	47,144
Bauxite	t	12,791	7,772	3,873
Iron ore	t	148,079	151,648	47,657
Other materials	t	97,297	92,291	116,949
Total	t	12,945,259	13,228,832	14,442,142

Renewable materials used in cement production

	Unit	2023	2022	2021
Fly ash	t	548,837	502,673	481,718
FGD gypsum	t	67,381	80,197	85,895
Iron oxide	t	37,518	48,648	38,482
Blast-furnace slag	t	296,153	327,550	305,745
Recovered limestone	t	180,325	255,828	240,444
Excavated waste soil (clay)	t	418,658	254,396	384,526
Other materials	t	203,509	202,532	210,933
Total	t	1,752,381	1,671,824	1,747,743

In 2023, Cementir Group plants producing ready-mix concrete used a total of 9.3 million tons of raw materials, mainly rocks and sand. The variation is mainly linked to a decrease in the total production of concrete recorded in 2023, compared to 2022.

Raw materials used in the production of ready-mixed concrete

	Unit	2023	2022	2021
Non-renewable raw materials	t	9,251,932	10,237,353	10,964,549
Renewable raw materials	t	69,238	101,318	95,789
Total	t	9,321,169	10,338,671	11,060,338
Renewable raw materials as a percentage of total raw materials used	%	0.74%	0.98%	0.87%

Non-renewable raw materials used in the ready-mixed concrete production

	Unit	2023	2022	2021
Sand	t	2,473,197	3,064,746	3,255,064
Admixtures	t	131,484	16,926	24,287
Auxiliaries	t	11	9	9
Cement	t	1,281,924	1,482,944	1,549,711
Stones	t	5,361,580	5,667,813	6,131,942
Clay	t	394	0	0
Steel fibre	t	2,977	4,404	3,083
Basalt fibre	t	22	5	5
Plastic macrofibre	t	214	288	246
Colour pigment	t	129	146	95
Other materials	t	0	72	106
Total	t	9,251,932	10,237,353	10,964,549

Renewable materials used in the ready-mixed concrete production

	Unit	2023	2022	2021
Fly ash	t	59,605	86,971	82,524
Microsilica	t	6,691	11,689	12,008
Blast-furnace slag	t	2,942	2,658	1,257
Total	t	69,238	101,318	95,789

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 74,000 tons) and there are no activities involving the use of recycled materials.

Non-renewable raw materials used in other production activities

	Unit	2023	2022	2021
Sand	t	31,327	32,406	33,415
Auxiliaries and admixtures	t	109	130	134
Cement	t	12,892	10,999	12,407
Stones	t	24,792	24,073	25,527
Steel	t	5,118	4,012	2,375
Total	t	74,238	71,619	73,858

EFFICIENT WASTE MANAGEMENT



We continue to adopt waste management solutions that facilitate recycling and/or reusing, based on an environmentally circular approach. For instance, one of the key strategies to reduce our environmental footprint is to increase the use of alternative raw materials and fuels (e.g., those derived from waste) in cement production.

In cement production, we strive to maximize the reuse of clinker kiln dust in the production loop, thereby minimizing waste disposal in landfills. In the production of ready-mix concrete, we aim to reuse concrete-based demolition waste as a substitute for natural aggregates in new preparations, where possible (further details are available under 'Low-carbon and sustainable concrete' section).

In the cement industry, the waste generated by our own production primarily comes from the periodic maintenance of machinery and equipment (e.g., used oil and scrap metal), warehouses, and offices.

In 2023, 99.7% of the total waste produced was non-hazardous. Almost all hazardous waste was sent for recycling or recovery operations (e.g., electrical and electronic waste was used to recover metals, and hazardous waste in cement was used to produce RDF). Throughout the year, we received no fines and/or penalties related to waste management.

In the production of ready-mix concrete, we aim to reuse concrete-based demolition waste as a substitute for natural aggregates in new preparations

		2023	2022	2021
Total waste	t / 1,000	367.2	392.2	378.4
Cement		121.6	140.2	156.3
RMC		245.3	251.6	221.8
Aggregates		0.3	0.4	0.3
Non-hazardous waste	t / 1,000	366.2	391.3	377.3
Recycling		234.5	275.1	271.1
Incineration with energy recovery		0.6	0.5	0.7
Incineration without energy recovery		0.1	0.1	0.1
Other recovery operations		0.0	1.0	0.0
Landfilling		110.0	85.9	98.8
Other disposal operations		21.1	28.6	6.5
Non-hazardous waste of total waste	%	99.7	99.8	99.7
Cement	%	33.1	35.7	41.2
RMC	%	66.8	64.2	58.8
Aggregates	%	0.1	0.1	0.0
Hazardous waste	t / 1,000	1.0	0.9	1.1
Recycling		0.8	0.5	0.4
Incineration with energy recovery		0.1	0.1	0.2
Incineration without energy recovery		0.1	0.0	0.1
Other recovery operations		0.0	0.0	0.4
Landfilling		0.0	0.1	0.0
Other disposal operations		0.0	0.0	0.0
Cement	%	80.5	73.7	79.5
RMC	%	4.3	5.0	4.7
Aggregates	%	15.2	21.2	15.8

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 CO₂ emissions and it is undeniable that cement manufacturing is a process that makes intensive use of thermal energy, releasing both direct and indirect CO₂ emissions into the atmosphere.

Cementir wants to address environmental and climate change issues by reducing CO₂ 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 taken action to guarantee that all the companies of the Group that are active in cement and concrete production will operate in the coming years with a certified Environmental Management System according to the ISO 14001 standard.



At the end of 2023, 93% of total cement production (8 cement plants) 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.

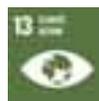
In ready-mix concrete activities, companies accounting for 30% of production are ISO 14001 certified. We aim to certify 100% of our companies in concrete production by 2027.

The waste management company, operating in Türkiye, is already ISO 14001 certified.

For the third consecutive year, Cementir Holding N.V. has been recognized as a leader with an 'A-' rating for Climate Change by the CDP, surpassing both the European average (B) and the average for the cement & concrete sector (B).

Additionally, Cementir has been reaffirmed as a leader in CDP Water Security with an 'A-' score for the second year in a row, ranking above both the sector average (B) and the European average (C).

CEMENTIR'S CO₂ FOOTPRINT



The Group's CO₂ 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 **70%** 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 CO₂.

Scope 2 emissions, equal to **4%** of the total, includes indirect emissions related to electricity purchased for the Group's needs, for example in cement grinding mills.

Scope 3 emissions include 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 **26%** of Cementir's carbon footprint. In 2023 total CO₂ equivalent emissions (direct and indirect) amounted to 10,215,766 million tons.

CO ₂ emissions - Group	2023 (ton)	2023 (%)	2022 (ton)	2022 (%)	2021 (ton)	2021 (%)
CO ₂ emissions [Scope 1]	7,184,097	70%	7,324,884	65%	8,006,881	67%
CO ₂ emissions [Scope 2]	424,422	4%	386,306	3%	707,044	6%
CO ₂ emissions [Scope 3]	2,607,247	26%	3,591,439 ²¹	32%	3,249,111	27%
Total CO₂ emissions	10,215,766	100%	11,302,629	100%	11,963,036	100%

²¹ 2022 data has been restated to align the calculation with the SBTi recommendation related to transport-related emissions.

CEMENTIR'S SCOPE 3 EMISSIONS

The emissions calculated for each Scope 3 category in 2023 are shown below.

Scope 3 category	2023 (tCO ₂ e)	%	Description
Purchased goods and services	1,264,467	49%	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 database. Comparing to 2022, the emission factor used to calculate emissions from the purchase of fly ash was updated in 2023. The new emission factor was built by external consultant based on an economic allocation approach (emissions from production) which was combined with the EPD from OEKOBADU.DAT (emissions from storage and transport). This emission factor better reflects the allocated emissions from electricity production at coal mine power plant to the fly-ash production which is considered a by-product. This method is more suitable compared to the one used in the past from Ecoinvent.
Capital Goods	34,913	1%	This category includes emissions related to the production and transportation of the following capital goods: constructions, machineries, electrical and optical equipment and transport equipment. In past years, emissions from capital goods were assessed using the GHG protocol tool, which ceased operation on August 30, 2023. Subsequently, a different database was utilized, resulting in a significant reduction in emissions following the methodology update.
Fuel and energy-related activities	964,593	37%	This category includes the emissions related to the extraction, production and transportation of fuels and energy purchased by Cementir in 2023 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	162,429	6%	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	298	0%	This category includes emissions from external wastewater treatment. The calculation uses Ecoinvent emission factors.
Business travel	1,564	0%	This category includes emissions from employee business travels. In past years, emissions from capital goods were assessed using the GHG protocol tool, which ceased operation on August 30, 2023. Subsequently, a different database was utilized, resulting in a significant reduction in emissions following the methodology update.
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.

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)

Scope 3 category	2023 (tCO ₂ e)	%	Description
Downstream transportation	163,640	6%	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	15,343	1%	This category includes emissions from the waste disposal and treatment of products. Sold by in the reporting period.
Downstream leased assets			Not applicable.
Franchises			Not applicable.
Investments			Not applicable.
TOTAL	2,607,247	100%	



Cement plant in Aalborg, Denmark

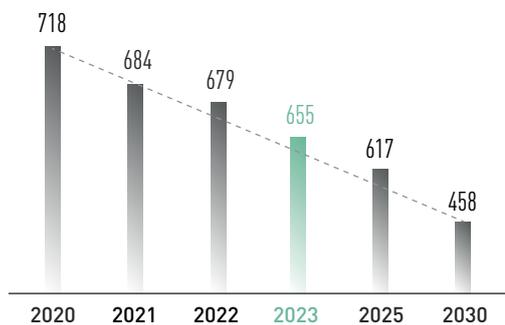
CO₂ EMISSIONS RELATED TO CEMENT PRODUCTION

CO ₂ emissions - Cement Production	Unit	2023	2022	2021
CO ₂ emissions (Scope 1)	t	7,134,901	7,278,336	7,982,250
CO ₂ emissions (Scope 2)	t	416,562	377,548	691,732
Total CO₂ emissions	t	7,551,463	7,655,884	8,673,982
CO ₂ emissions Scope 1 - Grey cement	kg CO ₂ /TCE	655	672	684
CO ₂ emissions Scope 1 - White cement	kg CO ₂ /TCE	846	886	919

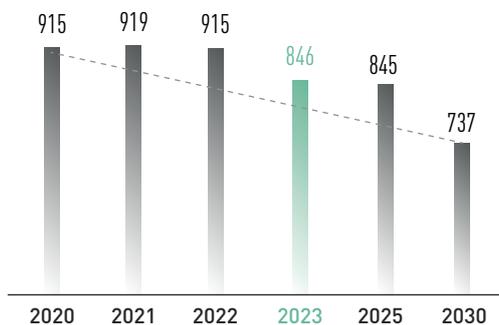
As reported in the chapter 'Cementir Roadmap 2030', the Group is increasingly focused on the development of new technologies for carbon capture and storage (CCS). Following the introduction of CCS in Aalborg, Cementir will reduce its Scope 1 emissions to 458 kg of CO₂ per ton of grey cement, below the threshold required by the EU Taxonomy, and 36% lower than 2020 emissions.

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 737 kg of CO₂ per ton of cement. The CO₂ 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.

CO₂ Emissions Reduction targets for Grey cement



CO₂ Emissions Reduction targets for White cement



CO₂ 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 CO₂ equivalent emissions are significantly lower. The data is presented in the table below.

CO ₂ emissions - Other	Unit	2023	2022	2021
CO ₂ emissions (Scope 1)	t	49,196	46,548	24,631
CO ₂ emissions (Scope 2)	t	7,861	8,758	15,311
Total CO₂ emissions	t	57,056	55,306	39,942

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 based on the plant's production of clinker and 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 2023, the cement production plants used 34.6 million GJ of thermal energy and 4.4 million GJ of electricity. The energy index, equal to 3.73 GJ/TCE decreased compared to 2022. Last year the index was 3.85.

The intensity coefficients for the environmental performance indicators are calculated using Total Cement Equivalent (TCE), an indicator based on the plant's production of clinker and average clinker-to-cement ratio

Energy consumed to produce cement

Type	Unit	2023	2022	2021
Thermal energy	GJ	34,630,123	35,470,361	38,569,279
of which: from alternative fuel	GJ	7,695,984	7,494,329	7,710,063
Thermal energy sold	GJ	-1,023,990	-1,283,120	-1,661,306
Electricity	GJ	4,399,638	4,451,819	4,751,610
Total energy	GJ	38,005,770	38,639,060	41,659,583
Thermal energy per t of Total Cement Equivalent	GJ/TCE	3.4	3.5	3.6
Thermal energy produced by alternative sources per t of Total Cement Equivalent	GJ/TCE	0.76	0.75	0.72
Electricity per t of Total Cement Equivalent	GJ/TCE	0.43	0.44	0.44
Total energy per t of Total Cement Equivalent	GJ/TCE	3.73	3.85	3.87

Energy consumed for white and grey cement production

Type	Unit	2023		2022	
		White	Grey	White	Grey
Thermal energy	GJ	11,585,143	23,044,980	12,769,695	22,700,665
of which: from alternative fuel	GJ	245,610	7,450,374	281,872	7,212,457
Thermal energy sold	GJ	-1,023,990	0	-1,283,120	0
Electricity	GJ	1,172,123	3,227,515	1,240,319	3,211,501
Total energy	GJ	11,733,276	26,272,495	12,726,894	25,912,166
Thermal energy per t of Total Cement Equivalent	GJ/TCE	4.83	2.96	5.11	3.01
Thermal energy produced by alternative sources per t of Total Cement Equivalent	GJ/TCE	0.10	0.96	0.11	0.96
Electricity per t of Total Cement Equivalent	GJ/TCE	0.49	0.41	0.50	0.43
Total energy per t of Total Cement Equivalent	GJ/TCE	4.90	3.37	5.09	3.44

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 2023, the ready-mix concrete production plants used about 83,000 GJ of electricity and 453,689 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	2023	2022	2021
Thermal energy	GJ	453,301	414,689	365,070
Electricity	GJ	83,985	93,393	72,623
Total energy	GJ	537,286	508,081	437,693
Thermal energy per t of ready-mixed concrete	GJ/t	0.04	0.05	0.04
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	0.05	0.06	0.05

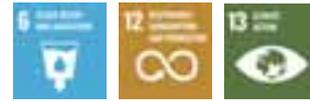
For other activities such as the production of aggregates and cement manufacture, the Group used about 122,000 GJ of electricity and 201,000 GJ of thermal energy.

Energy usage of other activities

Type	Unit	2023	2022	2021
Thermal energy	GJ	201,170	209,512	210,260
Electricity	GJ	122,105	128,002	132,382
Total energy	GJ	323,275	337,514	342,642
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

Regarding the use of renewable energy, in 2023 the Group, to increase its use in the plants, signed agreements with *Engie* and *EtherEnergy* for the subsidiary in Belgium, CCB, reaching a maximum deliverable capacity, between wind and solar, of 25 MWh.

RESPONSIBLE AND EFFICIENT USE OF WATER



The percentage of total water withdrawal that was reused or recycled increased from 30% in 2022 to 34% in 2023. Furthermore, more than 98% of total water discharged in cement production was freshwater

Starting with water-scarce areas as a priority, we promote the sustainable use of water across all of our activities. We are strongly committed to reducing water consumption and increasing water reused/recycled, (e.g., improving drainage and collecting rainwater to reuse/recirculate a portion of water). We aim to minimize water withdrawal and wastewater discharge, reduce losses (e.g., through periodical checks of underground water piping and pump conditions and replacing them, if needed) and to promote efficient water management practices.

In 2023, water consumption in cement production was 3,442 thousand m³, about 80% of the Group's total consumption. Water consumption in areas of high-water stress constituted 32% of the total water consumption in cement production, while water withdrawal in these areas was 41% of total withdrawal in cement production.

Water consumption in cement production was influenced by a remodulation of production compared to the previous year, particularly in the production of white cement. This was primarily due to an increase in water reuse and recycling. The percentage of total water withdrawal that was reused or recycled increased from 30% in 2022 to 34% in 2023. Furthermore, more than 98% of total water discharged in cement production was freshwater²⁴.

In ready-mix concrete production, water is an input resource. The water consumption was 635 thousand of m³, 15% of the Group's total consumption. In areas of high-water stress, water consumption made up 63% of the total consumption in ready-mix concrete production. The proportion of water that was reused or recycled was 24% of the total water withdrawal in ready-mix concrete production, an increase from 21% in 2022. We are working to exploit water reuse as much as possible for new preparations and activities on site.

In the production of aggregates, water consumption was 265 thousand m³, about 5% of Group's total consumption. The proportion of water that was reused or recycled was 13% of total water withdrawal in aggregate production.

In locations where quarry dewatering²⁵ is in place, there is an interest in recovering quarry water. The water that is pumped can be used for various purposes such as washing aggregates and watering trucks. The use of water in quarries, often arranged in closed circuits in order to limit the volume of pumped water, is most of the time very marginal in relation to the volume of collected water.

In 2023, no fines and/or no penalties were received related to water management.

Belgium, Potabilization of Clypot quarry water

Throughout 2023, we continued to recover water from quarries to supply the public distribution network. The volume of water from the Clypot quarry sent for potabilization was 1,309 thousand m³, an increase from 741 thousand m³ in 2022. Our goal is to maximize this supply, with plans to include the Gaurain quarry in the future, potentially reaching a total of around 5,000 thousand m³ (further details can be found under the section '*Extraction activities, rehabilitation and biodiversity*'). These operations enable the recovery of quarry water into the public distribution network. As a result, the local authority's reliance on well production can be significantly reduced in high-water stress areas, such as the Gaurain and Clypot districts.



²⁴ According to GRI 303, freshwater is defined as the concentration of Total Dissolved Solids is ≤ 1000 mg/L.

²⁵ Quarry dewatering refers to the process of removing groundwater from a quarry to maintain a workable bottom of the quarry. When a quarry extends below the water table, groundwater will naturally infiltrate the quarry due to gravity.

An integrated strategy on climate change

Water risks associated with climate change are periodically assessed using the World Resources Institute (WRI) - Aqueduct Water Risk Atlas. The risk levels for each cement plant and region are identified, and actions for improvement are prioritized and planned. This process aligns with our Roadmap to 2030, which involves reducing consumption (e.g., through the reduction of the clinker ratio).

In 2023, 32% of water consumption in cement production occurred in areas of high and extremely high-water stress. We have set a goal to reduce the water consumption per ton of cement produced by 20% by no later than 2030 (with 2019 as the baseline). In conditions of high and extremely high-water stress, the reduction target is 25%, despite starting from a specific consumption situation that is lower than the Group average.

In 2023, the specific consumption in cement, net of the remodulation of production between white and grey cement, was further improved compared to our baseline. The consumption was 387 litres/TCE (246 litres/TCE in high-water stress areas), aligning with our improvement plan.

The 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

Improving water consumption in cement

		2019	2020	2021	2022	2023	2030
Specific water consumption	l/TCE	480	445	413	402	387	384
Reduction compared to 2019			-7%	-14%	-16%	-19%	-20%
Specific water consumption - high water stress areas	l/TCE	280	287	276	257	246	210
Reduction compared to 2019			0%	-2%	-8%	-12%	-25%

Water stress future scenarios

% of our cement plants operating in high and extremely high water stress areas



% of our sites operating in high and extremely high water stress areas



Safe Water, Sanitation and Hygiene at the Workplace (WASH)

Every day, the Group is committed to developing a more responsible business that respects human and labour rights and promotes environmental protection. Additionally, we are focused on providing access to WASH (Water, Sanitation, and Hygiene) after signing the WASH Pledge developed by the World Business Council for Sustainable Development (WBCSD).

Our plan aims to improve access to safe water and sanitation for all workers at workplaces under our operational control. Furthermore, we intend to address and support access to WASH along the value chain and in the communities where we operate.

By the end of 2023, the Group's average compliance with WASH standards was close to 90%.

**Water Management System**

Water balance is monitored at the site level on a monthly basis and consolidated at the Group level quarterly. The Group's guidelines on monitoring and reporting establish the minimum requirements for such activities. These guidelines align with recognized international reference documents, such as the Global Reporting Initiative standards and GCCA (Global Cement and Concrete Association) Sustainability Guidelines for monitoring and reporting water in cement manufacturing.

We adopt various methods to measure different flows:

- We measure the volume of water instantaneously passing through the cross-section of a channel or pipe using a meter.
- We calculate measurements by multiplying the measured flow rate and pump operational hours, or by the difference between two measurements, such as water withdrawal and discharge.
- We estimate calculations by multiplying the rated capacity reported by the pump manufacturer and pump operating hours, or by using an empirical formula with assumed factors.

Quality monitoring of water discharge is conducted regularly. The frequency of measurement is usually monthly but may vary according to local regulations (e.g., quarterly) and environmental permits. Effluent parameters are periodically monitored using recognized analytical methodologies required by local authorities (e.g., total suspended solids, pH, temperature, oxygen demand, etc.).

We undertake a comprehensive assessment of our water management across all our plants to ensure a complete understanding of water withdrawal, discharge, recycling, and consumption.

Water is primarily used for conditioning kiln gases, de-dusting and cleaning activities, and cooling equipment (e.g., compressors). In wet and semi-wet processes in cement, water consumption is mainly due to water vaporization during the production phases. Pumped water can be used for a variety of purposes, such as washing aggregates or watering trucks.

Water from production phases, before being discharged, is subjected to primary treatment on-site (98% of the total water discharge in 2023). The treatment includes the physical removal of suspended solids and floating material, typically by sedimentation.

Secondary treatment is related to wastewater treatment plants (e.g., biological units) implemented in some of our production plants and also in our waste management facilities.

Tertiary treatment (chemical and biological), following secondary treatment, removes suspended, colloidal, and dissolved constituents (e.g., nutrients, heavy metals, inorganic and other contaminants, etc.). This treatment is relevant only for our waste management plants.

In 2023, 93% of total cement production took place at sites where the Environmental Management System was certified ISO 14001. We aim to obtain this certification for all cement plants by 2025.

In ready-mix concrete activities, certified sites represented 30% of total production. We aim to have 100% of companies operating in ready-mix certified by 2027.

Our waste management business is already ISO 14001 certified.

In the following pages, you will find the breakdown of water balance data for the entire Group, as well as the breakdown for cement and ready-mix concrete production, which together account for more than 94% of the Group's total consumption.

Group water balance

		2023	2022	2021
Total water withdrawal	m³ / 1,000	15,317	14,908	15,651
Surface water		505	524	658
Groundwater		5,473	6,849	6,992
Seawater		0	0	0
Rainwater		843	570	764
Public water		502	581	537
Quarry water		7,994	6,384	6,700
Total water discharge	m³ / 1,000	10,993	9,808	9,737
By place of discharge				
Surface water		6,451	5,255	5,202
Groundwater		22	215	9
Seawater		2,836	3,270	3,121
External treatment plants and other discharge area		1,523	911	1,262
Domestic sewage		161	157	143
Total water consumption	m³ / 1,000	4,325	5,099	5,914

Water balance in cement

		2023	2022	2021
Total water withdrawal	m³ / 1,000	9,191	9,115	9,795
Surface water		408	404	605
Groundwater		4,336	5,014	5,114
Seawater		0	0	0
Rainwater		717	346	486
Public water		239	267	254
Quarry water		3,491	3,084	3,336
Total water discharge	m³ / 1,000	5,748	5,273	5,339
By place of discharge				
Surface water		2,661	1,745	1,959
Groundwater		13	11	9
Seawater		2,836	3,270	3,121
External treatment plants and other discharge areas		126	161	160
Domestic sewage		112	86	90
Total water consumption	m³ / 1,000	3,442	3,842	4,455
In high water-stress areas	% of total water consumption in cement	32.0	37.2	34.4
Total water reused/recycled	m³ / 1,000	3,095	2,695	3,191
	% of total water withdrawal in cement	33.7	29.6	32.6
Specific water consumption	l / TCE	387	402	413
In high water-stress areas		246	257	276

Water balance in ready-mix concrete

		2023	2022	2021
Total water withdrawal	m³ / 1,000	740	888	884
Surface water		40	96	50
Groundwater		329	345	370
Seawater		0	0	0
Rainwater		126	137	182
Public water		245	310	281
Total water discharge	m³ / 1,000	105	59	51
By place of discharge				
Surface water		0	13	0
Groundwater		0	0	0
Seawater		0	0	0
External treatment plants and other discharge area		71	1	1
Domestic sewage		34	45	50
Total water consumption	m³ / 1,000	635	829	833
In high water-stress areas	% of total water consumption in ready-mix	63.4	59.4	61.3
Total water reused/recycled	m³ / 1,000	178	183	204
	% of total water withdrawal in ready-mix	24.0	20.6	23.1
Specific water consumption	l / m³ ready-mix concrete	149	173	163
In high water-stress areas		154	191	181

Rochefort Terminal, France



EXTRACTION ACTIVITIES, REHABILITATION AND BIODIVERSITY



The extraction and preparation of raw materials is one of the foundational pillars of our activities which delves into our unwavering commitment to sustainability and environmental stewardship within these critical initial stages of cement and aggregate production.

Quarrying, the very beginning of our production cycle, is more than mere extraction; it embodies our dedication to harmonizing our operations with nature. Recognizing the substantial environmental footprint associated with quarrying and the handling of raw materials, we have adopted a forward-thinking approach, aligning our strategies with the latest sustainability principles and practices. Our endeavours are not only aimed at minimizing our ecological impact but also at enhancing biodiversity and promoting the restoration of natural habitats.

A substantial portion of our raw materials is sourced from our own quarries, where we adhere to responsible and sustainable mining practices. The proximity of these key resources to our production facilities is crucial for the continuity of our business operations, making the protection and efficient management of these resources a strategic priority.

A substantial portion of our raw materials is sourced from our own quarries, where we adhere to responsible and sustainable mining practices

We follow multifaceted sustainable resource management principles, encompassing:

- Strict adherence to compliance standards, ensuring our practices meet or exceed regulatory requirements.
- Efficient and optimized use of mineral resources, aiming for maximum value with minimal waste.
- Sensitivity towards environmental and ecological concerns, prioritizing the preservation of natural habitats and biodiversity.
- Integration of alternative materials into our processes, reducing our dependence on natural resources and promoting conservation and circularity.
- Rigorous monitoring and management of our reserves, ensuring their sustainable use and replenishment.
- Engagement in continuous dialogue with stakeholders, fostering transparency and collaboration in our sustainability endeavours.

By harnessing digital technologies, we have refined our quarry operations through enhancing efficiency and optimizing the use of resources. This strategic approach ensures that we extract materials that are not only economically viable but also align with our quality and quantity standards, thereby reducing our overall land footprint.

Our long-term view and targets to secure mineral deposits contribute to the development of more accurate and sustainable strategies, ensuring a balanced and responsible approach to resource extraction as well as allowing us to follow the mitigation hierarchy especially for avoidance.

We are committed to the exploration and adoption of alternative resources, a move that significantly contributes to the reduction of CO₂ emissions, diminishes our reliance on natural resources, and conserves existing reserves. This approach not only mitigates the need for new extraction sites but also underscores our dedication to innovative and sustainable resource management.

In 2023, we intensified efforts to substitute natural resources with alternative raw materials. For example, in Turkiye;

- **Izmir Plant:** Used 983,000 tons of alternative raw materials and by-products/wastes from various sources, reducing natural resource consumption and the environmental impact. Alternative raw material usage grew by 30% comparing to 2022.



Cement plant in Gaurain, Belgium

- **Trakya Plant:** 47,000 tons of bottom ash as a by-product from around 30 external companies, substituting for clay and iron resources and 41,000 tons of fly ash, increasing alternative raw material usage.
- **Elazig Plant:** Used 16,000 tons of fly ash and bottom ash, contributing positively to the conservation of land and reserves conservation.
- **Kars Plant:** Used 7,000 tons of aggregates bypass dust as a clay alternative for sourcing aluminium, aiding in the conservation of clay reserves and land.

Life on land

Cementir adopts a proactive approach of 'avoid, minimize, and mitigate' to address any land impacts arising from quarrying activities. Complying to all relevant land and environmental laws associated with quarry operations is fundamental for Cementir. The Group not only meets local requirements but also strives to implement international good practices for further enhancements. The strategy includes maximising use from authorized areas and reducing land disturbance, supported by comprehensive mining plans aiming at consistent and optimized quality of raw mixes.

Cementir commits to having and implementing rehabilitation plans for all its active sites and supports progressive implementation by rehabilitating depleted quarry sections and benches during ongoing operations within the same quarry area.

Cementir also commits to developing and implementing Biodiversity Management Plans for the extraction sites that have significant biodiversity value.

In 2022, Cementir introduced a Group Guideline for standardising and enhancing quarry rehabilitation and biodiversity management and during 2023 post-guideline evaluations regarding guideline compliance, gap analysis and initiatives identification were carried out. The preliminary analysis has been carried out by relying on international and well-recognized database, like the Integrated Biodiversity Assessment Tool (IBAT).

Following the overall process review, the Group reconfirms that 95% of Rehabilitation Plan are in place with a target of reaching 100% and progressing on biodiversity value assessments while at the same time already having and implementing Biodiversity Management Plans within biodiversity sensitive areas.

Additionally, Cementir recognizes the importance of temporary habitats in quarries for biodiversity and plans to promote and monitor them as key performance indicators.

Key Initiatives

Kudsk & Dahl

Kudsk & Dahl, a subsidiary of Cementir producing aggregate in Denmark, is firmly committed to the enhancement of biodiversity within the two quarries located in Nr. Hostrup and Dybvad. As one of the first examples in extractive industry in Denmark, Kudsk & Dahl issued a Roadmap in 2023, specifically examining to biodiversity and rehabilitation activities for its quarries.

In pursuit of Kudsk & Dahls objective, the Roadmap specifies the initiatives implemented to meet the overarching principles and goals for the conservation and enhancement of biodiversity in the areas where Kudsk & Dahl extract raw materials, both in current and future gravel pits. These initiatives are aimed at the preservation and restoration of natural habitats, safeguarding endangered species, and mitigating our environmental impact, particularly before, during, and after the extraction of raw materials.



In addition to the Roadmap, Kudsk & Dahl has successfully executed and initiated a multitude of initiatives as part of ongoing efforts for enriching biodiversity and enforcing its management.

Collaboration with Aabenraa Municipality

Kudsk & Dahl welcomed a biologist from the Aabenraa Municipality, who provided expert guidance on enhancing biodiversity in the gravel pits to local management. The emphasis was particularly on creating space for native plant species to thrive and propagate, thereby establishing habitats for existing insects, amphibians, birds, etc., already present in the gravel pit.

Visit from a local school with a focus on temporary habitats

Kudsk & Dahl hosted the 3rd and 4th grades from Grænseegnens Friskole, who, along with a biologist from the Aabenraa Municipality, explored our gravel pit in Nørre Hostrup during autumn 2023 for unique plants, amphibians, and insects hidden.

Rehabilitation of the former gravel quarry in Oksenvad

Kudsk & Dahl completed operations in the Oksenvad gravel pit in 2018. The quarry has since been transformed into a natural area and is now open to the public. This transformation was achieved through significant rehabilitation work, conducted continuously during gravel extraction and particularly in the post-extraction phase. Today, the area includes a lake, purpose-built nature trails, thousands of replanted trees, and seating areas for visitors, thereby benefiting the local community.



Aalborg Portland

The extensive area managed by Aalborg Portland, including a significant chalk quarry, is under a comprehensive rehabilitation plan. The plan not only focuses on environmental restoration but also considers community recreational needs and biodiversity improvements. The company has a forward-looking approach to managing the quarry landscape post-extraction, integrating recreational activities and biodiversity preservation. This strategy, informed by previous projects like the *Limelife* project, aspires to create a balanced ecosystem that benefits both nature and the local community.

For further information please visit: <https://aalborgportlandholding.com/en/sustainability/in-aalborg-the-limestone-quarry-becomes-a-family-park>



The screenshot shows a webpage with a header image of purple flowers and the title "In Aalborg, the limestone quarry becomes a family park". Below the title is a sub-header "REHABILITATION OF DISMANTLED QUARRIES AND RESTORATION OF BIODIVERSITY". The main text describes the rehabilitation plan for a limestone quarry, mentioning the creation of a family park with recreational activities like sailing, water skiing, and hiking. It also notes that the quarry will be used for mining activities at a safe distance on the other side.

REHABILITATION OF DISMANTLED QUARRIES AND RESTORATION OF BIODIVERSITY

Aalborg Portland covers an area of 1,200 hectares, 188 of which are used for the production of cement. The remaining 1,012 hectares are made up of lakes, woods, meadows, freshwater marshes, uncultivated land and agricultural land.

The concept of the redevelopment plan of the limestone quarry consists of its transformation into a family park, which will offer the local population a variety of recreational and sports activities near the city.

The project foresees that the lake will be used for sailing, water skiing, diving and bathing, while the surrounding area will be able to offer services for hang gliding, mountain biking, jogging, walking and other similar activities.

The basic principle of the redevelopment plan is to create a scenic space with steep and exposed slopes, soft green hills and opportunities for walking and having fun.

The creation of embankments and terraces in specific areas of the limestone quarry has already begun, while mining activities are underway at a safe distance on the other side of the quarry.



Aalborg plant

CCB



CCB, with its depleted quarry in Gaurain, current quarry in Clypot and future quarry in Barry is continuously working on initiatives for enhancing biodiversity. Continuing from its involvement in the 'Life in Quarries Project', CCB is embarking on new initiatives for this purpose. CCB's commitment extends beyond the completion of the project, with a focus on maintaining and amplifying biodiversity actions. Upon the finalization of the project, all the commitments listed in the individual charter are framed legally dispensation for protected species granted by Belgian authorities. Each year starting from 2022, a summary annual report has been drawn up in order to list the actions carried out and publish the monitoring indicators. Since 2022, we've been in the post-life phase which is a long-term commitment to maintain in-life actions for a period of 15 years.

Beyond any legal framework and requirement, another initiative for our future quarry in Barry, falls under our focus on biodiversity enhancement. The peripheral areas of quarry area have been identified as ideal for creating permanent ponds. These ponds can support many species of plants, amphibians, and dragonflies. During 2023 our initiatives started to bear fruits, with the accumulation of rainwater favoured by a clay-based substrate and the first aquatic plants starting to colonize the environment (as shown also in the pictures below).



Gaurain Quarry Water Valorisation

Following the signing of an agreement with *Société Wallonie des Eaux (SWDE)* in 2022 for the supply of drinking water through pipelines and the protection of water resources intended for human consumption with a target of pumping 1,7 Mm³/y from the old quarry of Gaurain to SWDE to reach the drinkable water net (Transhennuyère), works in the quarry and on the pipe between the quarry and SWDE (*Société Wallonnie des Eaux*) station was initiated in 2023.



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

Cimentas

Cimentas' Izmir plant has taken significant strides in assessing and improving the biodiversity of its quarries and implementing a rehabilitation plan. As a result of the assessment studies, region-specific afforestation work was carried out in 2023, in accordance with the structure of the area in terms of vegetation. In this context, stone pine, oleander and wild strawberry were planted in the benches where our mining activities had been terminated, in order to return that area to its former state by planting trees and leafy variety specific to the region.

The initiative has been implemented by the organisation of an internal event to raise the awareness regarding biodiversity and its importance among employees.

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 with high biodiversity value.
- We aim to have Biodiversity Management Plan for all sites with high biodiversity value.

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%.



AIR PROTECTION

The range of emissions generated by kilns largely depends on the nature of the raw materials, fuels and the age and design of the plant. For example, the concentration of impurities and the behaviour of limestone during firing/calcination can influence emissions. The variation in the sulphur content in the raw material plays a significant role and influences the range of sulphur emissions in the exhaust gas. We adopt appropriate technologies that mitigate air emissions, following the best available techniques (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 fundamental parts of the Group's activities to mitigate environmental impact. Our monitoring guidelines align with recognized international reference documents such as the Global Reporting Initiative standards and GCCA Sustainability Guidelines for monitoring and reporting emissions from cement manufacturing.

In 2023, 100% of clinker production was monitored through Continuous Emission Monitoring Systems (CEMS) and discontinuous measurements of all emissions, thereby increasing the frequency of sampling. At the Group level, 98% of total clinker production was monitored through CEMS for the main pollutants: dust, nitrogen oxides (NO_x), and sulphur oxides (reported as SO₂).

Volatile Organic Compounds (VOCs), measured as Total Organic Compounds (TOC), are also reported. Even in very small quantities, emissions of volatile or semi-volatile heavy metals and their compounds, and polychlorinated dibenzodioxins and dibenzofurans (PCDD/Fs) are relevant. These emissions depend on the 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 part of the clinker composition.

In 2023, we had an overall improvement in the main air emission indicators due to the effectiveness of filter systems for dust emission reduction, more stable operating conditions for NO_x emissions, and lower sulphur content in raw materials and fuels for SO₂ emissions. Compared to 2022, two white cement production kilns were not operational, which had an impact on total emissions considering the different operating conditions of white cement production compared to grey.

During the year, we received no relevant fines or penalties²⁶.



Cement plant in Anqing, China

²⁶ In Egypt, one penalty was received due to a communication error to the administration for an amount of about 400 €.

Air emissions	2023	2022	2021
Clinker produced with CEMS²⁷ and discontinuous measurements of all emissions			
% of total production	100	100	95
Clinker produced with CEMS of dust, NO_x and SO₂			
% of total production	98	100	100
Dust			
tons	172	206	213
g/t clinker	21	25	25
NO_x			
tons	10,821	10,922	10,583
g/t clinker	1,344	1,353	1,206
SO₂			
tons	1,405	1,578	1,982
g/t clinker	175	195	226
TOC			
g/t clinker	37	44	43
n. of kilns reporting	15	17	17
Hg			
g/t clinker	0.006	0.006	0.014
n. of kilns reporting	15	17	17
PCDD/Fs²⁸			
µg TEQ /t clinker	0.009	0.014	0.034
n. of kilns reporting	15	17	17
ΣCd, Tl			
g/t clinker	0.007	0.009	0.014
n. of kilns reporting	15	17	16
ΣOther heavy metals²⁹			
g/t clinker	0.07	0.11	0.11
n. of kilns reporting	15	17	16

²⁷ CEMS - Continuous Emission Monitoring Systems.

²⁸ 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).

²⁹ 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.

HEALTH AND SAFETY IS A COMMON VALUE

Over the past three years, we have initiated a significant cultural change so that health and safety is perceived and experienced in daily activities as a common value. The trend of accident indices is confirming the effectiveness of our action plans adapted to individual industrial sites. We are aware that all accidents and work-related illnesses are preventable. Our **'Zero accident strategy'** is well founded on this principle.

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's guidelines and standards and the regulations in the countries where we operate.

The **Management Systems Certification Program** has been completed for cement. All cement production plants are ISO 45001 certified. We plan to certify all ready-mix concrete activities by 2027.

The Group's monitoring guidelines are consistent with recognized international reference documents such as the Global Reporting Initiative standards and GCCA Sustainability Guidelines for the monitoring and reporting of safety in cement and concrete manufacturing.

HEALTH AND SAFETY - PROGRESS IN 2023

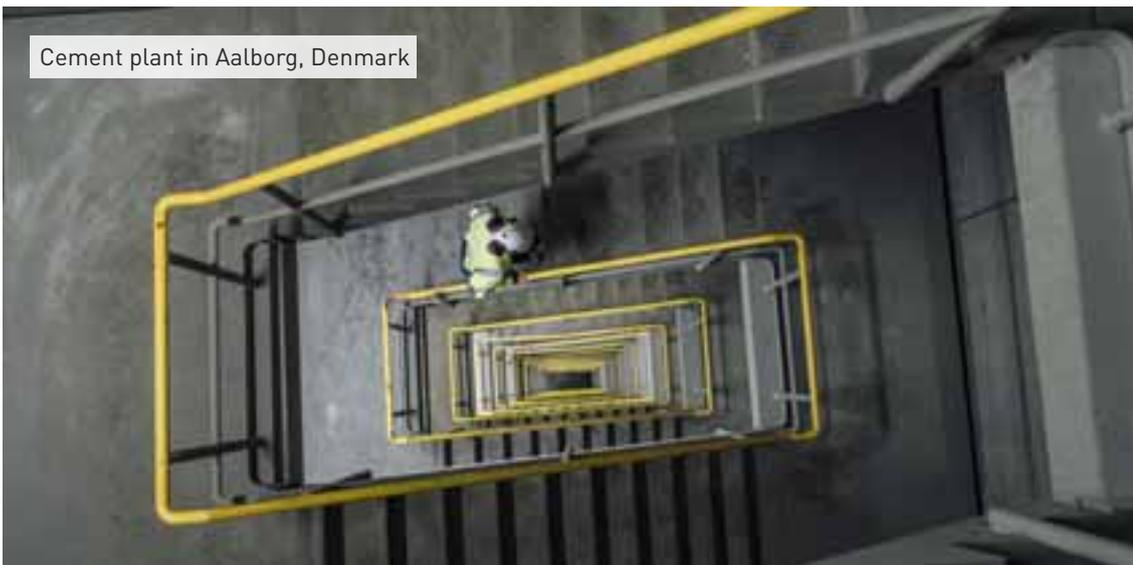
According to our sustainability roadmap (see paragraph "*Cementir Roadmap 2030*") we started new industrial projects, in particular in cement. Working hours increased by 3% compared to 2022 mainly for contractors.

No fatal injuries occurred among employees and contractors/subcontractors. The total number of lost time injuries has been reduced by 16% compared to 2022. One injury occurred in Türkiye with more than six months of absence; the worker is expected to recover by the first semester of 2024.

All incidents, starting from high potential events, have been analyzed and investigated to determine the root causes and identify corrective/preventive actions that have already been implemented/planned.

In 2023, the main causes of incidents were slips, trips and falls (about 30% of the total, 40% in 2022) mostly concerning behaviours we focused on during the World Day for Safety and Health at Work thorough specific and additional training and awareness-raising initiatives.

Cement plant in Aalborg, Denmark

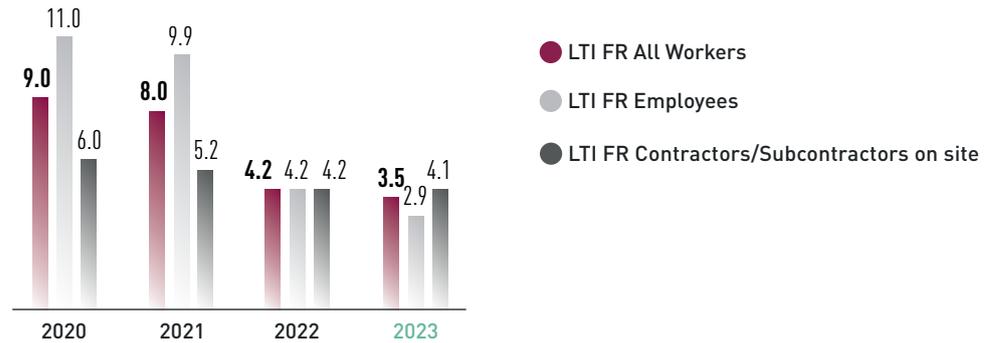


In 2023, the total lost time injury rate improved by 17% compared to 2022 and by 51% compared to the average for the previous three-years. The total recordable injury rate improved by 11% compared to 2022. Total severity rate of injuries also decreased more than 20% compared to 2022.

The table below shows the evolution of the lost time injury rate from 2020 to 2023 for all workers (including both employees and contractors), employees only and contractors only.

LOST TIME INJURY FREQUENCY RATE (LTI FR)

(number of injuries with working days of absence/hours worked) x 1,000,000



In 2023, all of our companies continued to implement Health Management Systems with the objective of promoting and maintaining the health and well-being of employees and ensuring adequate risk management in the workplace. Almost all the employees are included in the health monitoring programs, considering the task risk evaluation for each of them. In 2023, there were around 2,100 health checks (around 1,700 in 2022). They were conducted in compliance with the health protocols defined by the Occupational Physicians. During the year, no occupational illness allegations were received.

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



Like every year, the Group celebrated, in a coordinated manner, World Day for Safety and Health at Work. This common value constitutes a pillar of the Group's sustainability in which the continuous involvement of workers is fundamental.

During that week all workers were involved in the "One step at the time" communication campaign. Each Group's business/site has implemented specific and additional initiatives focused on the topic of prevention of slips, trips and falls, one of the main causes of accidents in the Group and throughout the world.

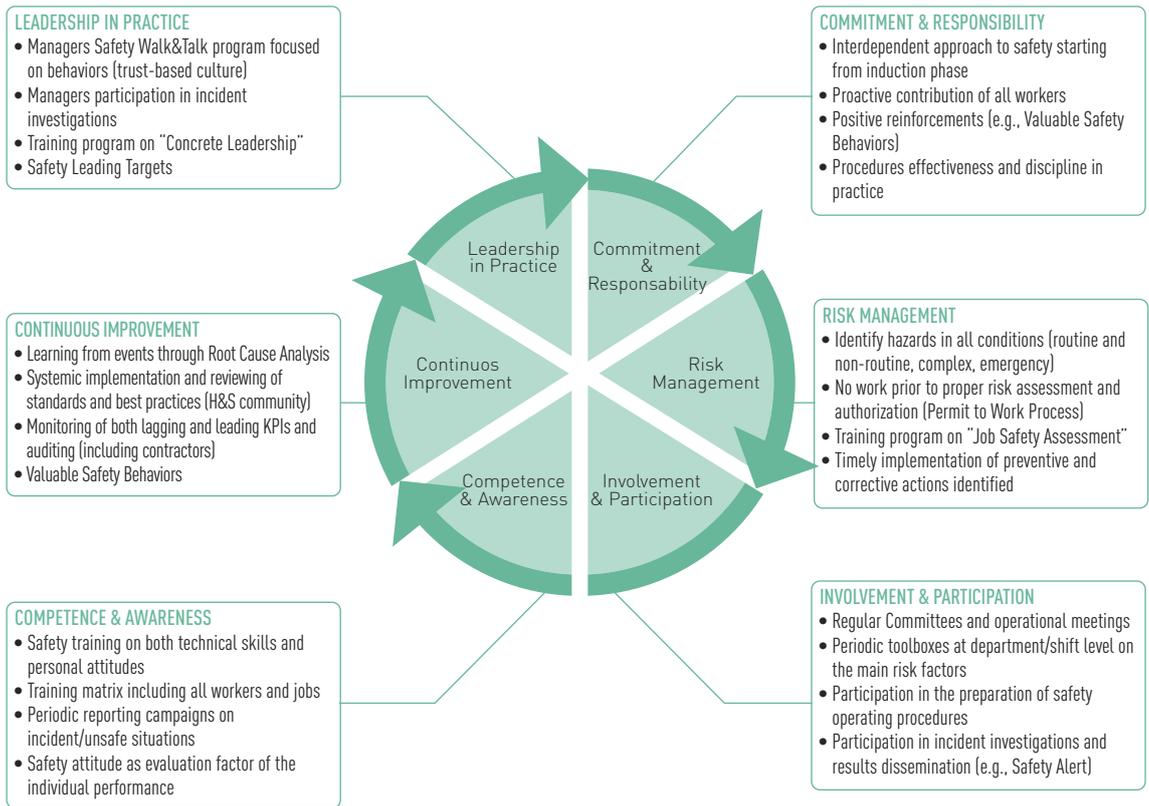
Knowing the causes and identifying actions to prevent such incidents is a fundamental condition for minimizing risks from a collective perspective. The level of involvement and active participation of workers, supported by specific communication tools, was more than satisfactory. Safety topics relating to these risk factors were addressed through specific initiatives such as team simulations, safety walk&talks and additional training sessions.



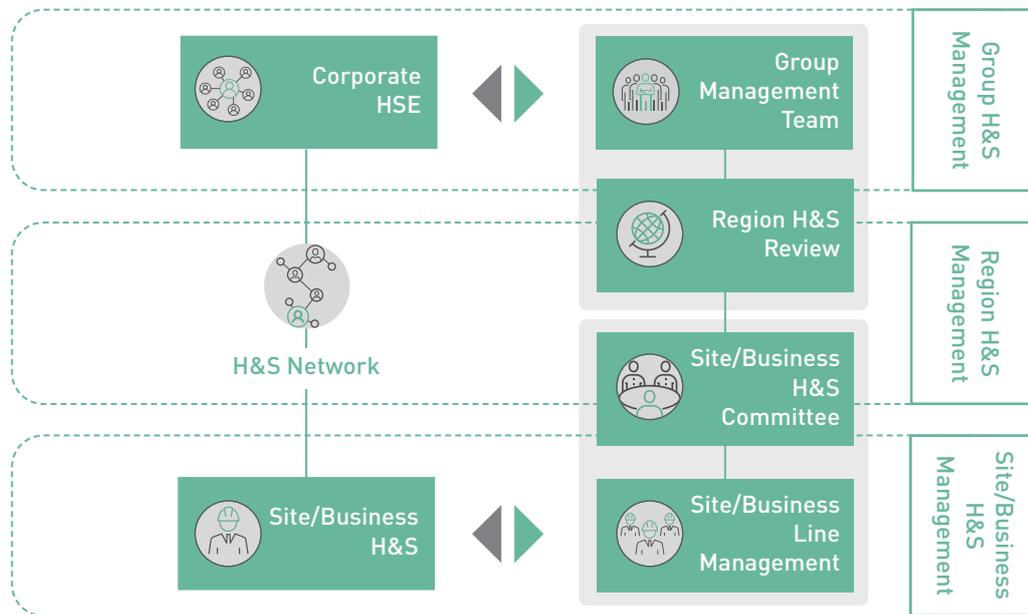
HEALTH AND SAFETY - SIX PILLARS OF ACTION

Our roadmap to strengthen safety culture is based on six pillars of action where interdependent approaches by workers is a key expectation.

To be effective in the implementation of our “Zero accident strategy” the main attitude required, starting with our managers, is leadership to be felt through visible and exemplary behaviors, proactive commitment and indeed the involvement of workers viewed as a team.



HEALTH AND SAFETY - GOVERNANCE



The **Group Management Team (GMT)**³⁰ - 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 and homogeneous improvement. The Corporate Health, Safety & Environment Function supports the Group Management Team in performance analysis and evaluations and proposes changes to Group policies.

The **Corporate Health, Safety & Environment Function** is in charge of the definition of 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 recognized 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 a technical area, supports all organizations in sharing competences, good practices and initiatives. The Network consists of all Health & Safety managers/coordinators at site/business level which support the line management technically in the implementation of management systems at local level (e.g. risk factors identification and assessment, safety operating procedures, operational standards and controls, incident investigations, inspections, etc.). The Network deliverables are constantly disseminated to all workers through local Health & Safety (e.g. safety alerts, common rules and standards, valuable safety behaviors, etc.). During 2023 the Network met 11 times, the same as in 2022.

³⁰ The GMT, composed of the Group COO, CFO, Sales Officer, Procurement Officer, Technical Coordinator Officer, Information Technology Officer, HR 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.

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.

A set of common **leading indicators** are set across the Group. The monitoring of action plans and the measurement of their effectiveness, through these indicators, is allowing better understanding of links between “Zero accident strategy” implementation and results.

In 2023, the **Health and Safety Balanced Scorecard** tool - developed by the Corporate Health, Safety & Environment Function - was evaluated for three cement plants. This tool is meant to verify the management levels achieved considering the objectives set and the Group minimum requirements measured by lagging and leading indicators. In 2024 we plan to extend this evaluation process to ready-mix concrete business.

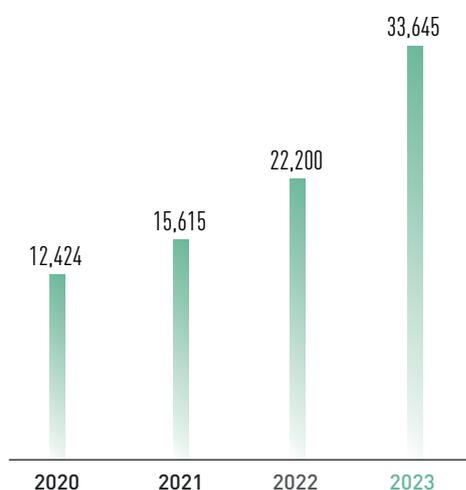
Specific **Health and Safety targets** are considered in short-term remuneration for representatives and managers based on risk level of the different business (see the paragraph ‘*Remuneration strategy*’ for further details).

HEALTH AND SAFETY - COMPETENCE AND AWARENESS

Competence of workers in health and safety includes the knowledge and skills needed to appropriately identify hazards and deal with the risks associated with their work and workplace. Over the years we have strengthened our commitment to improving workers' awareness and competences with a systemic and interdependent approach. In 2023, total specific health and safety training hours was 33,645 hours, an increase of 49% compared to 2022 mainly on behavioral aspects.

SPECIFIC HEALTH & SAFETY TRAINING

(hours)



Fire, Continuous training on emergency preparedness and response



We identify potential emergency cases and assess health and safety risks associated with such events to define a response plan at site level. We also classify the different scenarios considering the potential developments of the emergency itself. The skills and competencies of internal staff involved are also evaluated. Emergency and evacuation simulations are conducted annually to verify the effectiveness of responses.

The main emergency situations are explosions and fires. Emergency teams are regularly trained on such scenarios and

how to manage them (e.g., the use of fire-fighting systems and equipment).

Driving safety, Attitude in managing blind spots

Our goal is to influence the safety attitudes of our truck drivers, involving them in risk identification, rules, practices, and behaviors to follow for safe driving. During our continuous educational and training on driving safety, the main topic is driver proactivity with respect to the behavior of other road users and driving situations. In addition to management of the truck's safety devices, we focus on behaviors in the case of blind spots, one of the main important risk factors in the vehicle-human interface on the road.

We also stimulate truck drivers and road users themselves through appropriate communication labels (in different languages considering the countries where we operate) and tools to increase their attention.



Sinai White Cement partners with Ministry of Health in Egypt to enhance emergency response for employees and community



Sinai White Cement, the Egyptian subsidiary, in a collaborative effort to prioritize the health and well-being of employees and the surrounding community, formed a partnership with the Ministry of Health in Egypt to establish a permanent ambulance station located directly on the company's plant in the industrial area in Al Arish City-North Sinai Governorate. This ensures faster and more efficient emergency response for both employees and residents, considering that the nearest hospital is almost 60 km from the site. The safety and well-being of our employees and the community are our top priorities. By partnering with the Ministry of Health, we are taking a proactive step to strengthen emergency response capabilities and provide immediate medical attention in the event of an accident or health emergency.

The permanent ambulance station is available 24/7 and is fully equipped with essential medical supplies and staffed by qualified medical personnel. This initiative aims to significantly reduce response times for emergencies within the plant and provide critical support to the local community, particularly for those residing in areas with limited access to healthcare facilities.

This initiative further strengthens the company's commitment towards local communities.

GROUP PEOPLE SURVEY



The Cementir Group's HR strategy, which serves as an 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'. Mirroring the survey performed in 2019, it involved all Cementir employees, with an overall participation rate of 88% (+5% vs 2019 result) and a general Employee Satisfaction Percentage of 65% (+3% vs 2019 result).



After the results were shared across the Group, specific action plans were launched at both local and Group level.

Taking into consideration the main feedback provided by employees, Cementir has defined main actions to be carried out with different priority levels, with the aim of fostering a positive and productive work environment, where employees can communicate effectively, learn new skills, and feel valued and appreciated.

The Group Action Plan has been defined, approved, implemented and monitored by the Group Senior Management Team³¹ with periodical updates to all employees.

Different areas for improvement have been identified:

- **Communication & Collaboration:** this involves improving relations within and among departments, as well as relations within the Group, establishing clear and new communication channels for employees;
- **People Growth:** this focuses on enhancing and developing employees' skills through the creation of learning and development opportunities;
- **Respect & Recognition:** this aims to celebrate the achievements and milestones reached, and to promote welfare and well-being across the organization with specific actions related to local needs;
- **Efficiency & innovation:** this seeks to boost process improvement strategies and promote the digitalization across the different departments.

During 2023 the entire organization worked on the implementation of the above-mentioned plan, a list of concrete initiatives that includes:

- **New Intranet launch:** the Group Intranet has been restructured, re-designed and enriched to introduce a new user-friendly interface and simplify the contents and navigation pane. The new Intranet also includes new local pages for all the regions that previously didn't have a local Intranet page to communicate with employees;
- **LinkedIn Learning:** continuous learning opportunities have been expanded through the new LinkedIn Learning platform which provides our employees access to countless courses to improve and increase their skills in different fields;
- **Digitalization roadmap:** specific actions in each department, with a preliminary focus on HR departments, have been implemented to promote work efficiency and flexibility through the use of digital solutions (e.g. digitalization of internal signing process, monthly reporting automation, etc.).

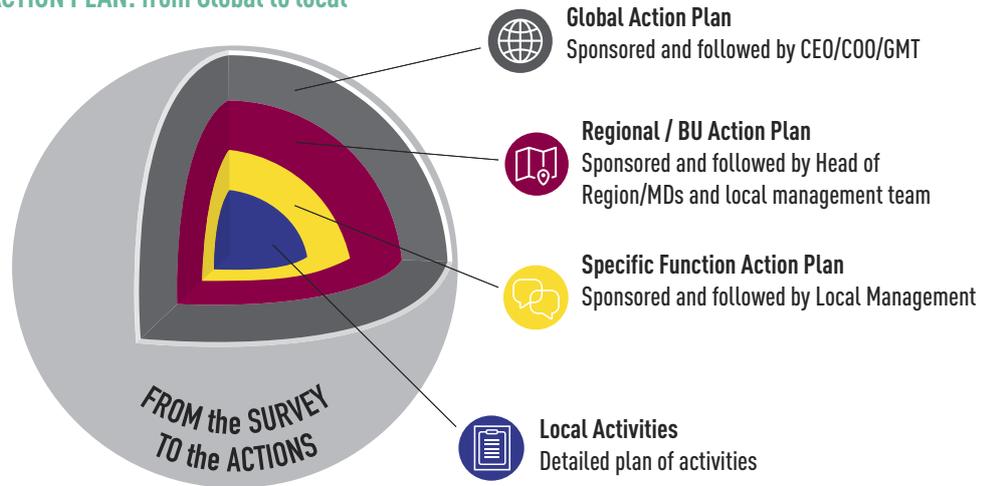
Specific actions related to local environments as well as all the actions related to "Respect and Recognition" area have been managed at local level in accordance with the specific needs and regulations.

³¹ The Group 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).

ACTION PLAN: from Global to local



Among the various initiatives, after a four-year gap, the Group organized the Cementir Holding Annual Meeting 2023, “One Team, Evolving Together”, in Rome. This event brought together executives and representatives from all Regions.

The two-day meeting was filled with inspiring panels and discussions aimed at deepening the key pillars of our strategic posture to further enhance our results.

During the meeting, various topics were analysed:

- **Sustainability:** in the “WE INNOVATE” panel, the Group’s sustainability road-map and the goal towards the improvement for the 2030 objectives and the net zero carbon emissions for 2050 were presented;
- **Health & Safety:** in the “WE PREVENT” panel, the Group’s commitment to a zero-accident strategy were shared, as well as best practices and initiatives implemented across our Regions;
- **Process improvement:** in the “WE ADVANCE” panel, the Group digitalization strategy for the near future in order to achieve process harmonization and boost automation, was proposed;
- **Innovation and Artificial Intelligence:** in the “WE DISCOVER” panel, various artificial intelligence features and their applications in the industry were introduced;
- **Communication and Culture:** in the “WE TEAM UP” panel, the Group strategies to improve communication and collaboration across departments and Regions/BUs were defined taking into account the input from the 2022 Group People Survey.



Cementir Holding Annual Meeting 2023

Employee Experience Team

In 2022 the **Employee Experience Team** was formed in Türkiye with the purpose of involving employees in the decision-making 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 different topics, from the proposal of activities to improve the well-being of employees, involvement in social responsibility projects that also affects the local community and the organization of employee meetings to stimulate discussion and meetings. The team aims to focus on the most important points that can positively impact employee engagement and motivation. They then submit these ideas to the management team that, if it finds them interesting, approves and implements them.

In 2023 they organized a basketball tournament with the participation of employees from various departments and they organized the participation of two team in Dragon Festival (corporate rowing racing).

TALENT REVIEW AND SUCCESSION PLANS FOR KEY POSITIONS WITHIN THE GROUP



In 2023, a Group talent review was conducted with the aim of obtaining an overview of performance trends and assessing potential readiness for advancement into higher or more complex roles. This process enabled us to identify key individuals for retention through development plans and to pinpoint key roles that need to be filled by a roster of potential successors in the short, medium, and long term, thereby ensuring 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 in line with the Industrial Plan and the main strategic goals. Further analysis of the results obtained by mapping internal successors highlighted the improvement of some KPIs, mitigating the potential risk of business discontinuity. This led to some personnel development decisions, such as Group development programmes, changes in management and international mobility programmes).

TALENT ACQUISITION



Following the Group approval policy that provides better clarification of roles and responsibilities, we ensure effective stakeholder management and we enable local accountability for each recruiting process.

The use of online assessment tools and structured interview processes, coupled with the consolidation of a strong partnership between corporate and local HR, enables the company to achieve expected targets in terms of hiring quality and employee engagement.

PEOPLE EVALUATION AND DEVELOPMENT



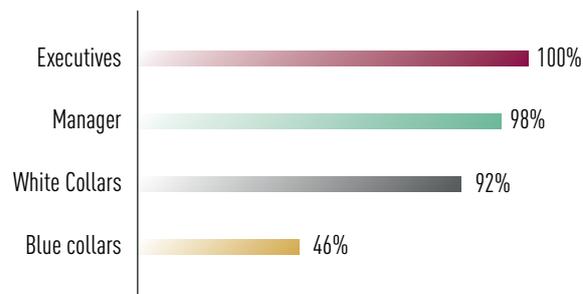
The Group re-launched the Annual Group Performance Management process that involves all executives, managers and white-collar employees

In 2023, the Group re-launched the Annual Group Performance Management process that involves all executives, managers and white-collar employees that were hired within the first half of the year. Employees hired in the second part of the year, will be involved in the process starting from the following year.

This approach 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 perspective on performance evaluation. It is not only a tool for aligning people with business strategy but also a process that can stimulate constant development of organisational skills and competencies among people.

EMPLOYEES WHO RECEIVE REGULAR PERFORMANCE REVIEWS



Excavator at quarry operation



REMUNERATION STRATEGY



Cementir adopts a competitive remuneration system which guarantees a balance between corporate strategic objectives and recognition of the merits of Group employees. By using variable short and medium/long term remuneration components, the Policy is designed to align staff interests with the pursuit of the priority objective - value creation - and the achievement of financial and sustainability objectives.

This objective is also pursued by linking a significant portion of remuneration to the achievement of defined performance targets, by means of both the short-term incentive scheme (STI) and the long-term incentive scheme (LTI).

In 2023, within the STI Program, which is fully integrated in the Performance management process, the Group continued to enhance the ESG objectives at all levels of the organization. The ESG objectives are included in the STI Program of all executives and middle management of the Group.

Particular attention was directed to the issues of CO₂ 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 as represented in the following table.

Main ESG objectives



The remuneration of the whole C-level is strictly linked to ESG topics. Occupational Health & Safety target and CO₂ emissions reduction target are included in the STI program of all C-level employees. Specifically, these KPIs account for 15% - 20% of their remuneration. Therefore, ESG related issues have a consistent and specific weight in determining the variable remuneration of senior executives.

The LTI Plan consists of three three-year cycles, each providing for the payment of an incentive subject to the achievement of performance targets at the end of the performance period. This plan ensures the long-term retention of a selected group of Group managers in strategic positions.

The Plan proposed the following objectives:

- allow beneficiaries to focus on medium/long-term objectives in order to create sustainable value over time in line with the Company's strategic objectives;
- act as a tool for retaining beneficiaries;
- align compensation packages with market practices.

NON-COMPENSATION BENEFIT



The Group provides several packages of non-compensation benefits aimed at boosting employee engagement, improving employee retention, attracting top talent in the market, and increasing job satisfaction. These benefits are designed to enhance employees' lives both inside and outside of work. They are a crucial part of Cementir's commitment to creating a supportive and rewarding work environment.

Different packages are provided depending on the particularities of each country where the Group operates, taking into account different local customs, social needs, and legal requirements.

In the table below, the non-compensation benefits have been grouped by type, and the total number of employees eligible for these benefits in 2023 has been reported.

Type of benefits	Total eligible employees (Employees eligible/ Total n. of Employees)
INSURANCE (e.g. health insurance, life insurance, injury insurance)	100%
PENSION FUND (e.g. private pension fund)	91%
HOUSE ALLOWANCE (benefit that is given to employee, on a regular basis, in order to help him/her pay for the house)	12%
FUEL SUPPORT/ALLOWANCE (benefit that is given to employee, on a regular basis, in order to help him/her pay for the fuel/reimbursement of fuel expenses sustained by employee)	4%
MEAL & CANTEEN (benefit that is given to employee, on a regular basis, in order to help him/her pay for the meal/ canteen service given to the employee)	89%
COMPANY CAR (company car given to the employee)	7%
WELFARE (broad range of benefits and services offered to employees, e.g. prepaid vouchers for purchasing different from food)	34%
Other benefit (Other benefit given to employee for specific reasons (e.g. birthday, climate conditions))	41%



The Cementir Academy continued its extended mission to support Cementir's 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 anticipated in previous years, since last year we have been able to resume 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:

- **LinkedIn Learning.** Launched at global level according to the Global People Survey action plan, this new platform offers to all white collars a variety of courses on business, technology and soft skills. Employees can choose to enrol in any course that interests them, without any obligation or requirement and, at least on a quarterly base, Group and local HR team provide a list of suggested courses based on the training needs identified during the Performance Process. The courses are delivered in seven different languages and cover more than 16.000 topics.
- **New online courses.** We launched some **new online courses** in Cementir's Academy catalogue, such as Cybersecurity minipills and Diversity, Equity & Inclusion.
- **The Graduate program.** This is a global initiative dedicated to new engineering graduates, with the aim of selecting, training and growing eight young talents to build our future leaders. Three different countries (Denmark, Türkiye and Belgium), coordinated by Group HR, were involved in the second edition that was redesigned according to feedback received last year and with the aim of continuous improvement. The program, entirely designed and developed by internal resources is ongoing and will end up in September 2024 with the assignment of the participants to a technical role to start their professional career path. So far about 60 internal trainers/tutors have been involved with more than 430 training hours including on the job training and project work assignments.
- **The Emerging Talent program.** This is the key programme for developing the leadership and managerial skills of our internal talents. The three modules have 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 first and second modules took place in 2022 and the third one in 2023. In September 2023, a follow up event took place in order to keep in touch with our talent pool and discuss the results and their career development;
- **The celebration of World Day for Safety and Health at Work** as an opportunity to focus on our Golden Rules of Safety through specific initiatives such as team simulations, safety walk & talks and training sessions. In 2023, the key topic of the day was the "prevention of slips trips and falls" (further information available at *Health and safety - Progress in 2023*).



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 next page.



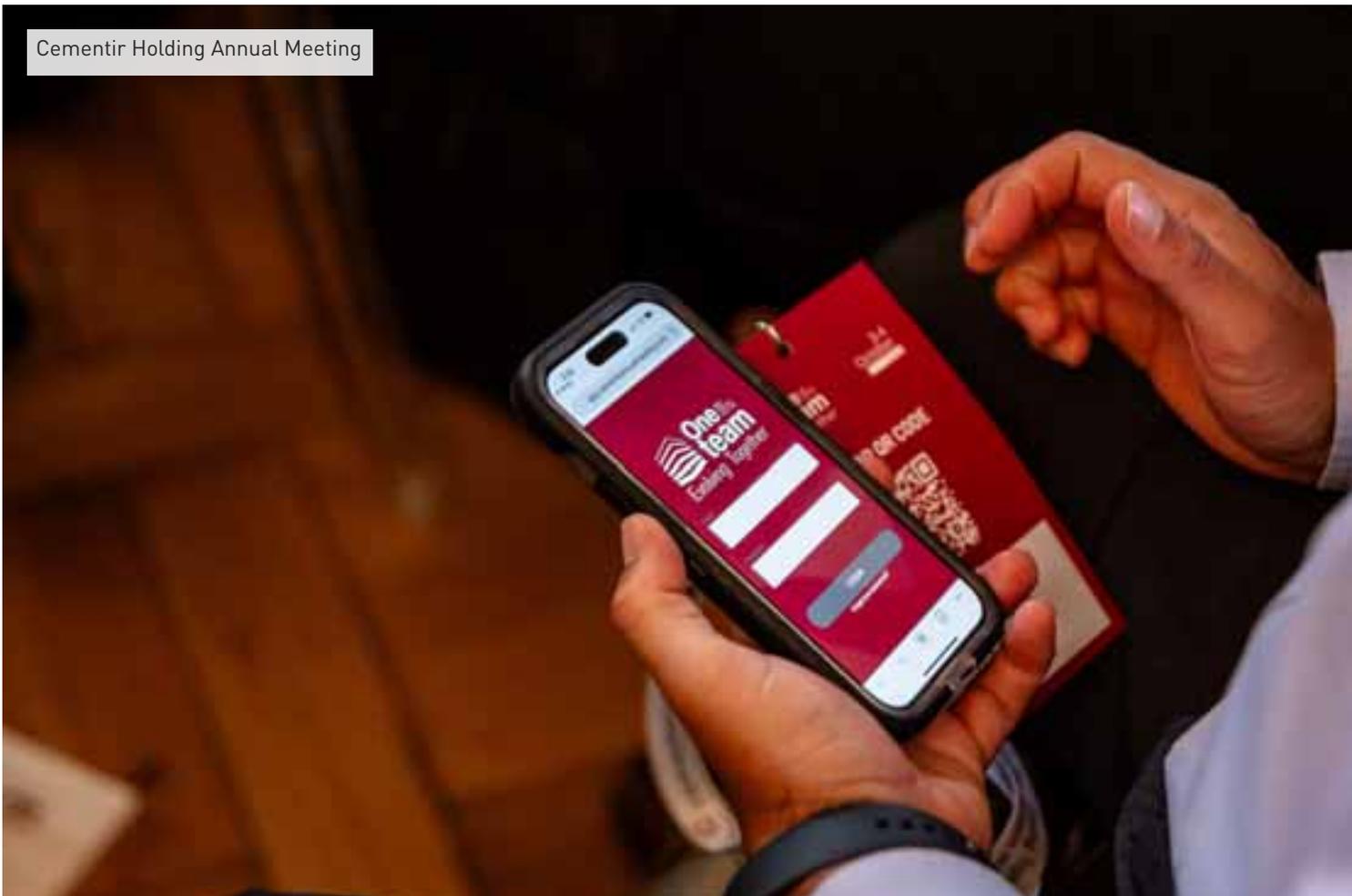
**Mandatory online training
for newly hired employees**

- Code of Ethics
- Cybersecurity
- Cybersecurity - Deepfake
- Cybersecurity - Ransomware
- Cybersecurity - Spear Phishing
- Diversity, Equity & Inclusion
- 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.

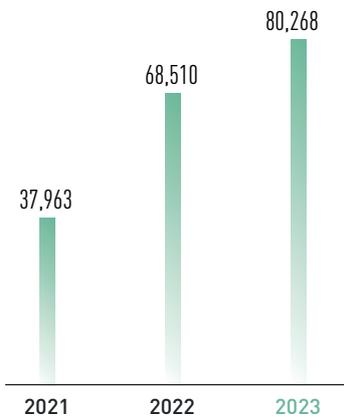
More than 80,000 hours of training were provided in 2023, 25.9 hours per member of staff. The measures put in place involved the entire Group workforce in a cross-functional and balanced way covering various roles, as can be seen from the summary table of training hours by professional category.

Cementir Holding Annual Meeting



TOTAL HOURS OF TRAINING

(hours)



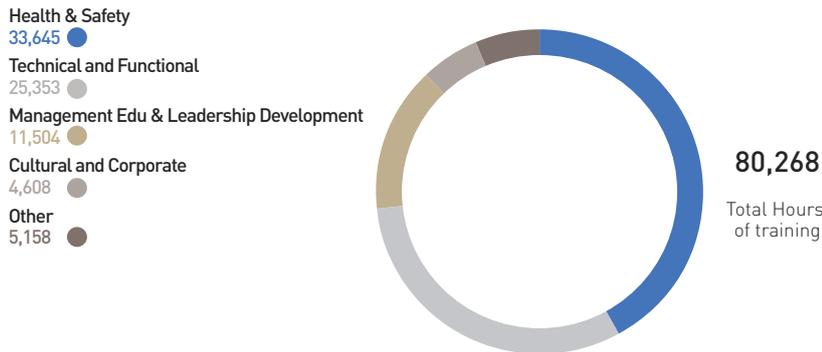
HOURS OF TRAINING BY PROFESSIONAL CATEGORY



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.

HOURS OF TRAINING PER CATEGORY

(hours)



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 (e.g. environmental training).
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 Group Diversity, Equity and Inclusion policy 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

The production sector, where the Group is active, is historically characterised by a predominantly male workforce. Analysis of 2023 data on personnel distribution shows that 87% of employees are male. This is widely linked to a high prevalence of men amongst blue collar employees (the main category of staff).

The Group continues 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 setting and proposing new ambitious targets and related key achievements, such as:

Objective	Target	2023 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
	The number of directors of the less represented gender shall not decrease below 4 in case of a Board formed of up to 9 directors	50% from April 2023
	At least 3 directors of which at least 1 independent director younger than the CEO	5 directors of which 1 independent director
	At least one director has specific expertise in ESG with particular focus on social issues	1 member from April 2022
Diversity in Global Graduate program	Having at least 25% for the less represented gender involved in the program	38% in 2023 edition
Diversity in Emerging Talent program	Having at least 25% for the less represented gender involved in the program	29% (result already achieved in 2022)
Diversity in Senior management team ³²	Less represented gender is at 19% (May 2022) and we target to increase by 1% by the end of 2023	21% at 31 Dec 2023

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.

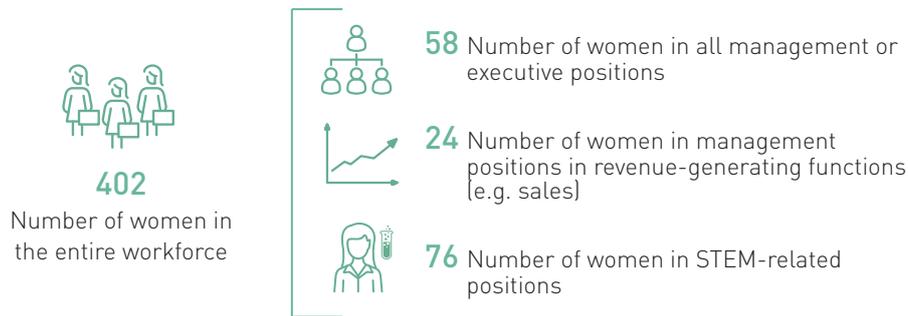
³² The senior management team is:

- Group COO
- Group Chief of each Professional Family
- Head of Region/BU Managing Director of the local subsidiaries
- Their first direct reports

In this category are not included the Group CEO (Cementir Holding Board of Director member), the assistant roles and the positions related to non-core business activities (e.g. Waste, precast, ...).

The calculation is according to the Dutch DE&I reporting system (SER).

Shown below are the number of women, recorded in 2023, 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.

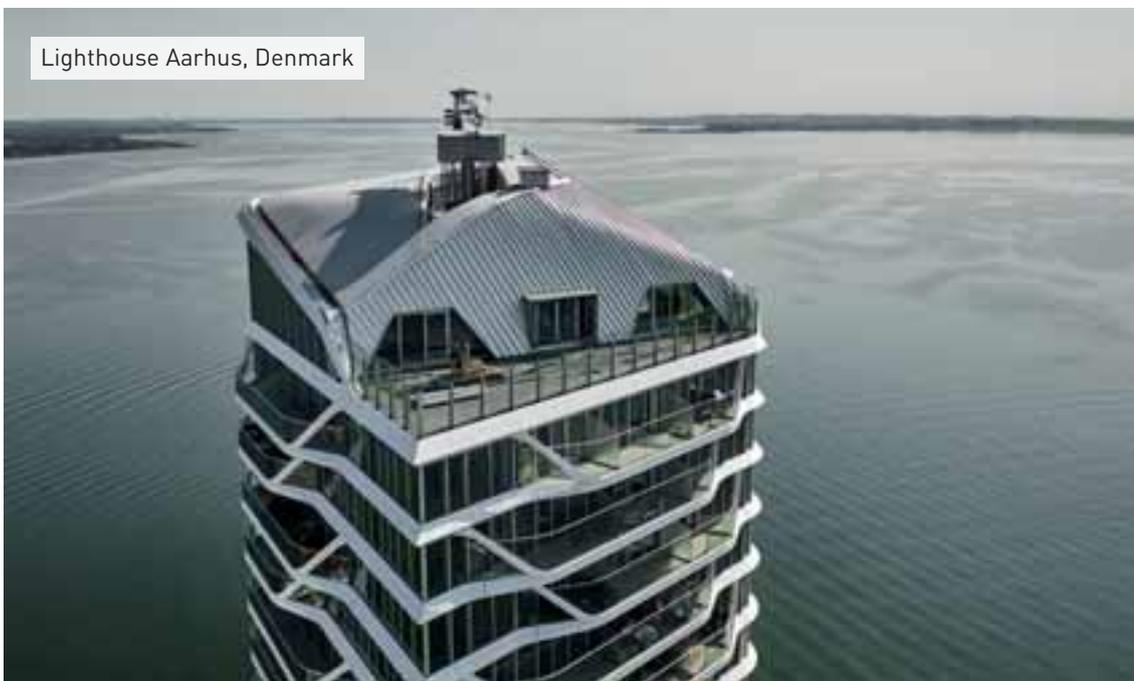
STEM: Science, technology, engineering and mathematics. STEM workers use their knowledge of science, technology, engineering or mathematics in their daily responsibilities. To be classified as a STEM employee, the employee should have a STEM-related qualification and make use of these skills in their operational position. Positions include, but are not limited to: computer programmer, web developer, statistician, logistician, engineer, physicist, and scientist.

Cementir is committed to supporting its employees in their parenthood journey. As of the end of 2023, all women working in the Group were entitled to take leave from their job due to the birth of a child, helping them balance their career with their growing family responsibilities. The *Appendix* contains additional information about the total number of employees that were entitled to parental leave; the total number of employees that took parental leave and the total number of employees that returned to work in the reporting period after parental leave ended.

Belgium: Les P'tits Soleil

The Belgian subsidiary of the Group, CCB, recognizes the importance of parenthood and is aware of the difficulties in accessing nursery school and has thus established a partnership with a local school. CCB annually funds the school, financing both the school itself and the canteen service. This practice means children of the Belgian employees to have access to it.

Lighthouse Aarhus, Denmark



GENDER PAY GAP

In 2023 the Group confirmed its commitment to diversity, equity and inclusion collecting data to carry out a preliminary analysis on the Gender Pay Gap.

The analysis was conducted through a pilot study in Türkiye considering all manager and white-collar employees (excluding the Senior Management Team). The operations in Türkiye account for 25% of total employees in the Group. The objective was to analyze the differences between men and women in terms of the Basic Annual Wage.

The HR department has conducted a preliminary benchmark on the Cement Industry to verify the available information and activities about this topic and to confirm the methodology used by looking at other industries. In relation to the methodology, the pilot study was conducted according to the international best practices, analyzing the data by average and median values by gender. The analysis was carried out by considering the average wage for men and the average wage for women and calculating the percentage difference (male/female). The same approach was used for the median.

Related to the outcome of the analysis, it is important to note some conditions related to the Cement industry that affect the high-level analysis:

- There are more men than women (16% women vs men in the Turkish pilot);
- Women are under-represented in the business department compared to staff department (11% vs 30%).

The mean gender pay gap across the Turkish operation is 30%, while the median pay gap is 40%.



Considering the abovementioned conditions of the Cement industry, the HR department has conducted a deeper analysis by role showing that men and women are paid the same salary for equivalent levels of work when the presence of the less represented gender is statistically significant. Below the Gender pay gap results limited to employee working in technical and finance department.

	Sub-Department/Role	% women vs men	Results
Technical	Quality	25%	MEAN 5% MEDIAN 8%
Finance	Accounting	60%	MEAN -2% MEDIAN -3%
	Planning, Budgeting & Control	67%	MEAN 2% MEDIAN 2%

For 2024 the Group is considering extending the analysis to other countries consolidating the approach by taking into consideration also the new guidelines related to the CSRD requirement.

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 ratified³³ 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 2023'*) has been regularly carried out in each country. Cementir has also worked on the training plan to support the dissemination of these topics by launching specific training (mandatory and non-mandatory) on DE&I in 2023 leveraging the various digital tools.

Happy Workplace

In 2023 the Turkish subsidiary, Cimentas, won the **Happy Workplace** certificate. The methodology behind this certificate involves a two-step analysis. Companies undergo evaluation both internally, with a survey addressed to employees, and on their HR governance, with a verification of the company's adopted practices. This certificate is awarded to companies that score above 70, demonstrating unparalleled standards for employee happiness within their respective industries.



³³ 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 3,086 employees, spread across 18 countries and 5 continents, as well as 964 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 summarises³⁴ the main workforce figures by category as of 31 December 2023.

Cementir Group	12/31/2023			12/31/2022			12/31/2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Employees	2,684	402	3,086 ³⁵	2,705	416	3,121	2,723	401	3,124
Contractors	950	14	964	741	7	748	765	7	772
Executives	36	4	40	37	4	41	44	4	48
Manager	274	54	328	268	60	328	269	59	328
White collars	632	292	924	589	296	885	588	287	875
Blue collars	1,742	52	1,794	1,811	56	1,867	1,822	51	1,873
Total	2,684	402	3,086	2,705	416	3,121	2,723	401	3,124

In 2023, the overall turnover rate decreased to 16%, down from 17% in 2022, but up from 15% in 2021.



Ready-mix plant, Denmark

³⁴ The appendix contains detailed tables divided by country.

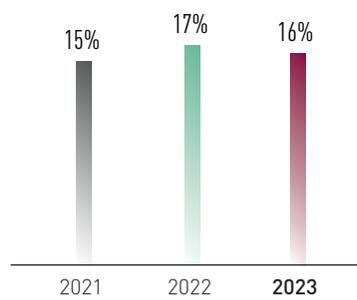
³⁵ The number of total employees included 100% of SCT as described into the methodology note.

An internal analysis was carried out focusing on the reasons for termination and departure. In 2022, the increase in the turnover rate was mainly related to the Covid-19 pandemic, during which a decrease in turnover rate was registered compared to the previous years. With the lifting of restrictions and the return of the industry environment to a more stable condition, the turnover rate has increased.

At the same time, Cementir also compared its turnover rate with the rate declared by the main competitors. The analysis showed that in 2020 and 2021, the turnover rate was 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 and strategies to mitigate the turnover rate.

OVERALL EMPLOYEE TURNOVER RATE



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.

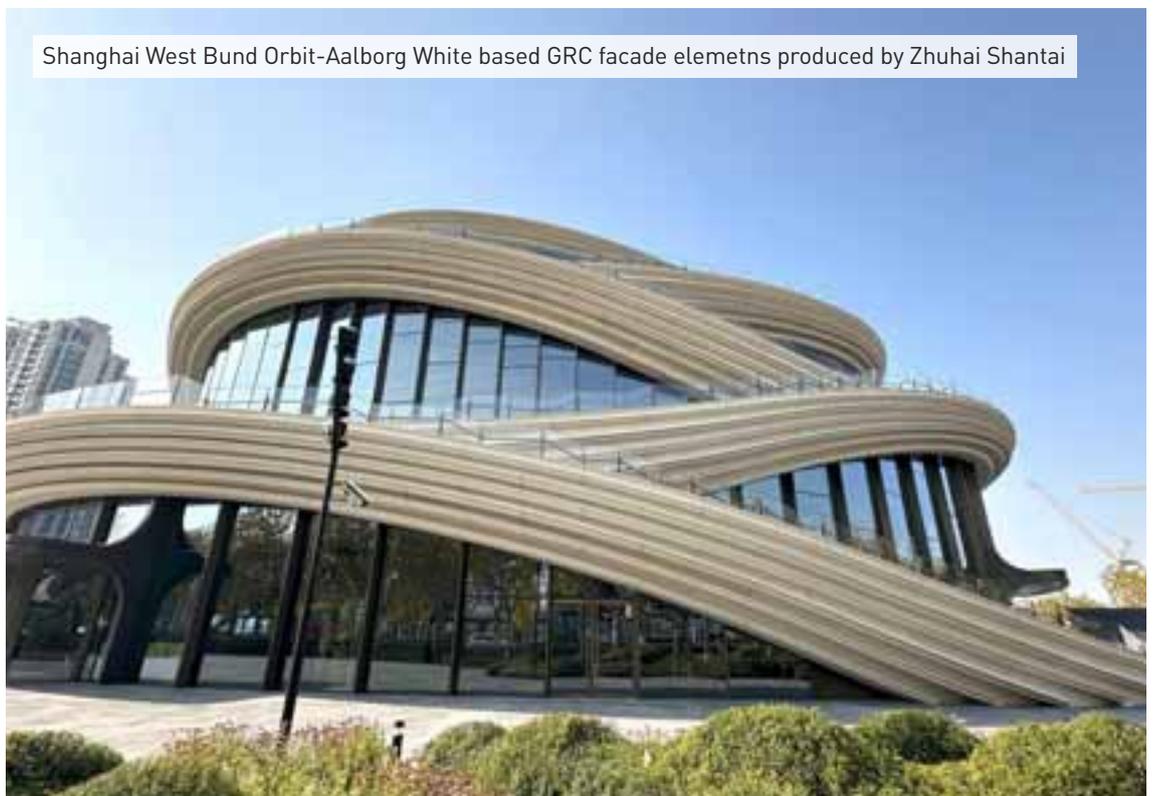
Around 61% of employees across the entire Group are covered by collective bargaining agreements, and this percentage varies from country to country depending on the applicable local legislation and on the job classification categories. Therefore, even the minimum number of weeks of notice that must be 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 employee 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 two day meeting held in Rome in June 2023 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 and Sustainability roadmap overview with a focus on the 2030 and 2050 goals and action plan;
- Investment and Projects update;
- 2022 financial results and 2023 first quarter results presentation;
- Cementorship Program;
- Training session about New Technologies

During the meeting, we reached an important milestone related to the four-year renewal of the European Worker Council agreement effective from January 2024.

Shanghai West Bund Orbit-Aalborg White based GRC facade elements produced by Zhuhai Shantai



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 a core principle of Cementir and directly linked to the company's purpose to positively affecting 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. Çimentoş 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).



Işikkent Educational Campus, Türkiye

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 plant 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 2023 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 the Elazığ and İzmir plants, based in Türkiye, to residential areas emphasizes the importance of constant dialogue with local communities, who are particularly sensitive to the plants' surroundings and visual impact. To tackle these precise concerns,

Çimentoaş is adopting specific strategies of involvement and communication with stakeholders interested in the issue, promoting opportunities for dialogue and mutual debate throughout the year. 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, Group companies operating in this industry have decided to define a specific engagement and communication plan aimed at its 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.

At the Group's level, Cementir's engagement with the community is globally reinforced by projects directly related to benefiting the local population and providing support.

In 2023, the total philanthropic contributions donated by the Group amounted to € 417,000, divided among charitable donations, community investments and commercial initiatives.

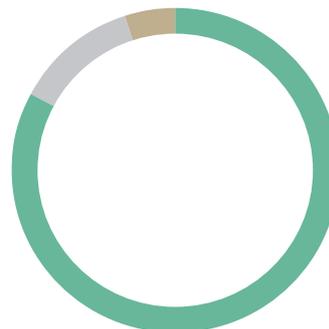
The grants by type of initiative are explained in the following tables.



DONATIONS BY TYPE

(Total € 417,000)

- Charitable donations 83%
- Community investment 12%
- Commercial initiatives 5%



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.

As discussion progress, some initiatives undertaken by specific subsidiaries of the Group at the local level are presented. In 2023, the Group's headquarter has decided to co-finance a project of the municipality to contribute towards a positive impact on the local community. It financed the purchase of a vehicle equipped for the transport of people living with disabilities in wheelchairs.

In **Türkiye**, cement companies and waste firms regularly donate food packages to local communities during Ramadan (a religious festivity), to renew their tangible efforts towards caring for and providing assistance to the local population. Additionally, the cement companies provide free cement to support the needs of villages close to plant locations. In 2023, **CCB - Compagnie des Ciments Belges** renewed its active involvement in providing support to and working closely with local community.

During the same year, the company opened up its quarries, narrowing the gap between internal and external stakeholders and allowing anyone who wishes to have access to visit its quarries.

The main event, '*Marche des carrières*' reached unprecedented records of attendance in the 2023 edition with more than 2,500 participants.

Each year, the local school (for children aged 3 to 12 years old), with the support of CCB, organizes a quarry walk in Gaurain with various routes (5,10,14 and 20 km). The walk starts and ends in CCB's car park, passing through the CCB plant, quarry and the forest. This allows all participants find out about the company and its biodiversity. Around thirty CCB employees willingly choose to participate and contribute their time to a good cause. Employees take responsibility for organising the walk and, furthermore, on the day of the event, they remain at the plant to supervise for safety purposes and provide explanations about the plant, activities, biodiversity and more.

In the Asia Pacific region too, the efforts of Cementir's subsidiaries towards the community are commendable.

Aalborg Portland China, the Chinese subsidiary, demonstrates a strong commitment to the local community. Among the activities consistently performed for their benefit, it's worth mentioning that during traditional holidays, some employees visit nursing homes to provide support and companionship to the residents.

Consistent with its role, **Aalborg Portland Malaysia** is strongly committed to supporting local schools and young people's education.

Among various activities, in 2023 the company also donated to an education fund, established for the families of former company employees who have passed away and makes a monthly contribution to a school for the intellectually disabled (*Sekolah Semangat Maju, Batu Gajah Branch*).

SOUTH TÜRKIYE EARTHQUAKE

At the beginning of February 2023, a devastating earthquake occurred in Türkiye causing physical and psychological damage. This phenomenon marks an indelible wound, which as a Group led us to immediately band together around our Turkish colleagues and their families.

Cementir decided, through its Turkish subsidiary Çimentoş, to immediately act and provide support in multiple ways and many employees have offered tangible contributions.

At the end of February 2023, Çimentoş committed to donating 20 million Turkish Lira³⁶ to provide in kind and/or cash donations and aid earthquake victims through institutions and organizations that are legally authorized to collect them.

During 2023, a total of 15 million in donations were disbursed and specifically directed towards:

- CESVAK Isikkent School, to cover the school fees and other education expenses of 10 students coming from the earthquake areas.
- Municipalities, for the support of permanent and temporary housing in the earthquake areas.
- A project in İzmir, to provide some workshops for students coming from earthquake area and their mothers.

³⁶ That in 2023 corresponded to approximately 1 million euros.

- The donation, among other things, of: generators, drills, crushers, medical equipment, polar blankets, sleeping bags, food packages, tents, heaters and many others.
- Establishing a collaboration with a well-being company, offering the opportunity for all employees to attend a webinar about managing emotions after trauma. Furthermore, some online painting activities were organised for employees' children to give them moral support.
- Some of Çimentoş employees have chosen to act on the front lines, by attending search and rescue operations in the earthquake area, by using some construction equipment in search and rescue operations or by taking charge in disaster coordination centre.
- Organizing a blood donation campaign that was internally supported and encouraged.

As of January 2024, 5 million Turkish Lira remains available and will be used to continue supporting ongoing assistance to earthquake-affected areas in 2024.

ÇİMENTAŞ EDUCATION AND HEALTH FOUNDATION



In Türkiye, through the Çimentoş 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. Over the years, in Türkiye, our local Foundation has run various educational projects such as the 'Işikkent Educational Campus', 'Çimentoş Primary School' and 'Çimentoş High School'.

Please visit the following link for further details: <https://www.isikkent.k12.tr/en-US>. and Çimentoş Eğitim ve Sağlık Vakfı – Çimentoş Eğitim ve Sağlık Vakfı (cesvak.org)



Işikkent Educational Campus, Türkiye

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 cement kilns. The solution to this energy loss was to implement a heat recovery system, in which 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 the local inhabitants. The recovered thermal energy is used to heat the homes of a maximum of 30,000 families. In 2023, Aalborg Portland delivered approximately 1 million GJ of energy to the municipality of Aalborg.

The annual CO₂ savings from this heat recovery system have been estimated at 150,000 tons. The calculation is based on the amount of CO₂ 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.



Workers at the construction site, Denmark

3 LOOKING AT THE VALUE CREATED

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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.

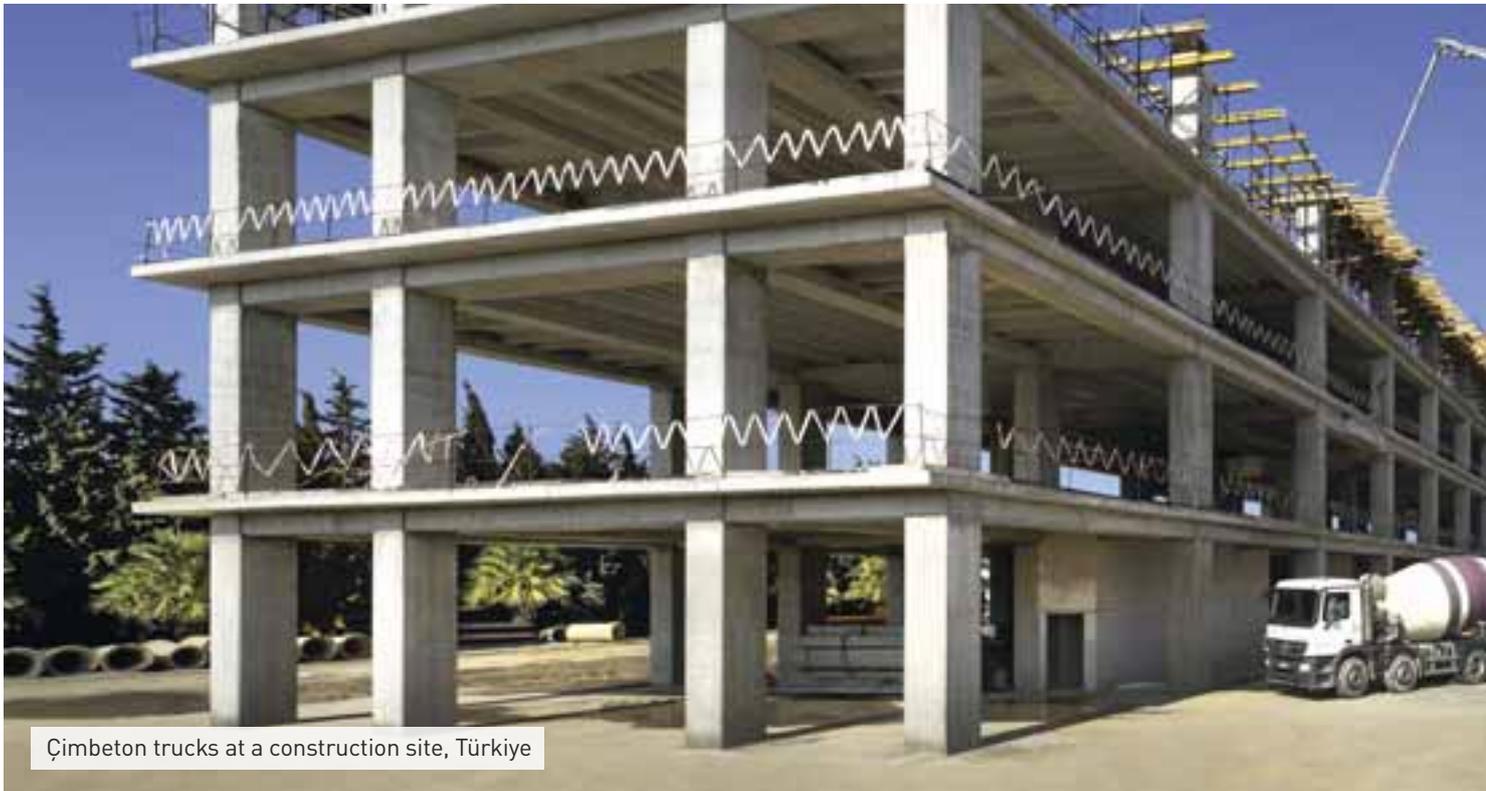
As far as commercial transactions are concerned, from a transfer pricing perspective, group's guidelines were introduced in order to comply with various countries requirements.

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.



Çimbeton trucks at a construction site, Türkiye

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

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) ³⁷
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.	74	39,516,835
Australia	Sales, marketing and distribution of cement.	4	23,309,251
Belgium	Manufacturing of cement and concrete; sales, marketing or distribution.	482	284,798,307
China	Manufacturing of cement; sales, marketing or distribution.	221	68,043,779
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.	759	410,395,463
Egypt	Manufacturing of cement; Sales, marketing or distribution.	72	41,321,084
France	Manufacturing of concrete; sales, marketing or distribution.	33	105,415,218
Iceland	Sales, marketing and distribution of cement.	10	18,871,721
Malaysia	Manufacturing of cement; sales, marketing or distribution.	205	30,086,896
Norway	Manufacturing of concrete; sales, marketing or distribution.	136	111,886,023
Poland	Sales, marketing and distribution of cement.	8	26,825,400
Spain	Holding of shares or other capital instruments.	0	0
Sweden	Manufacturing of concrete; sales, marketing or distribution.	119	43,165,818
Türkiye	Manufacturing of cement and concrete; sales, marketing or distribution; administration, management or support services; Holding of shares or other capital instruments.	763	306,601,696
UK	Waste management and recycling. Holding of shares or other capital instruments.	0	2,284,880
USA	Manufacturing of cement; sales, marketing or distribution; Holding of shares or other capital instruments.	200	181,724,190
Total		3,086	1,694,246,561

³⁷ The values are reported in Euros according to the exchange rates used in the annual financial report.

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)
7,114,000	(1,738,945)	23,128,614	(614,113)	(865,617)
0	1,083,496	486,014	(230,214)	(349,799)
63,182,000	60,612,789	325,649,357	(18,245,199)	(19,796,015)
0	14,401,621	35,239,812	(2,042,937)	(2,085,233)
68,051,000	130,107,795	238,599,845	(26,268,009)	(30,351,489)
8,934,000	28,390,259	17,574,900	(2,009,453)	(3,745,218)
9,000	5,696,133	7,216,925	(611,905)	(876,768)
0	782,715	1,751,737	(191,200)	(156,543)
15,030,000	4,423,565	23,059,636	(347,936)	(993,494)
0	(2,953,257)	27,177,192	(729,860)	5,668
116,000	800,441	744,717	(206,205)	(179,945)
0	(147,180)	0	(193,569)	(435,851)
2,871,000	1,026,642	20,093,287	(978,416)	(326,952)
16,145,000	41,059,494	187,725,570	(8,147,547)	(14,932,382)
0	675,941	0	0	0
1,116,000	6,488,376	82,192,241	(463,919)	(1,262,728)
182,568,000	290,709,885	990,639,847	(61,280,482)	(76,352,366)

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)	2023	2022	2021
Direct economic value generated³⁸	1,771,287	1,812,784	1,406,772
Total operating revenue	1,737,547	1,777,544	1,413,720
Financial income	17,430	5,820	5,891
Foreign exchange rate gains (losses)	15,538	28,448	(13,657)
Share of net profits of equity-accounted investees	772	972	818
Economic value distributed	(1,442,726)	(1,544,040)	(1,193,227)
Operating costs	(1,111,799)	(1,232,715)	(921,362)
Raw materials costs	(739,121)	(829,446)	(566,468)
Other operating costs	(372,678)	(403,269)	(354,894)
Value distributed to employees	(203,125)	(198,182)	(181,406)
Personnel costs	(203,125)	(198,182)	(181,406)
Value distributed to capital providers	(55,021)	(54,091)	(43,514)
Financial expenses	(17,473)	(23,290)	(18,849)
Dividends	(37,548)	(30,801)	(24,665)
Value distributed to governments	(72,781)	(59,052)	(47,125)
Current taxes (income taxes)	(61,280)	(47,655)	(47,125)
Other non-income-related taxes	(11,501)	(11,397)	0
Economic value retained	314,429	274,589	232,045
Profit (loss) for the year, of which:	177,944	150,756	122,995
Profit (loss) from discontinued operations	0	0	0
Amortisation and depreciation	(130,302)	(124,171)	(109,571)
Provisions	(2,326)	(3,084)	(3,234)
Impairment losses	(165)	(3,573)	(364)
Deferred tax liabilities (assets)	(3,692)	6,995	4,119

³⁸ 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.



Cement plant in Gaurain, Belgium

APPENDIX

CEMENTIR DATA TABLES

CUSTOMER ENGAGEMENT

TOWARDS DIRECT RELATIONSHIP BUILDING

Title	Role	Type	Date
China Coat 2022	Exhibitor	Exhibitor	February, 2023
The 1 st China UHPC Technology & Innovation Application Development Conference	Sponsor, exhibitor, keynote speaker	Seminar	March, 2023
South China University of Technology Online Lecture	Speaker, UHPC sample sponsor	Hybrid seminar	March, 2023
The 22 nd Chengdu China Building and Decoration Materials Exposition	Exhibitor	Exhibition	April, 2023
Aalborg White Open 2023	Organizer	Customer event	May, 2023
Concrete Canoe Race by Delft University of Technology	Sponsor	University event	May, 2023
2023 Xiamen International Stone Fair	Exhibitor, Speaker	Exhibition	June, 2023
Journée Expertise Construction 2023 (JEC France)	Exhibitor	Exhibition	June, 2023
BIBM Congress Amsterdam 2023	Exhibitor, Speaker	Exhibition & conference	September, 2023
Customer technical workshop focus on InWhite UHPC in Guangzhou	Technical communications	Workshop	September, 2023
Shenzhen Construction and Public Works Administration workshop focus on InWhite UHPC	Technical communications	Workshop	October, 2023
Contractor workshop focus on InWhite UHPC in Guangzhou	Technical communications	Workshop	October, 2023
Concrete Day 2023 Belgium	Exhibitor, Speaker	Exhibition & conference	November, 2023
Concrete Day Netherlands 2023	Exhibitor, Speaker	Exhibition & conference	March, 2023
C3 BUILD Congress: Building the Future Space (China Hi-Tech Fair)	Exhibitor	Exhibition & Seminar	March, 2023
China GRC Association Annual Conference	Speaker, Sponsor	Seminar	April, 2023
The Global Finals of the 10 th SIKA Davco International Tiler Competition	Speaker, Sponsor	End user roadshow	December, 2023
Byggeri 2023	Stand	Exhibition	March, 2023
FUT general assembly	Organizer and speaker	Conference	November, 2023
Portland OPEN	Organizer	Customer event	June, 2023
Concrete Day Denmark	Stand	Exhibition and conference	September, 2023
DSE Career days	Stand	Exhibition	October, 2023
Annual meeting Danish Concrete Ass.	Stand	Exhibition and conference	November, 2023
Online technical meetings-4	Organizer, exhibitor, speaker	Seminar	March, 2023
Betonart2023	Sponsor, Speaker	Student Event & Workshop	August, 2023
Çimentaş Trakya Foreman meetings	Organizer, sponsor, exhibitor, speaker	Conference	September, 2023
Çimentaş Kars Foreman meetings	Organizer, sponsor, exhibitor, speaker	Conference	October, 2023
Çimentaş İzmir Foreman meetings	Organizer, sponsor, exhibitor, speaker	Conference	November, 2023
Engineering Students Technical Visit	Speaker	Student Event	November, 2023
Beton2023	Exhibitor, sponsor, speaker, keynote speaker	Exhibition & conference	November, 2023
Online technical meetings-5	Organizer, exhibitor, speaker	Seminar	December, 2023
Youthall Engineering Career Summit	Sponsor, speaker	Student Event	December, 2023
WCCM - Wallonia Conference Center Mons	Speaker/Facilitator	Conference	November, 2023

Hearing the voice of the customer and measuring performance	2023	2022	2021
Overall Net Promoter Score (NPS)	40.6	34.8	57
Overall Customer Loyalty Score (CLS)	94.9	93.2	98.3

GOVERNANCE

HUMAN RIGHTS

Human rights	n	2023	2022	2021	GRI Ref
Human rights assessment	%	100	100	95	412-1

WASTE MANAGEMENT AND RECYCLING

WASTE PROCESSED IN 2023

Waste processed

	Unit	2023	2022	2021	GRI Ref
Solid urban waste	t	2,377	25,844	61,327	306-3
Industrial waste	t	60,333	134,210	156,220	306-3
Total	t	62,710	160,054	217,547	306-3

Alternative fuel produced

	Unit	2023	2022	2021	GRI Ref
Total	t	11,120	39,112	72,408	

Waste produced by the Group

		2023	2022	2021	GRI Ref
Total waste	t / 1,000	367.2	392.2	378.4	306-2
Cement		121.6	140.2	156.3	306-2
RMC		245.3	251.6	221.8	306-2
Aggregates		0.3	0.4	0.3	306-2
Non-hazardous waste	t / 1,000	366.2	391.3	377.3	306-2
Recycling		234.5	275.1	271.1	306-2
Incineration with energy recovery		0.6	0.5	0.7	306-2
Incineration without energy recovery		0.1	0.1	0.1	306-2
Other recovery operations		0.0	1.0	0.0	306-2
Landfilling		110.0	85.9	98.8	306-2
Other disposal operations		21.1	28.6	6.5	306-2
Non-hazardous waste of total waste	%	99.7	99.8	99.7	306-2
Cement	%	33.1	35.7	41.2	306-2
RMC	%	66.8	64.2	58.8	306-2
Aggregates	%	0.1	0.1	0.0	306-2
Hazardous waste	t / 1,000	1.0	0.9	1.1	306-2
Recycling		0.8	0.5	0.4	306-2
Incineration with energy recovery		0.1	0.1	0.2	306-2
Incineration without energy recovery		0.1	0.0	0.1	306-2
Other recovery operations		0.0	0.0	0.4	306-2
Landfilling		0.0	0.1	0.0	306-2
Other disposal operations		0.0	0.0	0.0	306-2
Cement	%	80.5	73.7	79.5	306-2
RMC	%	4.3	5.0	4.7	306-2
Aggregates	%	15.2	21.2	15.8	306-2

WE RESPECT THE ENVIRONMENT IN ALL OUR OPERATIONS

USE OF ALTERNATIVE FUELS

Fossil fuel replacement index

	Unit	2023	2022	2021	GRI Ref
% of fossil fuel replacement (white and grey combined)	%	22%	21%	20%	302-3
% of fossil fuel replacement (only grey cement)	%	33%	32%	30%	302-3
% of fossil fuel replacement (only white cement)	%	2%	2%	3%	302-3

Fossil fuel consumption for cement production

Type	Unit	2023	2022	2021	GRI Ref
Coal	GJ	7,639,540	7,617,448	7,526,248	302-1
Petroleum coke	GJ	16,085,193	16,107,354	15,031,687	302-1
Fuel oil	GJ	696,208	934,015	457,020	302-1
Lignite	GJ	471,456	1,312,041	5,862,081	302-1
Gas oil	GJ	0	0	0	302-1
LPG	GJ	0	0	0	302-1
Natural gas	GJ	1,884,062	1,826,495	1,872,458	302-1
District heating	GJ	12,161	13,467	36,009	302-1
Total	GJ	26,788,621	27,810,820	30,785,503	302-1
Fossil Fuel per Clinker produced	GJ / ton clinker	3.33	3.44	3.51	

Fossil fuel consumption for white and grey cement production

Type	Unit	2023		2022		GRI Ref
		White	Grey	White	Grey	
Coal	GJ	0	7,639,540	0	7,617,448	302-1
Petroleum coke	GJ	8,893,547	7,191,647	9,880,022	6,227,332	302-1
Fuel oil	GJ	512,377	183,831	730,347	203,668	302-1
Lignite	GJ	0	471,456	0	1,312,041	302-1
Gas oil	GJ	0	0	0	0	302-1
LPG	GJ	0	0	0	0	302-1
Natural gas	GJ	1,884,062	0	1,826,495	0	302-1
District heating	GJ	0	12,161	0	13,467	302-1
Total	GJ	11,289,986	15,498,635	12,436,864	15,373,956	

Alternative fuel consumption for cement production

Type	Unit	2023	2022	2021	GRI Ref
Used oil	GJ	254,526	213,935	331,895	302-1
Rubbers and plastics	GJ	180,693	185,862	115,095	302-1
Tyres	GJ	702,384	797,156	772,592	302-1
Paper/cardboard/wood	GJ	24,762	106,809	132,996	302-1
Meat and bone meal	GJ	1,291,097	1,298,176	1,256,250	302-1
Dry sewage sludge	GJ	0	10,331	34,966	302-1
RDF and SRF	GJ	3,965,894	4,390,788	4,645,471	302-1
Sunflower oil	GJ	117,469	106,988	320,626	302-1
Other alternative fuels	GJ	1,159,159	384,284	100,171	302-1
Total	GJ	7,695,984	7,494,329	7,710,063	
Alternative Fuel per Clinker produced	GJ / ton clinker	0.96	0.93	0.88	

Alternative fuel consumption for white and grey cement production

Type	Unit	2023		2022		GRI Ref
		White	Grey	White	Grey	
Used oil	GJ	0	254,526	0	213,935	302-1
Rubbers and plastics	GJ	0	180,693	0	185,862	302-1
Tyres	GJ	0	702,384	0	797,156	302-1
Paper/cardboard/wood	GJ	0	24,762	0	106,809	302-1
Meat and bone meal	GJ	245,610	1,045,487	281,872	1,016,304	302-1
Dry sewage sludge	GJ	0	0	0	10,331	302-1
RDF and SRF	GJ	0	3,965,894	0	4,390,788	302-1
Sunflower oil	GJ	0	117,469	0	106,988	302-1
Other alternative fuels	GJ	0	1,159,159	0	384,284	302-1
Total	GJ	245,610	7,450,374	281,872	7,212,457	

ALTERNATIVE RAW MATERIALS

Raw materials used in cement production

	Unit	2023	2022	2021	GRI Ref
Non-renewable raw materials	t	12,945,259	13,227,312	14,442,142	301-1
Renewable raw materials	t	1,752,381	1,675,008	1,747,743	301-1
Total	t	14,697,640	14,902,320	16,189,885	301-1
Renewable raw materials as a percentage of total raw materials used	%	12%	11%	11%	301-2

Non-renewable raw materials in cement production

	Unit	2023	2022	2021	GRI Ref
Limestone	t	10,054,479	10,410,689	11,387,382	301-1
Clay	t	993,046	1,109,975	1,101,016	301-1
Gypsum	t	415,316	422,458	444,419	301-1
Marl	t	535,594	312,606	584,158	301-1
Sand	t	469,806	483,783	527,779	301-1
Pozzolana	t	156,034	161,811	167,747	301-1
Admixtures	t	10,757	13,263	14,018	301-1
Auxiliaries	t	0	0	0	301-1
Stone	t	0	0	0	301-1
Calcium fluoride	t	52,060	62,537	47,144	301-1
Bauxite	t	12,791	7,772	3,873	301-1
Iron ore	t	148,079	151,648	47,657	301-1
Other residual materials	t	97,297	92,291	116,949	301-1
Total	t	12,945,259	13,228,833	14,442,142	301-1

Renewable materials in cement production

	Unit	2023	2022	2021	GRI Ref
Fly ash	t	548,837	502,673	481,718	301-1
FGD gypsum	t	67,381	80,197	85,895	301-1
Iron oxide	t	37,518	48,648	38,482	301-1
Blast-furnace slag	t	296,153	327,550	305,745	301-1
Recovered limestone	t	180,325	255,828	240,444	301-1
Excavated stone (clay replacement)	t	418,658	254,396	384,526	301-1
Other materials	t	203,509	202,532	210,933	301-1
Total	t	1,752,381	1,671,824	1,747,743	301-1

Raw materials used in the production of ready-mixed concrete

	Unit	2023	2022	2021	GRI Ref
Non-renewable raw materials	t	9,251,932	10,237,353	10,964,549	301-1
Renewable raw materials	t	72,989	101,318	95,789	301-1
Total	t	9,324,921	10,338,671	11,060,338	301-1
Renewable raw materials as a percentage of total raw materials used	%	0.78%	0.98%	0.87%	301-2

Non-renewable raw materials used in ready-mixed concrete production

	Unit	2023	2022	2021	GRI Ref
Limestone	t	0	0	0	301-1
Sand	t	2,473,197	3,064,746	3,255,064	301-1
Admixtures	t	131,484	16,926	24,287	301-1
Auxiliaries	t	11	9	9	301-1
Cement	t	1,281,924	1,482,944	1,549,711	301-1
Stones	t	5,361,580	5,667,813	6,131,942	301-1
Steel Fiber	t	2,977	4,404	3,083	301-1
Basalt Fiber	t	22	5	5	301-1
Plastic macro fiber	t	214	288	246	301-1
Color pigment	t	129	146	95	301-1
Other Materials	t	394	72	106	301-1
Total	t	9,251,932	10,237,353	10,964,549	301-1

Renewable materials ready-mixed concrete production

	Unit	2023	2022	2021	GRI Ref
Fly ash	t	59,605	86,971	82,524	301-1
Microsilica	t	6,691	11,689	12,008	301-1
Blast-furnace slag	t	2,942	2,658	1,257	301-1
Total	t	69,238	101,318	95,789	301-1

Non-renewable raw materials other production activities

	Unit	2023	2022	2021	GRI Ref
Sand	t	31,327	32,406	33,415	301-1
Auxiliaries and admistures	t	109	130	134	301-1
Cement	t	12,892	10,999	12,407	301-1
Stones	t	24,792	24,073	25,527	301-1
Steel	t	5,118	4,012	2,375	301-1
Total	t	74,238	71,620	75,879	301-1

CEMENTIR'S CO₂ FOOTPRINT

CO₂ emissions - Group

	Unit	2023	2022	2021	GRI Ref
CO ₂ emissions [Scope 1] ³⁹	t	7,184,097	7,324,884	8,006,881	305-1
CO ₂ emissions [Scope 2] ⁴⁰	t	424,422	386,306	707,044	305-2
CO ₂ emissions [Scope 3] ⁴¹	t	2,607,247	3,591,439 ⁴²	3,249,111	305-3
Total CO₂ emissions	t	10,215,766	11,302,629	11,963,036	

CO₂ emissions - Cement Production

	Unit	2023	2022	2021	GRI Ref
CO ₂ emissions [Scope 1]	t	7,134,901	7,278,336	7,982,250	305-1
CO ₂ emissions [Scope 2]	t	416,562	377,548	691,732	305-2
Total CO₂ emissions	t	7,551,463	7,655,884	8,673,982	
CO₂ emissions Scope 1 - Grey Cement	KgCo2/TCE	655	672	684	305-4
CO₂ emissions Scope 1 - White Cement	KgCo2/TCE	846	886	919	305-4
Physical intensity Scope 3 (Kg Co2/ton of purchased clinker and cement)	Kg Co2/ton of purchased clinker and cement	836	876	873	305-4

CO₂ emissions - Other⁴³

	Unit	2023	2022	2021	GRI Ref
CO ₂ emissions [Scope 1]	t	49,196	46,548	24,631	305-1
CO ₂ emissions [Scope 2]	t	7,861	8,758	15,311	305-2
Total CO₂ emissions	t	57,056	55,306	39,942	

³⁹Scope 1 emissions includes all direct emissions related to the calcination of limestone which, when heated in the kiln at high temperatures, releases CO₂.

⁴⁰Scope 2 includes indirect emissions related to electricity purchased for the Group's needs, for example in cement grinding mills.

⁴¹Scope 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.

⁴²2022 data has been restated to align the calculation with the SBTi recommendation related to transport-related emissions.

⁴³The other activities are the following businesses: ready-mix concrete, aggregates, concrete products and processing of urban and industrial waste.

ENERGY CONSUMPTION

Energy consumed to produce cement

Type	Unit	2023	2022	2021	GRI Ref
Thermal energy	GJ	34,630,123	35,470,361	38,569,279	302-1
of which: from alternative fuel	GJ	7,695,984	7,494,329	7,710,063	302-1
Thermal energy sold	GJ	-1,023,990	-1,283,120	-1,661,306	302-1
Electricity	GJ	4,399,638	4,451,819	4,751,610	302-1
Total energy	GJ	38,005,770	38,639,060	41,659,583	302-1
Thermal energy per t of Total Cement Equivalent	GJ/TCE	3.4	3.5	3.6	302-3
Thermal energy produced by alternative sources per t of Total Cement Equivalent	GJ/TCE	0.76	0.75	0.72	302-3
Electricity per t of Total Cement Equivalent	GJ/TCE	0.43	0.44	0.44	302-3
Total energy per t of Total Cement Equivalent	GJ/TCE	3.73	3.85	3.87	302-3

Energy consumed for white and grey cement production

Type	Unit	2023		2022		GRI Ref
		White	Grey	White	Grey	
Thermal energy	GJ	11,585,143	23,044,980	12,769,695	22,700,665	302-1
of which: from alternative fuel	GJ	245,610	7,450,374	281,872	7,212,457	302-1
Thermal energy sold	GJ	-1,023,990	0	-1,283,120	0	302-1
Electricity	GJ	1,172,123	3,227,515	1,240,319	3,211,501	302-1
Total energy	GJ	11,733,276	26,272,495	12,726,894	25,912,166	302-1
Thermal energy per t of Total Cement Equivalent	GJ/TCE	4.83	2.96	5.11	3.01	302-3
Thermal energy produced by alternative sources per t of Total Cement Equivalent	GJ/TCE	0.10	0.96	0.11	0.96	302-3
Electricity per t of Total Cement Equivalent	GJ/TCE	0.49	0.41	0.50	0.43	302-3
Total energy per t of Total Cement Equivalent	GJ/TCE	4.90	3.37	5.09	3.44	302-3

Energy consumed to produce ready-mixed concrete (fuels, electricity)

Type	Unit	2023	2022	2021	GRI Ref
Thermal energy	GJ	453,301	414,689	365,070	302-1
Electricity	GJ	83,985	93,393	72,623	302-1
Total energy	GJ	537,286	508,081	437,693	302-1
Thermal energy per t of ready-mix concrete	GJ/t	0.04	0.05	0.04	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	0.05	0.06	0.05	302-3

Energy usage of other activities⁴⁴

Type	Unit	2023	2022	2021	GRI Ref
Thermal energy	GJ	201,170	209,512	210,260	302-1
Electricity	GJ	122,105	128,002	132,382	302-1
Total energy	GJ	323,276	337,514	342,642	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	2023	2022	2021	GRI Ref
Thermal energy	GJ	10,649	13,017	13,589	302-1
Electricity	GJ	5,643	15,336	15,315	302-1
Total energy	GJ	16,292	28,354	28,904	302-1

⁴⁴ The other activities are the following businesses: aggregates and concrete products.

RESPONSIBLE AND EFFICIENT USE OF WATER

Group water balance		2023	2022	2021	GRI Ref
Total water withdrawal	m³ / 1,000	15,317	14,908	15,651	303-3
Surface water		505	524	658	303-3
Groundwater		5,473	6,849	6,992	303-3
Seawater		0	0	0	303-3
Rainwater		843	570	764	303-3
Public water		502	581	537	303-3
Quarry water		7,994	6,384	6,700	303-3
Total water discharge	m³ / 1,000	10,993	9,808	9,737	303-4
By place of discharge					
Surface water		6,451	5,255	5,202	303-4
Groundwater		22	215	9	303-4
Seawater		2,836	3,270	3,121	303-4
External treatment plants and other discharge area		1,523	911	1,262	303-4
Domestic sewage		161	157	143	303-4
Total water consumption	m³ / 1,000	4,325	5,099	5,914	303-5

Water balance in cement		2023	2022	2021	GRI Ref
Total water withdrawal	m³ / 1,000	9,191	9,115	9,795	303-3
Surface water		408	404	605	303-3
Groundwater		4,336	5,014	5,114	303-3
Seawater		0	0	0	303-3
Rainwater		717	346	486	303-3
Public water		239	267	254	303-3
Quarry water		3,491	3,084	3,336	303-3
Total water discharge	m³ / 1,000	5,748	5,273	5,339	303-4
By place of discharge					
Surface water		2,661	1,745	1,959	303-4
Groundwater		13	11	9	303-4
Seawater		2,836	3,270	3,121	303-4
External treatment plants and other discharge areas		126	161	160	303-4
Domestic sewage		112	86	90	303-4
Total water consumption	m³ / 1,000	3,442	3,842	4,455	303-5
In high water stress areas	% of total water consumption in cement	32.0	37.2	34.4	303-5
Total water reused/recycled	m³ / 1,000	3,095	2,695	3,191	303-5
	% of total water withdrawal in cement	33.7	29.6	32.6	303-5
Specific water consumption	l / TCE	387	402	413	303-5
In high water stress areas		246	257	276	303-5

Water balance in ready-mix concrete		2023	2022	2021	GRI Ref
Total water withdrawal	m³ / 1,000	740	888	884	303-3
Surface water		40	96	50	303-3
Groundwater		329	345	370	303-3
Seawater		0	0	0	303-3
Rainwater		126	137	182	303-3
Public water		245	310	281	303-3
Total water discharge	m³ / 1,000	105	59	51	303-4
By place of discharge					
Surface water		0	13	0	303-4
Groundwater		0	0	0	303-4
Seawater		0	0	0	303-4
External treatment plants and other discharge area		71	1	1	303-4
Domestic sewage		34	45	50	303-4
Total water consumption	m³ / 1,000	635	829	833	303-5
In high water stress areas	% of total water consumption in ready-mix	63.4	59.4	61.3	303-5
Total water reused/recycled	m³ / 1,000	178	183	204	303-5
	% of total water withdrawal in ready-mix	24.0	20.6	23.1	303-5
Specific water consumption	l / m³ ready-mix concrete	149	173	163	303-5

EXTRACTION ACTIVITIES, REHABILITATION AND BIODIVERSITY

Biodiversity	n	2023	2022	2021	GRI Ref
Quarry with rehabilitation plan in place	%	95	95	95	304-1

AIR PROTECTION

Clinker produced with CEMS⁴⁵ and discontinuous measurements of all emissions

	2023	2022	2021	GRI Ref
% of total production	100	100	95	305-7

Clinker produced with CEMS of dust, NO_x and SO₂

% of total production	98	100	100	305-7
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Dust

tons	172	206	213	305-7
g/t of clinker	21	25	25	305-7

NO_x

tons	10,821	10,922	10,583	305-7
g/t of clinker	1,344	1,353	1,206	305-7

SO₂

tons	1,405	1,578	1,982	305-7
g/t of clinker	175	195	226	305-7

TOC

g/t of clinker	37	44	43	305-7
n. of kilns reporting	15	17	17	305-7

Hg

g/t of clinker	0.006	0.006	0.014	305-7
n. of kilns reporting	15	17	17	305-7

PCDD/Fs⁴⁶

µg TEQ/t of clinker	0.009	0.014	0.034	305-7
n. of kilns reporting	15	17	17	305-7

∑Cd, Tl

g/t of clinker	0.007	0.009	0.014	305-7
n. of kilns reporting	15	17	16	305-7

∑Other heavy metals⁴⁷

g/t of clinker	0.07	0.11	0.11	305-7
n. of kilns reporting	15	17	16	305-7

⁴⁵ CEMS - Continuous Emission Monitoring Systems.

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.

HEALTH & SAFETY

		2023	2022	2021	GRI Ref
Fatalities	(number)	0	0	3	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	0	3⁴⁸	403-10
Cement		0	0	2	403-10
RMC		0	0	1	403-10
Aggregates		0	0	0	403-10
Waste		0	0	0	403-10
Other		0	0	0	403-10

	(fatal injuries/hours worked) x 1,000,000	2023	2022	2021	GRI Ref
Fatality Rate		0.00	0.00	0.31	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	0.00	0.78	403-10
Cement		0.00	0.00	0.81	403-10
RMC		0.00	0.00	0.83	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

⁴⁸One fatality, included in the data, occurred in Türkiye. As of March 2024, it was not clarified if work-related.

HEALTH & SAFETY

	2023	2022	2021	GRI Ref	
High-Consequence Work-related Injury Rate (excluding fatalities)⁴⁹	(high consequence work-related injuries/hours worked) x 1,000,000	0.09	0.00	0.00	403-9
Employees	0.17	0.00	0.00	403-9	
Cement	0.28	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	

LTI (Lost Time Injuries)	(number of injuries with working days of absence)	37	44	76	403-9
Employees		17	25	56	403-9
Cement		10 ⁵⁰	16	37	403-9
RMC		5	5	13	403-9
Aggregates		1	1	3	403-9
Waste		0	2	1	403-9
Other		1	1	2	403-9
Contractors		20	19	20	403-9
Cement		13	10	14	403-9
RMC		7	6	5	403-9
Aggregates		0	2	0	403-9
Waste		0	0	1	403-9
Other		0	1	0	403-9

⁴⁹ 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).

⁵⁰ Of which one high-consequence injury.

HEALTH & SAFETY

		2023	2022	2021	GRI Ref
LTI FR (Lost Time Injury Frequency Rate)	(injuries with working days of absence/hours worked) x 1,000,000	3.5	4.2	8.0	403-9
Employees		2.9	4.2	9.9	403-9
Cement		2.8	4.5	11.0	403-9
RMC		3.5	3.3	8.8	403-9
Aggregates		3.2	3.3	9.7	403-9
Waste		0.0	11.5	5.2	403-9
Other		3.1	3.0	5.8	403-9
Contractors		4.1	4.2	5.2	403-9
Cement		4.0	3.4	5.7	403-9
RMC		5.6	4.9	4.2	403-9
Aggregates		0.0	10.0	0.0	403-9
Waste		0.0	0.0	25.5	403-9
Other		0.0	19.9	0.0	403-9
TRIR (Total Recordable Injury Rate)⁵¹	(total recordable injuries/hours worked) x 1,000,000	10.2	11.4	20.2	403-9
Employees		10.4	11.7	27.4	403-9
Cement		12.2	13.5	29.2	403-9
RMC		7.7	6.0	10.9	403-9
Aggregates		3.2	6.6	35.5	403-9
Waste		14.1	23.1	136.4	403-9
Other		6.1	17.9	11.6	403-9
Contractors		9.9	11.0	9.9	403-9
Cement		9.2	12.1	11.4	403-9
RMC		11.9	8.2	5.8	403-9
Aggregates		4.4	10.0	9.0	403-9
Waste		51.9	0.0	51.0	403-9
Other		0.0	19.9	0.0	403-9
LTI SR (Lost Time Injury Severity Rate)	(working days of absence/hours worked) x 1,000	0.07	0.09	0.11	403-9
Employees		0.07	0.10	0.14	403-9
Cement		0.09	0.12	0.18	403-9
RMC		0.03	0.07	0.06	403-9
Aggregates		0.16	0.00	0.09	403-9
Waste		0.00	0.09	0.08	403-9
Other		0.01	0.05	0.24	403-9
Contractors		0.07	0.08	0.06	403-9
Cement		0.04	0.08	0.07	403-9
RMC		0.16	0.08	0.06	403-9
Aggregates		0.00	0.08	0.00	403-9
Waste		0.00	0.00	0.15	403-9
Other		0.00	0.10	0.00	403-9

⁵¹ Total Recordable Injuries: the sum of Fatalities, Lost Time Injuries, Restricted Workday Injuries and Medical Treatment Cases.

HEALTH & SAFETY

		2023	2022	2021	GRI Ref
Near Misses	(number)	755	714	577	403-9
Cement		435	483	334	403-9
RMC		290	201	206	403-9
Aggregates		21	26	33	403-9
Waste		2	0	2	403-9
Other		7	4	2	403-9
Man-hours worked	(millions of hours)	10.6	10.3	9.5	403-9
Employees		5.8	5.9	5.7	403-9
Cement		3.6	3.6	3.4	403-9
RMC		1.4	1.5	1.5	403-9
Aggregates		0.3	0.3	0.3	403-9
Waste		0.1	0.2	0.2	403-9
Other		0.3	0.3	0.3	403-9
Contractors		4.8	4.4	3.8	403-9
Cement		3.3	2.9	2.4	403-9
RMC		1.3	1.2	1.2	403-9
Aggregates		0.2	0.2	0.1	403-9
Waste		0.0	0.0	0.0	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	0.0	0.4	403-10
Specific Health & Safety Training	(hours)	33,645	22,200	15,615	404-1

	Headcount 31-12-23			Headcount 31-12-22			Headcount 31-12-21			GRI Ref
	Men	Women	Total	Men	Women	Total	Men	Women	Total	
Cementir Group										
Employees	2,684	402	3,086 ⁵²	2,705	416	3,121	2,723	401	3,124	405-1
Contractors	950	14	964	741	7	748	765	7	772	405-1
Executives	36	4	40	37	4	41	44	4	48	405-1
Manager	274	54	328	268	60	328	269	59	328	405-1
White collars	632	292	924	589	296	885	588	287	875	405-1
Blue collars	1,742	52	1,794	1,811	56	1,867	1,822	51	1,873	405-1
Total	2,684	402	3,086	2,705	416	3,121	2,723	401	3,124	

	Headcount 31-12-23			Headcount 31-12-22			Headcount 31-12-21			GRI Ref
	Men	Women	Total	Men	Women	Total	Men	Women	Total	
Employees by type of contract										
Total number of headcounts with permanent contracts	2,577	375	2,952	2,577	383	2,960	2,616	373	2,989	405-1
Total number of headcounts with fixed term or temporary contracts	107	27	134	128	33	161	107	28	135	405-1
Total	2,684	402	3,086	2,705	416	3,121	2,723	401	3,124	405-1

	Headcount 31-12-23			Headcount 31-12-22			Headcount 31-12-21			GRI Ref
	Men	Women	Total	Men	Women	Total	Men	Women	Total	
Employees by employment types⁵³										
Total number of headcounts with full-time status	2,584	377	2,961	2,609	383	2,992	2,667	374	3,041	405-1
Total number of headcounts with part-time status	100	25	125	96	33	129	56	27	83	405-1
Total	2,684	402	3,086	2,705	416	3,121	2,723	401	3,124	405-1

⁵²The number of total employees included 100% of SCT as described into the methodology note.

⁵³Based on the definitions under the national laws of the country where they are located.

HEADCOUNT 31 12 2023: BREAKDOWN BY GENDER AND BY REGION (GRI REF. 2-7)

	TOTAL			EUROPE			ASIA PACIFIC		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Total headcount by gender									
Employees	2684	402	3,086⁵⁴	1,386	235	1,621	344	86	430
Contractors	950	14	964	0	0	0	62	0	62
Employees by category									
Executive Manager	36	4	40	27	4	31	3	0	3
Manager	274	54	328	148	36	184	25	6	31
White collars	632	292	924	336	170	506	100	57	157
Blue collars	1,742	52	1,794	875	25	900	216	23	239
Headcount by age									
Under 30 years old	329	57	386	130	34	164	45	7	52
30-50 years old	1,374	242	1,616	578	122	700	184	67	251
Over 50 years old	981	103	1,084	678	79	757	115	12	127
Employees by type of contract									
Total number of headcounts with permanent contracts	2,577	375	2,952	1,320	224	1,544	311	71	382
Total number of headcounts with fixed term or temporary contracts	107	27	134	66	11	77	33	15	48
Employees by employment types⁵⁵									
Total number of headcounts with full-time status	2,584	377	2,961	1,287	210	1,497	344	86	430
Total number of headcounts with part-time status	100	25	125	99	25	124	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.

NORTH AMERICA			TÜRKİYE			EGYPT		
Male	Female	Total	Men	Women	Total	Men	Women	Total
178	22	200	715	48	763	61	11	72
4	2	6	632	12	644	252	0	252
2	0	2	2	0	2	2	0	2
38	4	42	43	6	49	20	2	22
17	18	35	157	38	195	22	9	31
121	0	121	513	4	517	17	0	17
26	2	28	122	12	134	6	2	8
74	11	85	501	34	535	37	8	45
78	9	87	92	2	94	18	1	19
178	22	200	715	48	763	53	10	63
0	0	0	0	0	0	8	1	9
177	22	199	715	48	763	61	11	72
1	0	1	0	0	0	0	0	0

	2023			2022			2021			GRI Ref
	Men	Women	Total	Men	Women	Total	Men	Women	Total	
Employees who receive regular performance reviews										
Executives	100%	100%	100%	99%	100%	100%	98%	100%	98%	403-3
Manager	97%	100%	98%	100%	99%	100%	100%	83%	99%	403-3
Employees	94%	88%	92%	95%	99%	96%	97%	100%	98%	403-3
Blue collars	45%	88%	46%	38%	32%	38%	44%	39%	44%	403-3

	2023			2022			2021			GRI Ref
	Men	Women	Total	Men	Women	Total	Men	Women	Total	
Turnover Rate										
Overall employee Turnover Rate	15%	21%	16%	16%	19%	17%	15%	18%	15%	401-1

	2023			2022			GRI Ref			
	Men	Women	Total	Men	Women	Total				
Voluntary employee turnover rate										
Voluntary employee turnover rate				9%	18%	11%	11%	15%	11%	401-1

	2023			2022			GRI Ref			
	Men	Women	Total	Men	Women	Total				
Group turnover										
Incoming										
Under 30				28%	22%	27%	29%	36%	30%	401-1
30-50				10%	13%	10%	10%	12%	10%	401-1
Over 50				4%	8%	4%	5%	5%	5%	401-1
Total				15%	19%	15%	15%	21%	16%	401-1
Outgoing										
Under 30				14%	24%	16%	17%	15%	17%	401-1
30-50				9%	12%	9%	10%	12%	10%	401-1
Over 50				10%	13%	10%	10%	13%	10%	401-1
Total				15%	21%	16%	16%	19%	17%	401-1

	Unit	2023			2022			2021			GRI Ref
		Men	Women	Total	Men	Women	Total	Men	Women	Total	
Hours of training											
Executives	Hours	507	60	567	467	77	545	357	60	417	404-1
Manager	Hours	7,949	1,570	9,519	7,318	1,151	8,470	5,583	832	6,415	404-1
White collars	Hours	18,529	7,848	26,377	18,930	12,096	31,026	9,898	4,109	14,007	404-1
Blue collars	Hours	42,147	1,659	43,805	27,230	1,241	28,471	16,680	444	17,124	404-1
Total	Hours	69,132	11,136	80,268	53,946	14,566	68,511	32,518	5,444	37,963	404-1
Executives	h/per	13.9	14.9	14.0	12.6	19.3	13.3	8.1	14.9	8.7	404-1
Manager	h/per	29.3	27.5	29.0	27.3	19.2	25.8	20.8	14.1	19.6	404-1
White collars	h/per	30.4	26.7	29.2	32.1	40.9	35.1	16.8	14.3	16.0	404-1
Blue collars	h/per	23.7	30.7	23.9	15.0	22.2	15.2	9.2	8.7	9.1	404-1
Total	h/per	25.7	27.2	25.9	19.9	35.0	22.0	11.9	13.6	12.2	404-1

	Unit	2023			2022			2021			
		Men	Women	Total	Men	Women	Total	Men	Women	Total	
Hours of training per category											
Health & Safety	Hours	31,271	2,374	33,645	20,354	1,846	22,200	14,695	920	15,615	
Technical and Functional	Hours	21,428	3,925	25,353	19,845	8,890	28,735	11,990	2,404	14,395	
Management Edu & Leadership Development	Hours	8,912	2,593	11,504	6,087	1,445	7,532	2,197	708	2,904	
Cultural and Corporate	Hours	3,473	1,135	4,608	3,697	1,647	5,344	2,718	1,093	3,811	
Other	Hours	4,048	1,110	5,158	3,962	737	4,699	918	319	1,238	
Total Hour of Training		69,132	11,136	80,268	53,945	14,565	68,510	32,518	5,444	37,963	
Total Cost for Training	€	300,858			347,311						

Parental leave

	Number	% on total employees	GRI Ref
Employees entitled to parental leave			
Women	402	100%	401 -3
Men	2617	98%	

Employees who took parental leave in 2023

Women	14	n.a	401 -3
Men	38	n.a	401 -3

Employees that returned to work in 2023 after parental leave ended

Women	5	n.a	401 -3
Men	35	n.a	401 -3

Relevant certifications

	Activity	ISO 45001	ISO 14001	ISO 50001	ISO 9001	Other relevant Certification
Company/Site						
Aalborg Portland (Denamrk)	Cement	YES	YES	YES	YES	BENOR Label
Izmir (Türkiye)	Cement	YES	YES	YES	YES	
Edirne (Türkiye)	Cement	YES	YES	YES	YES	
Elazig (Türkiye)	Cement	YES	YES	YES	YES	
Kars (Türkiye)	Cement	YES	YES	YES	YES	
CCB (Belgium)	Cement	YES	YES	NO	YES	CSC Silver Certificate
Al Arish (Egypt)	Cement	YES	NO	NO	YES	-
York (US)	Cement	YES	NO	NO	NO	-
Waco (US)	Cement	YES	NO	NO	NO	-
Anqing (China)	Cement	YES	YES	YES	YES	National Green Factory National High & New Technology Enterprises
Ipoh (Malaysia)	Cement	YES	YES	YES	YES	Gold EcoVadis Medal
% of plant certified		100%	73%		82%	
No. of plant certified		11	8		9	

	Activity	ISO 45001	ISO 14001	ISO 9001	Other relevant Certification
Company/Site					
Unicon Denmark	Ready Mix Concrete	NO	NO		ISO 9001
Unicon Norway	Ready Mix Concrete	NO	YES		-
AB Sydsten (Sweden)	Ready Mix Concrete	NO	YES		--
Cimbeton (Türkiye)	Ready Mix Concrete	NO	NO		CSC Bronze Certificate for the <i>Issikent plant</i>
CCB RMC (France and Belgium)	Ready Mix Concrete	NO	YES		BENOR Label CSC Gold Certificate Cradle to Cradle® Silver
% of plant certified		0%	60%		
No. of plant certified		0	3		

	Activity	ISO 45001	ISO 14001	ISO 9001	Other relevant Certification
Company/Site					
Sureko (Türkiye)	Waste	YES	YES	YES	Zero Waste Certificate

Company/Site	Activity	ISO 45001	ISO 14001	Other relevant Certification
AB Sydsten (Sweden)	Aggregates	NO	YES	-
Kudsk & Dahl (Denmark)	Aggregates	NO	NO	-
CCB Clypot (Belgium)	Aggregates	YES	YES	CSC Gold Certificate
SCT (Belgium)	Aggregates	NO	NO	-
Aalborg Resources Snd Bhd (Malaysia)	Aggregates	NO	NO	-
% of plant certified		20%	40%	
No. of plant certified		1	2	

Communities	n	2023	2022	2021	GRI Ref
Thermal energy delivered to the Aalborg Municipality	GJ	1,046,529	1,283,120	1,661,306	412-1

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 Board of Directors in overseeing the management of Cementir's impacts'	-
	2-13 Delegation of responsibility for managing impacts	'Role of the Board 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'	-

follow

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GRI Standard

General Disclosure

GRI Standard	Disclosure	Section	Omissions and notes
GRI 2: General Disclosures	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' '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'	-

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GRI Standard	Disclosure	Section	Omissions and notes
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-competitive behaviour	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	'Governance' 'Integrity and competition'	-
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'	-

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GRI Standard	Disclosure	Section	Omissions and notes
Material Topics			
Materials (Circular economy; 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	306-2 Management of significant waste-related impacts	'In waste we see resources'	-
	306-3 Waste-generated	'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 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'	-

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GRI Standard	Disclosure	Section	Omissions and notes
Material Topics			
Water (Water management)			
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'	-
Emissions (Climate Change and GHG emissions; Other air 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	'Air protection'	-

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GRI Standard	Disclosure	Section	Omissions and notes
Material Topics			
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' 'Health and Safety is a common value'	-
	3-2 List of material topics	'The definition of the material issues' 'Health and Safety is a common value'	-
	3-3 Management of material topics	'Risk Management Framework' 'Health and Safety is a common value'	-
GRI 403: Occupational Health & Safety	403-1 Occupational health and safety management system	'Health and Safety is a common value'	-
	403-2 Hazard identification, risk assessment, and incident investigation	'Health and Safety is a common value'	-
GRI 403 (2018): Occupational Health & Safety	403-3 Occupational health services	'Health and Safety is a common value'	-
	403-4 Worker participation, consultation, and communication on occupational health and safety	'Health and Safety is a common value'	-
	403-5 Worker training on occupational health and safety	'Health and Safety is a common value'	-
	403-6 Promotion of worker health	'Health and Safety is a common value'	-
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	'Health and Safety is a common value'	-
	403-9 Work-related injuries	'Health and Safety is a common value'	-

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GRI Standard	Disclosure	Section	Omissions and notes
Material Topics			
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'	-

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GRI Standard	Disclosure	Section	Omissions and notes
Material Topics			
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'	-
	413-2 Operations with significant actual and potential negative impacts on local communities	'Dialogue and support of local communities'	-
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'	-

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GRI Standard	Disclosure	Section	Omissions and notes
Material Topics			
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'	-



Cement plant in Anqing, China

APPENDIX

TABLE OF CORRELATION BETWEEN EUROPEAN DIRECTIVE 95/2014/EU - MATERIAL ISSUES - GRI STANDARDS

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.	Chap. 'In waste, we see resources: we promote a circular economy'	GRI 2: General Disclosures 2021	302-1	
		Risks connected to climate change.		GRI 3: Material Topics 2021	302-3	
	Climate Change	Please see: Chap. 'Task Force on Climate-related Financial Disclosures - TCFD'	Chap. 'We respect the environment in all our operations'	GRI 302: Energy	301-1	
				GRI 301: Materials		
Other emissions	'Risk Management Framework'	Chap. 'We respect the environment in all our operations'	GRI 2: General Disclosures 2021	305-1		
			GRI 3: Material Topics 2021	305-2		
Water management	'In waste, we see resources: we promote a circular economy'	Chap. 'We respect the environment in all our operations'	GRI 305: Emissions	305-4		
			GRI 2: General Disclosures 2021	305-7		
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 3: Material Topics 2021	303-1	
				GRI 413: Local Communities	303-2	
				GRI 303 (2018): Water and effluents	303-3	
Fair competition	Compliance risks. Please see: Chap. 'Risk Management Framework' 'Governance'	Chap. 'Governance'	GRI 2: General Disclosures 2021	413-2		
			GRI 3: Material Topics 2021			
Logistic 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'	GRI 206: Anti-competitive behaviour	206-1		
			GRI 2: General Disclosures 2021	-		
			'Value chain engagement'	GRI 3: Material Topics 2021		
			'We value our people'			

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Issue of European Directive 95/2014/EU	Cementir material issue	Identified risks and managing methods	Policies adopted	Relevant GRI standards	Reported disclosure	Notes
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, 11 March 2024

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.

CO₂: 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 CO₂ 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.

NO_x: 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 CO₂ equivalents (Scope 1), the default CO₂ emission factors of the Global Cement and Concrete Association were used. Please refer to the Global Cement and Concrete Association (GCCA) The Cement CO₂ and Energy Protocol, Version 3 CO₂ and Energy Accounting and Reporting Standard for the Cement Industry.

To calculate the indirect emissions of CO₂ 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 CO₂ 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 ON SUSTAINABILITY REPORTING

To the board of directors of Cementir Holding N.V. (hereinafter also the "Company")

We have undertaken a limited assurance engagement on the Sustainability Report of Cementir Holding N.V. and its subsidiaries (hereinafter the "Group" or "Cementir Group") for the year ended 31 December 2023 prepared in accordance with GRI - Sustainability Reporting Standard ("GRI Standards") and approved by the Board of Directors on 11 March 2024 (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 Sustainability Report

The directors of Cementir Holding N.V. are responsible for the preparation of the Sustainability Report in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" issued by GRI - Global Reporting Initiative (the "GRI Standards"), as illustrated in the "Methodology note" section of the Sustainability Report.

The directors are also responsible for such internal control as they determine is necessary to enable the preparation of a Sustainability Report that is free from material misstatement, whether due to fraud or error.

The directors are also responsible for defining the sustainability performance targets of Cementir Holding N.V., as well as for identifying its stakeholders and material topics to be reported on.

Auditor's Independence and Quality Management

We are independent in accordance with the principles of ethics and independence set out in the Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management 1 (ISQM 1), which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

PriceWaterhouseCoopers SpA

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Auditor's Responsibilities

Our responsibility is to express a limited assurance conclusion, based on the procedures we have performed, regarding the compliance of the Sustainability Report with the requirements of the GRI Standards. We conducted our work in accordance with "International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements other than Audits or Reviews of Historical Financial Information" (hereinafter also "ISAE 3000 Revised") issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. That standard requires that we plan and perform procedures to obtain limited assurance about whether the Sustainability Report is free from material misstatement.

Therefore, the procedures performed were less in extent than those performed in a reasonable assurance engagement conducted in accordance with ISAE 3000 Revised and, consequently, 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 Sustainability Report were based on our professional judgement and included inquiries, mainly of personnel of the Company responsible for the preparation of the information presented in the Sustainability Report, inspection of documents, recalculations and other procedures designed to obtain evidence considered useful.

In detail, we performed the following procedures:

- 1) Analysis of the process of definition of the material topics reported on in the Sustainability Report, with reference to the method applied in the analysis and understanding of the Company's environment, the identification and prioritisation of the actual and potential impacts, and the internal validation of the results of the process;
- 2) Understanding of the processes underlying the generation, collection and management of significant qualitative and quantitative information included in the Sustainability Report.

In detail, we held meetings and interviews with the management personnel of Cementir Holding N.V. and we performed limited analyses of documentary evidence, to gather information about the processes and procedures for the collection, aggregation, processing and submission of non-financial information to the function responsible for the preparation of the Sustainability Report.

Moreover, for material information, considering the activities and characteristics of the Group:

- at a Company level:
 - a) with reference to the qualitative information presented in the Sustainability Report, we carried out interviews and obtained supporting documentation to verify its consistency with available evidence;
 - b) with reference to quantitative information, we performed both analytical procedures and limited tests to verify, on a sample basis, the accuracy of data aggregation;



- 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 entities, divisions and sites Cementir Holding N.V., Compagnie des Ciments Belges S.A. e Çimento AS, which we selected on the basis of their activities, their contribution to performance indicators at a consolidated level and their location, we carried out remote site visits for Çimento AS Trakya plant and Compagnie des Ciments Belges S.A. plant during which we met the persons in charge and obtained documentary evidence, on a sample basis, regarding the correct application of the procedures and calculation methods applied for the indicators.

Limited Assurance Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the Sustainability Report of Cementir Group for the year ended 31 December 2023 is not prepared, in all material respects, in accordance with the requirements of the GRI Standards as illustrated in the "Methodology note" section of the Sustainability Report.

Our conclusion above does not extend to the information set out in the section "EU Taxonomy" of the Report.

Rome, 11 March 2024

PricewaterhouseCoopers SpA



Massimiliano Loffredo
(Partner)



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