

# Sustainability Report 2021

## *Non-Financial Statement*

(in accordance with Dutch Non-financial Information Disclosure Decree PbEU, 2014,  
L330 and Diversity Policy Disclosure Decree PbEU, 2014, L330)

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## Letter to the Stakeholders

Dear Stakeholders,

the Covid-19 pandemic has dominated world events for the past two years or so. People and organisations everywhere continue to struggle with the uncertainty of a pandemic that has caused significant suffering.

In 2021, the world started to learn how to live with Covid and in 2022 there are good reasons to think that its social and economic impact could diminish if the course of the pandemic follows the expected path and if governments and health authorities adopt appropriate policies.

Cementir has proven to be resilient in facing the challenges of Covid-19. We achieved the targets that we set out at the start of the pandemic and I am very proud of all our employees, who have supported each other, our customers and the communities in which we live and work throughout these difficult times.

We have learned how to endure and evolve in a more sustainable way.

According to the World Meteorological Organization, the lockdown-related fall in CO<sub>2</sub> emissions is just a tiny blip in the long-term trend and has had a negligible impact on the overall curve of rising CO<sub>2</sub> levels. Widespread pessimism continues to swirl around humanity's chances of tackling the climate emergency, despite the progress made at the COP26 summit in Glasgow in November.

We know that addressing the global crisis of climate change will take a combination of commitments, transparency, investments and everyday actions. For this reason, we welcome the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the disclosure requirements of European Commission's green taxonomy (EU Taxonomy).

We want to offer consistent and effective disclosures that allow governments, investors, and other stakeholders to assess the climate risks and the pertinence of the actions planned by Cementir to manage those risks. Cementir is committed to developing a business model in line with the sustainability strategic goals and the CO<sub>2</sub> emission reduction targets judged by the Science Based Targets initiative (SBTi) to be consistent with the 'well below 2 °C' objective, pursuant to the Paris Climate Agreement of 2015. By 2030, Cementir will reduce its Scope 1 and Scope 2 emission by 25% compared to 2020. This is the first milestone to be accomplished in order to achieve the carbon neutrality along our value chain by 2050.

To drive the transition of the Group to a low carbon economy, the 2022-24 Industrial Plan, approved by the Board of Directors in February 2022, targets a 97 million euro investments in sustainability and digitalisation, which will include, among others: the revamping of the kiln at our Belgian plant in order to increase alternative fuel

use from the current 40% to 80%; the switch to natural gas and biogas in some plants; the ramping up of facilities at the Aalborg plant to produce our low-carbon cement, Futurecem™; the extension of district heating and other energy efficiency projects. There are also initiatives to reduce transport climate change impact and make the best possible use of water resources.

In transport, our Danish subsidiary Unicon, the largest producer and supplier of ready-mixed concrete in Denmark, set a target to reduce its fleet CO<sub>2</sub> emissions by 30% in 2025 compared to 2019. To achieve this, in 2021, Unicon and Volvo Trucks entered into a long-term collaboration to implement and optimise electric solutions for the concrete industry.

Concerning water, the Group has defined a 10-year roadmap that will allow for the reduction of water consumption per ton of cement produced by 20% compared to 2019. For those plants located in high water-stress areas, where the specific water consumption is already lower than the Group average, the reduction target is 25%. At our Clypot quarry in Belgium, the water removed during the quarrying activities is recovered and treated, to be used as drinking water in the public distribution network. In 2021, we recovered one million cubic meters of water.

In 2021, our sustainability efforts were recognised by CDP.

Cementir received an ‘A-’ for the management of climate change issues, above the cement and concrete sector average (B), the European average (B) and the Global average (B-). In addition, for the first time, Cementir submitted the CDP questionnaire related to water management and obtained a ‘B’ rating.

We are committed to building a more sustainable, responsible and inclusive business and society and for this reason, we have set 26 ambitious goals, aligned with the United Nations’ Sustainable Development Goals, that will lead our business through the next decade.

A robust health and safety culture is a core value of the Group’s sustainability priorities: our commitment to safety starts from within. We aim to reduce and eliminate all workplace injuries and create a healthy, safe and inclusive work environment. During 2022, all cement production plants will adopt a certified occupational health and safety system.

I am proud of the efforts made by the Group and the attention paid with respect to local communities. Over the years, in Turkey, our local Foundation has run a number of different educational projects, such as the Işikkent Educational Campus, Çimentaş Primary School and Çimentaş High School.

Cementir already has rehabilitation plans in place in 95% of its quarries. However, in 2022, we will issue 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 high biodiversity value quarries. As a part of this commitment, in Belgium

we participate in the Life in Quarries initiative, a project launched by the European Commission to develop biodiversity and the rehabilitation of closed quarries.

Our annual Sustainability Report shows you how we apply our skills to implement a responsible business model that will create shared and sustainable value.

I wish you an interesting read.

Rome, 9 March 2022

Francesco Caltagirone, Jr.

Chairman of the Board of Directors

## Methodology note

The Cementir Group Sustainability Report - Consolidated Non-Financial Statement (SR or NFS), has been prepared in compliance with EU directive 2014/95 on the disclosure of non-financial and diversity information, and in accordance with the related Dutch decrees (PbEU, 2014, L330 and PbEU, 2014, L330).

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

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

The Report discloses the data for the period 1 January 2021 - 31 December 2021, is drafted annually, and is approved by the Board of Directors of Cementir Holding NV. Previous years' data are included for comparative purposes in order 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 document was drafted with the aim of providing information that is reliable, complete, balanced, accurate, understandable and comparable, as required by the reporting standards used: GRI Sustainability Reporting Standards, 2016 and subsequent updates. This report has been prepared in accordance with the GRI Standards: Core option. 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 2021 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 CO<sub>2</sub> equivalent emissions indicators.

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<sup>1</sup> For the Group details see the Group Annual report.

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 interpretations in force, does not concern the information and data related to the "EU Taxonomy" section and the art. 8 of EU Regulation 2020/852.

## The definition of the material issues

For the Cementir Group, the relevant issues for the company and its stakeholders are those that have an impact, directly or indirectly, on Cementir's ability to create, preserve or that adversely affect the Group's value.

Each year, Cementir conducts an analysis of sustainability-related topics which may be considered material to the company. The materiality analysis is a strategic exercise used to identify the impact of sustainable development issues on Cementir businesses and strategy.

In 2021, the Group upper management was surveyed on its perception of Cementir challenges and the materiality matrix was updated according to the results of the survey, following a benchmark with a panel of companies operating in the cement sector and an investigation on the context and the challenges the sector must deal with. The review also considered the relevant topics coming from investors and ESG rating companies.

The materiality matrix was submitted for assessment and approval by Upper Management and reviewed by the Sustainability Committee.

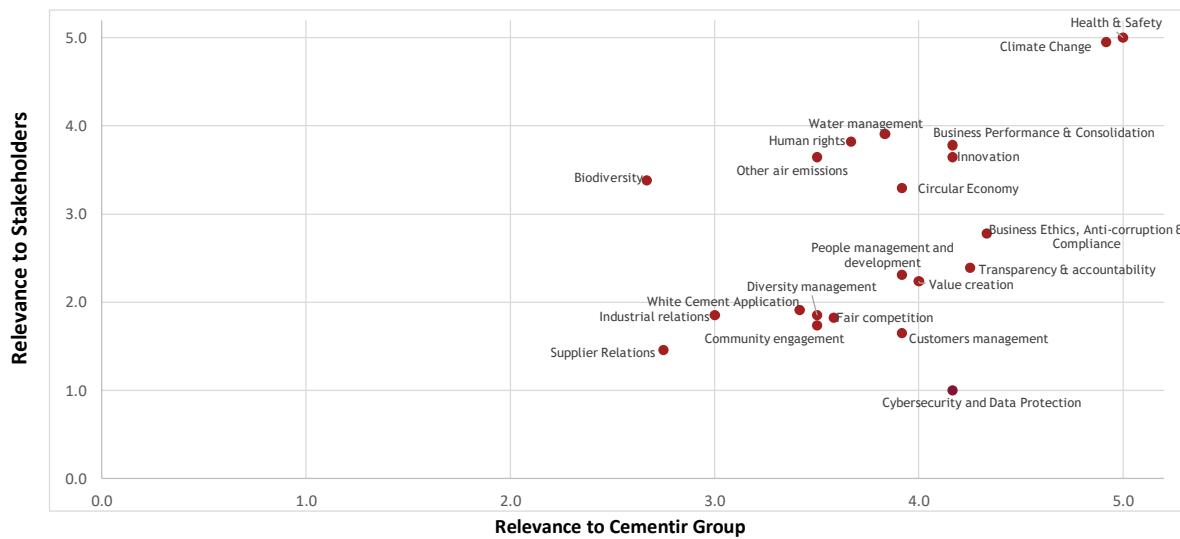
The results of the analyses generally confirmed the topics that Cementir identified in the previous years, with the topics of 'Climate Change' and 'Health and Safety' increasingly more significant, both for the Cementir and its stakeholders. Most climate experts agree that the world must take urgent action to cut CO<sub>2</sub> emissions and we cannot deny that cement manufacturing is a process that makes intensive use of thermal energy, releasing both direct and indirect CO<sub>2</sub> emissions into the atmosphere. Climate action is at the heart of the European Green Deal and EU Taxonomy, an ambitious European package of measures for cutting greenhouse gas emissions. Climate change is thus reshaping the cement sector.

As part of its climate commitments, the Group has defined its policy on water management. Maximising its reuse/recycling, minimising withdrawals and consumption and applying efficient operating practices are areas of focus, starting with those geographical areas with the greatest water scarcity. The Group has set targets for improvement in the specific consumption of water for cement production, with an overall reduction of 20% by 2030. In the most water-stressed areas the improvement target is 25% (see 'Water consumption').

In Cementir, health and safety has always been a core value. However, in the last year, Covid-19 changed how we live and how we work in many different and unimaginable ways. As described in the dedicated section (see 'Covid-19 emergency management system'), following the advice of the World Health Organization along with governments and public health authorities, Cementir put in place a new range

of global and local measures to contain the spread of the coronavirus between our employees and partners. Health and safety is therefore a top priority for everyone.

Below, the 2021 materiality matrix is presented. The matrix illustrates the most relevant topics both for the business and for its stakeholders, as presented in the upper-right-hand corner of the graph.



## The Group's stakeholders

Management of the Group's main stakeholders varies in terms of method and the frequency of listening and involvement, based on type of subject, topic, interest and characteristics of the Group's various regions. Considering the Parent Company is a Holding, some of these stakeholders' interface directly with central structures, while others are purely interested in performing the local activities of Group plants and the management of relations with those subjects is delegated to the regional level. Therefore, frequencies of stakeholder engagement and topics discussed with them vary by stakeholder category and countries where the Group operates.

The table on the next page lists the Group's main stakeholders and the subjects of interest identified for each one.

Type of stakeholder	Subject of interest
Personnel	<ul style="list-style-type: none"> <li>• Health and Safety</li> <li>• People management and development</li> <li>• Managing diversity</li> <li>• Industrial relations</li> <li>• Human rights</li> </ul>
Institutions and Authorities (local and national)	<ul style="list-style-type: none"> <li>• Health and Safety</li> <li>• Industrial relations</li> <li>• Human rights</li> <li>• Ethics, anti-corruption and compliance</li> <li>• Climate change</li> <li>• Fair competition</li> </ul>
Shareholders	<ul style="list-style-type: none"> <li>• Business performance, expansion and consolidation</li> <li>• Ethics, anti-corruption and compliance</li> <li>• Climate change</li> <li>• Human rights</li> </ul>
Trade Unions	<ul style="list-style-type: none"> <li>• Industrial relations</li> <li>• Human rights</li> </ul>
Local communities and local committees	<ul style="list-style-type: none"> <li>• Circular Economy</li> <li>• Other emissions</li> <li>• Community engagement</li> <li>• Human rights</li> </ul>
Customers	<ul style="list-style-type: none"> <li>• White cement (quality and application)</li> <li>• Customer management</li> <li>• Fair competition</li> <li>• Innovation</li> </ul>
Suppliers and contractors	<ul style="list-style-type: none"> <li>• Health and safety</li> <li>• Circular economy</li> <li>• Supplier relations</li> </ul>
Associations of environmentalists	<ul style="list-style-type: none"> <li>• Climate change</li> <li>• Other emissions</li> <li>• Circular Economy</li> <li>• Biodiversity</li> </ul>
Financiers	<ul style="list-style-type: none"> <li>• Business performance, expansion and consolidation</li> <li>• Ethics, anti-corruption and compliance</li> <li>• Transparency and accountability</li> <li>• Circular Economy</li> </ul>

## Sustainability Targets

Our analysis of material topics and related trends, including input from internal and external stakeholders and benchmarks among our peers, was taken into account when developing the Cementir's Sustainability Targets.

The Sustainability 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.

The Sustainability Targets were defined by the Sustainability Team in collaboration with regional and corporate teams and according to the guidelines established by the Sustainability Committee.

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

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

Each year, in the Sustainability Report, Cementir will share its progress towards achieving these targets with its stakeholders.

Below is an indication, for each of the four pillars identified by Cementir, of the main targets and objectives, the referenced UN Sustainable Development Goals (SDGs) and the results achieved in 2021.

## Circular Economy

### Pillar I: In waste, we see resources: we promote a circular economy

UN SDGs	Target	Detailed description	2021 results	Deadline and progress	Pages	
 	55% 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 target dates in 2022 and 2025, has a final target date of 2030.	In 2021, alternative fuels amounted to 30% of the fuel used to produce grey cement.	2022 2025 2030	Target in line with the planned roadmap	<a href="#">Use of alternative fuels (page 96)</a>  <a href="#">Our 2030 commitment in numbers (page 59)</a>
 	8% alternative fuel use for white cement production by 2030	The demand for consistency in the colour of white cement is much higher than for grey as significant 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. This is the reason for the 8% The final target defined for white cement production, which also includes intermediate targets for 2022 and 2025.	In 2021, alternative fuels amounted to 3% of the fuel used to produce white cement.	2022 2025 2030	Target in line with the planned roadmap	<a href="#">Use of alternative fuels (page 96)</a>  <a href="#">Our 2030 commitment in numbers (page 59)</a>
	Waste recycling	Since 2009, Cementir has been operating in the urban and industrial waste management and processing sector.	In 2021, the Group's plants recycled, through mechanical selection and treatment processes almost 5,300 tons of materials.	ongoing	Target in line with the planned roadmap	<a href="#">Waste processed in 2021 (page 46)</a>
 	Production of alternative fuels from waste	The Group's plants produce alternative fuels and thermal energy, minimizing landfill waste and contributing to the reduction of greenhouse gas (GHG) emissions.	In 2021, the Group's treatment plants produced a total of 72,408 tons of fuel from waste.	ongoing	Target in line with the planned roadmap	<a href="#">Waste processed in 2021 (page 46)</a>

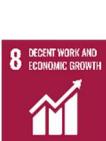
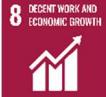
Environment	Pillar II: We respect the environment in all our operations					
UN SDGs	Target	Detailed description	2021 results	Deadline and progress		Pages
	CO <sub>2</sub> reduction target for grey and white cement	The Group has defined a 10-year roadmap to reduce Scope 1 and Scope 2 GHG emissions by 25% per ton of cement. The targets have been validated by the Science Based Targets initiative (SBTi). Cementir's goal is to reduce its Scope 1 carbon intensity to less than 500 kg CO <sub>2</sub> per ton of grey cement produced by 2030. For white cement, the goal is to reduce its Scope 1 carbon intensity to less than 800 Kg CO <sub>2</sub> per ton of white cement produced.	In 2021, the CO <sub>2</sub> emissions for grey cement was 683 kg per ton of cement, while for white it was 919 kg per ton of cement.	2022 2025 2030	Target in line with the planned roadmap	<a href="#">Our 2030 commitment in numbers (page 59)</a>
	Net zero emissions	Cementir's ambition is to reduce CO <sub>2</sub> emission intensity to achieve carbon neutrality along the value chain by 2050.	In 2020 and 2021, we collected data on CO <sub>2</sub> emissions from a selection of strategic suppliers and we calculated Scope 3 emission.	2050	Target in line with the planned roadmap	<a href="#">2050 ambition (page 67)</a> <a href="#">Value chain engagement (page 67)</a> <a href="#">Cementir's Scope 3 emissions (page 111)</a>
	97 million in green investments in the 2022-2024 period	The 2022-24 Industrial Plan, approved by the Board of Directors in February 2022, targets a 97 million euro investment in sustainability and digitalisation, which will include, among others: the revamping of the kiln at our Belgian plant in order to increase alternative fuel use from the current 40% to 80%; the switch to natural gas and biogas in some plants; the ramping up of facilities at the Aalborg plant to produce FUTURECEM™, the extension of district heating and other energy efficiency projects.	In February 2022, the Board of Directors approved the 2022-2024 Industrial Plan.	2024	Target in line with the planned roadmap	<a href="#">Main investments to achieve CO<sub>2</sub> reduction targets (page 64)</a>
	Lowering clinker content of grey cement to 63%	FUTURECEM™, is a patented, 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 2021, the clinker ratio for grey cement was 81%. In January 2021, Cementir started the distribution of FUTURECEM™. The sales forecast was fully met in 2021 and the product is almost sold out in 2022.	2022 2025 2030	Target in line with the planned roadmap	<a href="#">Our key actions for the 2022-2030 period (page 62)</a>

Environment	Pillar II: We respect the environment in all our operations				
UN SDGs	Target	Detailed description	2021 results	Deadline and progress	Pages
	Lowering clinker content of white cement to 7%	The demands for consistency of colour in white cement is much higher than for grey as no differences in the shade of white or coloured surfaces can be accepted. Alternative minerals affect the colour and for this reason their use is drastically limited for white cement.	In 2021, the clinker to cement ratio for white cement was 83%.	2022 2025 2030	Target in line with the planned roadmap  <a href="#">Our key actions for the 2022-2030 period (page 62)</a>
	District heating in Denmark	In the Danish city of Aalborg, our production plant recovers energy to provide district heating to over 36,000 dwellings, which will rise to 50,000 in the near future, covering about the half of its urban population.	In 2021, the Aalborg Plant provided 1.7 million gigajoules of thermal energy to the local community. In the Industrial Plan 2022-2024, we included the project to expand the heat recovery system.	2024 2025	Target in line with the planned roadmap  <a href="#">Recovery of heat from kiln fuel (page 140)</a>
	All operating companies must operate with a certified environmental management system (i.e. ISO 14001)	Cementir has committed to all companies active in cement and concrete production operating with a certified environmental management system (i.e. ISO 14001), by 2025.	As of 2021, 8 cement plants (accounting for the 93% of total cement production), 3 RMC companies (accounting for the 29% of total RMC production) and 3 waste management companies (accounting for the 100% of waste managed by the group) have adopted a ISO 14001 certified management system.	2025	Target in line with the planned roadmap  <a href="#">We respect the environment in all our operations (page 109)</a>
	All cement plants must operate with a certified energy management system (i.e. ISO 50001)	Cementir has committed to all cement plants operating with a certified energy management system (i.e. ISO 50001) by 2025.	In 2021, 7 cement plants, accounting for the 77% of the total cement production, adopted the ISO 50001 certification for energy management systems.	2025	Target in line with the planned roadmap  <a href="#">Energy consumption (page 114)</a>

UN SDGs	Target	Detailed description	2021 results	Deadline and progress	Pages
 6 CLEAN WATER AND SANITATION	Group water-related targets	The Group has defined a 10-year roadmap that will allow for the reduction of the water consumption per cement produced by 20% compared to 2019. For the plants located in high water-stress areas, for which the specific water consumption is already lower than the Group average, the reduction target is 25%.	In 2021, water consumption was 413 litres per ton of cement.  For the plants located in high water-stress areas, the water consumption was 276 litres per ton of cement.	2030  Target in line with the planned roadmap	<a href="#">Water consumption (page 119)</a>
 15 LIFE ON LAND	Biodiversity preservation	Cementir is committed to minimising negative impacts and where possible enhancing biodiversity by following the international best practices in place.	In 2021, 95% of quarry rehabilitation plans are in place.  In 2022, we will issue 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 high biodiversity value quarries.	2022  Target in line with the planned roadmap	<a href="#">Managing quarrying activities (page 103)</a>
 17 PARTNERSHIPS FOR THE GOALS	Supporting Denmark in delivering a 70% reduction in greenhouse gases by 2030	Through Aalborg Portland, the Group is involved in the most ambitious CO <sub>2</sub> reduction project sponsored by a government. The Managing Director of Aalborg Portland is leading the technical group that will provide the Danish government with a technical forecast of all potential CO <sub>2</sub> reductions achievable by energy intensive industries in Denmark and will define the prerequisites (policy, research, innovation, subsidies, etc.) for such reductions.	In 2020, Aalborg Portland committed to a CO <sub>2</sub> reduction target of 30% by 2030 (an annual saving of 660,000 tons of CO <sub>2</sub> in 2030 compared to current emissions).  As part of this strategy, Aalborg Portland has entered into an agreement with the state gas distribution company, Evida, to connect the plant to the gas distribution grid in 2023.	2030  Target in line with the planned roadmap	<a href="#">Our key actions for the 2022-2030 period (page 62)</a>

People	Pillar III: We value our people				
UN SDGs	Target	Detailed description	2021 results	Deadline and progress	Pages
	Sustainable talent management	Key positions are filled internally with top-class candidates worldwide.	In 2021, a Group talent review was conducted with the aim of obtaining an overview of the quality of the Group Management Team in terms of performance trends and potential/readiness to step up into higher or more complex roles. The process also allowed us to identify a pool of emerging talents with good performance and potential to succeed in leadership/coordination roles and to be earmarked as mid- and long-term successors.	ongoing	Target in line with the planned roadmap  <a href="#">Talent review and succession plans for key positions within the Group (page 125)</a>
	Promoting diversity in the workforce	Cementir is committed to promoting diversity in the workforce. In 2022, the Group Internal Audit will perform a diversity, equity, and inclusion (DEI) audit	In 2021, the Group Internal Audit defined a work program for diversity, equity, and inclusion (DEI) audit. Starting from 2022, it will be included as part of the Internal Audit process. The audit will monitor 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.	ongoing	Target in line with the planned roadmap  <a href="#">Diversity and inclusion (page 128)</a>
	People engagement	Increase engagement across the Group by listening, engaging and implementing improvement plans.	In 2019, the Group staff survey 'Your Voice' was conducted to assess staff engagement across the group. The participation rate was 83% at Group level. Following the survey, global, regional and BU level actions plans have been defined and approved by the Global Senior Management. In the 2020/2021 period, on average 50% of the defined actions were implemented.	ongoing	Target in line with the planned roadmap  <a href="#">Group People Survey (page 124)</a>

**People** **Pillar III: We value our people**

UN SDGs	Target	Detailed description	2021 results	Deadline and progress	Pages
 	Zero accidents	Analysis of the causes of accidents and near misses and implementation of appropriate preventive measures.	In 2021, no recordable fatal or high-consequence injuries occurred to directly employed individuals.	ongoing	Target in line with the planned roadmap <a href="#">Concretely safe (page 132)</a>
	All cement plants must operate with a certified health and safety management system (i.e. ISO 45001)	The Group plans to certify all cement plants by 2022.	At the end of 2021, certified cement plants accounted for 73% of the total (more than 80% of the total cement production).	2022	Target in line with planned roadmap <a href="#">Concretely safe (page 132)</a>
	Quality education for the 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 37,000 hours of training were provided in 2021, almost 12.2 hours per member of staff.	ongoing	Target in line with planned roadmap <a href="#">Cementir Academy (page 126)</a>
	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 monetary incentive plan adopted by Cementir is based on a short-term incentive (STI) system. The STI is based on the Group's and/or subsidiaries' financial and non-financial targets and includes objectives based on indicators linked to company performance and to managerial roles held within the Company. Managers from all organisational levels participate in this incentive system.	2021	Target achieved <a href="#">Our 2030 commitment in numbers (page 59/61)</a>
	Promotion of gender equality with an objective of at least 30% of the Board of Directors being composed of women	Implementation of a specific Group Diversity Policy.	33% of Board Members are women	ongoing	Target achieved <a href="#">The Corporate Governance system (page 71)</a>

**Local Community**

**Pillar IV: We support our communities**

UN SDGs	Target	Detailed description	2021 results	Deadline and progress	Pages
	Transparent communication with stakeholders	In 2021, submitting the CDP Climate Change Questionnaire and Water Security Questionnaire and assurance by the external auditor	In 2021, Cementir was awarded a 'A' for the management of climate change issues and 'B' for water management.  In 2021, a limited assurance engagement on the Sustainability Report was provided by external auditors.	2021  Target achieved	<a href="#">Our commitment on carbon-related public policy (page 68)</a>  <a href="#">Report by external Auditors (page 192)</a>
	Quality education for the local community	In Turkey, 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	<a href="#">Çimentas Education and Health Foundation (page 140)</a>
	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 as part of 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 2021, the activity was carried out in the main companies, with a coverage of 95% of the Cementir workforce worldwide, involving the following countries: Belgium, Denmark, Norway, Turkey, United States, China, Malaysia, Egypt, Italy, UK and Poland	2022	<a href="#">Commitment to Human Rights (page 82)</a>

## Covid-19 emergency management system

Although the Covid-19 pandemic has impacted the various countries in which the Group operates differently, the priority of the Company's Management Team has always been the safety of personnel operating at all company sites, defining and adopting infection risk containment and prevention measures in line with directives issued.

The health and well-being of our employees and partners is our priority. For this reason, Cementir Group put in place a range of global and local measures to contain the spread of the coronavirus (Covid-19).

Since the first quarter of 2020, a team at Group level and focal points at country level were established to meet this challenge. The country focal points are coordinated by the central team and each company must comply with their national health regulatory requirements and execute the guidance given by the Group.

Cementir is following the advice of the World Health Organization along with governments and public health authorities in each country where the Group operates. An extensive range of business continuity and precautionary measures have been put in place across our operations globally.

With regards to the countermeasures adopted by Group companies, the first action implemented and strongly encouraged is social distancing: this is the main measure on which all other countermeasures are based. The rule of maintaining a distance greater than 1-1.5 meters from other people is the most common form of this.

Communication, awareness and training are then further cornerstones of a clearly implemented pandemic emergency management system, as well as the washing of hands, contact surface cleaning and smart working, along with the reduction of workforce presence in offices. Specific training courses have been arranged for employees and posters and toolbox talks have been posted to stress the importance of basic hygiene measures, such as frequent hand washing and constant wearing of face masks.

Working from home has also been encouraged as much as possible.

In 2021, the business travel limitation was still in force.

The Group strongly promoted digital initiatives (i.e. contactless) in each country. Because of the emergency, there was increased adoption of digital tools for collaboration, document sharing and reporting, which the company already had, but which saw an exponential growth in use. Some processes that were previously managed manually are also now carried out digitally. At the same time, a significant proportion of Cementir's staff has increased their level of knowledge and mastery

of digital tools, making the most of the agile work model that has ensured operational continuity and production efficiency for the business.

The Group put in place safety protocol guidelines for each location. Differentiated strategies were applied for the management of office staff and staff working in production plants. However, social distancing, use of protective masks, regular cleaning and disinfecting of workstations and limiting access to sites for all non-essential personnel are the main pillars of each protocol.

From the beginning of the emergency, the Group HR Department has been tracking the impact of Covid-19 on our employees each day. Each company must immediately notify the local and Group HR department of any Covid-19 case, which must then evaluate the proper response.

As of 31 December 2021, starting from the beginning of the pandemic, 430 employees contracted Covid-19, 418 employees fully recovered and 10 are still positive according to swab tests. In 2021, Covid-19 caused 2 fatalities in the Group (France and USA). Our employees all around the world, have been mobilised to support our local communities.

## The Cementir Group

1.36 billion euros in revenue

18 countries

### Sales volumes

11.2 million tons of grey cement, white cement and clinker

5.1 million cubic metres of ready-mixed concrete

11.1 million tons of aggregates

### Plants

6 white cement plants

5 grey cement plants

60 terminals

101 ready-mixed concrete plants

12 quarries

1 cement product plant

2 waste treatment and recycling plants

Cementir Holding is a multinational group with registered office in the Netherlands operating in the building materials sector. The Group is the global leader in white cement with 3.3 million tons of installed capacity, the leading producer of cement in Denmark and of ready-mixed concrete in Scandinavia, the third largest producer in Belgium and among the main international operators for grey cement in Turkey. In Belgium, the Group operates one of the largest aggregate quarries in Europe. In Turkey and the United Kingdom, Cementir is also active in the processing of urban and industrial waste, used to produce waste-derived fuel for cement plants.

The Group's international growth over the years has mainly been driven by investments and acquisitions amounting to over EUR 1.7 billion, which have transformed the company from a domestic to a multinational player with production sites in 18 countries, a production capacity of over 13 million tons of grey and white cement, and a commercial presence in over 70 countries. The company continues to pursue a strategy aimed at geographical and product diversification with a view to environmental sustainability.

The Group has boosted the extensive use of digital technology in production processes with the Cementir 4.0 project, which aims to ensure a level of operational excellence along the entire value chain, including limestone extraction, the use of

raw materials and alternative fuels, predictive maintenance, supply management and logistics.

Cementir has set ambitious targets to reduce its CO<sub>2</sub> emissions that have been independently verified by the Science Based Targets initiative (SBTi) and judged consistent with the goal of keeping warming well below 2°C. The Group has defined a 10-year roadmap and in the 2022-2024 Business Plan, it will commit funds of around EUR 97 million to sustainability projects, including: large-scale production of low carbon footprint sustainable products such as FUTURECEM™, which reduces CO<sub>2</sub> emissions by 30%; the use of alternative raw materials and fuels, or more sustainable fuels such as natural gas, and investments aimed at reducing the consumption of thermal energy and electricity in our plants in Denmark and Belgium.

In December 2021, the Group achieved an improvement in its climate change rating, up to an ‘A-’, ranking above the average for the cement and ready-mixed concrete sector (B), the European average (B) and the global average (B-). Cementir also obtained a ‘B’ score for the first time for Water Security, in line with the sector and the European average (B).

In May 2021, the rating agency Standard & Poor’s assigned Cementir Holding a rating of BBB- with Stable Outlook.

Cementir Holding has been listed on the Milan Stock Exchange since 1955 and today is one of the leading companies in the Euronext STAR Milan segment. Since 1992, Cementir has been part of the Caltagirone Group, one of the leading private business groups in Italy, with activities in the residential construction, infrastructure, publishing, real estate and finance sectors.

## 2021 At a glance

### Global presence

Grey cement production capacity: 9.8 million tons  
White cement production capacity: 3.3 million tons  
Grey cement sales: 8.2 million tons  
White cement sales: 3.0 million tons  
Ready-mixed concrete sales: 5.1 million m<sup>3</sup>  
Aggregate sales: 11.1 million tons

#### Denmark

Grey cement production capacity: 2.1 million tons  
White cement production capacity: 0.85 million tons  
Cement plants: 1 (7 kilns)  
Ready-mixed concrete plants: 33  
Terminals: 7  
Quarries: 3

#### Norway

Ready-mixed concrete plants: 26  
Terminals: 1

#### Sweden

Ready-mixed concrete plants: 9  
Quarries: 5

#### United Kingdom

Waste management facilities: 1  
Terminals: 2

#### Latvia

Terminals: 1

#### Iceland

Terminals: 3

#### The Netherlands

Terminals: 1

#### Poland

Terminals: 1

#### Belgium

Grey cement production capacity: 2.3 million tons  
Cement plants: 1

Ready-mixed concrete plants: 9

Terminals: 1

Quarries: 3

#### France

Ready-mixed concrete plants: 5

Terminals: 2

Cement plants: 11  
Terminals: 60  
Ready-mixed concrete plants: 101  
Quarries: 12  
Cement product plants: 1  
Waste management facilities: 2

#### USA

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

#### Turkey

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

#### Egypt

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

#### China

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

#### Malaysia

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

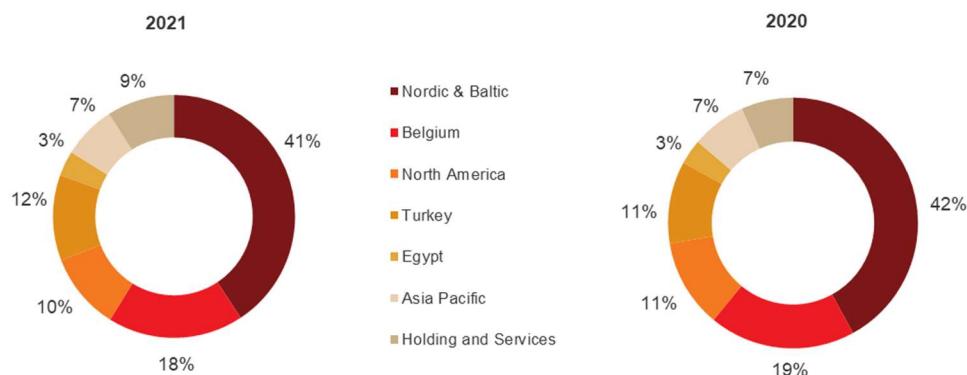
#### Australia

Terminals: 4

#### Italy

Secondary and operational office of Cementir Holding N.V.

## Revenue from sales and services by geographical segment



(EUR, in thousands)	2021	2020	Change %
Nordic & Baltic	617,365	562,433	9.8%
Belgium	274,957	253,237	8.6%
North America	155,478	152,968	1.6%
Turkey	173,263	141,834	22.2%
Egypt	50,729	43,364	17.0%
Asia Pacific	108,017	94,660	14.1%
Holding and Services	136,580	89,771	52.1%
Eliminations	(156,413)	(113,474)	37.8%
<b>Total revenue from sales and services</b>	<b>1,359,976</b>	<b>1,224,793</b>	<b>11.0%</b>

## 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 19<sup>th</sup> century industrial models, starts with natural raw materials such as limestone, gypsum and clay, which are extracted from natural quarries and then crushed. This is 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 2021 Cementir Holding distributed worldwide over 8.2 million tons of grey cement and around 3.0 million tons of white cement of various types and classes, produced in 11 plants located in Denmark, Belgium, Turkey, Egypt, China, Malaysia and the US.

## Leader in white cement

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

Aalborg White® has always been identified with white cement, throughout the world. It is a pure, high-quality cement that can be found everywhere from Park Avenue skyscrapers in Manhattan, to the London Olympics structures and even the Lindholm Høje Museum in Nørresundby, Denmark<sup>2</sup>.

The distinctive features of white cement are its colour and high level of performances. The whiteness 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 complies with the strictest international standards. Our industrial processes are inspired by the Group's consolidated best practices that guarantee our customers a unique level of quality and reliability over time. Our research quality technical centre (RQT) has a worldwide reputation for international patents, awards and multiple collaborations with prestigious universities.

## Difference between grey and white cement

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

- White cement is mainly used for high-performance applications, dry-mix products, mortars, special products and decorative purposes. Grey cement is widely used in ready mixed concrete as well as precast concrete. White cement supports the development of future sustainable cement-based technologies and

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<sup>2</sup> Please see [Projects | Cementir Holding N.V.](#) for the main applications of our cements

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 the efforts to reduce clinker consumption in buildings, by minimising material consumption.

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

	White cement	Grey cement
Applications (est. % of cement consumption by segment in Europe)	<ul style="list-style-type: none"> <li>Dry mix/mortars/specialty products (50-70%) <ul style="list-style-type: none"> <li>- Cement-based paint</li> <li>- Plaster</li> <li>- Grout, putty</li> <li>- Decorative concrete panels</li> <li>- Sealing products</li> </ul> </li> <li>Bricks, blocks and tiles (20-30%) <ul style="list-style-type: none"> <li>- Terrazzo (up to 15% in Mediterranean countries)</li> <li>- Decorative bricks and tiles</li> </ul> </li> <li>In-situ and pre-cast concrete (10-20%) <ul style="list-style-type: none"> <li>- Facade elements</li> <li>- Iconic buildings and other aesthetic applications</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Ready mixed and pre-cast concrete (55-65%) <ul style="list-style-type: none"> <li>- Mass concrete for infrastructure works: dams, harbours, bridges, tunnels, culverts, road surfaces</li> <li>- Housing and industrial buildings</li> </ul> </li> <li>Bricks, blocks and tiles (30-40%) <ul style="list-style-type: none"> <li>- Pipes</li> <li>- Paving stones, kerbs</li> <li>- Roofing tiles</li> </ul> </li> <li>Dry mix/mortars and other applications (5-10%)</li> </ul>
Global production (2020)	> 20 million tons annually	> 4 billion tons annually
EU27 consumption (2020)	~2.7 million tons	~170 million tons
Market position	Niche product	Commodity product
Raw materials	<ul style="list-style-type: none"> <li>High grade, iron-poor chalk, limestone or marble</li> <li>Kaolin, bauxite</li> <li>Iron-poor sand (quartz sand, shifting sand, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>Locally available limestone or marl</li> <li>Clay, shale, fly ash</li> <li>Low-grade sand</li> <li>Iron oxide, pyrite ash</li> </ul>



(a)



(b)



(c)

*Fig. 1: Examples of grey cement applications.*

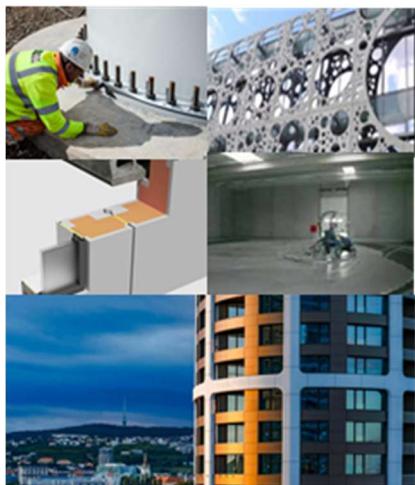
(a): Concrete pipes

(b): In-situ cast concrete for a road bridge

(c): Pre-cast concrete elements for a multi-story dwelling

## Market differentiation between white and grey cement

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



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

### White and coloured mortars



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

White cement is usually a key ingredient.

### Renders, joint fillers and tile adhesives



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

### Exterior facade panels and decorative coating stones



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

### Works of art and street furniture



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

### Pre-cast and concrete elements



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

### Terrazzo and artificial stones



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

## Markets

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

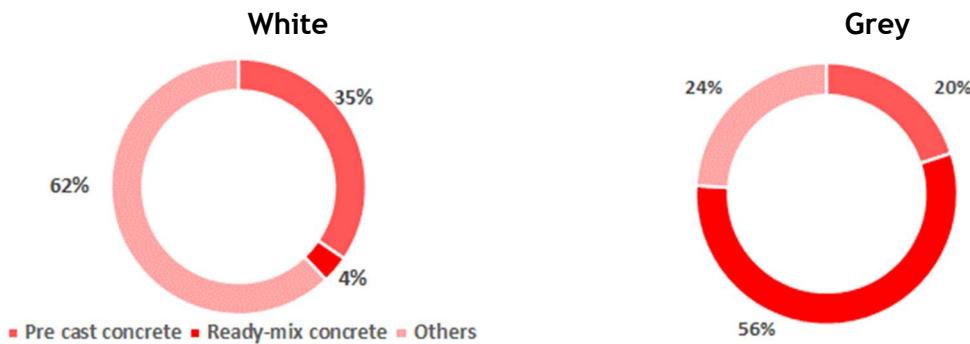


Fig. 2: Estimated market segments for white and grey cement<sup>3</sup>.

## Trade

Grey cement is a commodity product, manufactured at many locations close to the market. On the other hand, white cement is a high-value product which is produced at relatively few, dedicated plants located close to the appropriate raw materials. White cement is therefore traded across borders to a much greater extent than grey (Fig. 3). This is the case for both import/export from the EU as well as between EU countries (see Annex A).

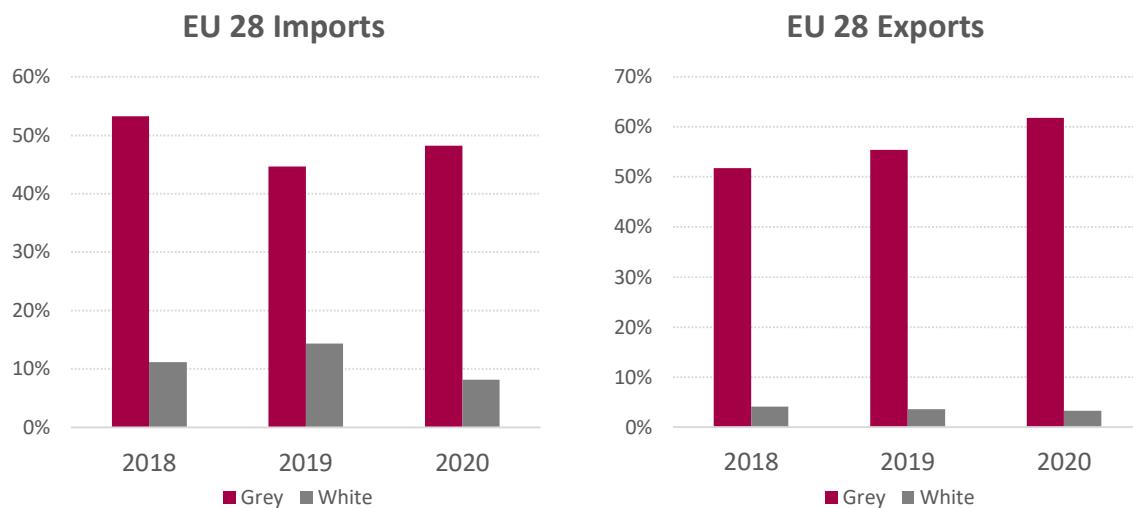


Fig. 3: Import/export of white cement vs. cement of all types.

<sup>3</sup> 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 comes from 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 of air conditioning. Recent studies have shown that an increase in the albedo (measure of the fraction of reflected incident sunlight) of urban surfaces could save, in the US alone, energy with an economic cost up to \$3 billion and reduce the global temperature by 0.01°C each year (Akbari et al., 2006).

Applying the same methodology as used in Akbari’s study to buildings, the energy consumption of a building according to the colour of the facade can be estimated. The result indicates that the CO<sub>2</sub> savings from using white concrete walls in constructing an office building with the dimensions 15 x 15 x 20 m would be approximately 27 tons annually (see Annex C). Assuming that 28 tons of white cement is used for the building and that the CO<sub>2</sub> emission associated with this production is 1.2 tons CO<sub>2</sub> per ton of white cement, the CO<sub>2</sub> savings will be greater than the emissions associated with the cement production in under two years.

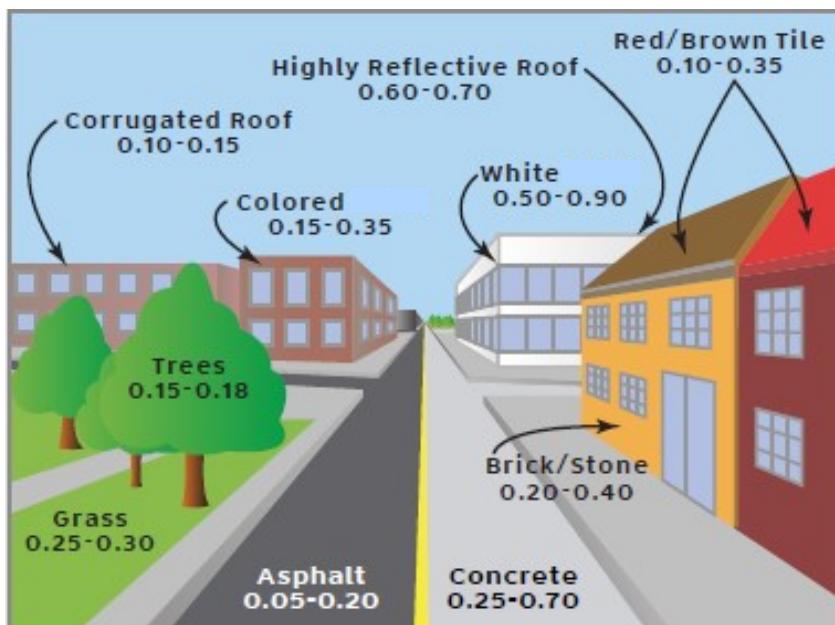
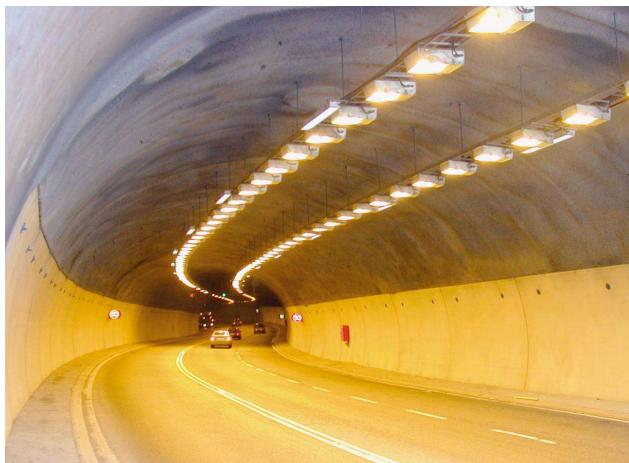


Fig. 5: Illustration of the albedo effect

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



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

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



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



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

## Grey cement

Cementir Holding 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 for their production processes.

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

## InWhite®

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

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

Aalborg InWhite Solution® has become the umbrella brand for commercialised high-value adding and high-performing products like UHPC, 3D Concrete Printing and others, identified and developed under InWhite® initiatives, that Cementir Holding will provide to the building industry. Within its innovation pipeline, under InWhite®, in late 2019, the Cementir Group launched innovative UHPC pre-mixes Aalborg Extreme® for infrastructure applications and Aalborg Excel® for more aesthetic and sophisticated applications. New solutions InBind, a highly customised binder solution for HPC applications, and ReCover, UHPC for bridge overlay and for industrial and residential flooring, are planned for launch on the market in 2022, to meet customers' needs for low carbon applications.

All InWhite® products are based on FUTURECEM™ technology.

## Production of ready-mixed concrete

In 2021, Cementir Holding produced and distributed 5.1 million cubic metres of ready-mixed concrete of all types and classes. Ready-mixed 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-mixed 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-mixed concrete reaches the building site, it is ready for use, i.e. the ‘pouring’ phase. Often, before being ‘poured’, the ready-mixed 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 and Sweden, 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.

In 2021, CCB Aggregates obtained the CSC (Concrete Sustainability Council) GOLD certification on the Gaurain and Clypot sites, issued by the certification body SGS Intron Certificatie B.V. The CSC certifies the responsible and transparent management of the entire value chain and attests to the company's sustainable, environmental, economic and social commitment. This certification demonstrates our commitment in sustainability transition and in supporting our customers in this approach by sharing the value creation.

## 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 all the value chain: from raw material assessment, manufacturing technology, up to concrete technology.

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

FUTURECEM™ technology is fully recognised as a solution for clinker ratio reduction in the roadmap for *Low-Carbon Transition in the Cement Industry* by the International Energy Agency - 2018 and as 'low clinker cements' in the *Cementing the European Green Deal* -2020, making the Cementir Group the frontrunner. <https://cembureau.eu/about-our-industry/innovation/lower-clinker-cements/>.

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

A milestone within the development of FUTURECEM™ technology was the Danish 'Green Concrete II' (Green Transformation of Cement and Concrete Production) project, concluded in 2019: the whole 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.

This was a clear outcome from a survey within the market, performed by the Cementir Group in 2019-2020, to explore and determine the status of the 'green transition' in Northern Europe (Scandinavia, France, Belgium, the Netherlands) and how cement players would support this transition.

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 market has warmly welcomed the new and more sustainable cement type - FUTURECEM™ a limestone calcined clay cement - from the Cementir Group. The sales forecast will be fully met in 2021 and the product is nearly sold out 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™ will be used in RMC and concrete elements for the ambitious sustainable building UN17 Village in Ørestad, Copenhagen with more than 500 apartments. When completed in 2024, it will be known as the world's first housing project integrating all 17 UN Global Goals in the same building.

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

FUTURECEM™'s experience in Denmark and Belgium is paving the way for limestone calcined clay technology in other markets as part of the Group's ambitious sustainable roadmap towards 2030 and beyond.

### Other low-carbon cements

Along with FUTURECEM™ technology, the Cementir Group produces blended cement by leveraging on the main SCM such as fly ashes, granulated blast furnace slag and pozzolana in order to offer low carbon solutions to customers as well as to strive towards the CO<sub>2</sub> emission reduction target.

### Low-carbon and sustainable concrete

The Cementir Group is also promoting a more eco-sustainable RMC offer, down to the value chain, by leveraging circularity (use of recycled aggregates) and reduced CO<sub>2</sub> emission footprint (FUTURECEM™ technology and other blended cements).

In 2020, UNICON Denmark launched a series of CO<sub>2</sub>-reduced concrete products branded UNI-Green and in 2021 this initiative reduced the total CO<sub>2</sub> impact by 2,113 tonnes. UNICON strives to make the UNI-Green series the new standard while continuing to improve concretes with reduced CO<sub>2</sub> footprints.

By 2030, Unicon, the Cementir Group RMC company in Denmark, is aiming for a 50% CO<sub>2</sub> reduction compared to 2019, through optimisation of mix designs, declaration of concrete with curing time longer than 28 days, use of new additives, cement types, fillers and binders and, last but not least, working closely with our customers and participating in research and development projects.

To document the CO<sub>2</sub> footprint, UNICON Denmark produces third party verified environmental product declarations (EPDs) at a product or project level.

As for recycled concrete, Unicon was a supplier to the Sydhavn Recycling Centre in Copenhagen, which won the Sustainable Concrete Award in 2019. Unicon Denmark was also a supplier for the Orientkajen metro station, which won the Sustainable Concrete Award in 2021.

UNICON Denmark currently has three standard recycled products on the shelf: up to 20% recycled concrete in all concrete types for lower exposure classes, up to 100% recycled concrete in dry mixed concrete (e.g. curb concrete) and all non-structural concretes.

In 2021, more than 20,000 tonnes of concrete were recycled, putting UNICON among the leaders in this field in Denmark. In 2022, the goal is to recycle 40,000 tonnes of concrete and by 2030, the aim is to recycle 200,000 tonnes. In 2021, 61 million litres of recovered water were used, substituting for a similar amount of drinking water.

Following the sustainable path of the Group, CCB Beton - RMC company of CCB - has launched a new range in France and the Benelux area in its product portfolio under the C-Green brand: C-Green Neutral for a sustainable concrete with low carbon footprint and C-Green Recyc, a sustainable concrete made with recycled aggregates.

CCB Beton will also be a pioneer in the French market by incorporating Futurecem™ limestone calcined clay technology developed by Cementir.

From 2022 to 2025, CCB Beton aims to reduce its carbon footprint in RMC by 10% by implementing the new lower carbon cements.

CCB Beton will also increase the amount of recycled aggregates used to produce concrete. With the Upcycling Project, CCB Beton aims to reach the 10% of recycled aggregates used by 2022 and 25% in 2025.

CCB Beton has also participated to the Brussels Port Authority initiative to neutralize its product carbon footprint and obtained a CO<sub>2</sub>-Neutral certification for its Brussels plant process emissions.

In order to obtain carbon neutrality, unavoidable emissions are offset through certified climate projects.

Cementir supports a water project in Rwanda that provide safe and clean water using borehole technology to hundreds of households in the province of Nyagatare. Through the implementation of safe water solutions such as the rehabilitation of new boreholes, there is no need to purify water for drinking, cleaning and washing. This leads to a reduction in wood combustion and as a result to a reduction of greenhouse gas emissions. It also improves livelihoods of the local population, by ensuring better health conditions, air quality and saving a lot of valuable time for women. The project is certified by the Gold Standard.

## Customer engagement Towards direct relationship-building

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

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

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

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

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

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

The Group exports to over 70 markets and is trying 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.

## 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 performs annually a Voice of the Customer Survey (VoC) to measure customer satisfaction/engagement on product quality, services, innovation, relationships, sales processes, after-sales service and technical support. The results of this survey enable the Group to focus more on the customer in commercial operations. The organisation uses these important results to develop plans to optimise its value proposition and to further improve customer satisfaction. The Survey also identifies areas to be improved and is oriented towards strategic inter-functional, inter-company and inter-regional initiatives, some of which are incorporated in the strategic project programme. For 2022, with the aim of strengthening the capacity of the Group to cover needs and requests of an ever broader customer base, extension of the VoC to other key markets of Turkey and Benelux-France has also been planned.

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 customer experience and to increase their loyalty. The latest results among white cement customers in Europe and Asia-Pacific show a NPS of 54 (2020) and 41 (2021) respectively. As for the grey cement, the 2021 NPS score in the Nordic markets is 75, well above the market benchmark. Regarding the CLS, the overall indexes confirmed in 2021 that customers in Europe and APAC feel very satisfied with Group

products and services both, for the grey and white cement businesses: over 70% in Europe and over 67% in APAC.

## Waste management and recycling

Waste is not only a source of recyclable materials, but also of alternative fuels with a high calorific value. Using alternative fuel derived from industrial and solid urban waste has 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.

Cementir Holding 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 Turkey, and Neales Waste Management in England, where in addition to its waste treatment plant, the company manages a landfill that enables the production of renewable energy by transforming food waste into biogas.

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.

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

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

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

To achieve these results, the Cementir Group uses applicable and well-tested integrated solutions and has for years invested in the development and the widespread use of innovative technologies for waste management and fuels from waste, such as sorting, recycling and bio-drying.

## Waste processed in 2021

In 2021, the Group's plants collected and processed more than 217,000 tons of waste: 28% solid urban waste and 72% industrial waste.

Waste processed	Unit	2021	2020	2019
Solid urban waste	Ton	61,327	110,659	230,943
Industrial waste	Ton	156,220	148,879	189,411
<b>Total</b>	<b>Ton</b>	<b>217,547</b>	<b>259,538</b>	<b>420,354</b>

In June 2020, Cementir sold fixed equipment owned by Hereko, the division operating in the processing of municipal solid waste in Istanbul. This explains the decrease in the total amount of waste processed in the 2020/2021 period compared to 2019.

In 2021, the Group's plants recycled, through mechanical selection and treatment processes, 5,269 tons of materials.

Recycled material produced	Unit	2021	2020	2019
Ferrous material	Ton	1,414	1,843	2,316
Plastic	Ton	0	527	1,807
Aluminum	Ton	693	672	966
Other materials	Ton	3,162	4,389	1,668
<b>Total</b>	<b>Ton</b>	<b>5,269</b>	<b>7,431</b>	<b>6,757</b>

Through biomechanical and drying processes, the Cementir Group's treatment plants produced more than 72,400 tons of fuel from waste in 2021. The decrease compared with 2019 is related to the sale of fixed equipment owned by Hereko, mentioned above, resulting in a decrease compared to the previous year.

Alternative fuel produced	Unit	2021	2020	2019
Refuse-derived fuel	Ton	16,497	14,335	16,223
Solid recovered fuel	Ton	55,911	64,772	84,297
<b>Total</b>	<b>Ton</b>	<b>72,408</b>	<b>79,107</b>	<b>100,520</b>

## EU Taxonomy

The European Taxonomy introduced by EU Regulation 2020/852 and in force as of 1 January 2022 (referred to as the Taxonomy / EU Taxonomy below) is a key component of the European Commission's action plan to redirect capital towards a more sustainable economy and represents a fundamental step towards achieving carbon neutrality by 2050, in line with EU goals.

The purpose of the Taxonomy is to ensure the reliability, consistency, and comparability of sustainable economic activities to protect private investors from greenwashing, assist companies in the sustainable transition, mitigate market fragmentation, and bridge the sustainable investment gap.

Regulation 2020/852 (referred to as the Regulation below) has established six environmental and climate objectives for the identification of sustainable economic activities:

- Mitigation of climate change
- Adaptation to climate change
- Sustainable use and protection of water and marine resources
- Transition to a circular economy
- Pollution prevention and control
- Protection and restoration of biodiversity and ecosystems

In addition, it has established four criteria that must be fulfilled to define an economic activity as sustainable, and consequently aligned with the EU Taxonomy:

- The activity must contribute substantially to one or more of the environmental objectives.
- It shall not significantly harm any of the environmental objectives (DNSH).
- It is carried out in compliance with minimum safeguards standards.
- It complies with the technical screening criteria established by the European Commission.

Due to its newness and complexity, for the first year of application, the European Commission opted for a simplified disclosure, requiring non-financial undertakings to publish the share of eligible and non-eligible economic activities in terms of turnover, capital expenditure and operating expenditure.

An economic activity is considered eligible if it is included in the delegated acts integrating the Regulation, regardless of whether that economic activity meets all the technical screening criteria set out in those delegated acts.

In the following section, the Cementir Group, as a non-financial undertaking, presents the share of its turnover, capital expenditure (Capex) and operating expenditure (Opex) for the reporting period 2021, which are associated with

Taxonomy-eligible economic activities related to the first two environmental objectives (climate change mitigation and climate change adaptation) in accordance with Art. 8 Taxonomy Regulation and Art. 10 (2) of the Art. 8 Delegated Act.

### Assessment of eligibility

The Cementir Group operates in the production and distribution of grey and white cement, ready-mixed concrete, aggregates, and concrete products and in the processing of urban and industrial waste.

As a preliminary step, activities carried out by Cementir Group have been associated with NACE codes<sup>4</sup> with the aim of identifying a guide for identifying eligible economic activities. In fact, as specified in Recital 6 of the Climate Delegated Act, the references to NACE codes should be understood as indicative.

The economic activities presented above have been examined and reconciled with the descriptions included in the annexes (Annexes I and II) of the Taxonomy, irrespective of whether they meet any or all the technical screening criteria laid down in the above-mentioned delegated acts.

As a result, the following economic activities are categorised as eligible:

**Tab.1**

Activity	Description	Climate change mitigation	Climate change adaptation
<b>3.7. Cement production</b>	<i>Production of cement clinker, cement or alternative binder. The economic activities in this category could be associated with NACE code C23.51 in accordance with the statistical classification of economic activities defined by Regulation (EC) No. 1893/2006.</i>	✓	✓
<b>5.5. Collection and transport of non-hazardous waste in source separated fractions</b>	<i>Separate collection and transport of non-hazardous waste in single or mixed fractions intended for preparation for reuse or recycling. The economic activities in this category could be associated with NACE code E38.11 in accordance with the statistical classification of economic activities defined by Regulation (EC) No 1893/2006.</i>	✓	✓

Therefore, only the production and distribution of grey cement and processing of urban and industrial waste meet the descriptions of the Climate Delegated Act. This choice was made considering the technical screening criteria that the Group will have to be compliant with for the subsequent reporting years, that specify ‘cement production’ refers to the production of grey cement only.

<sup>4</sup> The acronym NACE, Nomenclature of Economic Activities (or in French; *classification des activités économiques*), designates the integrated classification system for products and economic activities. It designates the various statistical nomenclatures of economic activities developed since 1970 in the European Union. The NACE codes are a standard classification system of similar European industries according to Standard Industry Classification (SIC) and the North American Industry Classification System (NAICS) for classifying business activities.

In addition, it must be pointed out that the European Parliament and the Council have prioritised economic activities that can make the most relevant contribution to the two environmental objectives under consideration. This first Delegated Act focuses on the climate objectives (climate change mitigation and climate change adaptation) and therefore includes activities that are most relevant for reductions in greenhouse gas emissions and for improving climate resilience. This includes sectors with the highest contribution to CO<sub>2</sub> emissions (energy, manufacturing, transport, buildings), as well as activities enabling their transformation, because the transformation of activities in these sectors is necessary to reach the EU's climate objectives.

It should be emphasised that the activities that have not been identified from this analysis as Taxonomy eligible are simply not included in the macro-areas subject to analysis at this stage by the EU Taxonomy and do not constitute any misalignment with the directives from the EU Commission.

For the mentioned reasons, in this first year of reporting, white cement production, ready-mix concrete, aggregates and concrete products are excluded from the activities listed by the European Taxonomy. Such activities represent 70.81% of total turnover.

The activities that have not emerged as Taxonomy eligible - and which therefore are included in the percentage of 'Taxonomy non-eligible' economic activities - are not included (at the moment) among the macro-areas subject to analysis at this stage by the EU Taxonomy but could fall within the other 4 environmental objectives defined by the Regulation that are currently under development.

Based on the considerations presented above, the economic activities carried out by the following entities can be identified as totally or partially eligible.

Tab.2

3.7. Cement production	Further explanation
Cimentas A.S.	Production of grey cement only
Kars Cimento	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.
Aalborg Islandi	Does not produce grey cement, but resells grey cement purchased intra-group. <sup>5</sup>
Compagnie des Ciments Belges S.A.	Production of grey cement, ready-mix concrete and aggregates
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

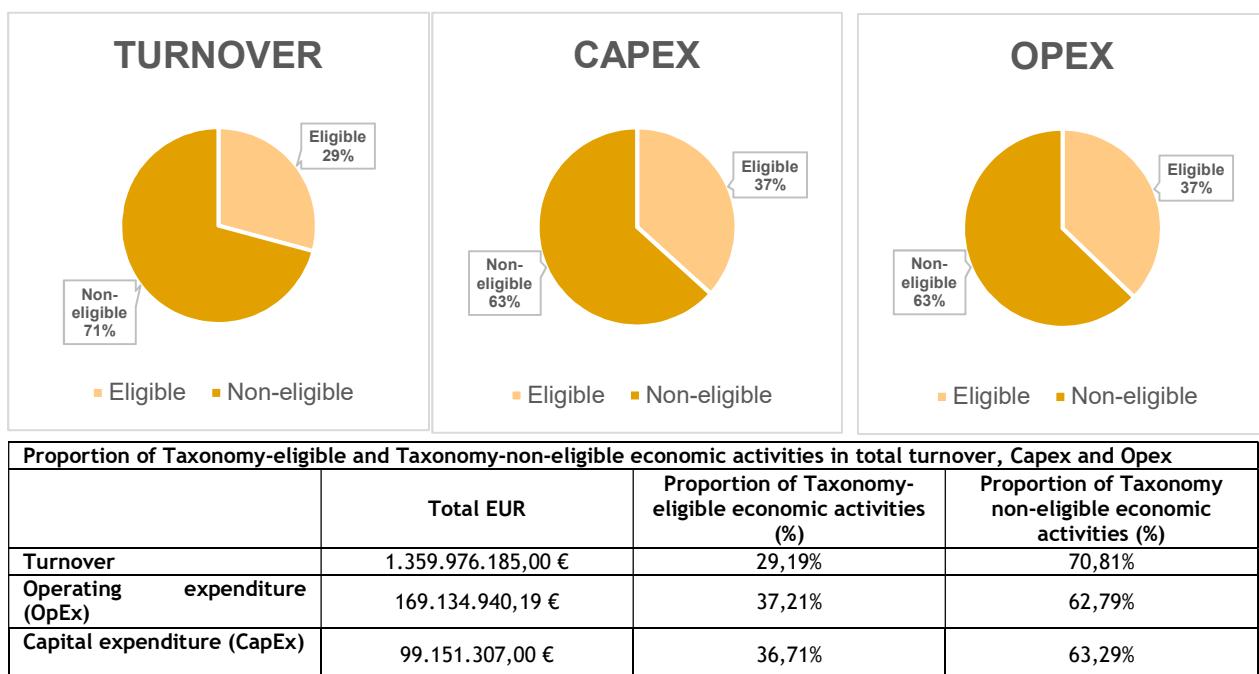
<sup>5</sup>For example: Aalborg Portland sells grey cement to Alborg Islandi. Alborg Islandi, which is a terminal with a silo, sells that cement to third-party customers. The same happens with CCB France and Spartan Hive

Tab.3

5.5 Collection and transportation of non-hazardous waste in source separated fractions
Sureko
Neales Waste Management Limited
Quercia Limited

In compliance with the constraint of the Taxonomy to avoid double counting (Sect. 1.2.2.2 (c) of Annex I to the Art. 8 Delegated Act no double counting in case of contribution to multiple objectives, the activities identified as eligible will be reconciled to a single environmental objective, climate change mitigation or climate change adaptation, in the analysis required to calculate the alignment KPIs (from 2023).

## 2021 Results



## Indicators and accounting policies

For the reporting period 2021, Art.10 (2) of the Art.8 Delegated Act requires non-financial undertakings to disclose the proportion of Taxonomy-eligible and Taxonomy non-eligible economic activities in terms of turnover, capital expenditure (CapEx) and operating expenditures (OpEx).

## Eligible turnover

The proportion of Taxonomy-eligible 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 economic activities (numerator) divided by the net turnover (denominator), for the financial year 2021.

For further details on our accounting policies regarding our consolidated net turnover, see chapter ‘Accounting policies’ of the 2021 Annual Report.

The numerator includes the net turnover derived from products and services associated with the economic activity 3.7 Cement Production and 5.5 Collection and transportation of non-hazardous waste in source separated fractions.

The accounting items for this indicator have been taken from the 2021 P&L of the Cementir Group.

### *Further explanations*

Following the requirement of the Taxonomy to avoid double counting in the indicators’ computation, eligible turnover is linked with the turnover generated by an entity that produces only one product (see Tables 2 and 3 to see which products the entities sell). By following this reasoning, it is possible to eliminate the risk of double counting in the case of Cimentas A.S, Kars Cimento, Elazig Cimento, Sureko, Neales Waste Management Limited and Quercia Limited.

Aalborg Portland A/S produces both grey and white cement, but it is possible to distinguish between the revenue from tons of grey cement sold and tons of white cement sold, thus avoiding the risk of double counting.

Also, for Compagnie des Ciments Belges S.A, which produces grey cement, ready-mix concrete and aggregates, it is possible to distinguish between the revenue from tons of grey cement sold, thus avoiding the risk of double counting.

The revenues from the entities CCB France, Aalborg Islandi and Spartan Hive are included and considered only in the computation of the turnover indicator, because these companies are only involved in the distribution of grey cement, not in the production.

## Eligible CapEx

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

Total Capex consists of additions to tangible and intangible fixed assets during the financial year, before depreciation, amortisation, and any re-assessments, including those resulting from revaluations and impairments, as well as excluding changes in fair value. It includes acquisitions of tangible fixed assets (IAS 16), intangible fixed assets (IAS 38), right-of-use assets (IFRS 16) and investment properties (IAS 40). Additions resulting from business combinations are also included. Goodwill is not

included in Capex, as it is not defined as an intangible asset in accordance with IAS 38. For further details on our accounting policies regarding our Capex, see chapter ‘Accounting policies’ of the 2021 Annual Report.

Investments are extrapolated from Cementir’s 2021 Statutory Book.

The accounting items selected from the statutory book are tangible investments and intangible investments.

The numerator consists of ‘*Capex related to assets or processes that are associated with Taxonomy-eligible economic activities*’ (Category A Sect. 1.2.1 (a) of Annex I to Art. 8 Delegated Act).

Investments connected to economic activities that generate no turnover and that are aimed at improving performances in terms of climate change mitigation can be added to the numerator of the indicator as per Category C Sect. 1.2.1 (a) of Annex I to Art. 8 Delegated Act.

#### *Further explanations*

Since Aalborg Portland A/S produces both grey cement and white cement, it was necessary to use a driver to select only the proportion of eligible capex.

The driver is computed based on the proportion of tonnes of grey cement produced on total tonnes produced by the entity (69,46%).

### **Eligible OpEx**

The proportion of Taxonomy-eligible economic activities in terms of operating expenditure is defined as Taxonomy-eligible Opex (numerator) divided by total Opex (denominator).

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

Operating expenditures are selected from 2021 managerial profit and loss statements of the Group.

The numerator includes the portion of the above-mentioned accounting items linked with eligible economic activities.

#### *Further explanations*

Since Aalborg Portland A/S produces both grey cement and white cement, it was necessary to use cost drivers to select only the proportion of eligible costs. These cost drivers were identified for costs linked with non-capitalised research and development and for factory cleaning.

The cost driver is computed based on the proportion of tons of grey cement produced in relation to the total tons produced by the entity (69.46%).

## 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)*

The Cementir Group is committed to developing a business model in line with the sustainability strategic goals and the CO<sub>2</sub> emission reduction targets judged by the Science Based Targets initiative (SBTi) to be consistent with the 'well below 2°C' objective, pursuant to the Paris Climate Agreement of 2015.

Through our Group Sustainability Strategy, we have sharpened this commitment and have clearly defined sustainability as a strategic, long-term value driver, as described in the chapter [10-year Roadmap](#) (see page 59).

In order to guarantee increased transparency in its communications and relationships with its stakeholders, Cementir reports on its related activities in line with the international standards of the GRI (Global Reporting Initiative), and 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. The Group is also taking on board the *Guidelines on reporting climate-related information* published by the European Commission in June 2019, which, together with the TCFD recommendations and the GRI Standard, constituted the main framework for the Group's reporting on climate change issues in 2021.

These activities are performed as an ongoing effort during the year to analyse, assess and manage the phenomena giving rise to the risks and opportunities identified. 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.

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

## Governance

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

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

RECOMMENDATIONS OF THE TCFD	DISCLOSURE
a) Describe the Board's oversight of climate-related risks and opportunities	Chapter: <a href="#">The Corporate Governance System</a> (see page 71)  Chapter: <a href="#">The Sustainability Governance System</a> (see page 75)
b) Describe management's role in assessing and managing climate-related risks and opportunities	Chapter: <a href="#">The Corporate Governance System</a> (see page 71)  Chapter: <a href="#">The Sustainability Governance System</a> (see page 75)

In the Governance chapter, the description of the different governing bodies includes useful clarification 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 sustainability long term strategy has been developed through a bottom up approach over the latest 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 inner Group culture and identity, setting expectations, targets and precise commitments, along the lines mandated by the regulatory framework. Once consolidated, this basic core has then been 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 timelines. Its assumptions and implications, from the basic ones to the most far-fetched, have been encapsulated in the Group Industrial Plan 2021-23, approved by CH board of Director in February 2021, in the Group Consolidated Financial Statements and Sustainability Report for year 2020, approved by the shareholders meeting in April 2021.

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

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

### RECOMMENDATIONS OF THE TCFD DISCLOSURE

a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term	Chapter: <a href="#">Internal Control and Risk Management System</a> (page 86) Chapter: <a href="#">Climate risks</a> (page 91)
b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	Chapter: <a href="#">Internal Control and Risk Management System</a> (page 86) Chapter: <a href="#">Climate risks</a> (page 91)
c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2° or lower scenario	Chapter: <a href="#">Internal Control and Risk Management System</a> (page 86) Chapter: <a href="#">Climate risks</a> (page 91) Chapter: <a href="#">Our 2030 commitment in numbers</a> (page 59) Chapter: <a href="#">Our key actions for the 2022-2030 period</a> (page 62) Chapter: <a href="#">2050 ambition</a> (page 67)

## Risk management

Starting from 2020, all climate risks identified have been integrated into our existing risk management process. Cementir identifies, assesses and manages climate change risks alongside all other types of risk as an integral part of its Risk Management Framework.

### 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: <a href="#">Internal Control and Risk Management System</a> (page 86) Chapter: <a href="#">Climate risks</a> (page 91)
b) Describe the organization's processes for managing climate-related risks	Chapter: <a href="#">Internal Control and Risk Management System</a> (page 86) Chapter: <a href="#">Climate risks</a> (page 91) Chapter: <a href="#">Our 2030 commitment in numbers</a> (page 59) Chapter: <a href="#">Our key actions for the 2022-2030 period</a> (page 62) Chapter: <a href="#">2050 ambition</a> (page 67)
c) Describe how processes for identifying, assessing, managing climate-related risks are integrated into the organization's overall risk management	Chapter: <a href="#">Internal Control and Risk Management System</a> (page 86) Chapter: <a href="#">Climate risks</a> (page 91) Chapter: <a href="#">Our 2030 commitment in numbers</a> (page 59) Chapter: <a href="#">Our key actions for the 2022-2030 period</a> (page 62) Chapter: <a href="#">2050 ambition</a> (page 67)

## Metrics and targets

The Group has identified 4 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**

<b>RECOMMENDATIONS OF THE TCFD</b>	<b>DISCLOSURE</b>
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: <a href="#">Use of alternative fuels</a> (page 96) Chapter: <a href="#">Alternative raw materials</a> (page 99) Chapter: <a href="#">Cementir's CO2 footprint</a> (page 110) Chapter: <a href="#">Cementir's Scope 3 emissions</a> (page 111) Chapter: <a href="#">Energy consumption</a> (page 114)
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	Chapter: <a href="#">Cementir's CO2 footprint</a> (page 110) Chapter: <a href="#">Cementir's Scope 3 emissions</a> (page 111) Chapter: <a href="#">Climate Risks</a> (page 91)
c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	Chapter: <a href="#">Our 2030 commitment in numbers</a> (page 59) Chapter <a href="#">Our key actions for the 2022-2030 period</a> (page 62) Chapter: <a href="#">2050 ambition</a> (page 67)

## 10-year roadmap to 2030

### Our 2030 commitment in numbers

In the last few years, Cementir has been actively committed to pursuing a programme inspired by the principles of the circular economy, which envisages a series of initiatives focused on reducing the environmental impact of its operations and on developing less CO<sub>2</sub>-intensive products.

Since 2019, Cementir has decided to take more disruptive actions for fighting climate change by defining a 10-year roadmap to maximise the deployment of existing technologies and laying the groundwork for the breakthrough innovations that will lead to the production of ‘net zero emissions’ cement. For this purpose, Cementir established the Group Sustainability Committee (GSC) with the primary objective of assisting the Board of Directors in defining its sustainability strategy, indicating the main objectives and areas of intervention to be reflected in the Industrial Plan and providing indications and recommendations to the Board of Directors and other bodies within the company on policies, guidelines and KPIs linked to sustainability objectives.

Cementir set 26 Sustainability Targets to minimise the environmental impact of its business and help create a healthy, safe and inclusive work environment and establish a constructive and transparent relationship with local communities and business partners.

### Our sustainability journey since 2019

**2019**

- New organization and Sustainability Governance
- Move from mandatory reporting to ESG voluntary disclosure
- The Group set 25 Sustainability Targets aligned with the United Nations Sustainable Development Goals (SDGs)

**2020**

- 2030 Roadmap on CO<sub>2</sub> emissions reduction
- 2050 Net Zero ambition



B Rating for Climate Change from F



Score 61/100



Score 43/100  
Rank in Sector 7/25

**2021**

- Cementir joins the European Climate Pact against climate change



A- Climate Change B for Water usage



Score 73/100  
Rank in Materials 1/8



Driving Ambitious Corporate Climate Action  
Committed to 25% GHG reduction



B Rating  
Score 63/100  
Rank in sector 18/74



BBB Rating

Climate-related scenario analyses are used by Cementir to review the impact of climate-related risks on its operations, targeting an emissions reduction path consistent with the “well below 2°C” within a medium-term timeframe, namely 2030.

Such terminology is a term drawn directly from the Paris Agreement that calls for a global commitment to keep ‘*the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels.*’ The scientific community tends to equate ‘well below 2°C’ to the IPCC’s ‘likely chance’ terminology, which means a 66% probability of keeping temperature rise below 2°C. This is also the scenario used by the EU for the development of the European Green deal and EU Taxonomy regulations.

According to the analysis performed so far, the main results are that transitional risks and opportunities are more relevant for Cementir than the physical ones.

The more CO<sub>2</sub> emissions are constrained by regulatory frameworks and the more relevant transitional risks are, in the most constrained scenarios the need for breakthrough technology (i.e. carbon capture usage and storage) becomes essential. Because of the scenario analysis, **Cementir is committed to reducing Scope 1 and Scope 2 GHG emissions by 25% per ton of cement-based products by 2030, using 2020 as the base year.** The mentioned targets covering greenhouse gas emissions from company operations (Scopes 1 and 2) are consistent with reductions required to keep warming to Well-below 2°C and have been validated by the Science Based Targets initiative (SBTi). The scenario analysis conducted in this respect refers to a medium-term timeframe, until 2030.

Cementir’s plan is to reduce its Scope 1 emissions to less than 500 kg of CO<sub>2</sub> per ton of grey cement (compared to 684 kg in 2021), while for white cement, which is a special product with niche applications and markets (0.5% of total world cement production), the plan is to reduce emissions to less than 800 kg CO<sub>2</sub> per ton (compared to 919 kg in 2021).

Grey Cement						
Years	2019	2020	2021	2022	2025	2030
Use of traditional fuel in %	69%	72%	70%	64%	60%	45%
Use of alternative fuel in %	31%	28%	30%	36%	40%	55%
Clinker ratio	82%	82%	81%	78%	73%	63%
CO <sub>2</sub> emissions (kg CO <sub>2</sub> /ton cement)	696	718	684	679	577	494
Reduction versus 2019			0%	-2%	-2%	-17%
					-17%	-29%

Comparing to 2020, the Group updated the strategy concerning the utilization of alternative fuels. The biomass composition of alternative fuels was increased keeping the same CO<sub>2</sub> reduction targets.

Years	White Cement					
	2019	2020	2021	2022	2025	2030
Use of traditional fuel in %	96%	97%	85%	83%	69%	43%
Use of natural gas%	12%	12%	12%	13%	26%	49%
Use of alternative fuel in %	4%	3%	3%	4%	5%	8%
Clinker ratio	84%	82%	83%	82%	81%	79%
CO <sub>2</sub> emissions (kg CO <sub>2</sub> /ton cement)	926	915	919	915	870	792
Reduction versus 2019	-	-1%	-1%	-1%	-6%	-13%

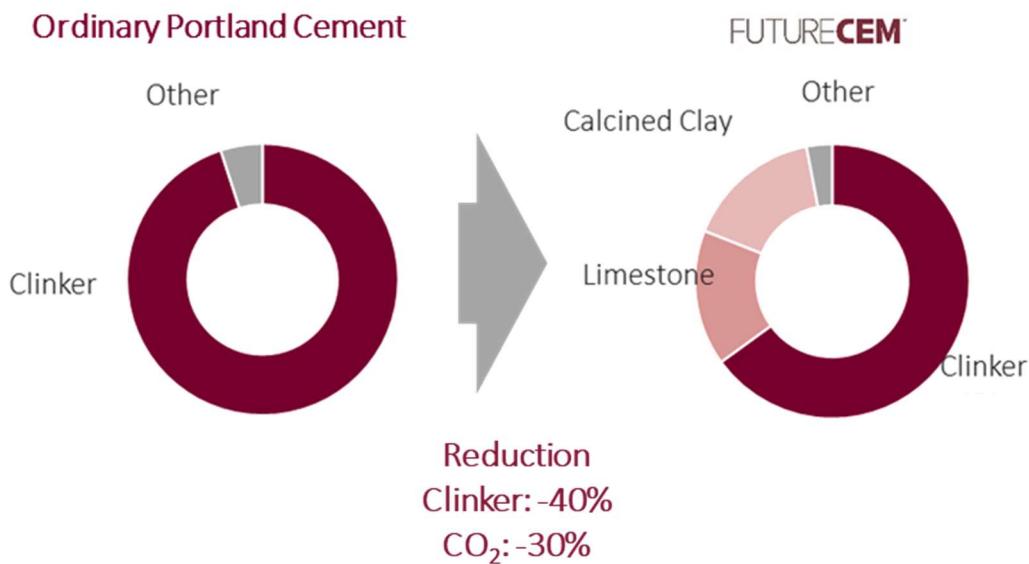
Specific targets for alternative fuels, clinker ratio and CO<sub>2</sub> emissions have been established in order to accomplish the 2030 goals. Such targets have been deployed in every single plant and were included in the 2022-2024 Industrial Plan and in our employee short-term incentive system.

## Our key actions for the 2022-2030 period

The 10-year roadmap to 2030 is focused on the following pillars:

- **Reduction of clinker content to 63% for grey cement and 79% for white cement.** In the production of cement, the majority of CO<sub>2</sub> emissions occur when the raw materials (mainly limestone) calcinates into clinker in the kiln. The CO<sub>2</sub> results from the chemical reaction that starts when limestone is heating up to 1450°C. This process, called calcination, is responsible for about the 70% of the total Scope 1 emissions generated by Cementir. Cementir will reduce the clinker content through:
  - The *replacement of clinker with alternative decarbonised mineral additives such as fly ash and slag.*
  - The *development of a new low-carbon cement, FUTURECEM™*, an innovative, validated and patented technology which allows for more than 35% of the energy-intensive clinker in cement to be replaced by limestone and calcined clay. This combination of materials in FUTURECEM™ has resulted in a much more sustainable, high-grade cement with a carbon footprint up to 30% lower than regular Portland cement. And the low-carbon benefits of FUTURECEM™ have been achieved without compromising the strength and quality of the cement.

Below is the average composition of an ordinary Portland cement and what is achievable with FUTURECEM™.



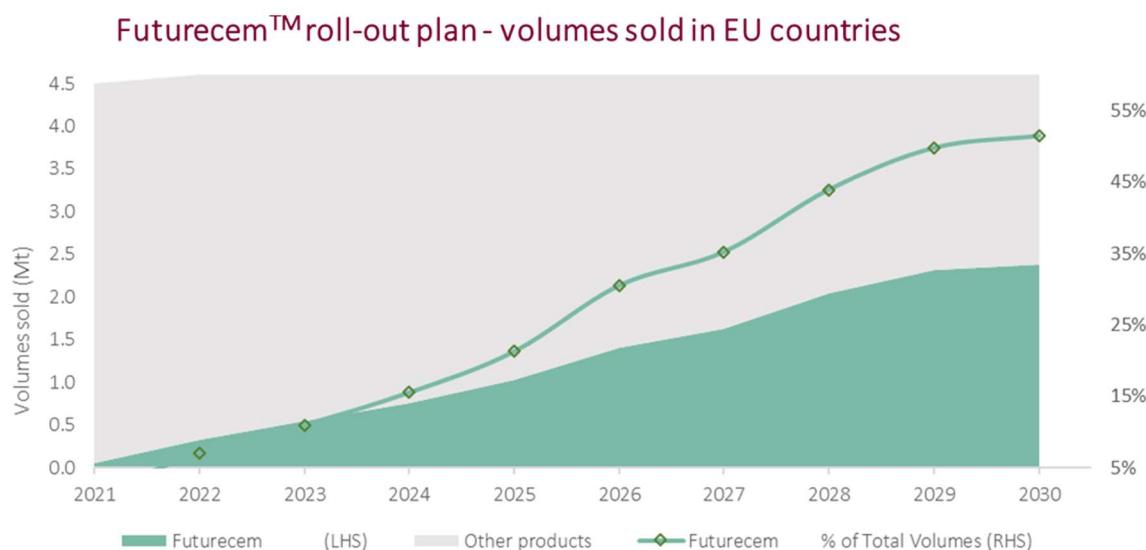
From 2014-2019, Cementir participated, together with researcher institutions and a range of stakeholders and customers from the construction industry, in the Danish project Green Concrete II with the aim of testing FUTURECEM™ in a wide range of ready-mix concrete applications. In this project, FUTURECEM™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

floor and wall in the new concrete laboratory at the Danish Technological Institute. Those demo projects demonstrate that FUTURECEM™ can be implemented in the concrete industry using conventional production and execution technologies.

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

In January 2021, Cementir started the distribution of FUTURECEM™. The sales expectations were fully met in 2021 and the product is almost sold out in 2022.

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



- **Replacement of fossil fuels with alternative fuels.** We will replace fossil fuels with waste-derived fuels and biomass fuels. For grey cement, by 2030, Cementir will use 55% alternative fuel, while for white cement alternative fuels will amount to 8%. As explained previously (see ‘Difference between white and grey cement’ section), the demand for consistency in the colour of white cement is much higher than for grey cement as a great deal of attention is paid to the purity of the colour. Alternative fuels affect the colour and for this reason their use is drastically limited in the production of white cement.
- **The establishment of a natural gas line to the plant located in Denmark and the installation of multi-fuel main burners for the kilns.** For the Danish plant, we plan a partial transition in fuel consumption from pet coke to natural gas. The switching to natural gas, a fossil fuel with emissions much lower than pet coke

(estimated reduction of 20% of CO<sub>2</sub>), is a transitional solution and essential for Cementir's transition to net-zero emissions. As part of this strategy, Aalborg Portland (the Danish legal entity of Cementir) has entered into an agreement with the Danish gas distribution company, Evida, to connect the Aalborg plant to the gas distribution grid on 2023.

- **Switch to natural gas in Belgium.** We plan the switching to natural gas also in the Belgian plant of CCB by 2025, as part of our strategy to reduce CO<sub>2</sub> footprint.
- **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 36,000 families in the city of Aalborg, Denmark with the aim of increasing this figure to 50,000, covering almost half of Aalborg urban population. The annual CO<sub>2</sub> savings related to this heat recovery system has been estimated at 150,000 tons. This calculation is based on the amount of CO<sub>2</sub>, 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.
- **Commitment to carbon-related public policy.** Cementir actively participates in global and national industry policy discussions on issues related to climate change, sustainable infrastructure, the circular economy, alternative fuels, and waste management frameworks, among others. Since November 2019, the Group has been involved in the most ambitious CO<sub>2</sub>-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 parliamentary level, on a binding climate law with the target of reducing Danish CO<sub>2</sub> emissions by 70% by 2030 compared with the 1990 baseline. The Managing Director of Aalborg Portland, Danish Cementir subsidiary, is leading the climate partnership for Danish energy-intensive industry. The working group will provide the Danish government with a technical forecast of all potentially achievable CO<sub>2</sub> reductions and will define the prerequisites (policy, research, innovation, subsidies, etc.) for such reductions.

### Main investments needed to achieve CO<sub>2</sub> reduction targets

The 10-year roadmap describes the main investments and programs needed to support the Group 2030 carbon reduction targets, but it does not yet include any breakthrough technology (e.g. carbon capture) for which the related business cases are still under development.

To foster the transition of the Group to a low carbon economy, decisions on investments are driven by an internal carbon price (in 2021, this has been set at €80 per ton) and a detailed scenario analysis is undertaken to anticipate the CO<sub>2</sub> impact the Group may be exposed to in the coming years.

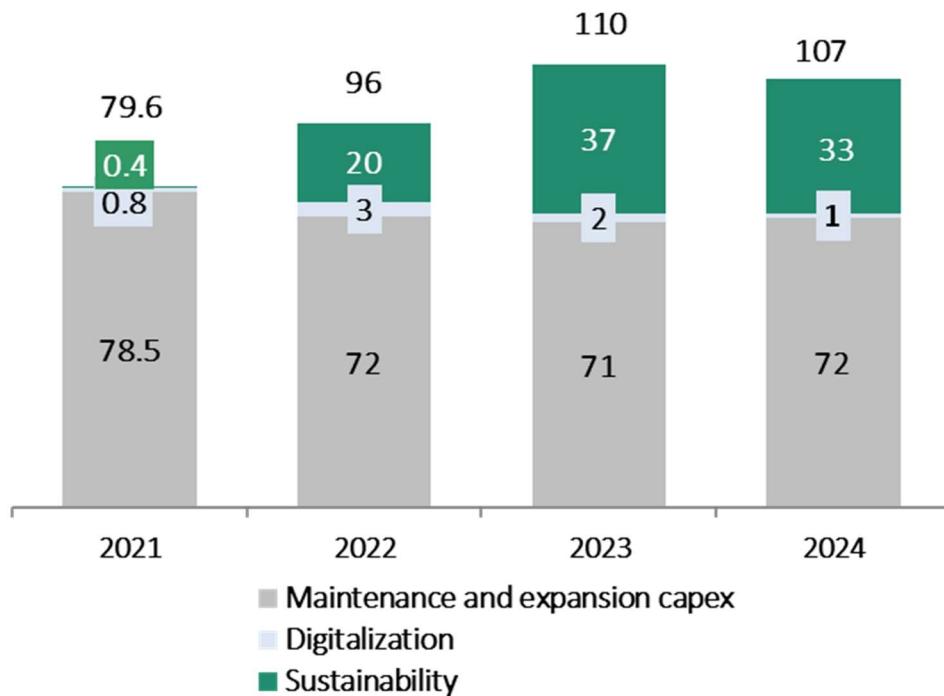
The 2022-24 Industrial Plan, approved by the Board of Directors in February 2022, targets a 97 million Euro investments in Sustainability and Digitalization, which will include, among others: the revamping of the kiln at our Belgian plant in order to increase alternative fuels use from the current 40% to 80%; the switch to natural gas and biogas in some plants; the ramping up of facilities at the Aalborg plant to produce FUTURECEM™, the extension of district heating and other energy efficiency projects. There are also initiatives to reduce transport climate change impact and make the best possible use of water resources.

In transport, the Danish subsidiary Unicon, the largest producer and supplier of ready-mixed concrete in Denmark, set a target to reduce its fleet CO<sub>2</sub> emissions by its fleet by 30% in 2025 compared to 2019. To achieve this, in 2021, Unicon and Volvo Trucks entered into a long-term collaboration to implement and optimise electric solutions for the concrete industry. The collaboration aims to give Unicon the opportunity to put into operation a fleet of electric truck mixers that will allow an efficient as well as sustainable distribution of ready-mixed concrete.

It should be noted that the kiln upgrade in Belgium, originally scheduled for 2021, has been postponed by one year due to delays attributable to the pandemic, to the increase in raw materials cost, to the unavailability of resources and lack of supplies.

Actions	Short-term (1-3yrs)	Mid-term (4-6yrs)		Long-term (7-10yrs)
Specific Heat Consumption	Investments on kilns to optimize heat consumption			
Fuel Mix / Alternative Fuel	Progressive increase of alternative fuel consumption to a 80% substitution rate across plants	Heat consumption optimization		Utilization of natural gas, biogas and biomass
Heat Recovery	Progressive increase district heating in Denmark			
Clinker Factor	Progressive introduction of FUTURECEM™ in all plants	Progressive introduction of limestone in the grinding process		FUTURECEM™ in white cement

## Industrial Plan 22 - 24: cumulative Capex



In the 2022-2024 Industrial Plan, the Group also included the “Cementir 4.0 programme”, aimed at deploying new digital technologies in all industrial processes. Such digital transformation focuses on the entire value chain, from procurement to production, maintenance, logistics and corporate functions.

## 2050 ambition

Cementir's ambition is to reduce CO<sub>2</sub> emission intensity to achieve carbon neutrality along the value chain by 2050.

CO<sub>2</sub> emissions can be reduced by acting at each stage of the value chain - clinker, cement, concrete, construction and (re)carbonation<sup>6</sup> - to achieve zero net emissions 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 EU. This will require:

- Replacing fossil fuels with biomass, waste-derived fuels, CO<sub>2</sub>-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 offsite opportunities, by setting up power purchase agreements and onsite opportunities, and by installing wind and solar solutions for electricity on land that it owns.

### 2050 ambition: Scope 3 emissions

Cementir will reduce Scope 3 emissions according to a net-zero pathway. This will require the embedding of CO<sub>2</sub> emissions in sourcing decisions for all purchase categories and the promotion of zero-emissions transportation solutions within our network.

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## Value chain engagement

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.

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<sup>6</sup> Re-carbonation is the process whereby concrete re-absorbs some of the CO<sub>2</sub> that was released during clinker production. It is a process that occurs naturally in all concrete structures, permanently trapping the CO<sub>2</sub>. Thanks to recarbonation, cities effectively act as carbon sinks, allowing further reduction of emissions in the full cement and concrete value chain.<sup>7</sup> For the Code of Ethics, please see <https://www.cementirholding.com/en/governance/ethics-and-compliance>

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

In 2020 and 2021, a selection of strategic suppliers was invited to participate in the CDP Supply Chain programme.

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

To support this engagement and boost supplier response rates, in 2020 and 2021, dedicated supplier training webinars were held.

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

Each supplier has been invited to disclose information about its risks and opportunities associated with climate change, its emissions, details on its emissions management strategy such as targets, and actions it has taken to reduce its emissions.

### Our commitment on carbon-related public policy

Cutting CO<sub>2</sub> emissions is a priority of the Cementir Group, but clearly we cannot achieve a carbon-neutral future alone.

Cementir is also 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.

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.

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 2021, Cementir was awarded an 'A-' rating for Climate Change from the CDP, improving from the 2020 'B' rating and placing Cementir above the cement and concrete sector average (B), the European average (B) and the Global average (B-).

In 2021, for the first time, Cementir was also awarded a 'B' rating for water security, in line with the sector and European average (B).

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

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

Through the **CEMBUREAU (European Cement Association)**, Cementir is directly involved in dedicated working groups that are providing feedback to the EU Commissions concerning the EU Taxonomy.

### Carbon capture, utilization and storage (CCUS)

#### ConsenCUS project

Cementir, through its Danish subsidiary Aalborg Portland, is participating in an international consortium led by New Energy Coalition and the University of Groningen that will develop a European innovation project named 'ConsenCUS - CarbOn Neutral cluSters through Electricity-based iNnovations in Capture, Utilisation and Storage'. The objective of this project is to investigate the potential of the carbon capture and storage technology to reduce CO<sub>2</sub> industrial emissions and to allow local communities to share the benefits. Industrial and academic partners from the Netherlands, Denmark, the United Kingdom,

Romania, Greece, China and Canada have joined forces to make electrochemical CO<sub>2</sub> emission reduction possible worldwide. From 1 April 2021, over €13 million in European funds and private investments will enable scaling up of technological innovations and the conducting of socio-economic research. A mobile demo plant will be constructed that will capture up to 100 kg CO<sub>2</sub>/h at cement production and convert it to useful chemicals (as potassium formate and formic acid). In the same locations, the opportunities or challenges that the CO<sub>2</sub> clusters bring to the local economy, geology and community will be studied.

Within ConsenCUS, will be to operate a CO<sub>2</sub>-capturing test-facility to provide reference data for the new capturing technology. Cementir is responsible for preparing, supporting and testing of the capturing facility for 5 months. Several crucial European industrial sectors emit CO<sub>2</sub> as an inherent part of their production process (e.g. cement, magnesia or refinery). To meet European climate targets, this CO<sub>2</sub> will have to be captured and used or stored (known as CCUS). So far, CCUS only takes place in a few locations worldwide, and often uses additional fossil fuels for the boilers that regenerate the CO<sub>2</sub>-absorbing material. The ConsenCUS consortium wants to make capture and conversion possible with (green) electricity, so that it can be done more sustainably and even in a climate-neutral manner. The innovation action includes designing so-called CO<sub>2</sub> clusters, such that regional companies can work together with governments and citizens to make smart investments in shared

infrastructure (such as pipelines or temporary storage locations) to reach net-zero carbon emissions safely.

### Greensand project

Aalborg Portland is also a partner of the Greensand project - a phase 2 consortium which is developing a CO<sub>2</sub> capture and storage pilot plant beneath the North Sea.

The project aim is to demonstrate how carbon can be captured and stored in drained oil fields in the North Sea, testing all the value-chain from cement production to storage. Besides Aalborg Portland, the project includes Ineos Oil & Gas Denmark, Wintershall Dea, Maersk Drilling, GEUS and more than 20 businesses, research institutes and universities.

Cementir Group, through its subsidiary Aalborg Portland, could become the first global cement producer to capture, transport and store CO<sub>2</sub> underground.

## 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 in the Euronext STAR Milan segment of the Milan Stock Exchange since 1955.

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

The **Corporate Governance** system adopted by the Cementir Group is in line with the principles and best practice provisions set out in the Dutch Corporate Governance Code (hereinafter the ‘Code’), applied by the Company. 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 **Shareholders’ Meeting** is responsible for passing ordinary and extraordinary resolutions on the matters reserved to the Shareholders’ 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 Shareholders’ 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.

Directors are appointed by the General Meeting. Directors can only be nominated for appointment pursuant to a proposal of the Board or 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 Executive Director is responsible for the management of the Company with the widest powers to the maximum extent permitted by the applicable law, developing and setting the Company's objectives and strategy, overseeing the associated risk profile and addressing corporate social responsibility issues that are relevant to the Company.

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

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

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

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

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.

The annual Corporate Governance Report is also available for consultation within the Board report on the company website [www.cementirholding.com](http://www.cementirholding.com) in the Governance section.

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

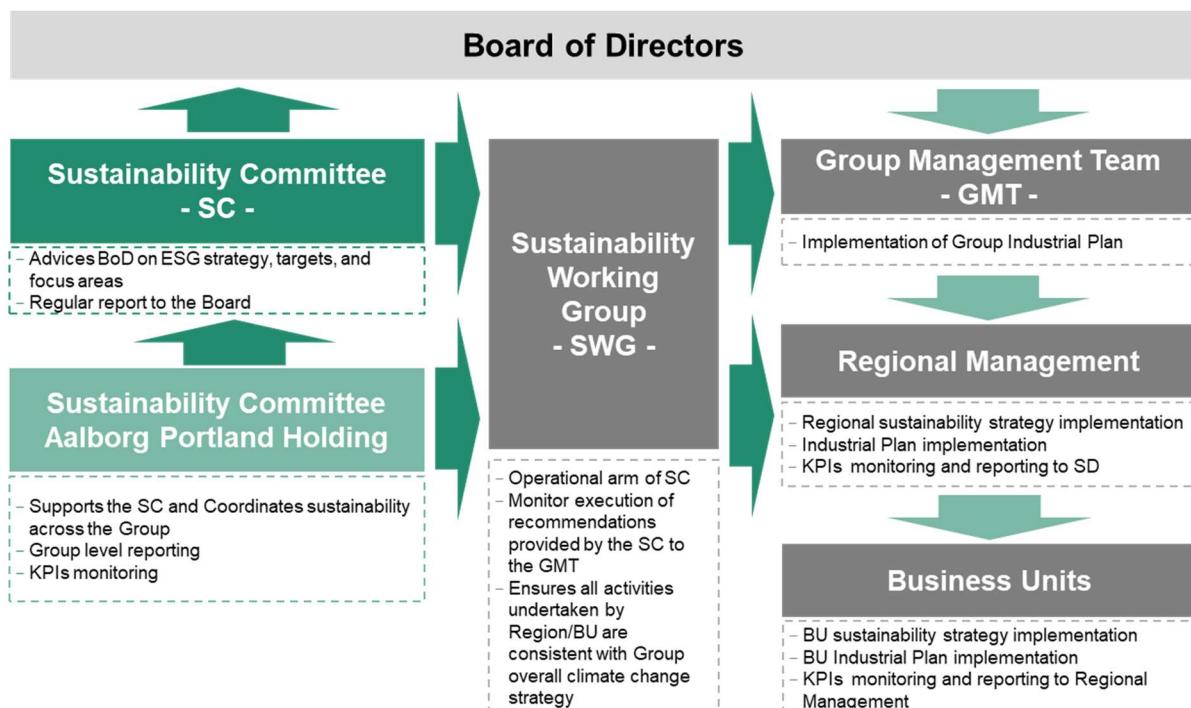
Composition of Corporate Bodies	2021			2020			2019		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<b><i>Board of Directors</i></b>									
Under 30	0	0	0	0	0	0	0	0	0
30-50	2	2	4	2	2	4	3	4	7
Over 50	4	1	5	4	1	5	4	1	5
<b>TOTAL</b>	<b>6</b>	<b>3</b>	<b>9</b>	<b>6</b>	<b>3</b>	<b>9</b>	<b>7</b>	<b>5</b>	<b>12</b>
<i>Of which independent</i>	1	2	3	1	2	3	1	4	5
<b><i>Audit Committee</i></b>									
Under 30	0	0	0	0	0	0	0	0	0
30-50	0	1	1	0	1	1	0	3	3
Over 50	1	1	2	1	1	2	2	0	2
<b>TOTAL</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>2</b>	<b>3</b>	<b>5</b>
<i>Of which independent</i>	1	2	3	1	2	3	1	3	4
<b><i>Remuneration and Nomination Committee</i></b>									
Under 30	0	0	0	0	0	0	0	0	0
30-50	0	1	1	0	1	1	0	2	2
Over 50	1	1	2	1	1	2	2	0	2
<b>TOTAL</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>4</b>
<i>Of which independent</i>	1	2	3	1	2	3	1	2	3
<b><i>Sustainability Committee</i></b>									
Under 30	0	0	0						
30-50	0	1	1						
Over 50	1	1	2						
<b>TOTAL</b>	<b>1</b>	<b>2</b>	<b>3</b>						
<i>Of which independent</i>	0	2	2						

The above data referred to the composition of board and committees at 31 December of each financial year.

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

the Company's compliance to them as detailed above, reviewing the diversity policy accordingly. It is also compliant with the diversity policy and the profile approved by the Board where diversity is not based exclusively on gender and age, but also on technical and professional skills by education and experience, which must be taken into account when appointing new members of the Board of Directors.

## The Sustainability Governance system



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

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

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

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

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

The Group Sustainability Committee examines, evaluates and makes recommendations to the Cementir Holding Board and to other Group bodies such as the Remuneration Committee regarding the sustainability objectives for the

incentivisation of management at Group, Region and BU level, acts as delegated by the Cementir Holding Board in matters of sustainability global and local, including as regards the definition, monitoring, evaluation and reporting of policies and practices, management standards, strategy, performance and governance, at global and local level. Furthermore, it regularly interfaces with the APH Sustainability Committee, the Sustainability Working Group (hereinafter the “SWG”) and the Group Management Team (hereinafter the “GMT”) and provides periodic reports to the Board of Directors.

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

The Group Sustainability Committee in particular:

- Assists and advises Cementir Holding Board on its supervision of the Group’s policies, programmes and related risks, concerning sustainability matters, (including, but not limited to) sustainability matters related to public issues of significance to the Group and its stakeholders that may affect the Group’s business, strategy, operations, performance or reputation.
- Receives regular reporting from any subsidiaries’ Sustainability Committees and the SWG to respectively collect any required information and provide requested insights and advice to the Cementir Holding Board.
- Provides regular reporting to the Cementir Holding Board.
- Acts under any authority delegated by the Cementir Holding Board relating to global and local sustainability matters, including with respect to setting out, monitoring, evaluating and reporting on policies and practices, management standards, strategy, performance and governance.
- Reviews and approves goals and guidelines for environmental, social and governance compliance, aligned with Group’s commitments and legal requirements.
- Reviews, discusses and proposes the Group’s sustainability initiatives and engagement.
- Assists in the Cementir Holding Board’s supervision of risks relating to sustainability matters overseen by the Group Sustainability Committee.
- Reviews, assesses and makes recommendations:
  - To the Cementir Holding Board as to the Group non-financial reporting and annual sustainability report.
  - To the Cementir Holding Board and to other Group bodies such as subsidiaries’ Sustainability Committee and/or GMT regarding any sustainable development policy, including overall strategy or specific

guidelines, management standards and key performance indicators of the Group relating to sustainability-related issues with the aim of ensuring that Group's policies and procedures are in line with best practices.

- To the Cementir Holding Board and to other Group bodies such as the Remuneration Committee on sustainability-related targets for management incentives at Group, regional and BU level.
- Recommends to the Cementir Holding Board health and safety targets for the Company and the Group.
- Supports the development of a health and safety culture in the Company and the Group also through its management.
- Annually provides reports of its actions to the Cementir Holding Board and makes recommendations to the Cementir Holding Board and to other Group bodies as it considers appropriate.
- Reviews and reassesses the adequacy of its Charter and recommends to the Cementir Holding Board any improvements to the Charter that the Group Sustainability Committee considers necessary or appropriate.
- Undertakes such other responsibilities or tasks within sustainability matters as the Cementir Holding Board may delegate or assign to the Group Sustainability Committee from time to time.

The Group Sustainability Committee is made up of Francesco Caltagirone, the Chief Executive Officer, who acts as Chairman of the committee and two independent Non-Executive directors Chiara Mancini and Veronica De Romanis, 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. In 2021, following its establishment, the Company has organized some induction sessions for its non-executive and independent members aimed at introducing the new position and studying sustainability issues, with contributions from the Company and Group functions involved.

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

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

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

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

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

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

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

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

assessment, taking into account the characteristics of the company and its risk profile, as well as its effectiveness.

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

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

### 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-mixed concrete production sector. The Group's Code of Ethics is the reference document that sets out the rules of conduct that everyone in the Group and who works with it must follow.

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

## The Code of Ethics

Cementir Holding has adopted a Code of Ethics<sup>7</sup> endorsing the business principles that all company officers and employees, and anyone working with the company in any capacity, are required to comply with when pursuing company business. The Code, which has been distributed to all staff and is available for consultation on the website [www.cementirholding.com](http://www.cementirholding.com), covers respect for ethical and behavioural principles, and the protection of health, safety and the environment.

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

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

### The Ethics Committee:

- Monitors dissemination of the Code and suggests possible training and awareness initiatives.
- Reports to the Board of Directors on the status of the process of implementing the Code, describing the programmes and initiatives undertaken to achieve the company's goals, any changes required to ensure its effectiveness and about updates to the Code including in response to legal developments.
- Provides support with the interpretation of the Code.
- 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, the latest update being on 11 February 2021 with reference to the channels available, which can be used to report breaches of the principles and rules set out in the Code of Ethics and the policies adopted by the Group, or simply to report non-compliance with laws and regulations.

Employees or third parties (suppliers, customers or other stakeholders) can send, with the maximum guarantee of confidentiality, reports of illegal or undesirable

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<sup>7</sup> For the Code of Ethics, please see <https://www.cementirholding.com/en/governance/ethics-and-compliance>

behaviour by sending a letter, email or by completing a dedicated form on the corporate website. (Please visit the corporate website for details: <https://www.cementirholding.com/en/governance/ethics-and-compliance>)

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.

In 2021, 27 alleged violations were received and investigated. 12 claims were confirmed, 4 claims were dismissed, 9 claims were not confirmed and 2 claims, as of March 2022, are still in progress.

The alleged violations were grouped according to three categories.

Alleged violations	Cases received	Cases Confirmed
Healthy, safe and inclusive work environment	7	2
Asset and information	16	9
Relations with external parties	4	1
<b>Total</b>	<b>27</b>	<b>12</b>

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

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

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

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

### 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 was rolled out beginning with the subsidiaries in Turkey in 2016 and extended during 2017 to various Group companies, including Aalborg Portland Anqing, Aalborg Portland Malaysia, Sinai White Cement and CCB. In 2018, the project was implemented in the Nordic and Baltic region.

### Commitment to Human Rights

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

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

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

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

- The European Convention on Human Rights

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

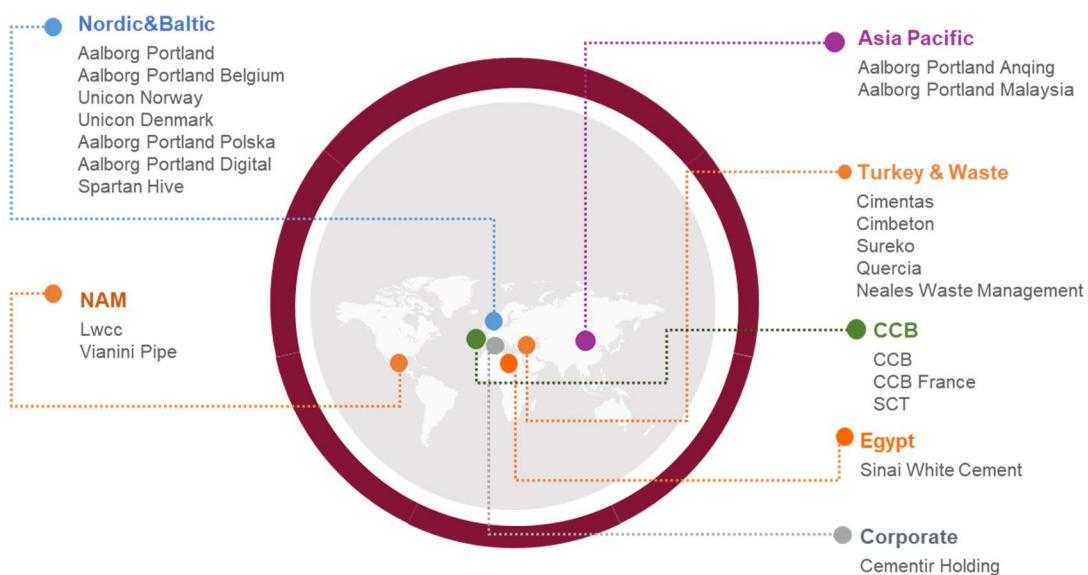
In 2020, we designed and launched an online training course primarily focused on the principles described in the Cementir Human Rights Policy and further detailed in local procedures.

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 area: Child Labor, Forced Labor, Non-Discrimination, Conditions of employment, Security, Supply chain management. The results of these assessments are included in the annual Cementir Group sustainability reporting process and serves as further evidence of Cementir Group's commitment to operating responsibly.

In 2021, the activity was carried out in the following companies, with a coverage of 95% of the Cementir workforce worldwide, involving the following countries: Belgium, Denmark, Norway, Turkey, United States, China, Malaysia, Egypt, Italy, United Kingdom, Poland.

### Human rights audit performed in 2021



The analyses carried out highlighted that internal operations are considered to be in line with internationally recognized 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.

### 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.

Distribution and sales contract templates are made available to the employees concerned and regular checks are made to ensure their constant alignment with competition rules and pricing policies.

Furthermore, new hires undergo specific courses, targeting those joining the sales department.

### Relevant litigation

An administrative dispute is pending before the Court of Appeal in Turkey, brought by the Turkish company Cimentas AS, indirect subsidiary of Cementir Holding. The dispute relates to the order issued by the Turkish stock exchange's regulatory and

supervisory body (the Capital Market Board - CMB), requiring Cimentas AS to demand that the concerned Cementir Group companies pay back around 100 million Turkish lira (now equal to around 7 million euros) from hidden profit distribution, allegedly generated by an intragroup company sale in 2009. On 29 January 2017, the CMB served a summons to Cementir Holding to appear before the Court of Izmir, requesting that the company be ordered to pay to Cimentas AS an amount provisionally set at approximately 1 million Turkish lira. The Company duly appeared in court, arguing the total lack of foundation of the plaintiff's argument and requested that the civil proceedings be suspended until the administrative proceeding is finally settled. With a ruling of 1 July 2020, the Court of Appeal in Turkey declared the lack of Turkish jurisdiction in relation to the case in question. The judgement has been challenged before the Supreme Court, which has overturned it. The proceeding on the merits is awaiting resumption.

There is not any other significant litigation pending.

## Risk Management Framework

### Internal Control and Risk Management System

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

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

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

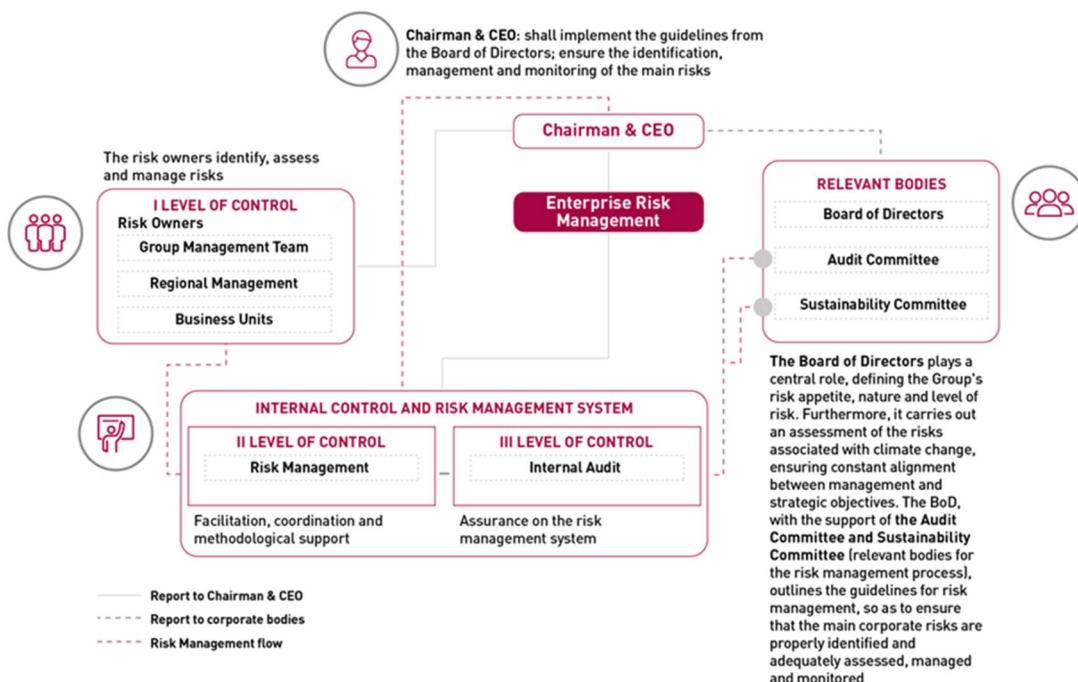
The risks are assessed with quantitative and qualitative tools considering both the likelihood of occurrence and the impacts that would occur in a defined time horizon when the risk occurs. It ensures, also, that all necessary measures are taken to control risks that could threaten assets, the ability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

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

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

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

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



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

The process includes the following phases:

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

- **Risk assessment:** For each risk identified, the management expresses an inherent risk assessment (in the absence of controls / mitigation actions), in terms of probability and impact on the goals of the Industrial Plan, using an assessment system (scoring) at 5 levels. As regards the impact, three parameters are considered: economic (quantitative), operational (qualitative), reputational (qualitative).
- **Identification and assessment** of the adequacy of existing monitor controls
- **Assessment of residual risk:** Considering the individual controls to protect against each risk and the adequacy, the residual risk is calculated by applying a uniform calculation method for all Group companies.
- In the event that the **residual risk** is higher than the predefined risk appetite level, further actions are agreed with the management aimed at mitigating the risk and containing it within acceptable levels.
- Report at Group level the main risks and the initiatives taken by management to reduce the risks to acceptable levels.

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

## Risks and opportunities

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

### **FUELS, ELECTRICITY AND FREIGHT PRICE RISK**

DESCRIPTION	IMPACT	MANAGEMENT STRATEGY
<p>Risk is linked to the volatility of market prices of commodities (electricity and fuels) and freights costs, which can affect the Group's results.</p> <p><b>COMMODITIES - Electricity and fuels</b></p> <p>The Group is exposed to the risk of fluctuations in the prices of all the materials used in production: <b>electricity, coal, petcoke</b> (which is a final carbon-rich solid material that derives from oil refining). These fluctuations affect the Group in terms of increase in costs. Furthermore, there is a high risk in the availability of fuels linked to macroeconomic market dynamics. The Group carefully monitors energy market trends and continuously seeks the best supply conditions (price and availabilities) to meet its needs.</p> <p><b>FREIGHT COSTS</b></p> <p>Prices for several trade lanes have tripled compared to last year, and prices for container vessels have seen similar rises. There is little sign of relief in the short term; a stabilisation of freight rates is expected in the second half of 2022 under current conditions.</p>	<p>Cost increase of finished products.</p>	<ul style="list-style-type: none"> <li>▪ Use of financial instruments to hedge the price risk.</li> <li>▪ Sales contracts based on indexed formulas.</li> <li>▪ Make long-term agreement to lock in the price.</li> <li>▪ Replace fossil fuels with alternative fuels like Refuse Derived Fuel (RDF) and Biomass.</li> <li>▪ Evaluation of Gas utilisation.</li> <li>▪ Freights agreements: COA 'Contract of Affreightment'</li> </ul>

### **CYBER SECURITY**

DESCRIPTION	IMPACT	MANAGEMENT STRATEGY
<p><b>Cyber Security</b> is the practice of protecting computers, servers, mobile devices, electronic systems, networks and data from malicious attacks.</p> <p>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.</p> <p>.</p>	<p>Data losses</p> <p>Privacy impacts</p> <p>Business disruption</p> <p>Reputational damage</p>	<ul style="list-style-type: none"> <li>▪ Enhancement of network infrastructures.</li> <li>▪ Strengthening of protection systems.</li> <li>▪ Updating of internal procedures.</li> <li>▪ Continuous training for all resources to strengthen corporate culture on cyber security issues.</li> </ul>

## COUNTRY RISK

DESCRIPTION	IMPACT	MANAGEMENT STRATEGY
The geopolitical instability in some of the countries in which the Group operates can affect the trend of demand.	Impact on the Group's business results of operations and financial condition.	<ul style="list-style-type: none"> <li>▪ Continuous monitoring of the environment mainly focused on the critical political/institutional developments and regulatory aspects which can potentially affect the business.</li> <li>▪ Request for letters of credits.</li> <li>▪ Continuous currency monitoring.</li> </ul>

## COVID-19 PANDEMIC

DESCRIPTION	IMPACT	MANAGEMENT STRATEGY
Cementir sells its products on a world-wide basis and owns plants in different countries, some of which have been significantly affected by the Covid-19 outbreak. Although there is broad consensus on the gradual improvement of the global health outlook in the short to medium-term, this assumption contains elements of uncertainty, some of them significant, mainly related to the availability of vaccines on a large scale. If these risks were to persist during the year, they could lead to an alteration in normal market dynamics.	Impact on the Group's operation, results, cash flows and financial condition.	<p>The Company has promptly adopted control and prevention measures for all employees worldwide: restrictive and preventive measures (also through alternative working methods) in offices and operating sites.</p> <p>The Group follows the evolution of financial and economic data in collaboration with local management, in order to take prompt 'cross country' actions.</p>

## HEALTH AND SAFETY

DESCRIPTION	IMPACT	MANAGEMENT STRATEGY
Risk of accidents due to unsafe behaviour, which may cause health consequences for workers and/or problems in production processes.	<ul style="list-style-type: none"> <li>• Economic</li> <li>• Organizational</li> <li>• Reputational</li> <li>• Relational with local communities</li> <li>• Worker's health</li> </ul>	<ul style="list-style-type: none"> <li>▪ KPIs on health and safety topics included in the management incentive process.</li> <li>▪ Group monitoring of health and safety performance for all plants.</li> <li>▪ Improvement of the Group's safety culture.</li> <li>▪ Certification of all cement plants according to international standards (ISO 450001) by the end of 2022. Certification of all cement plants according to international standards (ISO 450001) by the end of 2022.</li> </ul>

## COMPLIANCE

DESCRIPTION	IMPACT	MANAGEMENT STRATEGY
These are risks related to compliance with current regulations (antitrust, anti-corruption, GDPR, Legislative Decree 231/2001).	Potential violations of laws and regulations	<p>The Legal Department ensures the implementation of guidelines, procedures and training to ensure compliance with the mentioned regulations. The Legislative Decree 231/2001 is periodically updated.</p> <p>The Internal Audit function carries out specific audits on regulatory compliance.</p>

## Climate risks

The cement industry's ability to reduce its CO<sub>2</sub> emissions and respond to climate change has become a focus of stakeholders. Starting from 2021, Cementir has therefore publicly committed itself to adopting the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) of the Financial Stability Board, which in June 2017 published specific recommendations for the voluntary reporting of the financial impact of climate risks. The TCFD aims to offer consistent and effective financial disclosures that allow investors and other stakeholders to assess the climate risks faced by companies and to take appropriate actions. Cementir identifies, assesses and manages climate change risks alongside all other types of risk as an integral part of its Risk Management Framework

In a structured manner consistent with the TCFD, the Group monitors the risks and opportunities arising from the evolution of transition risks and the evolution of physical risks.

Physical risks are divided in turn between:

- Acute physical risks which refers to those that are event-driven, including increased severity of extreme weather events, such as cyclones, hurricanes, or floods. Acute physical phenomena which are characterised by a significant intensity and a frequency that is not high in the short term, but which, considering the long-term scenarios, sees a clear growth trend.
- 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 process of transition towards a more sustainable model characterized by a gradual reduction of CO<sub>2</sub> emissions has risks and opportunities connected both with changes in the regulatory and legal context, trends in technology development, reputational damages and the consequent market developments.

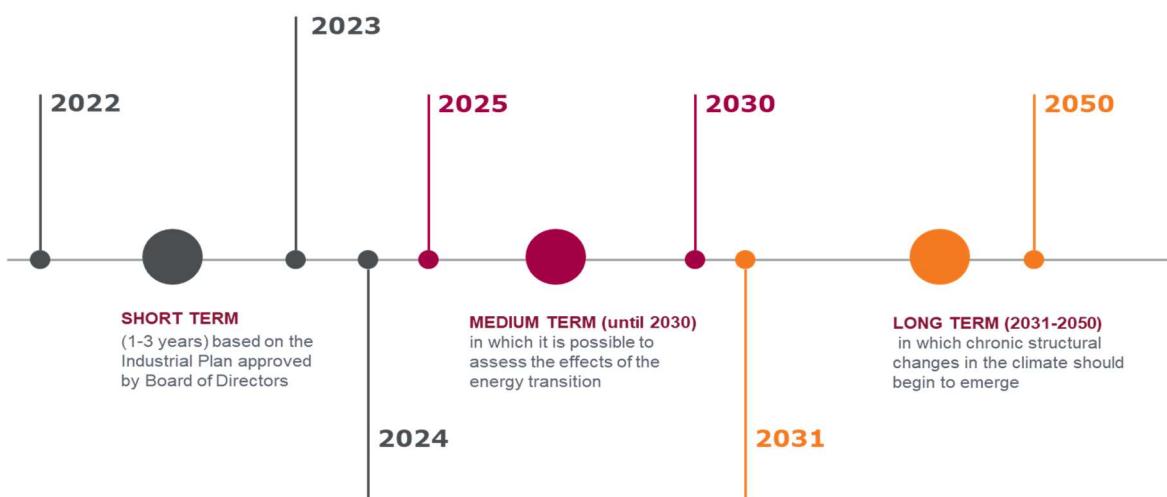


The Group has adopted a framework that highlights physical and transition risks and opportunities and indicates the management responses for each of them.

Below is a list of examples of Climate-Related Risks and opportunities reported by the TCFD:



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.

	TIME HORIZON	DESCRIPTION	IMPACT	MANAGEMENT STRATEGY	SDGs
PHYSICAL RISKS	ACUTE PHYSICAL	Medium term  Increased severity of extreme weather events such as floods, ice storms, hurricanes.	Extreme events can cause impacts in terms of damage to assets, disruption of business operations, disruption in the supply chain with impacts on the production process.	The Group adopts a series of practices such as real-time monitoring of the weather conditions around each plant.  Performs a risk assessment of extreme natural events (i.e. hydrogeological risk) of specific morphological areas.  The Group adopts business continuity management processes that guarantee an adequate level of maintenance in order to limit and/or reduce damage to corporate assets.  Certification of environmental management systems according to international standards (ISO140001).	
	CHRONIC PHYSICAL	Medium term  Water scarcity due to global warming.	The Group operates in some areas defined as high water stress. This risk can lead to an increase in procurement and operating costs for water recovery used in the production process.	The Group has defined a water management policy. The maximisation of the reuse, the minimisation of withdrawals and consumption and the application of efficient operating practices are the areas of commitment, starting with geographical areas considered water stressed. The Group has defined improvement targets for specific water consumption for cement production, which envisage an overall reduction of 20% by 2030. In areas considered water-stressed, the target is 25%.	    

	TIME HORIZON	DESCRIPTION	IMPACT	MANAGEMENT STRATEGY	SDGs	
TRANSITION RISKS	POLICY	Short term	RISK  High fluctuation of CO <sub>2</sub> price and adoption of the ETS regulation system in other non-EU countries	Regulatory changes regarding energy transition can impact the performance of the business both in economic and operational terms.	The Group has started a decarbonisation process and has set up specific targets for the emission reduction. In addition, short (1-3 years), medium (up to 2030) and long-term (up to 2050) action plans have been established.	 
	MARKET	Short term	RISK  Lack of availability of decarbonised materials (fly ashes, slag).	Cement and concrete production requires the use of raw materials such as clay, slag and fly ash (by-products of coal-fired power plants and steel mills whose production will be reduced in the next future).	To mitigate this risk, the Group has defined long-term agreements with suppliers to ensure adequate sourcing.	 
	TECHNOLOGY	Long term	RISK/OPPORTUNITIES  Carbon Capture Project	The Cementir Group, through its subsidiary Aalborg Portland, has initiated the following projects:  'Project Greensand II' 'ConsenCUS'  The projects are focused on capturing, liquifying, transporting and storing CO <sub>2</sub> in the North Sea.	The Group participates in international consortia funded by the Danish government and the European Union in order to seize the opportunities associated with the development of breakthrough technology projects.	
	TECHNOLOGY	Short term	OPPORTUNITIES  Development of green products which will reduce carbon emissions	The Cementir Group has developed a new type of cement (FUTURECEM™) responsible for fewer CO <sub>2</sub> emissions.	The production and distribution of new low-emission products will allow mitigation of potential risks and take advantage of the opportunities related to the energy transition.	 

	TIME HORIZON	DESCRIPTION	IMPACT	MANAGEMENT STRATEGY	SDGs
REPUTATION	Medium term	<b>OPPORTUNITIES</b> District heating to the municipality of Aalborg	The Aalborg plant recovers the excess energy resulting from production to provide district heating to local residents. In 2021, Aalborg Portland delivered approximately 1.7 million GJ of energy to the municipality of Aalborg. According to the engineering project developed by the Group, the Aalborg plant could increase the energy supply by an additional 1 million GJ.	The Group maximises opportunities by exploiting the heat recovery from the production process, allowing reductions in CO <sub>2</sub> emissions by the communities (quantity not emitted by the local heating plant).	 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

## The four 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.*

The depletion of resources is not just a risk for the supply of fuel for the production process, but also with respect to the use of non-renewable raw materials such as limestone, clay and aggregates used as input materials in cement production.

The Cementir Group is a pioneer in the use of raw materials and alternative fuels originating from urban and industrial waste and by-products, within the limits set by laws and technical regulations on the production of cement and ready-mixed concrete.

This circular economy 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.

#### 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.

By 2030, the Group will increase the proportion of alternative fuels in the fuel mix to 55% for producing grey cement and 8% for white cement. For white cement, the demand for consistency of colour is much higher than with grey as varying shades of white or coloured surfaces are not acceptable. For this reason, the use of alternative fuels is drastically limited in the production of white cement.

The targets have been set for each plant and mid-term targets has been defined for 2022, 2025 and 2030.



**The 20% of the thermal energy needed in the cement production process is generated from alternative fuels. The goal is to reach 77% from alternative fuels in grey cement production and 6% in white cement production by 2030<sup>8</sup>.**

Fossil fuel replacement index	U.M.	2021	2020	2019
% of fossil fuel replacement (white and grey combined)	%	20%	19%	20%
% of fossil fuel replacement (only grey cement)	%	30%	28%	31%
% of fossil fuel replacement (only white cement)	%	3%	3%	3%

In 2021, the fuel consumption for the cement production was slightly decreased comparing the previous year, from 3.6 GJ/ton of clinker to 3.5 GJ/ton of clinker

Fossil fuel consumption for cement production				
Type	Units	2021	2020	2019
Coal	GJ	7,526,248	5,682,239	7,371,459
Petroleum coke	GJ	15,031,687	20,152,510	17,955,038
Fuel oil	GJ	457,020	368,464	320,529
Lignite	GJ	5,862,081	3,074,765	352,409
Gas oil	GJ	0	0	108,179
LPG	GJ	0	194	814
Natural gas	GJ	1,872,458	1,789,485	1,757,651
District heating	GJ	36,009	26,386	8,110
<b>Total</b>	<b>GJ</b>	<b>30,785,503</b>	<b>31,094,042</b>	<b>27,874,189</b>
<b>Fossil fuel per clinker produced</b>	<b>GJ / ton clinker</b>	<b>3.5</b>	<b>3.6</b>	<b>3.6</b>

<sup>8</sup> 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 white and grey cement production					
Type	Units	White		Grey	
		2021	2021	2020	2020
Coal	GJ	0	7,526,248	0	5,682,239
Petroleum coke	GJ	11,467,033	3,564,654	11,956,158	8,196,352
Fuel oil	GJ	241,166	215,854	160,914	207,550
Lignite	GJ	0	5,862,081	0	3,074,765
Gas oil	GJ	0	0	0	0
LPG	GJ	0	0	0	194
Natural gas	GJ	1,872,458	0	1,789,485	0
District heating	GJ	0	36,009	0	26,386
Total	GJ	13,580,657	17,204,846	13,906,557	17,187,486

Alternative fuel consumption for cement production				
Type	Units	2021	2020	2019
Used oil	GJ	331,895	161,074	248,053
Rubbers and plastics	GJ	115,095	58,364	58,677
Tyres	GJ	772,592	673,873	431,120
Paper/cardboard/wood	GJ	132,996	133,327	158,010
Meat and bone meal	GJ	1,256,250	1,187,248	1,109,985
Dry sewage sludge	GJ	34,966	41,672	52,319
RDF and SRF	GJ	4,645,471	4,787,849	4,608,513
Sunflower oil	GJ	320,626	41,856	89,395
Other alternative fuels	GJ	100,171	110,799	60,336
Total	GJ	7,710,062	7,196,062	6,816,408
Alternative Fuel per Clinker produced	GJ / ton clinker	0.88	0.85	0.89

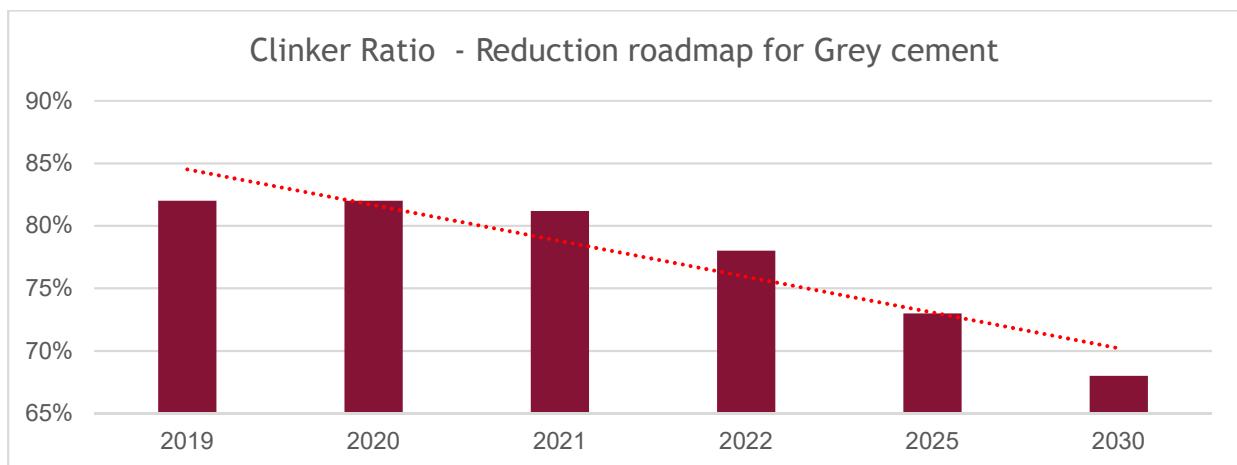
Alternative fuel consumption for white and grey cement production					
Type	Units	White	Grey	White	Grey
		2021	2021	2020	2020
Used oil	GJ	0	331,895	0	161,074
Rubbers and plastics	GJ	0	115,095	0	58,364
Tyres	GJ	0	772,592	0	673,873
Paper/cardboard/wood	GJ	0	132,996	0	133,327
Meat and bone meal	GJ	366,664	889,586	388,854	798,394
Dry sewage sludge	GJ	0	34,966	0	41,672
RDF and SRF	GJ	0	4,645,471	0	4,787,849
Sunflower oil	GJ	0	320,626	0	41,856
Other alternative fuels	GJ	0	100,171	0	110,799
Total	GJ	366,664	7,343,398	388,854	6,807,208

## Alternative raw materials

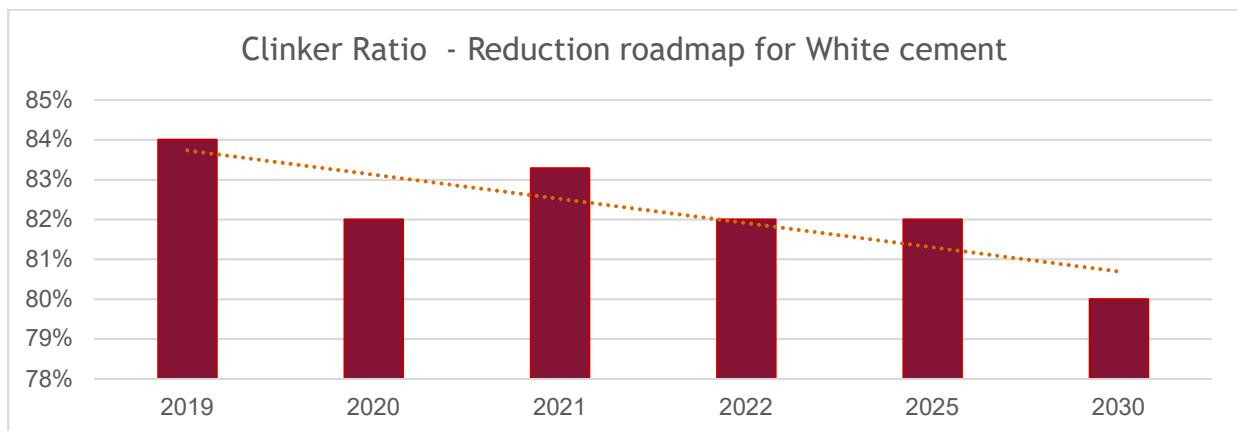
Cement production requires large quantities of natural raw materials, such as limestone, clay and gypsum, extracted from natural quarries using various methods. These are initially mixed to produce the meal from which the clinker is made, and subsequently added to the clinker and milled to obtain different 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.

**The Group has set the target for lowering its clinker/cement ratio to 68% for grey cement and 80% for white cement. This objective is also attained by substituting clinker with alternative raw materials.**

### *Clinker ratio - Reduction roadmap for grey cement*



### *Clinker ratio - Reduction roadmap for white cement*



In 2021, the cement production plants of the Cementir Group used a total of about 16 million tons of materials to produce cement. The same year, about the 9% of raw materials used were recycled, including fly ash, blast-furnace slag and other additives derived from the quarrying activities at the CCB plant in Belgium.

During 2021, the percentage of alternative raw materials increased to 10.8% from the 9.35% in 2020. In 2020, the Covid-19 lockdowns in countries where the Group operates led to difficulties in sourcing alternative raw materials.

Raw materials used in cement production	Unit	2021	2020	2019
Non-renewable raw materials	Ton	14,442,142	15,148,632	13,357,195
Renewable raw materials	Ton	<b>1,746,058</b>	1,563,285	1,576,012
<b>Total</b>	<b>Ton</b>	<b>16,188,200</b>	<b>16,711,917</b>	<b>14,933,207</b>
Renewable raw materials as a percentage of total raw materials used	%	10.79%	9.35%	11.80%

Non-renewable raw materials used in cement production	Unit	2021	2020	2019
Limestone	Ton	11,387,382	12,103,107	11,190,862
Clay	Ton	1,101,016	1,063,405	890,370
Gypsum	Ton	444,419	324,515	324,297
Marl	Ton	584,158	498,706	414,799
Sand	Ton	527,779	299,973	272,549
Pozzolana	Ton	167,747	191,107	132,696
Admixtures	Ton	14,018	44,977	16,106
Auxiliaries	Ton	0	3	895
Stone	Ton	0	0	30,477
Calcium fluoride	Ton	47,144	36,431	10,671
Bauxite	Ton	3,873	5,916	11.012
Iron ore	Ton	47,657	75,768	19,223
Other residual materials	Ton	116,949	504,725	43,228
<b>Total</b>	<b>Ton</b>	<b>14,442,142</b>	<b>15,148,633</b>	<b>13,357,185</b>

Renewable materials used in cement production	Unit	2021	2020	2019
Fly ash	Ton	473,322	320,633	365,428
FGD gypsum	Ton	94,292	89,823	106,642
Iron oxide	Ton	38,482	24,715	104,302
Blast-furnace slag	Ton	305,745	230,862	239,079
Recovered limestone	Ton	240,443	164,929	267,110
Excavated waste soil (clay)	Ton	364,083	189,230	163,351
Other materials	Ton	229,690	543,093	330,100
<b>Total</b>	Ton	<b>1,746,056</b>	<b>1,563,285</b>	<b>1,576,012</b>

In 2021, Cementir Group plants producing ready-mixed concrete used a total of 11 million tons of raw materials, mainly rocks and sand. The variation is mainly linked to the increase in total production of concrete recorded in 2021, compared to 2020.

Raw materials used in the production of ready-mixed concrete	Unit	2021	2020	2019
Non-renewable raw materials	Ton	10,964,549	9,501,881	8,726,530
Renewable raw materials	Ton	95,789	105,969	113,418
<b>Total</b>	Ton	<b>11,060,338</b>	<b>9,607,850</b>	<b>8,839,948</b>
Renewable raw materials as a percentage of total raw materials used	%	1%	1%	1%

Non-renewable raw materials used in ready-mixed concrete production	Unit	2021	2020	2019
Limestone	Ton	0	0	3,452
Sand	Ton	3,255,064	3,020,365	3,090,992
Admixtures	Ton	24,287	15,832	25,873
Auxiliaries	Ton	9	7	0
Cement	Ton	1,549,711	1,326,955	1,240,087
Stones	Ton	6,131,942	5,135,275	4,363,130
Clay	Ton	0	0	0
Aggregates	Ton	0	0	0
Steel fibre	Ton	3,083	2,875	2,696
Basalt fibre	Ton	5	0	4
Plastic macrofibre	Ton	246	178	211
Colour pigment	Ton	95	142	85
Other materials	Ton	106	252	0
<b>Total</b>	Ton	<b>10,964,548</b>	<b>9,501,881</b>	<b>8,726,530</b>

Renewable materials used in ready-mixed concrete production	Unit	2021	2020	2019
Fly ash	Ton	82,524	95,010	100,665
Microsilica	Ton	12,008	10,819	12,754
Blast-furnace slag	Ton	1,257	140	0
<b>Total</b>	<b>Ton</b>	<b>95,789</b>	<b>105,969</b>	<b>113,419</b>

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 75,000 tons) and there are no activities involving the use of recycled materials.

Non-renewable raw materials used in other production activities	Unit	2021	2020	2019
Sand	Ton	33,415	39,700	56,576
Auxiliaries and admixtures	Ton	134	140	67
Cement	Ton	12,407	12,434	12,571
Stones	Ton	25,527	25,902	25,375
Steel	Ton	2,375	2,204	1,965
<b>Total</b>	<b>Ton</b>	<b>73,858</b>	<b>80,380</b>	<b>96,554</b>

## Managing quarrying activities

Cementir supplies a significant part of its raw material needs from own controlled resources (quarries) and embraces responsible and sustainable mining principles for its quarry operations.

Our key raw material resources that are generally in the vicinity of our production facilities have a key importance for our business operations continuity and therefore we always consider securing and conserving our resources as a key strategic task. For this purpose, we always manage our resources with highest attention by:

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

We also design our processes and link our actions with UN Sustainable Development Goals that we prioritise to be able to monitor our performance and to make improvements over time.

## RESPONSIBLE CONSUMPTION AND PRODUCTION



- Thanks to the use of digital tools and technology, we improve our quarrying activities by targeting efficiency increases, resource optimisation and waste (unsuitable material) minimisation and only worthwhile those materials of a suitable grade and volume to be extracted in an economical way.
- We increase our knowledge of our mineral deposits everyday through ongoing investigations to be able to create more accurate and long-term mining plans.
- We always search for and evaluate any usage possibilities of alternative resources that may have a positive impact on CO<sub>2</sub> emissions and reduce quarry exploitation.
- We are always looking to reuse materials from other industries.

During 2021, there were significant opportunities, especially in the plants in Turkey, that we were able to grasp to conserve own controlled resources while we continue to search for such opportunities for all of our plants.

**Izmir plant:** 220,000 tons of excavation materials from construction sites and ground ash substituting for approximately 40% of total clay requirement was used in 2021. Such usage of excavation materials delivers significant benefits for land and reserve conservation of own sources as well as creating positive economic contributions for stakeholders and the environment, since such materials must normally be transported long distances and dumped at backfilling sites.

**Waco plant:** Approximately 35% of the plant's clay requirement is substituted with the nearby silica producers' clay minerals containing processing waste. Through such substitution, we conserve own clay resources.

**Trakya plant:** 39,000 tons of ground ash from 29 different companies was used in 2021. Such usage contributed to clay and iron raw material resources substitution and clay resource and land conservation.

**Kars plant:** In 2021, 38,000 tons of excavation materials from the construction site of a public institution substitute for approximately 40% of total clay requirements.

**Elazig plant:** 14,000 tons of marble processing dust from 4 different marble production companies were collected and used in 2021 to substitute for limestone usage. Although the contribution to own reserve conservation is limited, such usage has a significant positive impact in terms of land clearing of our stakeholders.

## LIFE ON LAND



- We follow the 'avoid, minimise and mitigate' procedure for any potential impact on the lands that may occur because of quarrying activities.
- Compliance with all land and environment legislations linked to quarrying activities is a minimum requirement for Cementir. Accordingly, we carefully follow and monitor all local requirements as a minimum, and beyond that we apply international good and best practices for improvement where possible.
- We target full extraction of authorised raw material areas in order to minimise land disturbance with the support of full-scale and optimised mine life plans and expansion of existing quarries rather than developing new sites.
- We start rehabilitation of benches that are no longer in use while the quarry is still in operation
- Cementir already has 95% of quarry rehabilitation plans in place however, we will issue Biodiversity and Rehabilitation Guidelines during 2022 as part of our Environment Policy to set group wide standards, targets and to improve the performance monitoring system while the key priorities will be to review all existing rehabilitation and/or biodiversity plans in place, identify improvements on rehabilitation plans and identify high biodiversity value quarries according to guideline standards.

### *Rehabilitation of Aalborg Portland Chalk Pit*

Aalborg Portland's key raw material requirement is supplied from its nearby chalk pit where rehabilitation continues in parallel with quarry extraction activities. As the chalk pit in Aalborg has unique characteristics with the light blue colour of the

lake that has been formed and is expanding through extraction activities, the concept of the chalk pit rehabilitation plan is to create a family park after use, which will offer the local population a variety of leisure and sporting activities close to the city.

The plan is for the lake to be used for sailing, water-skiing, etc., while the surrounding area provides amenities for hang-gliding, mountain-biking, jogging, walking and similar pursuits.

The basic principle of the rehabilitation plan is to create a scenic space with steep, exposed slopes, soft green hills and opportunities for walking and leisure. As a supplement to the already established hills and slopes, Aalborg Portland has applied for an expansion to the rehabilitation plan, with the purpose of creating a vantage point, with a view of the lake and the factory.

Creation of banks and terraces, in specific areas of the chalk pit, has already begun while mineral extraction activities are ongoing at a safe distance on the other side of the pit.

### ***Life in Quarries project - CCB***

We feel rightly proud of being a partner of the Life in Quarries Project in Belgium which came to an end in 2021 and characterised by the establishment of a charter presenting a set of commitments to ensure the implementation of actions to promote biodiversity through the monitoring of a management plan. The project started in 2015, co-founded by the European Commission, the Walloon Region (Belgium) and the Belgian extractive sector to develop, optimise and protect the hosting potential for biodiversity in active extractive sites in Belgium in which CCB participated with its Clypot and Gaurain quarries.

Upon the finalisation of the project, all the commitments listed in the charter are framed legally by an exemption of protected species granted by Belgian authorities.

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

The report will be automatically sent to the authorities.

## **PARTNERSHIPS FOR THE GOALS**



- As a member of Global Cement and Concrete Association, CEMBUREAU (The European Cement Association), TurkCimento (Cement Manufacturers' Association Turkey), FEDIEX (Extractive Industry Federation Belgium), AGUB (Aggregate Manufacturers' Association Turkey), we collaborate and actively participate in workshops, initiatives and projects related to quarry activities, specifically for rehabilitation and biodiversity management and improvements.

- We are in active dialogue with government bodies to ensure our compliance with our permits and beyond that for specific initiatives regarding land management, rehabilitation, and biodiversity.

***Clypot Aggregate Quarry Water Valorisation - CCB:***

Under the Walloon Region coordination, CCB launched a working group composed of the University of Mons, water production and distribution groups SWDE and IDEA and with an extractive stakeholder who shares the same quarry perimeter with us, to study the feasibility of making the water from the Clypot quarry groundwater drinkable.

After long-term technical and feasibility studies, a contract was signed with SWDE and IDEA in 2021 to pump nearly 2 million m<sup>3</sup> of quarry water to SWDE's drinking water treatment plant in Neufvilles which will allow drinkable water production and will supply nearly 20,000 Walloon households. Through this recovery process, SWDE will reduce its pumping from production wells and therefore the groundwater will be used less in the local hydrogeological basin (Senne-Senette basin).

This project, which is co-financed by CCB, was a great achievement and example showing importance of our partnerships on the route to achieve our goals.

***Aalborg Portland*** participates in a project which was initiated in 2021 along with regional authorities, universities, the Danish Nature Agency and the Danish Environmental Protection Agency. This new project aims at investigating how the local environment can be enhanced while the Aalborg Portland's chalk pit is still active (temporary ecology which does not hinder the excavation but gives space to species with the possibility of expanding to other parts of the chalk pit). We are very excited to be involved in such initiative along with our partners which perfectly fits and supports our Life on Land and Partnership for the Goals priority SDG goals.

***Commitments***

We will issue our *Group Rehabilitation and Biodiversity Guidelines* in 2022 by targeting compliance with industry standards and therefore by following the guides, standards and measurement tools identified by the Global Cement and Concrete Association.

Following the issue of our Group Guidelines, within 2023, we will review and reassess our quarry rehabilitation plans already in place according to new Group Guidelines and we will implement the improvement requirements. We will also assess and identify our quarries having high biodiversity value.

Within 2025, all our quarries having high biodiversity value will have implemented Biodiversity Management Plans.

## Waste produced

The cement production process does not in itself generate waste. Waste is mainly generated by the routine maintenance of machines and equipment (e.g., used oil and scrap metal), warehouse and office activities. In ready-mix activities, the main sources of waste are the over-orders and residual concrete in the truck mixer drum.

Our aim is to minimise the production of hazardous waste and increase the waste recycled, recovered or reused by adopting an environmental circularity approach. For instance, we maximise the reuse of clinker kiln dust and bypass dust in the production loop to minimise waste disposal in a landfill. In ready-mix activities we facilitate the reuse of some concrete fractions for new preparations.

In 2021, we generated 99.7% non-hazardous waste. We reused, recycled or recovered more than 78% of the total waste production.

Waste management is an important part of the Environmental Management Systems implemented by operational companies. In cement, 99.6% of total waste are produced in ISO 14001 certified plants.

No fines and penalties for waste management were recorded in 2021.

		2021	2020	2019
<b>Total waste</b>	t / 1,000	<b>348.9</b>	<b>361.1</b>	<b>372.5</b>
Cement		126.7	128.6	135.8
RMC		221.8	232.1	236.2
Aggregates		0.3	0.3	0.4
<b>Non-hazardous waste</b>	t / 1,000	<b>347.8</b>	<b>360.0</b>	<b>371.6</b>
Recycling		271.1	282.6	305.6
Incineration with energy recovery		0.7	0.7	0.7
Incineration without energy recovery		0.1	0.0	0.1
Other recovery operations		0.0	0.0	0.0
Landfilling		69.2	76.6	65.1
Other disposal operations		6.5	0.1	0.1
<b>Non-hazardous waste of total waste</b>	%	<b>99.7</b>	<b>99.7</b>	<b>99.8</b>
Cement	%	36.2	35.5	36.4
RMC	%	63.8	64.4	63.6
Aggregates	%	0.0	0.0	0.0
<b>Hazardous waste</b>	t / 1,000	<b>1.1</b>	<b>1.0</b>	<b>0.9</b>
Recycling		0.4	0.5	0.5
Incineration with energy recovery		0.1	0.2	0.2
Incineration without energy recovery		0.1	0.0	0.0
Other recovery operations		0.4	0.1	0.0
Landfilling		0.0	0.1	0.1
Other disposal operations		0.0	0.1	0.1
Cement	%	79.2	69.5	63.2
RMC	%	4.8	6.1	6.3
Aggregates	%	16.0	24.4	30.4

## We respect the environment in all our operations

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

The cement production process is associated with environmental impacts in the form of atmospheric emissions, mainly carbon dioxide, dust, and nitrogen and sulphur oxides. Most climate experts agree that the world must take urgent action to cut CO<sub>2</sub> emissions and we cannot deny that cement manufacturing is a process that makes intensive use of thermal energy, releasing both direct and indirect CO<sub>2</sub> emissions into the atmosphere.

Cementir wants to address environmental and climate change issues by reducing CO<sub>2</sub> emissions, energy consumption, water withdrawal and to preserve natural habitats and their biodiversity in areas surrounding our sites.

The Group analyses the environmental risks of its operations, involving management to ensure compliance with current regulations, best environmental standards and Best Available Techniques (BAT).

Cementir has committed to all companies active in the cement and concrete production operating with a certified environmental management system (ISO 14001).

As of 2021, 8 cement plants (accounting for the 93% of total cement production), 2 RMC companies (accounting for 29% of total RMC production) and 3 waste management companies (accounting for 100% of waste managed by the group) have adopted a UNI EN ISO 14001 certified management system.

At the end of 2021, Cementir received an ‘A-’ climate change rating from the CDP<sup>9</sup>, improving on the previous year’s ‘B’ rating and placing the Group above the cement and ready-mixed concrete industry average (B), the European average (B) and the global average (B-). In addition, Cementir obtained a ‘B’ rating for the first time for the management of water resources (‘Water Security’), in line with the sector and the European average (B).

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<sup>9</sup> The CDP is a non-profit organisation widely recognised as the gold standard for corporate environmental transparency, that encourages companies and governments to reduce their greenhouse gas emissions, safeguard water resources and protect forests.

## Cementir's CO<sub>2</sub> footprint

The Group's CO<sub>2</sub> 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 **68%** of Cementir's carbon footprint. Scope 1 emissions includes all direct emissions related to the calcination of limestone which, when heated in the kiln at high temperatures, releases CO<sub>2</sub>.

**Scope 2 emissions**, equal to **6%** of the total, includes indirect emissions related to electricity purchased for the Group's needs, for example in cement grinding mills.

**Scope 3 emissions** includes other indirect emissions that occur in the Group's value chain, such as the extraction and production of purchased materials and fuels, and transportation. It accounts for **26%** of Cementir's carbon footprint.

In 2021, total CO<sub>2</sub> equivalent emissions (direct and indirect) amounted to about 11.7 million tons.

CO <sub>2</sub> emissions - Group	Unit	2021	2020	2019
CO <sub>2</sub> emissions (Scope 1)	t	8,006,881	7,977,232	7,161,850
CO <sub>2</sub> emissions (Scope 2)	t	707,044	572,227	630,114
CO <sub>2</sub> emissions (Scope 3)	t	2,990,723	2,941,199	2,792,568
<b>Total CO<sub>2</sub> emissions</b>	<b>t</b>	<b>11,704,648</b>	<b>11,490,658</b>	<b>10,584,532</b>

## Cementir's Scope 3 emissions

In 2020 and 2021, Cementir performed an analysis to estimate the emissions from each Scope 3 activity. Below are the emissions estimated for each Scope 3 category in 2021.

Scope 3 category	2021 (tCO <sub>2</sub> e)	%	Description
Purchased goods and services	685,842	23%	This category includes emissions from purchased raw materials and semi-finished products for cement production, and emissions from purchased services such as research and marketing services, maintenance, cleaning and security services, and subcontracting and external services. For the calculation of the Scope 3 emissions related to purchased goods and services, we used the data from the CDP supply chain programme (please see paragraph 'Value chain engagement' for details). The emissions obtained from the suppliers of purchased goods and services who responded to the CDP were re-proportioned according to the spending for purchased goods and services recorded in 2021.
Capital Goods	74,577	2%	This category includes emissions related to the production and transportation of the following capital goods: constructions, machineries, electrical and optical equipment and transport equipment. The calculation was made on the basis of spending for capex in 2021 and using the GHG Protocol tool <a href="https://quantis-suite.com/Scope-3-Evaluator/">https://quantis-suite.com/Scope-3-Evaluator/</a>
Fuel and energy-related activities	1,560,189	52%	This category includes the emissions related to the extraction, production and transportation of fuels and energy purchased by Cementir in 2021 not already accounted for in Scope 1 or 2. The calculation was made applying the well-to-tank emission factors of DEFRA <sup>10</sup> to Group consumption for fuels and electricity. Please see below the greenhouse gas conversion factors for 2020 <a href="https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2020">https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2020</a>
Upstream transportation	252,877	9%	This category includes emissions from transportation by external trucks and cargo ships of purchased materials and semi-finished products and part of Cementir's sold products. The calculation was made on the basis of spending for transportation in 2021 and using the GHG Protocol tool <a href="https://quantis-suite.com/Scope-3-Evaluator/">https://quantis-suite.com/Scope-3-Evaluator/</a>
Waste	162,936	5%	This category includes emissions related to the disposal and treatment of waste generated by Cementir in 2021. The calculation was made applying the emission factors of DEFRA <sup>11</sup> to the waste disposed of by the Group during the year.
Business travel	1,425	0%	This category includes emission from employee business travels. The calculation was made on the basis of spending for business travel in 2020 and using the GHG Protocol tool <a href="https://quantis-suite.com/Scope-3-Evaluator/">https://quantis-suite.com/Scope-3-Evaluator/</a>
Employee commuting		0%	Category with negligible emissions. Most of the employees live close to the plants. Moreover, in the period 2020/2021, due to the outbreak of the pandemic, the Group promoted remote working solutions. Emissions due to employee commuting 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 <sup>12</sup> , developed by the Cement Sustainability Initiative, this category is considered 'not relevant' to the cement sector. Emissions due to upstream leased assets are estimated to be less than 1% of the total Scope 3 emissions.
downstream transportation	252,877	9%	This category includes emissions from transportation by external trucks and cargo ships associated with Cementir's sold products. Starting from the incoterm rules applied by the Group on the sales, we estimate the spending for the downstream transportation and distribution then we estimated the emissions using the GHG Protocol tool
Processing of sold products		0%	Category with negligible emissions. According to the Cement Sector Scope 3 GHG Accounting and Reporting Guidance, this category is considered 'not relevant' to the cement sector. Emissions due to the processing of sold cement products are estimated to be less than 1% of the total Scope 3 emissions.
Use of sold products		0%	Category with negligible emissions. According to the Cement Sector Scope 3 GHG Accounting and Reporting Guidance, this category is considered 'not relevant' to the cement sector. Emissions due to the direct use-phase of sold cement products over their expected lifetime are estimated to be less than 1% of the total Scope 3 emissions.
End-of-life treatment of sold products		0%	Category with negligible emissions. According to the Cement Sector Scope 3 GHG Accounting and Reporting Guidance, this category is considered 'not relevant' to the cement sector. Emissions due to end-of-life treatment of sold cement products are estimated to be less than 1% of the total Scope 3 emissions.
Downstream leased assets		0%	Not applicable: The Cementir Group's business does not include leased assets.
Franchises		0%	Not applicable: The Cementir Group does not have franchises.
Investments		0%	Not applicable: Provision of capital or financing is not included in Cementir Group's business
<b>TOTAL</b>	<b>2,990,723</b>	<b>100%</b>	

<sup>10</sup> DEFRA is the Department for Environment, Food and Rural Affairs of UK [Department for Environment, Food & Rural Affairs](https://www.gov.uk/government/organisations/department-for-environment-food-and-rural-affairs). Please see GOV.UK ([www.gov.uk](https://www.gov.uk))

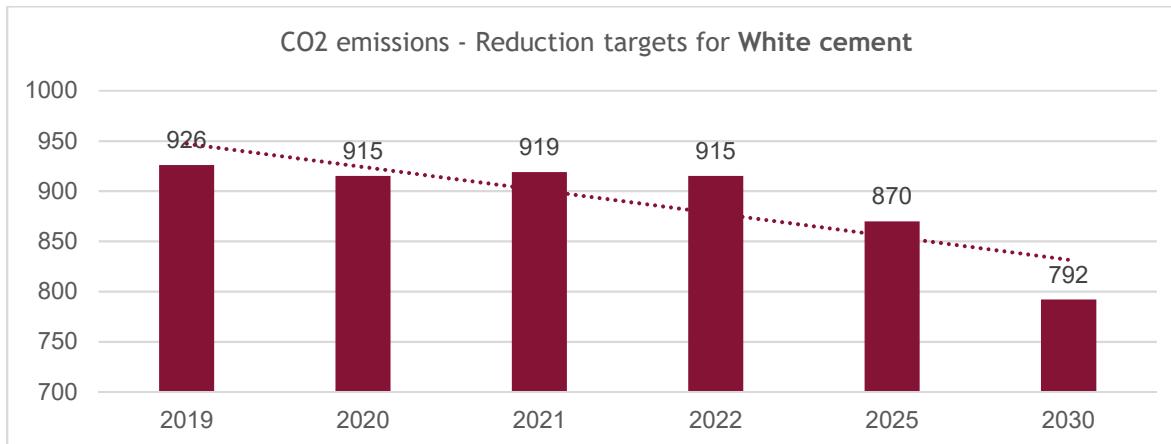
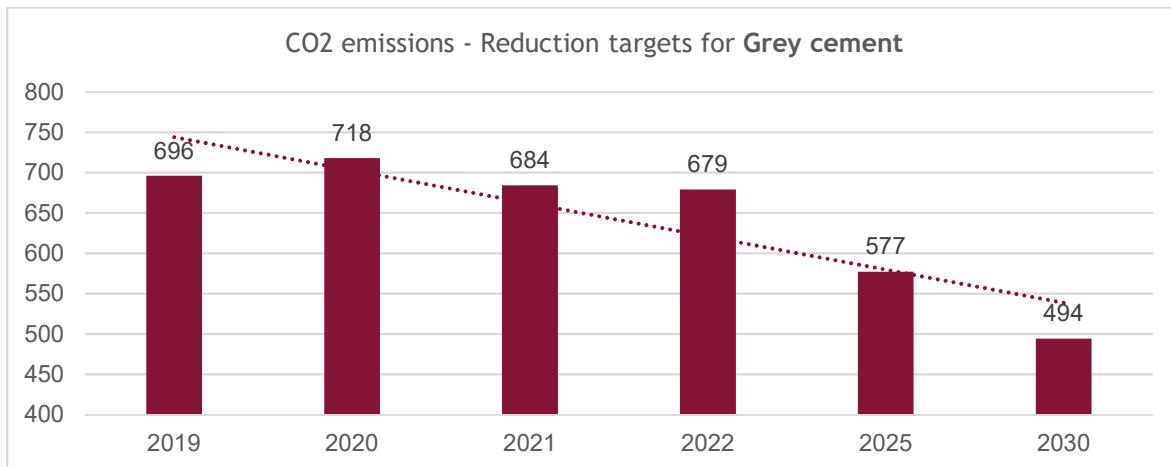
<sup>11</sup> See above mentioned information

<sup>12</sup> 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 \(wbcisd.org\)](https://wbcisd.org/)

## CO<sub>2</sub> emissions related to Cement production

CO <sub>2</sub> emissions - Cement Production	Unit	2021	2020	2019
CO <sub>2</sub> emissions (Scope 1)	t	7,982,250	7,941,401	7,099,110
CO <sub>2</sub> emissions (Scope 2)	t	691,732	556,014	607,028
Total CO <sub>2</sub> emissions	t	8,673,982	8,497,415	7,706,138
CO <sub>2</sub> emissions Scope 1 - Grey cement	kg CO <sub>2</sub> /TCE	684	718	696
CO <sub>2</sub> emissions Scope 1 - White cement	kg CO <sub>2</sub> /TCE	919	915	926

Cementir's plan is to reduce its Scope 1 emissions to less than 500 kg of CO<sub>2</sub> per tonne of grey cement (compared to 684 kg in 2021), while for white cement, which is a special product with niche applications and markets (0.5% of the total world cement production), the plan is to reduce emissions to less than 800 kg CO<sub>2</sub> per tonne (compared to 919 kg in 2021).



## CO<sub>2</sub> emissions related to other activities

For the other activities performed by the Group, ready-mix concrete, production of aggregates, production of concrete prefabricated products and waste collection and treatment, the CO<sub>2</sub> equivalent emissions are significantly lower. The data is presented in the table below.

CO <sub>2</sub> emissions - Other	Unit	2021	2020	2019
CO <sub>2</sub> emissions (Scope 1)	t	24,631	35,831	62,740
CO <sub>2</sub> emissions (Scope 2)	t	15,311	16,213	23,086
<b>Total CO<sub>2</sub> emissions</b>	<b>t</b>	<b>39,942</b>	<b>52,044</b>	<b>85,826</b>

## 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 (1500 °C), the electricity required to grind the product and the quantity of material used.

Thermal energy is used in the start-up and operation of the kilns and the operation of the burners or boilers required to increase production efficiency and optimise the production process (for example, to dry raw materials and fuels). Electricity, on the other hand, is mainly used to operate the mills that grind the raw materials, clinker and fuels.

The intensity coefficients for the environmental performance indicators are calculated using Total Cement Equivalent (TCE), an indicator linked to the plant's production of clinker, based on the production of clinker and on the plant's average clinker-to-cement ratio. This choice was made because the production of clinker, the main constituent of cements, is the phase of production where the environmental impacts are greatest.

In 2021, the cement production plants used 38.5 million GJ of thermal energy and 4.7 million GJ of electricity. The energy index, equal to 3.87 GJ/TCE decreased slightly compared to 2020. Last year the index was 3.97.

Energy consumed to produce cement				
Type	Unit	2021	2020	2019
Thermal energy	GJ	38,569,279	38,290,104	34,690,599
Of which: from alternative fuel	GJ	7,710,063	7,196,062	6,816,410
Thermal energy sold	GJ	-1,661,306	-1,787,593	-1,521,827
Electricity	GJ	4,751,610	4,560,025	4,278,324
<b>Total energy</b>	<b>GJ</b>	<b>41,659,583</b>	<b>41,062,536</b>	<b>37,447,096</b>
Thermal energy per t of Total Cement Equivalent	GJ/tTCE	3.6	3.7	3.7
Thermal energy produced by alternative sources per t of Total Cement Equivalent	GJ/tTCE	0.72	0.70	0.73
Electricity per t of Total Cement Equivalent	GJ/tTCE	0.44	0.44	0.46
Total energy per t of Total Cement Equivalent	GJ/tTCE	3.87	3.97	4.02

Energy consumed for white and grey cement production					
Type	Units	White	Grey	White	Grey
		2021	2021	2020	2020
Thermal energy	GJ	13,997,266	24,572,013	14,295,411	23,994,693
Of which: from alternative fuel	GJ	366,664	7,343,399	388,854	6,807,208
Thermal energy sold	GJ	-1,661,306	0	-1,787,593	0
Electricity	GJ	1,333,096	3,418,514	1,293,361	3,266,664
<b>Total energy</b>	<b>GJ</b>	<b>13,669,056</b>	<b>27,990,527</b>	<b>13,801,179</b>	<b>27,261,357</b>
Thermal energy per t of Total Cement Equivalent	GJ/tTCE	5.34	3.01	5.36	3.13
Thermal energy produced by alternative sources per t of Total Cement Equivalent	GJ/tTCE	0.14	0.90	0.15	0.89
Electricity per t of Total Cement Equivalent	GJ/tTCE	0.51	0.42	0.49	0.43
Total energy per t of Total Cement Equivalent	GJ/tTCE	5.22	3.43	5.18	3.56

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 36,000 households which will rise to 50,000 in the near future, covering about half of its urban population.

In 2021, seven cement plants, accounting for the 77% of total cement production, adopted the ISO 50001 certification for energy management systems, in line with our goal of increasing the level of energy efficiency.

Cementir has committed to all companies active in the cement production, concrete production and waste management sectors operating with a certified energy management system (ISO 50001).

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

In 2021, the ready-mixed concrete production plants used about 72,000 GJ of electricity and 241,000 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	2021	2020	2019
Thermal energy	GJ	241,536	272,752	284,705
Electricity	GJ	72,623	97,292	69,983
<b>Total energy</b>	<b>GJ</b>	<b>314,159</b>	<b>370,044</b>	<b>354,688</b>
Thermal energy per t of ready-mixed concrete	GJ/t	0.02	0.03	0.03
Electricity per t of ready-mixed concrete	GJ/t	0.01	0.01	0.01
<b>Total energy per t of ready-mixed concrete</b>	<b>GJ/t</b>	<b>0.03</b>	<b>0.04</b>	<b>0.03</b>

For other activities such as the production of aggregates and cement manufacture, the Group used about 127,000 GJ of electricity and 218,000 GJ of thermal energy.

Energy usage of other activities				
Type	Unit	2021	2020	2019
Thermal energy	GJ	218,977	217,755	207,512.90
Electricity	GJ	127,080	128,430	60,628.73
<b>Total energy</b>	<b>GJ</b>	<b>346,057</b>	<b>346,185</b>	<b>268,142</b>
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
<b>Total energy per t of product made</b>	<b>GJ/t</b>	<b>0.02</b>	<b>0.02</b>	<b>0.02</b>

**Energy consumption in the waste management sector** has decreased compared to 2019 due to the sale of fixed equipment owned by Hereko, which occurred in June 2020.

Energy used in the waste management sector				
Type	Unit	2021	2020	2019
Thermal energy	GJ	13,589	14,096	20,991
Electricity	GJ	15,315	19,797	29,438
<b>Total energy</b>	<b>GJ</b>	<b>28,905</b>	<b>33,893</b>	<b>50,429</b>

## Other air emissions

The main emissions in cement production are from kiln firing and/or preheating/pre-calcining processes. The largest volumes of substances emitted from the kiln stack are dust, nitrogen oxides ( $\text{NO}_x$ ) and sulphur oxides (reported as  $\text{SO}_2$ ). Also relevant in cement manufacturing are total organic compounds (TOC) including volatile organic compounds, heavy metals and their compounds, and polychlorinated dibenzodioxins and dibenzofurans: PCDD/Fs (they include the 17 congeners of the NATO scheme adopted internationally and are reported as international Toxic Equivalent, TEQ).

Emissions derive mainly from the physical-chemical reactions involving the raw materials and the combustion of fuels. They also depend on kiln systems, abatement technologies and production process steps and conditions. During clinker production many components remain in the gas phase and are absorbed by, or condensed on, the raw material flowing counter-currently. For instance, material leaving the calcination step has a high calcium oxide content and therefore has a high absorptive capacity for acid species and  $\text{SO}_2$ .

Emissions are monitored through Continuous Emission Monitoring Systems (CEMS) or through routine measurements, in accordance with local regulations and the Group guidelines on the matter. 100% of our clinker production is monitored by CEMS of dust,  $\text{NO}_x$  and  $\text{SO}_2$ . 95% of the production is monitored by CEMS and routine measurements of all emissions.

In 2021, we issued our guidelines on monitoring and reporting processes, consistent with the recognised GCCA Sustainability guidelines on air emissions. These guidelines set the minimum requirements in terms of monitoring (e.g., selection of emissions, frequency of measurement, data management, etc.).

Process monitoring and control is a fundamental part of the Environmental Management System implemented in each cement plant. More than 80% of our total clinker production takes place at sites where the Management System is certified ISO 14001.

No fines and penalties for air emissions management were recorded in 2021.

Air emissions	2021	2020	2019
<b>Dust</b>			
ton	205	154	148
grams/ton clinker	23	18	19
<b>NO<sub>x</sub> (nitrogen oxides)</b>			
ton	10,344	10,411	9,541
grams/ton clinker	1,178	1,224	1,250
<b>SO<sub>2</sub> (Sulphur dioxide)</b>			
ton	1,950	1,946	1,414
grams/ton clinker	222	229	185
<b>Clinker produced with CEMS of dust, NO<sub>x</sub> and SO<sub>2</sub></b>			
% of total production	100	100	99
<b>TOC (Total Organic Compounds)</b>			
grams/ton clinker	43	54	34
n. of kiln reporting	17	16	16
<b>Hg (mercury)</b>			
grams/ton clinker	0.014	0.009	0.014
n. of kiln reporting	17	17	17
<b>PCDD/Fs <sup>13</sup></b>			
µg TEQ/ton clinker	0.034	0.016	0.022
n. of kiln reporting	17	16	16
<b>Clinker produced with CEMS and discontinuous measurements of all emissions</b>			
% of total production	95	86	85

<sup>13</sup> PCDD/Fs (they include the 17 congeners of the NATO scheme adopted internationally and are reported as international Toxic Equivalent, TEQ).

## Water consumption

Water is the key element for the survival of our communities and ecosystems. Access to water and sanitation are recognised as human rights. Water supply is essential for industry, although cement production is not a water-intensive process. According to our sustainability culture, we have a duty to manage and use water responsibly. We promote in all our activities the reduction of water consumption by optimising water reused/recycled and wastewater discharge, minimising leaks, and implementing water management efficiency practices.

In cement, water consumption is 4,455,000 m<sup>3</sup>, close to 75% of the Group total consumption. Water consumption in high-water scarcity areas is 34.4% of the total consumption in cement. The water reused/recycled is 32.6% of the total water withdrawal in cement.

In production processes, water is used principally to cool the equipment, condition the kiln gases and de-dusting and cleaning activities. In wet and semi-wet processes, the specific consumption of water resources is higher as the water is vaporised during the production phase.

In ready-mix concrete, water is an input resource. Water consumption is 833,000 m<sup>3</sup>, 14.1% of the Group total consumption. Water consumption in high-water scarcity areas is 61.3% of the total consumption in ready-mix concrete. The water reused/recycled is 23.1% of the total water withdrawal in ready-mix concrete.

In aggregates, water consumption is 650,000 m<sup>3</sup>, 11.0% of the Group total consumption. The water reused/recycled is 11.6% of the total water withdrawal in aggregates.

Where quarry dewatering is in place, operations require pumping of water to maintain a workable bottom of the quarry: the water is either used for the process or sent to the local hydrological network. Water pumped can be used for a variety of purposes such as washing aggregates, watering tracks, etc. The use of water in quarries, often organised in a closed circuit in order to limit the volume of water taken, is most of the time very marginal in relation to the volume of water collected. Hence there is an interest in recovering quarry water.

### Clypot water management: an example of partnership in sustainability

In collaboration with the local authority, CCB studied the feasibility of recovering quarry water in the public distribution network. This operation allows the local authority to close production wells and thus spare the aquifer in a high water-stress area, such as Clypot in Belgium.

Bringing quarry water to drinking water status requires appropriate treatment. Even before collection, the water must be protected from any external pollution, and to avoid any risk, the water is collected as close as possible to its source. Once collected, the water must be treated. The removal of suspended solids is not sufficient to make the water drinkable. Additional treatment is often necessary to remove naturally occurring undesirable materials (iron, manganese, etc.) and to guarantee its bacteriological quality throughout storage and transport.

In 2021, CCB started to send a portion of quarry water to the public water station for drinking water treatment (in 2021 more than 1 million of m<sup>3</sup>).

## Committed to water improvement plans

Our water risk assessment, using the World Resources Institute (WRI) - Aqueduct Water Risk Atlas, identify the risk level for each cement plant and region and prioritises the improvement interventions in connection with our climate change strategy roadmap (e.g. reducing the clinker ratio).

34.4% of water consumption in cement is in high water-stress zones (raw value 40%, including arid and low water use category). We are planning to reduce the water consumption per ton of cement produced by 20% by 2030 (baseline 2019). In high water-stress production areas, the reduction target is 25%.

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

RAW VALUE	RISK CATEGORY
<10%	Low
10-20%	Low-medium
20-40%	Medium-high

Improvement path in cement		2019	2020	2021	2030
<b>Specific water consumption</b>	liters / ton cement	<b>480</b>	<b>445</b>	<b>413</b>	<b>384</b>
<i>Reduction compared to 2019</i>			-7%	-14%	-20%
<b>Specific water consumption - high water stress areas</b>	liters / ton cement	280	287	276	210
<i>Reduction compared to 2019</i>			0%	-1,5%	-25%

## Water Management System

The management framework for the responsible use of water is the effective implementation and maintenance of the Environmental Management System of the operating companies. In 2021, 92% of total cement production took place at sites where the Environmental Management System is certified ISO 14001. The target is to certify 100% of our cement plants by 2025. In ready-mix concrete activities, the sites certified represents more than 25% of the total production.

Water balance is monitored at site level on a monthly basis and consolidated at Group level quarterly. The Group guidelines on monitoring and reporting, issued in 2021, set the minimum requirements of such activity. The guidelines are consistent with recognised international reference documents such as the Global Reporting Initiative standards and GCCA Sustainability guidelines.

No fines and penalties for water management were recorded in 2021.

During 2021, all data was reviewed and updated to be consistent with the Group guidelines and to correct some typos present in the previous report.

<b>Group water management</b>		<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>Total water withdrawal</b>	m³ / 1,000	<b>15,651</b>	<b>14,842</b>	<b>15,143</b>
Surface water		0,658	0,744	0,791
Groundwater		6,992	6,282	5,571
Seawater		0,000	0,000	0,000
Rainwater		0,764	0,747	0,706
Public water		0,537	0,462	0,589
Quarry water		6,700	6,607	7,486
<b>Total water discharge</b>	m³ / 1,000	<b>9,737</b>	<b>9,067</b>	<b>9,531</b>
<b>By place of discharge</b>				
Surface water		5,202	5,723	6,081
Groundwater		0,009	0,012	0,011
Seawater		3,121	3,005	3,110
External treatment plants and other discharge area		1,262	0,177	0,185
Domestic sewage		0,143	0,150	0,144
<b>Total water consumption</b>	m³ / 1,000	<b>5,914</b>	<b>5,775</b>	<b>5,612</b>

Below is the water management data in cement and ready-mix concrete production, accounting for about 90% of the Group total consumption.

<b>Water management in cement</b>		<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>Total water withdrawal</b>	m³ / 1,000	<b>9,795</b>	<b>9,494</b>	<b>9,804</b>
Surface water		0,605	0,693	0,720
Groundwater		5,114	4,996	4,913
Seawater		0,000	0,000	0,000
Rainwater		0,486	0,487	0,448
Public water		0,254	0,210	0,309
Quarry water		3,336	3,108	3,414
<b>Total water discharge</b>	m³ / 1,000	<b>5,339</b>	<b>4,887</b>	<b>5,329</b>
<b>By place of discharge</b>				
Surface water		1,959	1,616	1,954
Groundwater		0,009	0,012	0,011
Seawater		3,121	3,005	3,110
External treatment plants and other discharge areas		0,160	0,147	0,149
Domestic sewage		0,090	0,107	0,106
<b>Total water consumption</b>	m³ / 1,000	<b>4,455</b>	<b>4,608</b>	<b>4,476</b>
In high water-stress areas	% of total water consumption in cement	34.4	33.2	29.3
<b>Total water reused/recycled</b>	m³ / 1,000	<b>3,191</b>	<b>2,962</b>	<b>3,197</b>
	% of total water withdrawal in cement	32.6	31.2	32.6
<b>Specific water consumption</b>	l / TCE	<b>413</b>	<b>445</b>	<b>480</b>
In high water-stress areas		276	287	280

<b>Water management in RMC</b>		<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>Total water withdrawal</b>	m³ / 1,000	<b>0,884</b>	<b>0,755</b>	<b>0,776</b>
Surface water		0,050	0,048	0,067
Groundwater		0,370	0,296	0,262
Seawater		0,000	0,000	0,000
Rainwater		0,182	0,161	0,169
Public water		0,281	0,249	0,278
<b>Total water discharge</b>	m³ / 1,000	<b>0,051</b>	<b>0,056</b>	<b>0,036</b>
<b>By place of discharge</b>				
Surface water		0,000	0,000	0,000
Groundwater		0,000	0,000	0,000
Seawater		0,000	0,000	0,000
External treatment plants and other discharge area		0,001	0,001	0,001
Domestic sewage		0,050	0,055	0,035
<b>Total water consumption</b>	m³ / 1,000	<b>0,833</b>	<b>0,699</b>	<b>0,739</b>
In high water-stress areas	% of total water consumption in ready-mix	61.3	56.3	55.1
<b>Total water reused/recycled</b>	m³ / 1,000	<b>0,204</b>	<b>0,125</b>	<b>0,079</b>
	% of total water withdrawal in ready-mix	23.1	16.6	10.2
<b>Specific water consumption</b>	l / m³ ready-mix concrete	<b>163</b>	<b>158</b>	<b>179</b>
In high water-stress areas		181	175	215

## 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.*

### Risk analysis and policies adopted

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

In 2021, the Group continued the growth plan of its organisational strategy, launched in recent years, in order to make its structure more robust, achieve targets set in the Business Plan 2021-2023 and to respond more effectively to market trends and corporate changes. In particular, we have secured several key processes by adopting or reviewing policies and procedures (e.g. Group Occupational Health and Safety Policy, Group Treasury Policy, Group IT Disaster Recovery Procedure, and Legal and Corporate guidelines) and we have designed corporate and local organisational structures (Technical, Sales and Supply Chain) to consolidate our skills according to the evolving context and developed a training programme related to the Human Rights policy.

Furthermore, we have continued our commitment to the European Works Council to strengthen our relationship by organising a dedicated summit aimed at also sharing preventive and corrective measures against Covid-19 that have been adopted by individual legal entities in compliance with local regulations.

We have continued to work on the Cementir 4.0 programme which is designed to improve our operational efficiency in technical and supply chain organisation in two pilot plants, Gaurain and Aalborg. In 2021, we started the expansion of the Cementir 4.0 programme in Turkey (all 4 cement plants are involved in the programme) and we set the foundation for implementation in the North America and Asia-Pacific regions. Two key production processes have been secured through the definition and progressive implementation of the maintenance 4.0 and warehouse 4.0 guidelines.

The Group carried on strengthening Cementir Holding, further developing the professional family's model and enhancing integration and synergy between the different Group structures. The integration and management processes were overseen by the Group Chief Operating Officer (COO) supported by the Corporate Human Resources department. The COO is responsible for the main business operating levers, reporting directly to the Group's CEO, who performs a more strategic role.

During 2021, we continued the digitalisation process for core HR processes at Group level, with the launch and implementation of the Group Performance Management process based on SAP. The Group Performance Management process will facilitate the culture of working by objectives and continuous feedback. Using a unique system for the main HR activities has improved the efficiency of HR processes and enabled HR data analytics. Additionally, we set the HR Governance guidelines to clarify roles and responsibilities between Group and local HR teams and ensure a more sustainable organisation and working model

## Group People Survey

The Cementir Group's HR strategy, as the enabler of our Group's Business Strategy, is focused on three main pillars: Group Integration and Identity, Organisational Effectiveness and Agility, and People Development and Engagement.

In line with the Group HR strategy, the Cementir Group launched its first Global People Survey, 'Your Voice', in 2019. This survey was aimed at all Cementir employees working in offices and in production environments. The comprehensive communication strategy deployed, together with the ownership of the initiative displayed management teams, generated engagement among our employees, with an overall participation rate of 83%.

The results were communicated to the entire organisation, analysed and discussed within the Action Teams, with the voluntary participation of employees across the organisation.

Global, Regional and BU level actions plans have been defined and approved by the Global Senior Management Team, to be executed in 2020-2021. However, in 2020 and 2021 on average 50% of the defined actions were implemented as Covid-19 slowed down and sometimes prevented the execution of the engagement survey actions. Management's priority during the Covid-19 pandemic has always been the health, safety and well-being of our employees at all company sites.

## Talent review and succession plans for key positions within the Group

In 2021, a Group talent review was conducted with the aim of obtaining an overview of the quality of the Group Management Team in terms of performance trends and potential/readiness to step up into higher or more complex roles. The process also allowed us to identify a pool of emerging talents with good performance and potential to succeed in leadership/coordination roles and to be earmarked as mid-and long-term successors.

Work on the Group succession planning process for critical positions continued to build a strong leadership bench. The list of critical positions has been reviewed and expanded according to the Industrial Plan and the main strategic goals. A further measurement of the results obtained by mapping internal successors highlighted the improvement of some KPIs with a mitigation of the potential risk of business discontinuity and led to some personnel development decisions (e.g. Group leadership development programmes, changes in management and international mobility programmes).

## Talent acquisition

Concerning talent acquisition and assessment processes, we reviewed the Group approval policy to provide better clarification of roles and responsibilities, to ensure effective stakeholder management and to enable local accountability for each recruiting process.

The adoption of online assessment tools and structured interview processes, as well as the consolidation of a strong partnership between corporate and local HRs, enabled the company to reach expected targets in terms of hire quality and employee engagement.

## People evaluation and development

In 2021, the Group launched the Group Performance Management process that involves all the executives and managers that were hired within the first half of the year. The employees hired in the second part of the year, will be involved in the process starting from 2022. This enables us to monitor and align employees' objectives, skills, competencies and development plans with our Group strategic objectives. The Performance Management Process will support the development of a new way of looking at performance evaluation: not only as a tool for aligning people with business strategy but also as a process that can stimulate constant development of organisational and people skills as well as competencies.

In 2021, the performance feedback activity has resumed regularly, even if the Covid-19 situations still impacted our way of working.

Employees who receive regular performance reviews	2021			2020			2019		
	Men	Women	Total <sup>14</sup>	Men	Women	Total	Men	Women	Total
Executives	98%	100%	98%	92%	100%	93%	92%	75%	91%
Manager	100%	83%	99%	61%	61%	61%	79%	71%	78%
White collar	97%	100%	98%	79%	73%	77%	82%	77%	80%
Blue collar	44%	39%	44%	43%	93%	44%	47%	90%	48%

## Cementir Academy

As the Covid-19 pandemic spread across the globe, the company implemented a contingency plan aimed at mitigating the implications, such as postponing or suspending relevant training programs and initiatives. Despite this, the Cementir Academy continued its extended mission to support Cementir strategy and business results, to develop current and future global leaders, to accelerate Group transformation and to foster diversity and inclusion across the Group.

We designed and delivered key training and development initiatives which include:

- the launch of some new online courses in our Academy catalogue (e.g. Performance Management);
- the translation and deployment of the existing online courses in the most relevant local languages (7);
- the design of the Graduate programme, a global initiative dedicated to new-graduates (*Ce-Mentorship Program*) with the aim of selecting, training and growing 8 young talents to build our future leaders. Four different countries will be involved with this pilot edition, focused on the technical area;
- the reshaping of the Emerging Talent programme, a key programme to develop leadership and managerial skills of our internal talents. The programme stopped in 2020 due to the Covid-19 pandemic and has been re-designed with a blended formula so that it can be implemented despite any pandemic situation;
- the delivery of the Project Management course aimed at achieving the Prince 2 certification;

<sup>14</sup> The Group Performance Management process involves all the executives and managers that were hired within the first half of the year. The employees hired in the second part of the year, will be involved in the process starting from 2022. For this reason, the percentages reported do not amount to 100%.

- in the plants, H&S days have also been organised in order to guarantee mandatory basic training;
- the deployment of functional and technical training to upskill Group professional families and sub-communities.

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.

More than 37,000 hours of training were provided in 2021, almost 12.2 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.

Hours of training	Unit	2021			2020			2019		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	Hours	357	60	417	374	56	430	976	100	1,076
Manager	Hours	5,583	832	6,415	4,902	558	5,460	5,188	913	6,101
White collars	Hours	9,898	4,109	14,007	7,551	3,320	10,871	13,863	4,174	18,037
Blue collars	Hours	16,680	444	17,124	18,014	512	18,525	24,684	659	25,343
<b>Total</b>	<b>Hours</b>	<b>32,518</b>	<b>5,445</b>	<b>37,963</b>	<b>30,841</b>	<b>4,445</b>	<b>35,286</b>	<b>44,710</b>	<b>5,846</b>	<b>50,556</b>
Executives	h/per	8.1	14.9	8.7	7.5	13.9	8	19.5	25	19.9
Manager	h/per	20.8	14.1	19.6	18.6	11.4	17.4	18.9	18.3	18.8
White collars	h/per	16.8	14.3	16.0	13.1	11.9	12.7	25	14.7	21.5
Blue collars	h/per	9.2	8.7	9.1	10.3	12.5	10.4	14.1	16.1	14.1
<b>Total</b>	<b>h/per</b>	<b>11.9</b>	<b>13.6</b>	<b>12.2</b>	<b>11.7</b>	<b>11.9</b>	<b>11.7</b>	<b>17</b>	<b>15.5</b>	<b>16.8</b>

Hours of training per category	Unit	2021	
			Total
Health & Safety	Hours		15,615
Technical and Functional	Hours		14,395
Management Edu & Leadership Development	Hours		2,904
Cultural and Corporate	Hours		3,811
Other	Hours		1,238
<b>Total</b>			<b>37,963</b>

Training category	Description
Health & Safety	Training on Health and Safety topics for workers.
Technical and Functional	Functional and technical training to upskill Group professional families and sub-communities.
Management Edu & Leadership Development	Specific initiative aimed at leadership or management skills development, managed at Global or Local level. For example, the Emerging Talent programme.
Cultural and Corporate	Training on Code of Ethics, Whistleblowing System, GDPR (General Data Protection Regulation), Human Rights, Cybersecurity, Performance Management process.
Other	Other type of training, such as language courses.

Due to the security measures introduced by the Group to fight Covid-19, the training activities initially planned for 2021, were either, where possible, held online, or where preferable, postponed to 2022. Although the measures continued in 2021, we kept our focus on training and development and adapted to changing conditions, which increased the hours of training initiatives offered for employee development.

## Diversity and inclusion

The production sector, where the Group is active, historically characterised by a predominantly male workforce. Analysis of the data on personnel distribution shows that 87.2% of employees are male. This is widely linked to a high prevalence of men amongst blue collar workers (the main category of staff) but there is a positive increase compared with 2020 that shows the commitment of the Group to gender balance.

In recent years, the Group has developed measures to promote equal gender treatment and opportunities throughout the entire organisation, starting by defining Group values and a leadership competency model in which the concepts of inclusion and diversity appreciation are well represented. Specifically, work has been done to define and implement a structured communication plan on Group identity in all company structures and to design and implement an online training course on Group values and the leadership model. This involved all Group managers and all Corporate employees and will be progressively rolled out to the entire company workforce. In 2021 we succeeded in attract female candidates in managerial positions not only in the HR department, but also in production.

In 2021, the Group Internal Audit defined a work program for diversity, equity, and inclusion (DEI) audit. Starting from 2022, it will be included as part of Internal Audit process. The audit will monitor 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.

Furthermore, the organisation has always been committed to appreciating and valuing diversity in all HR processes such as hiring, management, evaluation and development, by avoiding any discriminatory approach, starting from the management of recruiting processes and in leadership and talent development programmes. Below is a breakdown of employees by professional category and age range.

Executive Manager	31-12-21			31-12-20			31-12-19		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<30	0	0	0	0	0	0	0	0	0
30-50	10	3	13	16	3	19	16	4	20
>50	34	1	35	34	1	35	35	0	35
<b>Manager</b>									
<30	13	1	14	11	1	12	11	1	12
30-50	151	45	196	144	36	180	153	41	194
>50	104	13	117	109	12	121	113	9	122
<b>White collar</b>									
<30	66	44	110	46	30	76	35	32	67
30-50	318	163	481	347	177	524	352	202	554
>50	205	80	285	184	72	256	184	60	244
<b>Blue collar</b>									
<30	214	5	219	178	4	182	173	3	176
30-50	960	39	999	983	34	1,017	1,048	34	1,082
>50	648	7	655	584	3	587	561	4	565

Below is the number of women at different levels of responsibility.

Category	Total 2021
Number of women in entire workforce	401
Number of women in all management positions	59
Number of women in management positions in revenue-generating functions (e.g. sales) (i.e. excluding support functions such as HR, IT, Legal, etc.)	14
Number of women in STEM-related positions	28

### 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.

The Cementir Group operates internationally and for us managing diversity also means paying attention to cultural and religious differences. The Group is respectful towards religious sensibilities in the various countries: in Malaysia, for example, special prayer rooms have been set up in the plant, according to the differing religious beliefs of employees. Moreover, consumption of certain foods has been avoided out of respect for cultural differences.

The fundamental conventions of the International Labour Organization (ILO), concerning the abolition of forced labour, collective bargaining and the elimination

of child labour and discrimination have been ratified<sup>15</sup> 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 has been carried out in each country regularly. Cementir is also working on the training plan to support the dissemination of these topics.

### Workforce numbers and composition

The Cementir Group workforce comprises 3,124 employees, spread across 18 countries and 5 continents, as well as 772 contractors, people not directly employed by the Group and employees of contractors who perform some of the production operations at the company's cement and concrete plants and quarries. The Group's workforce is mainly composed of personnel hired with permanent and full-time contracts.

The table below summarises<sup>16</sup> the main workforce figures by category as of 31 December 2021.

Cementir Group	31-12-21			31-12-20			31-12-19		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Employees	2,723	401	3,124 <sup>17</sup>	2,636	373	3,009	2,681	390	3,071
Contractors	765	7	772	778	6	784	541	6	547
Executives	44	4	48	50	4	54	51	4	55
Manager	268	59	327	264	49	313	277	51	328
White collar	589	287	876	577	279	856	571	294	865
Blue collar	1,822	51	1,873	1,745	41	1,786	1,782	41	1,823
Total	3,124			3,009			3,071		

<sup>15</sup> 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).

<sup>16</sup> The appendix contains detailed tables divided by country.

<sup>17</sup> The number of total employees included 100% of SCT as described into the methodology note.

The Group structure reorganisation, that began at the end of 2017 with the sale of the Italian production activities and continued with the acquisition of the production plants in the United States, resulted in a negative turnover balance being recorded that year.

Hiring rate	2021			2020			2019		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Overall employee hiring rate	17%	22%	17%	10%	10%	10%	12%	16%	13%

Turnover rate	2021			2020			2019		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Overall employee turnover rate	15%	17%	15%	12%	15%	12%	15%	12%	14%

Group turnover	2021 (absolute value)			2020 (absolute value)			2019 (absolute value)		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<b>Incoming</b>									
Under 30	139	25	164	92	13	105	80	11	91
30-50	237	55	292	135	19	154	181	39	220
Over 50	74	8	82	32	7	39	69	12	81
<b>Total</b>	<b>450</b>	<b>88</b>	<b>538</b>	<b>259</b>	<b>39</b>	<b>298</b>	<b>330</b>	<b>62</b>	<b>392</b>
<b>Outgoing</b>									
Under 30	63	11	74	48	8	56	65	6	71
30-50	199	47	246	167	34	201	210	33	243
Over 50	134	12	146	90	14	104	121	6	127
<b>Total</b>	<b>396</b>	<b>70</b>	<b>466</b>	<b>305</b>	<b>56</b>	<b>361</b>	<b>396</b>	<b>45</b>	<b>441</b>

## Concretely safe

### Developing a strong health and safety attitude

As a key sustainability value, we continued in our journey to strengthen health and safety culture among the Group mainly through the engagement and participation of workers.

We firmly believe that this is the way to achieve our commitment to zero accidents at the workplace. We strive to ensure that the culture of safety is increasingly focused on prevention rather than reaction. It's an attitude. This is the aim of our **Policy**, one of the pillars of the Health and Safety Management System.



The global interconnected **Health and Safety Network**, coordinated by the Corporate technical area, helps our people to share competences, practices and initiatives. In our operations, sharing best practices through the Group provides significant assistance in overall management improvement.

The **Group Management Team** consisting of Corporate and regional representatives ensures adequate monitoring of performance and progress of action plans put in place by each operating company for such improvement. Specific health and safety indicators and targets are included in short-term remuneration for representatives and managers.

The **Group Guidelines** on Health and Safety Management, periodically reviewed, provides minimum expectations and requirements, according to recognised best practices in the industry. The guidelines are focused on the ISO 45001 systemic approach. In 2021, the development of the **Health and Safety Balanced Scorecard** started for cement plants. This tool, focused on leading indicators, aims to measure the management levels achieved against the objectives set.

## Health and Safety Management System

Our framework for prevention of work-related incidents and illnesses is the effective implementation and maintenance of the Health and Safety Management System according to the ISO 45001 standard, the Group guidelines and rules and the regulation in the countries where we operate.

The **Management Systems Certification Programme** plans to certify all cement production plants by 2022. At the end of 2021, certified cement plants accounted for 73% of the total (more than 80% of the total cement production).

In 2021, no recordable fatal or high-consequence injuries occurred to directly employed individuals.

Three fatal injuries occurred to contractors. The first at the Turkey RMC plant was due to electrical shock from contact with a high-voltage cable during an operation conducted unsafely. The second at the Denmark plant harbour area was due to hopper collapse from overloading. The third at the Turkey aggregates area, inside the cement plant, where an unauthorised worker, for an unknown reason, entered under the conveyor belt. All the events have been analysed and corrective actions planned/implemented, also in collaboration with the contractors.

The lost time injury frequency and severity rates for employees improved by 11% and 33% compared to the last three-year average values. The improvement is confirmation of the effectiveness of the procedure undertaken. Similar trend in lost time injuries has been recorded for contractors.

Regarding the total recordable injury frequency rate, the 2019 and partially 2020 monitoring and reporting process was not as rigorous and consistent with the current procedures that follow the recently updated Group guidelines. For this reason, the analysis of the indicators between 2021 and 2020/2019 is not fully comparable.

The analysis of the causes of all events has made it possible to implement and plan appropriate corrective actions mostly concerning workers' behaviours.

### The Group Golden Rules of Safety

Our life-saving rules impact awareness and behavioural change

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

We are mindful of health and safety every day. At the same time, we celebrate specific dates so that each worker strengthens their sense of belonging and responsibility for others. On April 28 we celebrated the World Day for Safety and Health at Work, declared by the International Labour Organization (ILO) in 2003 to promote the prevention of occupational accidents and diseases globally.

We have organised, in all our plants and locations worldwide, activities focused on safe and unsafe behaviours, also concerning the prevention of Covid-19 infections. The initiatives supported by specific tools (e.g. videos, leaflets, posters) have been carried out through Toolbox Talks, Safety Walks, online meetings, etc. led by line managers and supervisors of operational departments with the participation of plant managers. Of course, the face-to-face events took place in compliance with the company Covid-19 prevention protocol.

We recorded a high level of participation and gathered some suggestions, evidence of the active role of each worker during the day.

		2021	2020	2019
<b>Fatality Rate</b>	(fatal injuries/hours worked) x 1,000,000	0.31	0.22	0.11
<b>Employees</b>		0.00	0.00	0.00
Cement		0.00	0.00	0.00
RMC		0.00	0.00	0.00
Aggregates		0.00	0.00	0.00
Waste		0.00	0.00	0.00
Other		0.00	0.00	0.00
<b>Contractors</b>		0.78	0.55	0.28
Cement		0.81	0.42	0.00
RMC		0.83	0.97	0.00
Aggregates		0.00	0.00	8.06
Waste		0.00	0.00	0.00
Other		0.00	0.00	0.00
<b>Number of Fatalities work-related</b>	(number)	3	2	1
<b>Employees</b>		0	0	0
Cement		0	0	0
RMC		0	0	0
Aggregates		0	0	0
Waste		0	0	0
Other		0	0	0
<b>Contractors</b>		3 <sup>18</sup>	2 <sup>19</sup>	1
Cement		2	1	0
RMC		1	1	0
Aggregates		0	0	1
Waste		0	0	0
Other		0	0	0
<b>High-Consequence Work-related Injury Rate (excluding fatalities)<sup>20</sup></b>	(high consequence work-related injuries/hours worked) x 1,000,000	0.00	0.00	0.11
<b>Employees</b>		0.00	0.00	0.17
Cement		0.00	0.00	0.00
RMC		0.00	0.00	0.00
Aggregates		0.00	0.00	0.00
Waste		0.00	0.00	3.77
Other		0.00	0.00	0.00
<b>Contractors</b>		0.00	0.00	0.00
Cement		0.00	0.00	0.00
RMC		0.00	0.00	0.00
Aggregates		0.00	0.00	0.00
Waste		0.00	0.00	0.00
Other		0.00	0.00	0.00

<sup>18</sup> As of March 2022, one fatality, included in the data, is still under investigation to be clarified if work-related

<sup>19</sup> One fatality occurred off site (road accident).

<sup>20</sup> 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).

		2021	2020	2019
<b>TRIR (Total Recordable Injury Rate)<sup>21</sup></b>	(total recordable injuries/hours worked) x 1,000,000	20.2	16.4	14.4
<b>Employees</b>		<b>27.4</b>	<b>20.1</b>	<b>16.7</b>
Cement		29.2	18.0	12.5
RMC		10.9	16.9	23.8
Aggregates		35.5	37.6	9.9
Waste		136.4	64.6	45.3
Other		11.6	12.3	13.4
<b>Contractors</b>		<b>9.9</b>	<b>10.7<sup>22</sup></b>	<b>10.7</b>
Cement		11.4	9.6	10.6
RMC		5.8	10.7	12.0
Aggregates		9.0	27.2	16.1
Waste		51.0	30.3	0.0
Other		0.0	0.0	0.0
<b>LTI FR (Lost Time Injury Frequency Rate)</b>	(injuries with working days of absence/hours worked) x 1,000,000	8.0	9.0	9.0
<b>Employees</b>		<b>9.9</b>	<b>11.0</b>	<b>10.4</b>
Cement		11.0	9.1	9.1
RMC		8.8	14.0	16.1
Aggregates		9.7	17.1	6.6
Waste		5.2	24.8	11.3
Other		5.8	3.1	2.7
<b>Contractors</b>		<b>5.2</b>	<b>6.0</b>	<b>6.7</b>
Cement		5.7	6.2	5.3
RMC		4.2	3.9	8.4
Aggregates		0.0	18.2	16.1
Waste		25.5	15.1	16.3
Other		0.0	0.0	0.0
<b>LTI SR (Lost Time Injury Severity Rate)</b>	(working days of absence/hours worked) x 1,000	0.11	0.13	0.20
<b>Employees</b>		<b>0.14</b>	<b>0.16</b>	<b>0.27</b>
Cement		0.18	0.12	0.25
RMC		0.06	0.28	0.35
Aggregates		0.09	0.28	0.08
Waste		0.08	0.03	0.65
Other		0.24	0.01	0.01
<b>Contractors</b>		<b>0.06</b>	<b>0.09</b>	<b>0.09</b>
Cement		0.07	0.10	0.08
RMC		0.06	0.08	0.09
Aggregates		0.00	0.09	0.24
Waste		0.15	0.05	0.06
Other		0.00	0.00	0.00

<sup>21</sup> Total Recordable Injuries: the sum of fatalities, lost time injuries, RWIs (Restricted Workday Injuries – work-related injuries which causes the injured person to be assigned to other work on a temporary basis or to work their normal job less than full time or to work at their normal job without undertaking all the normal duties) and MTCs (Medical Treatment Cases – work-related injuries which require treatment by a medical professional and do not result in time away from work or restriction in duties; excluding all cases involving first aid treatment).

<sup>22</sup> The 2020 TRIR related to contractors has been reclassified for a like-by-like reading.

		2021	2020	2019
<b>Near Misses</b>	(number)	<b>577</b>	<b>446</b>	<b>526</b>
Cement		334	182	368
RMC		206	230	129
Aggregates		33	27	17
Waste		2	4	8
Other		2	3	4
<b>Man-hours worked</b>	(millions of hours)	<b>9.5</b>	<b>9.1</b>	<b>9.5</b>
<b>Employees</b>		<b>5.7</b>	<b>5.5</b>	<b>5.9</b>
Cement		3.4	3.3	3.5
RMC		1.5	1.4	1.4
Aggregates		0.3	0.3	0.3
Waste		0.2	0.2	0.3
Other		0.3	0.3	0.4
<b>Contractors</b>		<b>3.8</b>	<b>3.6</b>	<b>3.6</b>
Cement		2.4	2.4	2.5
RMC		1.2	1.0	0.8
Aggregates		0.1	0.1	0.1
Waste		0.0	0.1	0.1
Other		0.0	0.0	0.0
<b>OIFR (Occupational Illness Frequency Rate)</b>	(occupational illness allegations received/hours worked) x 1,000,000	<b>0.4</b>	<b>0.0</b>	<b>0.5</b>

In 2021, all the companies continued to implement health management systems ensuring adequate risk assessment in the workplace. Almost all the employees are included in the health monitoring programmes and over 15,600 hours of specific health and safety training were provided.

The Group continues to encourage workers' access to non-occupational and healthcare services. Also, in 2021, the activities were focused to facilitate Covid-19 pandemic prevention, such as, where possible, making agreements with private laboratories for the performance of swab tests.

Health & Safety	Unit	2021	2020	2019
specific H&S training	Hours	15,615	12,424	18,796

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## Industrial relations

Operating in different countries around the world, Group companies are subject to different labour regulations and, consequently, the contracts of Group employees vary according to the country in which they were hired.

About 41% 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 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. Representatives from Belgium, Denmark and Norway attended the meeting using video-conferencing system due to the ongoing pandemic situation.

## We support our communities

*We create value for local communities, listening to their needs and concerns and basing our relationships with them on transparency and accountability.*

### 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.

The actions to mitigate this risk, particularly present in Turkey, involve communication at the 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 established a new function in Corporate, managing health and safety and environmental matters, that will lead and coordinate 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 Turkey. 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 the plants' operations. These tools also enable our companies to analyse stakeholders' complaints and suggestions, in order to provide the necessary information or plan specifically focused actions.

### Dialogue and support of local communities

Against this backdrop, the most debated topics with local stakeholders in 2021 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 Elazığ and İzmir plants' proximity to residential areas involves a constant dialogue with the local communities, who are particularly sensitive to the plants' surroundings and visual impact. To tackle these specific concerns, Çimentaş is adopting specific strategies of involvement and communication with stakeholders interested in the issue. Another issue that is particularly felt in Turkey is the collection and recycling of waste, since there is no in-depth knowledge of waste management processes and the local community perceives some activities as risky. Precisely for this reason, the Group companies operating in this industry have decided to define a specific engagement and communication plan aimed at stakeholders. This plan entails involving opinion leaders, experts and members of the community in regular meetings, the use of multimedia channels and digital media to provide information on how waste is managed, and meetings and interaction with families living near the plants.

In 2021, the total philanthropic contributions donated by the Group amounted to EUR 160,000. The contributions are mainly donations of cash and concrete to local charitable organisations. Below are the grants grouped by type of initiative.

Category	%
<b>Charitable donations</b>	79%
<b>Community investment</b>	14%
<b>Commercial initiatives</b>	7%
Total	100%

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 school).
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.

## Çimentaş Education and Health Foundation

In Turkey, through the Çimentaş Education and Health Foundation, established in 1986, we are committed to providing financial assistance and educational materials to families and schools. Since it was founded, the Foundation has sponsored over 500 scholarships for secondary school pupils and university students and has contributed to the renovation of various school buildings close to the plant in Elazığ, Turkey.

Through the years, in Turkey, our local Foundation ran different educational projects as the ‘Işıkkent Educational Campus’, ‘Çimentaş Primary School’ and ‘Çimentaş High School’.

Please visit the following link for further details: <https://www.isikkent.k12.tr/en-US>, and [Cimentaş Eğitim ve Sağlık Vakfı – Çimentaş Eğitim ve Sağlık Vakfı \(cesvak.org\)](http://Cimentaş Eğitim ve Sağlık Vakfı – Çimentaş Eğitim ve Sağlık Vakfı (cesvak.org))

## Recovery of heat from kiln fuel

Since 1990, Aalborg Portland has provided district heating to the municipality of Aalborg.

In order to produce cement, raw materials such as limestone and sand must be burned at temperatures of up to 1500°C. Due to this high temperature process, the Aalborg Portland cement factory has enormous supplies of excess heat. One of the main sources of waste heat is the flue gas emitted by the white kilns. The solution to this energy loss was to implement a heat recovery system, in which the flue gasses from the five white kilns of the Aalborg plant are used in heat exchanger installations to transfer the thermal energy from the flue gas to Aalborg's district heating network.

The Aalborg plant recovers excess heat from cement production to provide district heating to local inhabitants. The recovered thermal energy is used to heat the homes of about 36,000 families. In 2021, Aalborg Portland delivered about 1.7 million GJ of energy to the municipality of Aalborg.

The annual CO<sub>2</sub> savings from this heat recovery system have been estimated at 150,000 tons. The calculation is based on the amount of CO<sub>2</sub> 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 the cement production is recycled and delivered to the district heating system, so that the energy does not have to be produced twice.

## Looking at the value created

### Earnings and financial results

Financial highlights (in millions of euros)	2021	2020	Change %
Revenue from sales and services	1,360.0	1,224.8	11.0%
EBITDA	311.0	263.7	17.9%
EBITDA/Revenue from sales and services (%)	22.9%	21.5%	
EBIT	197.8	157.2	25.8%

Sales volumes (in thousands)	2021	2020	Change %
Grey and white cement (metric tons)	11,156	10,712	4.1%
Ready-mixed concrete (m <sup>3</sup> )	5,093	4,435	14.8%
Aggregates (metric tons)	11,052	10,222	8.1%

Net Financial Debt (in millions of euros)	31-12-21	31-12-20
Net financial debt	40.4	122.2

During 2021, cement and clinker sales volumes reached 11.2 million tons, up 4.1% compared to 2020 thanks to a favourable trend in all countries.

Sales volumes of ready-mixed concrete, equal to 5.1 million cubic metres, increased by 14.8% mainly due to Turkey and, to a lesser extent, Denmark and Norway.

In the aggregates segment, sales volumes reached 11.1 million tons, up 8.1%.

Group revenue set the historical record of EUR 1,360.0 million, up 11% compared to EUR 1,224.8 million in 2020. At constant 2020 exchange rates, revenue would have been equal to EUR 1,399.5 million, an increase of 14.3% on the previous year.

EBITDA also hit an historical record of EUR 311.0 million, up by 17.9% compared to EUR 263.7 million in 2020, following better results achieved in all countries except Denmark and Malaysia. This result includes around EUR 11 million of net non-recurring income related to real estate. Excluding these non-recurring items, EBITDA would have been EUR 300 million, up 14.0% on 2020 recurring EBITDA. At constant 2020 exchange rates, EBITDA would have reached €319.0 million.

The EBITDA margin was 22.9% compared to 21.5% in 2020.

EBIT, after EUR 113.2 million in amortisation, depreciation, impairment losses and provisions (EUR 106.6 million in 2020), amounted to EUR 197.8 million, up 25.8% compared to EUR 157.2 million in the previous year.

At constant exchange rates EBIT, would have reached EUR 203.5 million.

The Group made investments of EUR 79.6 million, on top of which a further EUR 19.5 million relate to the application of the IFRS 16 accounting standard. For 2020, the

corresponding amounts were equal to EUR 55.7 million and 30.2 million, respectively.

Net financial debt as at 31 December 2021 was EUR 40.4 million, a reduction of EUR 81.8 million compared to EUR 122.2 million as at 31 December 2020. This amount includes EUR 76.0 million due to the application of IFRS 16 (EUR 85.3 million as at 31 December 2020), dividends distribution of EUR 21.9 million, EUR 24.8 million of share buyback and the acquisition of an aggregates business in Turkey for approximately EUR 4 million.

## Cementir's approach to taxes

The Cementir group adopts a decentralized tax management model with reference to the local tax compliance where all the associated companies manage locally their own tax obligations in accordance with the respective regulations.

Global, complex or extraordinary tax matters are then coordinated centrally, such as transfer pricing policy and extraordinary operations, with the support of third-party consultants' companies.

Local Chief Financial Officers and Finance Managers have been invited to engage first-class tax consultants to enhance the level of competences required by the local operations and to be consistently up to date with the evolution of local laws and regulations.

The Cementir group does not include companies or branches located in so called tax heavens or in any case in countries with a reduced direct or indirect taxation and does not adopt aggressive tax planning strategies consisting of incorporation of artificial schemes and entities nor tax-driven transactions in order to obtain tax savings and advantages.

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

Given the internationalization of Cementir group, the global approach to tax is inspired by the guidelines provided by OECD and by the application of the Treaties for the avoidance of double taxation, where applicable.

The Cementir group manages its approach to tax with full transparency and collaborative approach, by complying with the local legislation of the various countries in which the Group operates.

Tax risks may lead to a negative effect on the business goals of the organization and/or to financial or reputational damages.

In this respect, tax risks are in the scope of the Cementir group's risk management framework. Tax risks are then monitored within the group risk management processes and a dedicated set of controls and testing instruments are dedicated to local tax compliance matters.

Main purpose is to control and limit those risks and to avoid possible situations conflicting with local authorities' interpretation of tax regulations.

In addition, as already mentioned in the paragraph "The code of Ethics" a whistleblowing system has been in place since 2013, which can be used to report breaches of the principles and rules set out in the Code of Ethics and the policies adopted by the Group, or to report non-compliance with laws and regulations.

As part of the “207-1 Approach to Tax”, the specific and qualified tax knowledge at associated companies’ level and the recourse to tier 1 tax consultants, contribute to the proper management of the tax risk within the group as well as to the alignment of the tax approach to the requirements of the countries in which the group operates.

The Cementir group maintains relationships with local tax authorities with respect to information on rules interpretation, contacts during tax audits / inspections as well as ruling procedure, where appropriate.

Local Chief Financial Officer / Finance Manager address these situations with a fully transparent and collaborative approach as well as with a strong focus on the group’s business and on the business model adopted in order to avoid any sort of misinterpretation of group and associated companies behaviors.

The Group recognizes the relevance of a transparent management of tax issues, also given its global presence and for this reason, in the next page please see the quantitative information foreseen by GRI 207-4 concerning the "country-by-country" reporting.

Country	Description	N.employees	Revenues from third-party sales	Revenues from intra-group transactions with other tax jurisdictions	Profit/loss before tax	Tangible assets other than cash and cash equivalents	Corporate income tax paid on a cash basis	Corporate income tax accrued on profit/loss
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.	68	22,018,875	114,561,000	-25,752,301	24,147,910	-140,966	-353,639
Australia	Sales, marketing and distribution of cement	3	19,031,610	0	762,352	286,277	-233,173	-202,362
Belgium	Manufacturing of cement and concrete; Sales, marketing or distribution	479	218,277,066	46,411,000	39,640,183	311,525,145	-12,369,127	-10,682,524
China	Manufacturing of cement; Sales, marketing or distribution	222	62,966,833	0	17,137,388	40,204,792	-4,025,562	-4,290,935
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	780	343,355,953	70,559,000	85,018,021	219,847,870	-25,005,160	-20,783,467
Egypt	Manufacturing of cement; Sales, marketing or distribution	67	47,000,232	3,729,000	7,114,262	34,653,314	-1,869,301	-1,878,114
France	Manufacturing of concrete; Sales, marketing or distribution	32	85,239,230	201,000	3,483,607	6,893,376	-322,847	-429,468
Iceland	Sales, marketing and distribution of cement	9	13,354,839	0	979,814	1,237,407	-43,763	-187,972
Malaysia	Manufacturing of cement; Sales, marketing or distribution	211	26,018,801	12,821,000	922,589	23,439,191	-425,785	-265,756
Norway	Manufacturing of concrete; Sales, marketing or distribution	150	118,901,961	0	3,179,265	31,134,959	-77,504	-853,558
Poland	Sales, marketing and distribution of cement	8	23,737,196	160,000	1,580,923	728,151	-348,166	-323,502

Country	Description	N.employees	Revenues from third-party sales	Revenues from intra-group transactions with other tax jurisdictions	Profit/loss before tax	Tangible assets other than cash and cash equivalents	Corporate income tax paid on a cash basis	Corporate income tax accrued on profit/loss
Russia	Sales, marketing and distribution of cement	1	0	0	-24,541	0	0	0
Spain	Holding of shares or other capital instruments	0	0	0	64,116	0	0	0
Sweden	Manufacturing of concrete; Sales, marketing or distribution	130	71,277,941	3,445,000	8,421,387	22,737,071	-1,871,490	-1,512,350
Turkey	Manufacturing of cement and concrete; Sales, marketing or distribution; Administration, management or support services; Holding of shares or other capital instruments	732	144,946,122	19,064,000	24,548,910	75,838,562	-405,652	-1,082,256
UK	Waste management and recycling. Holding of shares or other capital instruments	41	9,252,819	0	-599,620	5,835,623	0	0
USA	Manufacturing of cement; Sales, marketing or distribution; Holding of shares or other capital instruments	191	154,596,707	881,000	5,509,856	79,314,135	13,951	-85,368
<b>Total</b>		<b>3,124</b>	<b>1,359,976,185</b>	<b>271,832,000</b>	<b>171,986,211</b>	<b>877,823,783</b>	<b>-47,007,222</b>	<b>-42,931,271</b>

## 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)	2021	2020	2019
<b>Direct economic value generated<sup>23</sup></b>	<b>1,406,772</b>	<b>1,241,703</b>	<b>1,243,951</b>
Total operating revenue	1,413,720	1,232,799	1,243,392
Financial income	5,891	12,303	4,636
Foreign exchange rate gains (losses)	(13,657)	(3,970)	(4,387)
Share of net profits of equity-accounted investees	818	571	310
<b>Economic value distributed</b>	<b>1,193,227</b>	<b>1,061,382</b>	<b>1,064,870</b>
<b>Operating costs</b>	<b>(921,362)</b>	<b>768,650</b>	<b>783,419</b>
Raw materials costs	(566,468)	461,195	466,387
Other operating costs	(354,894)	307,455	317,032
<b>Value distributed to employees</b>	<b>(181,406)</b>	<b>188,430</b>	<b>184,897</b>
Personnel costs	(181,406)	188,430	184,897
<b>Value distributed to capital providers</b>	<b>(43,514)</b>	<b>54,425</b>	<b>52,906</b>
Financial expenses	(18,849)	23,519	25,654
Dividends	(24,665)	30,906	27,252
<b>Value distributed to governments</b>	<b>(47,125)</b>	<b>49,877</b>	<b>43,648</b>
Current taxes (income taxes)	(47,125)	37,898	32,366
Other non-income-related taxes	0	11,979	11,282
<b>Economic value retained</b>	<b>232,045</b>	<b>177,412</b>	<b>173,972</b>
Profit (loss) for the year, of which:	122,995	78,457	114,690
Profit (loss) from discontinued operations	0	0	13,109
Amortisation and depreciation	(109,571)	104,223	78,093
Provisions	(3,234)	990	4,091
Impairment losses	(364)	1,354	3,107
Deferred tax liabilities (assets)	4,119	7,612	1,294

<sup>23</sup> The economic value withheld is not the exact difference between the economic value generated and distributed. The slight difference is a cash effect, linked mainly to taxes.

## Appendix

Below is reported a table of correlation between European Directive 95/2014/EU - material issues - GRI Standards:

Issue of European Directive 95/2014/EU	Cementir material issue	Identified risks and managing methods	Policies adopted	Relevant GRI standards	Reported disclosure	Notes
Environmental	Use of alternative fuels and materials	Energy Risk of unavailability of raw materials Risks connected to climate change  Please see: Chap. 'In waste, we see resources' 'We respect the environment in all our operations'	Chap. 'In waste we see resources'	GRI 103: Management approach  GRI 302: Energy  GRI 301: Materials	302-1 302-3 301-1	
	Climate change		Chap. 'We respect the environment in all our operations'	GRI 103: Management approach  GRI 305: Emissions	305-1 305-2 305-4	
	Other emissions		Chap. 'We respect the environment in all our operations'	GRI 103: Management approach  GRI 305: Emissions	305-7	
	Water management		Chap. 'We respect the environment in all our operations'	GRI 103: Management approach  GRI 303 (2018): Water and effluents	303-1 303-2 303-3	
Social	Community engagement	Risks related to licences and operating permits  Please see: Chap. 'We support our communities'	Chap. 'We support our communities'	GRI 103: Management approach  GRI 413: Local Communities	413-2	
	Fair competition	Compliance risks  Please see: Chap. 'Integrity and competition' 'The code of ethics'	Chap. 'Integrity and competition' 'The code of ethics'	GRI 103: Management approach  GRI 206: Anti-competitive behaviour	206-1	
	Logistics and supply chain	Risk of unavailability of raw materials. Health and Safety Risks Some of the Group's environmental and social risks extend to the supply chain.	Chap. 'How is cement made'  and  Chap. 'We value our people'	GRI 103: Management approach	-	.
Staff-related	Health and Safety	Health and Safety Risks  Please see: Chap. 'We value our people'	Chap. 'We value our people'	GRI 103: Management approach  GRI 403 (2018): Occupational health and safety	403-1 403-2 403-3 403-4 403-5 403-6 403-7 403-9	

Issue of European Directive 95/2014/EU	Cementir material issue	Identified risks and managing methods	Policies adopted	Relevant GRI standards	Reported disclosure	Notes
	People management and development	Risks of loss of key personnel  Please see: Chap. 'We value our people'	Chap. 'We value our people'	GRI 103: Management approach GRI 401: Employment GRI 404: Training and Education	401-1 404-1 404-2 404-3	
	Diversity management		Chap. 'We value our people'	GRI 103: Management approach GRI 405: Diversity and Equal opportunities	405-1	
	Industrial relations		Chap. 'We value our people'	GRI 103: Management approach 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 103: Management approach 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. 'The commitment to combating corruption'	GRI 103: Management approach GRI 205: Anti-corruption	205-3	

## Tables on the composition of personnel by country

Turkey	31-12-21			31-12-20			31-12-19		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Employees	681	51	732	655	45	700	671	53	724
Contractors	496	6	502	478	5	483	222	5	227
<b>Professional category</b>									
Executives	8	2	10	9	2	11	9	2	11
Manager	31	5	36	30	4	34	34	4	38
White collars	137	43	180	132	38	170	135	45	180
Blue collars	505	1	506	484	1	485	493	2	495
<b>Age range</b>									
<30	78	9	87	57	7	64	47	6	53
30-50	526	40	566	547	36	583	565	44	609
>50	77	2	79	51	2	53	59	3	62
<b>Type of contract</b>									
Permanent	681	51	732	644	42	686	661	49	710
Temporary	0	0	0	11	3	14	10	4	14
Full-time	0	0	0	655	45	700	671	53	724
Part-time	0	0	0	0	0	0	0	0	0

Turkey	31-12-21			31-12-20			31-12-19		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<b>Executive Manager</b>									
<30	0	0	0	0	0	0	0	0	0
30-50	2	2	4	4	2	6	3	2	5
>50	6	0	6	5	0	5	6	0	6
<b>Manager</b>									
<30	0	0	0	0	0	0	0	0	0
30-50	25	5	30	25	4	29	26	4	30
>50	6	0	6	5	0	5	8	0	8
<b>White collars</b>									
<30	23	9	32	12	7	19	8	6	14
30-50	102	32	134	109	29	138	114	37	151
>50	12	2	14	11	2	13	13	2	15
<b>Blue collars</b>									
<30	55	0	55	45	0	45	39	0	39
30-50	397	1	398	409	1	410	422	1	423
>50	53	0	53	30	0	30	32	1	33

Egypt	31-12-21			31-12-20			31-12-19		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Employees	57	10	67	59	9	68	60	8	68
Contractors	267	0	267	263	0	263	282	0	282
<b>Professional category</b>									
Executives	1	0	1	1	0	1	2	0	2
Manager	20	0	20	20	0	20	21	0	21
White collars	23	10	33	24	9	33	23	8	31
Blue collars	13	0	13	14	0	14	14	0	14
<b>Age range</b>									
<30	3	3	6	4	3	7	1	0	1
30-50	44	7	51	51	6	57	54	8	62
>50	10	0	10	4	0	4	5	0	5
<b>Type of contract</b>									
Permanent	55	9	64	57	8	65	59	7	66
Temporary	2	1	3	2	1	3	1	1	2
Full-time	57	10	67	59	9	68	60	8	68
Part-time	0	0	0	0	0	0	0	0	0

Egypt	31-12-21			31-12-20			31-12-19		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<b>Executive Manager</b>									
<30	0	0	0	0	0	0	0	0	0
30-50	1	0	1	1	0	1	1	0	1
>50	0	0	0	0	0	0	1	0	1
<b>Manager</b>									
<30	0	0	0	0	0	0	0	0	0
30-50	16	0	16	17	0	17	18	0	18
>50	4	0	4	3	0	3	3	0	3
<b>White Collar</b>									
<30	3	3	6	4	3	7	1	0	1
30-50	17	7	24	20	6	26	22	8	30
>50	3	0	3	0	0	0	0	0	0
<b>Blue collars</b>									
<30	0	0	0	0	0	0	0	0	0
30-50	10	0	10	13	0	13	13	0	13
>50	3	0	3	1	0	1	1	0	1

China	31-12-21			31-12-20			31-12-19		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Employees	176	46	222	175	45	220	167	47	214
Contractors	0	0	0	0	0	0	0	0	0
<b>Professional category</b>									
Executives	1	0	1	1	0	1	1	0	1
Manager	16	1	17	16	1	17	16	1	17
White collars	53	23	76	51	22	73	45	24	69
Blue collars	106	22	128	107	22	129	105	22	127
<b>Age range</b>									
<30	13	8	21	16	7	23	16	7	23
30-50	83	36	119	92	37	129	99	39	138
>50	80	2	82	67	1	68	52	1	53
<b>Type of contract</b>									
Permanent	149	34	183	144	30	174	145	27	172
Temporary	27	12	39	31	15	46	22	20	42
Full-time	176	46	222	175	45	220	167	47	214
Part-time	0	0	0	0	0	0	0	0	0

China	31-12-21			31-12-20			31-12-19		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<b>Executive Manager</b>									
<30	0	0	0	0	0	0	0	0	0
30-50	0	0	0	0	0	0	0	0	0
>50	1	0	1	1	0	1	1	0	1
<b>Manager</b>									
<30	0	0	0	0	0	0	0	0	0
30-50	6	1	7	8	1	9	8	1	9
>50	10	0	10	8	0	8	8	0	8
<b>White collars</b>									
<30	5	6	11	4	5	9	3	5	8
30-50	28	17	45	30	17	47	30	18	48
>50	20	0	20	17	0	17	12	1	13
<b>Blue collars</b>									
<30	8	2	10	12	2	14	13	2	15
30-50	49	18	67	54	19	73	61	20	81
>50	49	2	51	41	1	42	31	0	31

Malaysia	31-12-21			31-12-20			31-12-19		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Employees	174	37	211	172	36	208	165	36	201
Contractors	0	0	0	37	0	37	37	0	37
<b>Professional category</b>									
Executives	2	0	2	2	0	2	2	0	2
Manager	14	3	17	12	3	15	12	3	15
White collars	45	34	79	46	33	79	43	33	76
Blue collars	113	0	113	112	0	112	108	0	108
<b>Age range</b>									
<30	52	4	56	48	3	51	36	4	40
30-50	97	28	125	97	27	124	94	26	120
>50	25	5	30	27	6	33	35	6	41
<b>Type of contract</b>									
Permanent	156	36	192	172	36	208	146	36	182
Temporary	18	1	19	0	0	0	19	0	19
Full-time	174	37	211	172	36	208	165	36	201
Part-time	0	0	0	0	0	0	0	0	0

Malaysia	31-12-21			31-12-20			31-12-19		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<b>Executive Manager</b>									
<30	0	0	0	0	0	0	0	0	0
30-50	1	0	1	1	0	1	1	0	1
>50	1	0	1	1	0	1	1	0	1
<b>Manager</b>									
<30	0	0	0	0	0	0	0	0	0
30-50	13	3	16	11	3	14	10	3	13
>50	1	0	1	1	0	1	2	0	2
<b>White collars</b>									
<30	11	4	15	10	3	13	6	4	10
30-50	26	25	51	27	24	51	24	23	47
>50	8	5	13	9	6	15	13	6	19
<b>Blue collars</b>									
<30	41	0	41	38	0	38	30	0	30
30-50	57	0	57	58	0	58	59	0	59
>50	15	0	15	16	0	16	19	0	19

Denmark	31-12-21			31-12-20			31-12-19		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Employees	680	100	780	598	86	684	628	86	714
Contractors	0	0	0	0	0	0	0	0	0
<b>Professional category</b>									
Executives	4	0	4	4	0	4	3	0	3
Manager	44	13	57	41	9	50	47	10	57
White collars	145	76	221	134	68	202	143	69	212
Blue collars	487	11	498	419	9	428	435	7	442
<b>Age range</b>									
<30	48	15	63	25	6	31	31	7	38
30-50	262	46	308	227	47	274	252	52	304
>50	370	39	409	346	33	379	345	27	372
<b>Type of contract</b>									
Permanent	654	91	745	597	85	682	625	83	708
Temporary	26	9	35	1	1	2	3	3	6
Full-time	653	92	745	593	81	674	623	82	705
Part-time	27	8	35	5	5	10	5	4	9

Denmark	31-12-21			31-12-20			31-12-19		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<b>Executive Manager</b>									
<30	0	0	0	0	0	0	0	0	0
30-50	1	0	1	1	0	1	1	0	1
>50	3	0	3	3	0	3	2	0	2
<b>Manager</b>									
<30	0	0	0	0	0	0	0	0	0
30-50	22	8	30	17	6	23	24	7	31
>50	21	5	26	24	3	27	23	3	26
<b>White collars</b>									
<30	15	14	29	9	5	14	9	7	16
30-50	63	31	94	63	35	98	69	41	110
>50	68	31	99	62	28	90	66	22	88
<b>Blue collars</b>									
<30	34	1	35	16	1	17	22	1	23
30-50	175	7	182	146	6	152	161	6	167
>50	278	3	281	257	2	259	268	2	270

Norway	31-12-21			31-12-20			31-12-19		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Employees	124	26	150	126	22	148	131	19	150
Contractors	0	0	0	0	1	1	0	0	0
<b>Professional category</b>									
Executives	1	0	1	0	0	0	0	0	0
Manager	9	4	13	11	4	15	21	5	26
White collars	32	12	44	34	13	47	25	11	36
Blue collars	82	10	92	81	5	86	85	3	88
<b>Age range</b>									
<30	10	1	11	10	0	10	9	0	9
30-50	52	15	67	70	16	86	64	14	78
>50	62	10	72	46	6	52	58	5	63
<b>Type of contract</b>									
Permanent	118	25	143	126	22	148	131	19	150
Temporary	6	1	7	0	0	0	0	0	0
Full-time	121	25	146	123	22	145	128	19	147
Part-time	3	1	4	3	0	3	3	0	3

Norway	31-12-21			31-12-20			31-12-19		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<b>Executive Managers</b>									
<30	0	0	0	0	0	0	0	0	0
30-50	0	0	0	0	0	0	0	0	0
>50	1	0	1	0	0	0	0	0	0
<b>Manager</b>									
<30	0	0	0	0	0	0	0	0	0
30-50	3	3	6	5	2	7	8	3	11
>50	6	1	7	6	2	8	7	1	8
<b>White collars</b>									
<30	0	0	0	1	0	1	1	0	1
30-50	7	4	11	18	9	27	16	8	24
>50	25	8	33	15	4	19	17	4	21
<b>Blue collars</b>									
<30	10	1	11	9	0	9	8	0	8
30-50	42	8	50	47	5	52	42	3	45
>50	30	1	31	25	0	25	34	0	34

Great Britain	31-12-21			31-12-20			31-12-19		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Employees	35	6	41	34	6	40	37	8	45
Contractors	0	0	0	0	0	0	0	0	0
<b>Professional category</b>									
Executives	1	0	1	1	0	1	1	0	1
Manager	3	1	4	3	1	4	2	2	4
White collars	1	5	6	2	5	7	1	6	7
Blue collars	30	0	30	28	0	28	33	0	33
<b>Age range</b>									
<30	5	1	6	3	0	3	4	1	5
30-50	11	2	13	14	3	17	14	4	18
>50	19	3	22	17	3	20	19	3	22
<b>Type of contract</b>									
Permanent	34	6	40	34	6	40	37	7	44
Temporary	1	0	1	0	0	0	0	1	1
Full-time	34	6	40	34	6	40	37	7	44
Part-time	1	0	1	0	0	0	0	0	0

Great Britain	31-12-21			31-12-20			31-12-19		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<b>Executive Manager</b>									
<30	0	0	0	0	0	0	0	0	0
30-50	0	0	0	0	0	0	0	0	0
>50	1	0	1	1	0	1	1	0	1
<b>Manager</b>									
<30	0	0	0	0	0	0	0	0	0
30-50	2	0	2	2	0	2	2	1	3
>50	1	1	2	1	1	2	0	1	1
<b>White collars</b>									
<30	0	1	1	0	0	0	0	1	1
30-50	0	2	2	1	3	4	0	3	3
>50	1	2	3	1	2	3	1	2	3
<b>Blue collars</b>									
<30	5	0	5	3	0	3	4	0	4
30-50	8	0	8	11	0	11	12	0	12
>50	17	0	17	14	0	14	17	0	17

France	31-12-21			31-12-20			31-12-19		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Employees	30	2	32	30	2	32	26	2	28
Contractors	0	1	1	0	0	0	0	1	1
<b>Professional category</b>									
Executives	0	0	0	0	0	0	0	0	0
Manager	11	1	12	13	1	14	13	1	14
White collars	19	1	20	15	1	16	13	1	14
Blue collars	0	0	0	2	0	2	0	0	0
<b>Age range</b>									
<30	3	0	3	3	0	3	3	0	3
30-50	21	1	22	20	1	21	16	2	18
>50	6	1	7	7	1	8	7	0	7
<b>Type of contract</b>									
Permanent	29	2	31	30	2	32	26	2	28
Temporary	1	0	1	0	0	0	0	0	0
Full-time	30	2	32	30	2	32	26	2	28
Part-time	0	0	0	0	0	0	0	0	0

France	31-12-21			31-12-20			31-12-19		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<b>Executive Manager</b>									
<30	0	0	0	0	0	0	0	0	0
30-50	0	0	0	0	0	0	0	0	0
>50	0	0	0	0	0	0	0	0	0
<b>Manager</b>									
<30	0	0	0	0	0	0	0	0	0
30-50	7	1	8	7	1	8	7	1	8
>50	4	0	4	6	0	6	6	0	6
<b>White collars</b>									
<30	3	0	3	1	0	1	3	0	3
30-50	14	0	14	13	0	13	9	1	10
>50	2	1	3	1	1	2	1	0	1
<b>Blue collars</b>									
<30	0	0	0	2	0	2	0	0	0
30-50	0	0	0	0	0	0	0	0	0
>50	0	0	0	0	0	0	0	0	0

Belgium	31-12-21			31-12-20			31-12-19		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Employees	422	57	479	421	58	479	431	59	490
Contractors	2	0	2	0	0	0	2	1	3
<b>Professional category</b>									
Executives	1	0	1	1	0	1	1	0	1
Manager	61	14	75	56	13	69	55	12	67
White collars	76	42	118	79	44	123	78	46	124
Blue collars	284	1	285	285	1	286	297	1	298
<b>Age range</b>									
<30	43	4	47	34	3	37	37	3	40
30-50	198	33	231	217	37	254	249	47	296
>50	181	20	201	170	18	188	145	9	154
<b>Type of contract</b>									
Permanent	400	55	455	403	57	460	404	58	462
Temporary	22	2	24	18	1	19	27	1	28
Full-time	398	40	438	393	41	434	403	42	445
Part-time	24	17	41	28	17	45	28	17	45

Belgium	31-12-21			31-12-20			31-12-19		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<b>Executive Manager</b>									
<30	0	0	0	0	0	0	0	0	0
30-50	0	0	0	0	0	0	0	0	0
>50	1	0	1	1	0	1	1	0	1
<b>Manager</b>									
<30	12	1	13	9	1	10	9	1	10
30-50	22	10	32	20	9	29	20	10	30
>50	27	3	30	27	3	30	26	1	27
<b>White collars</b>									
<30	2	3	5	1	2	3	1	2	3
30-50	33	22	55	39	27	66	43	36	79
>50	41	17	58	39	15	54	34	8	42
<b>Blue collars</b>									
<30	29	0	29	24	0	24	27	0	27
30-50	143	1	144	158	1	159	186	1	187
>50	112	0	112	103	0	103	84	0	84

USA	31-12-21			31-12-20			31-12-19		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Employees	173	18	191	179	21	200	187	20	207
Contractors	0	0	0	0	0	0	0	0	0
<b>Professional category</b>									
Executives	2	0	2	2	0	2	3	0	3
Manager	33	3	36	37	2	39	38	2	40
White collars	19	15	34	14	19	33	19	18	37
Blue collars	119	0	119	126	0	126	127	0	127
<b>Age range</b>									
<30	22	1	23	18	2	20	22	2	24
30-50	68	9	77	67	13	80	70	5	75
>50	83	8	91	94	6	100	109	8	108
<b>Type of contract</b>									
Permanent	173	18	191	179	21	200	187	20	207
Temporary	0	0	0	0	0	0	1	0	1
Full-time	173	18	191	179	21	200	186	20	206
Part-time	0	0	0	0	0	0	1	0	1

USA	31-12-21			31-12-20			31-12-19		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<b>Executive Manager</b>									
<30	0	0	0	0	0	0	0	0	0
30-50	0	0	0	0	0	0	0	0	0
>50	2	0	2	2	0	2	3	0	3
<b>Manager</b>									
<30	1	0	1	1	0	1	2	0	2
30-50	18	2	20	17	2	19	13	1	14
>50	14	1	15	19	0	19	23	1	24
<b>White collars</b>									
<30	1	1	2	1	2	3	1	3	4
30-50	12	7	19	6	11	17	6	8	14
>50	6	7	13	7	6	13	12	7	19
<b>Blue collars</b>									
<30	20	0	20	16	0	16	17	0	17
30-50	38	0	38	44	0	44	47	0	47
>50	61	0	61	66	0	66	66	0	66

Sweden	31-12-21			31-12-20			31-12-19		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Employees	108	22	130	114	20	134	110	24	134
Contractors		0	0	0	0	0	0	0	0
<b>Professional category</b>									
Executives	2	0	2	2	0	2	2	0	2
Manager	5	3	8	5	3	8	5	3	8
White collars	25	14	39	29	15	44	24	17	41
Blue collars	76	5	81	78	2	80	79	4	83
<b>Age range</b>									
<30	14	3	17	15	2	17	14	3	17
30-50	50	9	59	51	9	60	49	12	61
>50	44	10	54	48	9	57	47	9	56
<b>Type of contract</b>									
Permanent	104	20	124	112	20	132	107	24	131
Temporary	4	2	6	2	0	2	3	0	3
Full-time	107	21	128	114	19	133	110	23	133
Part-time	1	1	2	0	1	1	0	1	1

Sweden	31-12-21			31-12-20			31-12-19		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<b>Executive Manager</b>									
<30	0	0	0	0	0	0	0	0	0
30-50	0	0	0	0	0	0	0	0	0
>50	2	0	2	2	0	2	2	0	2
<b>Manager</b>									
<30	0	0	0	0	0	0	0	0	0
30-50	3	1	4	3	1	4	3	1	4
>50	2	2	4	2	2	4	2	2	4
<b>White collars</b>									
<30	2	2	4	2	2	4	1	2	3
30-50	11	5	16	12	6	18	10	8	18
>50	12	7	19	15	7	22	13	7	20
<b>Blue collars</b>									
<30	12	1	13	13	0	13	13	1	14
30-50	36	3	39	36	2	38	36	3	39
>50	28	1	29	29	0	29	30	0	30

Italy	31-12-21			31-12-20			31-12-19		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Employees	46	22	68	53	19	72	51	22	73
Contractors	0	0	0	0	0	0	0	0	0
<b>Professional category</b>									
Executives	21	2	23	27	2	29	27	2	29
Manager	16	11	27	13	8	21	14	9	23
White collars	9	9	18	13	9	22	10	11	21
Blue collars	0	0	0	0	0	0	0	0	0
<b>Age range</b>									
<30	1	1	2	1	1	2	1	4	5
30-50	21	20	41	26	16	42	27	18	45
>50	24	1	25	26	2	28	23	0	23
<b>Type of contract</b>									
Permanent	46	22	68	53	19	72	50	22	72
Temporary	0	0	0	0	0	0	1	0	1
Full-time	46	22	68	53	19	72	51	22	73
Part-time	0	0	0	0	0	0	0	0	0

Italy	31-12-21			31-12-20			31-12-19		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<b>Executive Manager</b>									
<30	0	0	0	0	0	0	0	0	0
30-50	5	1	6	9	1	10	10	2	12
>50	16	1	17	18	1	19	17	0	17
<b>Manager</b>									
<30	0	0	0	0	0	0	0	2	2
30-50	12	11	23	10	7	17	11	7	18
>50	4	0	4	3	1	4	3	0	3
<b>White collars</b>									
<30	1	1	2	1	1	2	1	2	3
30-50	4	8	12	7	8	15	6	9	15
>50	4	0	4	5	0	5	3	0	3
<b>Blue collars</b>									
<30	0	0	0	0	0	0	0	0	0
30-50	0	0	0	0	0	0	0	0	0
>50	0	0	0	0	0	0	0	0	0

Iceland	31-12-21			31-12-20			31-12-19		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Employees	8	1	9	9	2	11	9	2	11
Contractors		0	0	0	0	0	0	0	0
<b>Professional category</b>									
Executives	0	0	0	0	0	0	0	0	0
Manager	1	0	1	1	0	1	1	0	1
White collars	3	0	3	2	1	3	2	1	3
Blue collars	4	1	5	6	1	7	6	1	7
<b>Age range</b>									
<30	0	0	0	1	1	2	0	1	1
30-50	3	1	4	5	0	5	6	0	6
>50	5	0	5	3	1	4	3	1	4
<b>Type of contract</b>									
Permanent	8	1	9	9	2	11	0	0	0
Temporary	0	0	0	0	0	0	0	0	0
Full-time	8	1	9	9	2	11	9	2	11
Part-time	0	0	0	0	0	0	0	0	0

Iceland	31-12-21			31-12-20			31-12-19		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<b>Executive Manager</b>									
<30	0	0	0	0	0	0	0	0	0
30-50	0	0	0	0	0	0	0	0	0
>50	0	0	0	0	0	0	0	0	0
<b>Manager</b>									
<30	0	0	0	1	0	1	0	0	0
30-50	0	0	0	0	0	0	1	0	1
>50	1	0	1	0	0	0	0	0	0
<b>White collars</b>									
<30	0	0	0	0	0	0	0	0	0
30-50	0	0	0	0	0	0	0	0	0
>50	3	0	3	2	1	3	2	1	3
<b>Blue collars</b>									
<30	0	0	0	0	1	1	0	1	1
30-50	3	1	4	5	0	5	5	0	5
>50	1	0	1	1	0	1	1	0	1

Poland	31-12-21			31-12-20			31-12-19		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Employees	5	3	8	5	2	7	5	3	8
Contractors	0	0	0	0	0	0	0	0	0
<b>Professional category</b>									
Executives	0	0	0	0	0	0	0	0	0
Manager	1	0	1	1	0	1	1	0	1
White collars	1	3	4	1	2	3	4	3	7
Blue collars	3	0	3	3	0	3	0	0	0
<b>Age range</b>									
<30	0	0	0	0	0	0	0	0	0
30-50	3	3	6	3	2	5	5	3	8
>50	2	0	2	2	0	2	0	0	0
<b>Type of contract</b>									
Permanent	5	3	8	5	2	7	5	3	8
Temporary	0	0	0	0	0	0	0	0	0
Full-time	5	3	8	5	2	7	5	3	8
Part-time	0	0	0	0	0	0	0	0	0

Poland	31-12-21			31-12-20			31-12-19		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<b>Executive Manager</b>									
<30	0	0	0	0	0	0	0	0	0
30-50	0	0	0	0	0	0	0	0	0
>50	0	0	0	0	0	0	0	0	0
<b>Manager</b>									
<30	0	0	0	0	0	0	0	0	0
30-50	0	0	0	0	0	0	1	0	1
>50	1	0	1	1	0	1	0	0	0
<b>White collars</b>									
<30	0	0	0	0	0	0	0	0	0
30-50	1	3	4	1	2	3	1	3	4
>50	0	0	0	0	0	0	0	0	0
<b>Blue collars</b>									
<30	0	0	0	0	0	0	0	0	0
30-50	2	0	2	2	0	2	3	0	3
>50	1	0	1	1	0	1	0	0	0

Russia	31-12-21			31-12-20			31-12-19		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Employees	1	0	1	1	0	1	1	0	1
Contractors	0	0	0	0	0	0	0	0	0
<b>Professional category</b>									
Executives	0	0	0	0	0	0	0	0	0
Manager	1	0	1	1	0	1	1	0	1
White collars	0	0	0	0	0	0	0	0	0
Blue collars	0	0	0	0	0	0	0	0	0
<b>Age range</b>									
<30	0	0	0	0	0	0	0	0	0
30-50	1	0	1	1	0	1	1	0	1
>50	0	0	0	0	0	0	0	0	0
<b>Type of contract</b>									
Permanent	1	0	1	1	0	1	1	0	1
Temporary	0	0	0	0	0	0	0	0	0
Full-time	1	0	1	1	0	1	1	0	1
Part-time	0	0	0	0	0	0	0	0	0

Russia	31-12-21			31-12-20			31-12-19		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<b>Executive Manager</b>									
<30	0	0	0	0	0	0	0	0	0
30-50	0	0	0	0	0	0	0	0	0
>50	0	0	0	0	0	0	0	0	0
<b>Manager</b>									
<30	0	0	0	0	0	0	0	0	0
30-50	1	0	1	1	0	1	1	0	1
>50	0	0	0	0	0	0	0	0	0
<b>White collars</b>									
<30	0	0	0	0	0	0	0	0	0
30-50	0	0	0	0	0	0	0	0	0
>50	0	0	0	0	0	0	0	0	0
<b>Blue collars</b>									
<30	0	0	0	0	0	0	0	0	0
30-50	0	0	0	0	0	0	0	0	0
>50	0	0	0	0	0	0	0	0	0

Australia	31-12-21			31-12-20			31-12-19		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Employees	3	0	3	5	0	5	4	0	4
Contractors	0	0	0	0	0	0	0	0	0
<b>Professional category</b>									
Executives	0	0	0	0	0	0	0	0	0
Manager	3	0	3	4	0	4	3	0	3
White collars	0	0	0	1	0	1	1	0	1
Blue collars	0	0	0	0	0	0	0	0	0
<b>Age range</b>									
<30	0	0	0	0	0	0	0	0	0
30-50	1	0	1	2	0	2	2	0	2
>50	2	0	2	3	0	3	2	0	2
<b>Type of contract</b>									
Permanent	3	0	3	4	0	4	4	0	4
Temporary	0	0	0	1	0	1	0	0	0
Full-time	3	0	3	5	0	5	4	0	4
Part-time	0	0	0	0	0	0	0	0	0

Australia	31-12-21			31-12-20			31-12-19		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<b>Executive Manager</b>									
<30	0	0	0	0	0	0	0	0	0
30-50	0	0	0	0	0	0	0	0	0
>50	0	0	0	0	0	0	0	0	0
<b>Manager</b>									
<30	0	0	0	0	0	0	0	0	0
30-50	1	0	1	1	0	1	1	0	1
>50	2	0	2	3	0	3	2	0	2
<b>White collars</b>									
<30	0	0	0	0	0	0	0	0	0
30-50	0	0	0	1	0	1	1	0	1
>50	0	0	0	0	0	0	0	0	0
<b>Blue collars</b>									
<30	0	0	0	0	0	0	0	0	0
30-50	0	0	0	0	0	0	0	0	0
>50	0	0	0	0	0	0	0	0	0

## Cementir data tables

Co2 and energy					
CO <sub>2</sub> emissions - Group	Unit	2021	2020	2019	GRI Ref
CO <sub>2</sub> emissions (Scope 1) <sup>24</sup>	t	8,006,881	7,977,232	7,161,850	305-1
CO <sub>2</sub> emissions (Scope 2) <sup>25</sup>	t	707,044	572,227	630,114	305-2
CO <sub>2</sub> emissions (Scope 3) <sup>26</sup>	t	2,990,723	2,941,199	2,792,568	305-3
<b>Total CO<sub>2</sub> emissions</b>	<b>t</b>	<b>11,704,648</b>	<b>11,490,658</b>	<b>10,584,532</b>	
CO <sub>2</sub> emissions - Cement Production	Unit	2021	2020	2019	GRI Ref
CO <sub>2</sub> emissions (Scope 1)	t	7,982,250	7,941,401	7,099,110	305-1
CO <sub>2</sub> emissions (Scope 2)	t	691,732	556,014	607,028	305-2
<b>Total CO<sub>2</sub> emissions</b>	<b>t</b>	<b>8,673,982</b>	<b>8,497,415</b>	<b>7,706,138</b>	
CO <sub>2</sub> emissions Scope 1 - Grey Cement	KgCo <sub>2</sub> /TCE	684	718	696	305-4
CO <sub>2</sub> emissions Scope 1 - White Cement	KgCo <sub>2</sub> /TCE	919	915	926	305-4
CO <sub>2</sub> emissions - Other activities <sup>27</sup>	Unit	2021	2020	2019	GRI Ref
CO <sub>2</sub> emissions (Scope 1)	t	24,631	35,831	62,740	305-1
CO <sub>2</sub> emissions (Scope 2)	t	15,311	16,213	23,086	305-2
<b>Total CO<sub>2</sub> emissions</b>	<b>t</b>	<b>39,942</b>	<b>52,044</b>	<b>85,826</b>	
Fossil fuel replacement index	Unit	2021	2020	2019	GRI Ref
% of fossil fuel replacement (white and grey combined)	%	20%	19%	20%	302-3
% of fossil fuel replacement (only grey Cement)	%	30%	28%	31%	302-3
% of fossil fuel replacement (only white cement)	%	3%	3%	3%	302-3

<sup>24</sup> Scope 1 emissions account for 68% of Cementir's carbon footprint. Scope 1 emissions includes all direct emissions related to the calcination of limestone which, when heated in the kiln at high temperatures, releases CO<sub>2</sub>.

<sup>25</sup> Scope 2 emissions, equal to 6% of the total, includes indirect emissions related to electricity purchased for the Group's needs, for example in cement grinding mills.

<sup>26</sup> Scope 3 emissions includes other indirect emissions that occur in the Group value chain, such as the extraction and production of purchased materials and fuels, and transportation. It accounts for 26% of Cementir's carbon footprint.

<sup>27</sup> The other activities are the following businesses: ready-mixed concrete, aggregates, concrete products and processing of urban and industrial waste.

Fossil fuel consumption for cement production					
Type	Unit	2021	2020	2019	GRI Ref
Coal	GJ	7,526,248	5,682,239	7,371,459	302-1
Petroleum coke	GJ	15,031,687	20,152,510	17,955,038	302-1
Fuel oil	GJ	457,020	368,464	320,529	302-1
Lignite	GJ	5,862,081	3,074,765	352,409	302-1
Gas oil	GJ	0	0	108,179	302-1
LPG	GJ	0	194	814	302-1
Natural gas	GJ	1,872,458	1,789,485	1,757,651	302-1
District heating	GJ	36,009	26,386	8,110	302-1
Total	GJ	30,785,503	31,094,042	27,874,189	302-1
Fossil Fuel per Clinker produced	GJ / ton clinker	3.51	3.60	3.60	

Fossil fuel consumption for White and Grey Cement production						GRI Ref
Type	Unit	White	Grey	White	Grey	GRI Ref
		2021	2021	2020	2020	
Coal	GJ	0	7,526,248	0	5,682,239	302-1
Petroleum coke	GJ	11,467,033	3,564,654	11,956,158	8,196,352	302-1
Fuel oil	GJ	241,166	215,854	160,914	207,550	302-1
Lignite	GJ	0	5,862,081	0	3,074,765	302-1
Gas oil	GJ	0	0	0	0	302-1
LPG	GJ	0	0	0	194	302-1
Natural gas	GJ	1,872,458	0	1,789,485	0	302-1
District heating	GJ	0	36,009	0	26,386	302-1
Total	GJ	13,580,657	17,204,846	13,906,557	17,187,486	302-1

Alternative fuel consumption for cement production					GRI Ref	
Type	Unit	2021	2020	2019	2018	GRI Ref
Used oil	GJ	331,895	161,074	248,053	200,492	302-1
Rubbers and plastics	GJ	115,095	58,364	58,677	40,031	302-1
Tyres	GJ	772,592	673,873	431,120	223,916	302-1
Paper/cardboard/wood	GJ	132,996	133,327	158,010	181,574	302-1
Meat and bone meal	GJ	1,256,250	1,187,248	1,109,985	998,137	302-1
Dry sewage sludge	GJ	34,966	41,672	52,319	123,057	302-1
RDF and SRF	GJ	4,645,471	4,787,849	4,608,513	5,132,148	302-1
Sunflower oil	GJ	320,626	41,856	89,395	76,977	302-1
Other alternative fuels	GJ	100,171	110,799	60,336	162,360	302-1
Total	GJ	7,710,062	7,196,062	6,816,408	7,138,692	302-1
Alternative Fuel per Clinker produced	GJ / ton clinker	0.88	0.85	0.89		

Alternative fuel consumption for White and Grey Cement production						GRI Ref
Type	Unit	White	Grey	White	Grey	
		2021	2021	2020	2020	
Used oil	GJ	0	331,895	0	161,074	302-1
Rubbers and plastics	GJ	0	115,095	0	58,364	302-1
Tyres	GJ	0	772,592	0	673,873	302-1
Paper/cardboard/wood	GJ	0	132,996	0	133,327	302-1
Meat and bone meal	GJ	366,664	889,586	388,854	798,394	302-1
Dry sewage sludge	GJ	0	34,966	0	41,672	302-1
RDF and SRF	GJ	0	4,645,471	0	4,787,849	302-1
Sunflower oil	GJ	0	320,626	0	41,856	302-1
Other alternative fuels	GJ	0	100,171	0	110,799	302-1
<b>Total</b>	<b>GJ</b>	<b>366,664</b>	<b>7,343,398</b>	<b>388,854</b>	<b>6,807,208</b>	<b>302-1</b>

Energy consumed to produce cement						
Type	Unit	2021	2020	2019	2018	GRI Ref
Thermal energy	GJ	38,569,279	38,290,104	34,690,599	35,767,574	302-1
of which: from alternative fuel	GJ	7,710,063	7,196,062	6,816,410	7,138,691	302-1
Thermal energy sold	GJ	-1,661,306	-1,787,593	-1,521,827	-1,185,306	302-1
Electricity	GJ	4,751,610	4,560,025	4,278,324	4,323,044	302-1
<b>Total energy</b>	<b>GJ</b>	<b>41,659,583</b>	<b>41,062,536</b>	<b>37,447,096</b>	<b>38,905,312</b>	<b>302-1</b>
Thermal energy per t of Total Cement Equivalent	GJ/tTCE	3.58	3.71	3.720448894	3.52	302-3
Thermal energy produced by alternative sources per t of Total Cement Equivalent	GJ/tTCE	0.72	0.70	0.73103684	0.73	302-3
Electricity per t of Total Cement Equivalent	GJ/tTCE	0.44	0.44	0.458835701	0.44	302-3
Total energy per t of Total Cement Equivalent	GJ/tTCE	3.87	3.97	4.01607382	3.96	302-3

Energy consumed for White and Grey Cement production						GRI Ref
Type	Unit	White	Grey	White	Grey	
		2021	2021	2020	2020	
Thermal energy	GJ	13,997,266	24,572,013	14,295,411	23,994,693	302-1
of which: from alternative fuel	GJ	366,664	7,343,399	388,854	6,807,208	302-1
Thermal energy sold	GJ	-1,661,306	0	-1,787,593	0	302-1
Electricity	GJ	1,333,096	3,418,514	1,293,361	3,266,664	302-1
<b>Total energy</b>	<b>GJ</b>	<b>13,669,056</b>	<b>27,990,527</b>	<b>13,801,179</b>	<b>27,261,357</b>	<b>302-1</b>
Thermal energy per t of Total Cement Equivalent	GJ/tTCE	5.34	3.01	5.36	3.13	302-3
Thermal energy produced by alternative sources per t of Total Cement Equivalent	GJ/tTCE	0.14	0.90	0.15	0.89	302-3
Electricity per t of Total Cement Equivalent	GJ/tTCE	0.51	0.42	0.49	0.43	302-3
Total energy per t of Total Cement Equivalent	GJ/tTCE	5.22	3.43	5.18	3.56	302-3

Energy consumed to produce ready-mixed concrete (fuels, electricity)						
Type	Unit	2021	2020	2019	2018	GRI Ref
Thermal energy	GJ	241,536	272,752	284,705	292,341	302-1
Electricity	GJ	72,623	97,292	69,983	77,729	302-1
<b>Total energy</b>	<b>GJ</b>	<b>314,159</b>	<b>370,044</b>	<b>354,688</b>	<b>370,070</b>	<b>302-1</b>
Thermal energy per t of ready-mixed concrete	GJ/t	0.02	0.03	0.03	0.03	302-3
Electricity per t of ready-mixed concrete	GJ/t	0.01	0.01	0.01	0.009	302-3
<b>Total energy per t of ready-mixed concrete</b>	<b>GJ/t</b>	<b>0.03</b>	<b>0.04</b>	<b>0.03</b>	<b>0.04</b>	<b>302-3</b>

Energy usage of other activities <sup>28</sup>						
Type	Unit	2021	2020	2019	2018	GRI Ref
Thermal energy	GJ	218,977	217,755	207,513	205,619.67	302-1
Electricity	GJ	127,080	128,430	60,629	65,538.27	302-1
<b>Total energy</b>	<b>GJ</b>	<b>346,057</b>	<b>346,185</b>	<b>268,142</b>	<b>271,157.94</b>	<b>302-1</b>
Thermal energy per t of product made	GJ/t	0.01	0.01	0.01	0.02	302-3
Electricity per t of product made	GJ/t	0.01	0.01	0.01	0.01	302-3
<b>Total energy per t of product made</b>	<b>GJ/t</b>	<b>0.02</b>	<b>0.02</b>	<b>0.02</b>	<b>0.03</b>	<b>302-3</b>

Energy used in the waste management sector						
Type	Unit	2021	2020	2019	2018	GRI Ref
Thermal energy	GJ	13,589	14,096	20,991	19,532	302-1
Electricity	GJ	15,315	19,797	29,438	30,492	302-1
<b>Total energy</b>	<b>GJ</b>	<b>28,904</b>	<b>33,893</b>	<b>50,429</b>	<b>50,024</b>	<b>302-1</b>

<sup>28</sup> The other activities are the following businesses: aggregates and concrete products.

<b>Materials Used</b>					
<b>Raw materials used in cement production</b>	<b>Unit</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>GRI Ref</b>
Non-renewable raw materials	t	14,442,142	15,148,632	13,357,195	301-1
Renewable raw materials	t	1,746,058	1,563,285	1,576,012	301-1
<b>Total</b>	<b>t</b>	<b>16,188,200</b>	<b>16,711,917</b>	<b>14,933,207</b>	<b>301-1</b>
Renewable raw materials as a percentage of total raw materials used	%	10.79%	90.65%	11.80%	301-2

<b>Non-renewable raw materials Cement production</b>	<b>Unit</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>GRI Ref</b>
Limestone	t	11,387,382	12,103,107	11,190,862	301-1
Clay	t	1,101,016	1,063,405	890,370	301-1
Gypsum	t	444,419	324,515	324,297	301-1
Marl	t	584,158	498,706	414,799	301-1
Sand	t	527,779	299,973	272,549	301-1
Pozzolana	t	167,747	191,107	132,696	301-1
Admixtures	t	14,018	44,977	16,106	301-1
Auxiliaries	t	0	3	895	301-1
Stone	t	0	0	30,477	301-1
Calcium fluoride	t	47,144	36,431	10,671	301-1
Bauxite	t	3,873	5,916	11,012	301-1
Iron ore	t	47,657	75,768	19,223	301-1
Other residual materials	t	116,949	504,725	43,228	301-1
<b>Total</b>	<b>t</b>	<b>14,442,142</b>	<b>15,148,633</b>	<b>13,357,185</b>	<b>301-1</b>

<b>Renewable materials Cement production</b>	<b>Unit</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>GRI Ref</b>
Fly ash	t	473,322	320,633	365,428	301-1
FGD gypsum	t	94,292	89,823	106,642	301-1
Iron oxide	t	38,482	24,715	104,302	301-1
Blast-furnace slag	t	305,745	230,862	239,079	301-1
Recovered limestone	t	240,443	164,929	267,110	301-1
Excavated stone (clay replacement)	t	364,083	189,230	163,351	301-1
Other materials	t	229,690	543,093	330,100	301-1
<b>Total</b>	<b>t</b>	<b>1,746,056</b>	<b>1,563,285</b>	<b>1,576,012</b>	<b>301-1</b>

Raw materials used in the production of ready-mixed concrete	Unit	2021	2020	2019	GRI Ref
Non-renewable raw materials	t	10,964,549	9,501,881	8,726,530	301-1
Renewable raw materials	t	95,789	105,969	113,418	301-1
<b>Total</b>	<b>t</b>	<b>11,060,338</b>	<b>9,607,850</b>	<b>8,839,948</b>	<b>301-1</b>
Renewable raw materials as a percentage of total raw materials used	%	1%	1%	1%	301-2

Non-renewable raw materials Ready-mixed concrete production	Unit	2021	2020	2019	GRI Ref
Limestone	t	0	0	3,452	301-1
Sand	t	3,255,064	3,020,365	3,090,992	301-1
Admixtures	t	24,287	15,832	25,873	301-1
Auxiliaries	t	9	7	0	301-1
Cement	t	1,549,711	1,326,955	1,240,087	301-1
Stones	t	6,131,942	5,135,275	4,363,130	301-1
Clay	t	0	0	0	301-1
Aggregates	t	0	0	0	301-1
Steel Fiber	t	3,083	2,875	2,696	301-1
Basalt Fiber	t	5	0	4	301-1
Plastic macro fiber	t	246	178	211	301-1
Color pigment	t	95	142	85	301-1
Other Materials	t	106	252	0	301-1
<b>Total</b>	<b>t</b>	<b>10,964,548</b>	<b>9,501,881</b>	<b>8,726,530</b>	<b>301-1</b>

Renewable materials Ready-mixed concrete production	Unit	2021	2020	2019	GRI Ref
Fly ash	t	82,524	95,010	100,665	301-1
Microsilica	t	12,008	10,819	12,754	301-1
Blast-furnace slag	t	1,257	140	0	301-1
<b>Total</b>	<b>t</b>	<b>95,789</b>	<b>105,969</b>	<b>113,418</b>	<b>301-1</b>

Non-renewable raw materials other production activities	Unit	2021	2020	2019	GRI Ref
Sand	t	33,415	39,700	56,576	301-1
Auxiliaries and admixtures	t	134	140	67	301-1
Cement	t	12,407	12,434	12,571	301-1
Stones	t	25,527	25,902	25,375	301-1
Steel	t	2,375	2,204	1,965	301-1
<b>Total</b>	<b>t</b>	<b>73,858</b>	<b>80,380</b>	<b>96,554</b>	<b>301-1</b>

Air emissions	2021	2020	2019	GRI Ref
Dust				
ton	205	154	148	305-7
grams/ton clinker	23	18	19	305-7
NO <sub>x</sub> (oxides of nitrogen)				
ton	10,344	10,411	9,541	305-7
grams/ton clinker	1,178	1,224	1,250	305-7
SO <sub>2</sub> (Sulfur dioxide)				
ton	1,950	1,946	1,414	305-7
grams/ton clinker	222	229	185	305-7
Clinker produced with CEMS of dust, NO <sub>x</sub> and SO <sub>2</sub>				
% of total production	100	100	99	305-7
TOC (Total Organic Compounds)				
grams/ton clinker	43	54	34	305-7
n. of kiln reporting	17	16	16	305-7
Hg (mercury)				
grams/ton clinker	0.014	0.009	0.014	305-7
n. of kiln reporting	17	17	17	305-7
PCDD/Fs <sup>29</sup>				
µg TEQ/ton clinker	0.034	0.016	0.022	305-7
n. of kiln reporting	17	16	16	305-7
Clinker produced with CEMS and discontinuous measurements of all emissions				
% of total production	95	86	85	305-7

<sup>29</sup> PCDD/Fs (they include the 17 congeners of the NATO scheme adopted internationally and are reported as international Toxic Equivalent, TEQ).

Waste produced by the Group		2021	2020	2019	GRI Ref
Total waste	t / 1,000	348.9	361.1	372.5	306-2
Cement		126.7	128.6	135.8	306-2
RMC		221.8	232.1	236.2	306-2
Aggregates		0.3	0.3	0.4	306-2
Non-hazardous waste	t / 1,000	347.8	360.0	371.6	306-2
Recycling		271.1	282.6	305.6	306-2
Incineration with energy recovery		0.7	0.7	0.7	306-2
Incineration without energy recovery		0.1	0	0.1	306-2
Other recovery operations		0	0	0	306-2
Landfilling		69.2	76.6	65.1	306-2
Other disposal operations		6.5	0.1	0.1	306-2
Non-hazardous waste of total waste	%	99.7	99.7	99.8	306-2
Cement	%	36.2	35.5	36.4	306-2
RMC	%	63.8	64.4	63.6	306-2
Aggregates	%	0	0	0	306-2
Hazardous waste	t / 1,000	1.1	1	0.9	306-2
Recycling		0.4	0.5	0.5	306-2
Incineration with energy recovery		0.1	0.2	0.2	306-2
Incineration without energy recovery		0.1	0	0	306-2
Other recovery operations		0.4	0.1	0	306-2
Landfilling		0	0.1	0.1	306-2
Other disposal operations		0	0.1	0.1	306-2
Cement	%	79.2	69.5	63.2	306-2
RMC	%	4.8	6.1	6.3	306-2
Aggregates	%	16	24.4	30.4	306-2

Waste managed and recycled					
Waste processed <sup>30</sup>	Unit	2021	2020	2019	GRI Ref
Solid urban waste	t	61,327	110,659	230,943	
Industrial waste	t	156,220	148,879	189,411	
<b>Total</b>	<b>t</b>	<b>217,547</b>	<b>259,538</b>	<b>420,354</b>	

Recycled material produced	Unit	2021	2020	2019	GRI Ref
Ferrous material	t	1,414	1,843	2,316	
Plastic	t	0	527	1,807	
Aluminium	t	693	672	966	
Other materials	t	3,162	4,389	1,668	
<b>Total</b>	<b>t</b>	<b>5,269</b>	<b>7,431</b>	<b>6,757</b>	

Alternative fuel produced <sup>31</sup>	Unit	2021	2020	2019	GRI Ref
Refuse-derived fuel	t	16,497	14,335	16,223	
Solid recovered fuel	t	55,911	64,772	84,297	
<b>Total</b>	<b>t</b>	<b>72,408</b>	<b>79,107</b>	<b>100,520</b>	

<sup>30</sup> In June 2020, Cementir sold fixed equipment owned by Hereko, the division operating in the processing of municipal solid waste in Istanbul. This explains the decrease in the total amount of waste processed, in 2020/2021 period comparing the 2019

<sup>31</sup> See the info above-mentioned

Water management in Cement		2021	2020	2019	GRI Ref
Total water withdrawal	m³ / 1,000	9,795	9,494	9,805	303-3
Surface water		0,605	0,693	0,720	303-3
Groundwater		5,114	4,996	4,913	303-3
Seawater		0,000	0,000	0,000	303-3
Rainwater		0,486	0,487	0,448	303-3
Public water		0,254	0,210	0,309	303-3
Quarry water		3,336	3,108	3,414	303-3
Total water discharge	m³ / 1,000	5,339	4,887	5,329	303-4
<b>By place of discharge</b>					
Surface water		1,959	1,616	1,954	303-4
Groundwater		0,009	0,012	0,011	303-4
Seawater		3,121	3,005	3,110	303-4
External treatment plants and other discharge area		0,16	0,147	0,149	303-4
Domestic sewage		0,09	0,107	0,106	303-4
Total water consumption	m	4,455	4,608	4,476	303-5
In high water stress areas	% of total water consumption in cement	34.4	33.2	29.3	303-5
Total water reused/recycled	m	3,191	2,962	3,197	303-5
	% of total water withdrawal in cement	32.6	31.2	32.6	303-5
Specific water consumption	l / TCE	413	445	480	303-5
In high water stress areas		276	287	280	303-5

Water management in RMC		2021	2020	2019	GRI Ref
Total water withdrawal	m³ / 1,000	0,884	0,755	0,775	303-3
Surface water		0,050	0,048	0,067	303-3
Groundwater		0,370	0,296	0,262	303-3
Seawater		0,000	0,000	0,000	303-3
Rainwater		0,182	0,161	0,169	303-3
Public water		0,281	0,249	0,278	303-3
Total water discharge	m³ / 1,000	0,051	0,056	0,036	303-4
By place of discharge					
Surface water		0,000	0,000	0,000	303-4
Groundwater		0,000	0,000	0,000	303-4
Seawater		0,000	0,000	0,000	303-4
External treatment plants and other discharge area		0,001	0,001	0,001	303-4
Domestic sewage		0,050	0,055	0,035	303-4
Total water consumption	m³ / 1,000	0,833	0,699	0,739	303-5
In high water stress areas	% of total water consumption in ready-mix	61.3	56.3	55.1	303-5
Total water reused/recycled	m³ / 1,000	0,204	0,125	0,079	303-5
	% of total water withdrawal in ready-mix	23.1	16.6	10.2	303-5
Specific water consumption	l / m³ ready-mix concrete	163	158	179	303-5

Health & Safety KPIs	2021	2020	2019	GRI Ref
<b>Fatality Rate</b> (fatal injuries/hours worked) x 1,000,000	0.31	0.22	0.11	403-10
<b>Employees</b>	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
<b>Contractors</b>	0.78	0.55	0.28	403-10
Cement	0.81	0.42	0.00	403-10
RMC	0.83	0.97	0.00	403-10
Aggregates	0.00	0.00	8.06	403-10
Waste	0.00	0.00	0.00	403-10
Other	0.00	0.00	0.00	403-10
<b>Number of Fatalities work-related</b> (number)	3	2	1	403-10
<b>Employees</b>	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
<b>Contractors</b>	3	2	1	403-10
Cement	2	1	0	403-10
RMC	1	1	0	403-10
Aggregates	0	0	1	403-10
Waste	0	0	0	403-10
Other	0	0	0	403-10

Health & Safety KPIs	2021	2020	2019	GRI Ref
<b>High-Consequence Work-related Injury Rate (excluding fatalities)<sup>32</sup></b>	(high consequence work-related injuries/hours worked) x 1,000,000 0.00	0.00	0.11	403-9
<b>Employees</b>	<b>0.00</b>	<b>0.00</b>	<b>0.17</b>	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	3.77	403-9
Other	0.00	0.00	0.00	403-9
<b>Contractors</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	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
<b>TRIR (Total Recordable Injury Rate)<sup>33</sup></b>	(total recordable injuries/hours worked) x 1,000,000 <b>20.2</b>	<b>16.4</b>	<b>14.4</b>	403-9
<b>Employees</b>	<b>27.4</b>	<b>20.1</b>	<b>16.7</b>	403-9
Cement	29.2	18.0	12.5	403-9
RMC	10.9	16.9	23.8	403-9
Aggregates	35.5	37.6	9.9	403-9
Waste	136.4	64.6	45.3	403-9
Other	11.6	12.3	13.4	403-9
<b>Contractors</b>	<b>9.9</b>	<b>10.7<sup>34</sup></b>	<b>10.7</b>	403-9
Cement	11.4	9.6	10.6	403-9
RMC	5.8	10.7	12.0	403-9
Aggregates	9.0	27.2	16.1	403-9
Waste	51.0	30.3	0.0	403-9
Other	0.0	0.0	0.0	403-9

<sup>32</sup> a 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).

<sup>33</sup> Total Recordable Injuries: the sum of fatalities, lost time injuries, RWIs (Restricted Workday Injuries – work-related injuries which causes the injured person to be assigned to other work on a temporary basis or to work their normal job less than full time or to work at their normal job without undertaking all the normal duties) and MTCs (Medical Treatment Cases – work-related injuries which require treatment by a medical professional and do not result in time away from work or restriction in duties; excluding all cases involving first aid treatment).

<sup>34</sup> The 2020 TRIR related to contractors has been reclassified for a like-by-like reading.

Health & Safety KPIs	2021	2020	2019	GRI Ref
LTI FR (Lost Time Injury Frequency Rate)  (injuries with working days of absence/hours worked) x 1,000,000	8.0	9.0	9.0	403-9
<b>Employees</b>	<b>9.9</b>	<b>11.0</b>	<b>10.4</b>	403-9
Cement	11.0	9.1	9.1	403-9
RMC	8.8	14.0	16.1	403-9
Aggregates	9.7	17.1	6.6	403-9
Waste	5.2	24.8	11.3	403-9
Other	5.8	3.1	2.7	403-9
<b>Contractors</b>	<b>5.2</b>	<b>6.0</b>	<b>6.7</b>	403-9
Cement	5.7	6.2	5.3	403-9
RMC	4.2	3.9	8.4	403-9
Aggregates	0.0	18.2	16.1	403-9
Waste	25.5	15.1	16.3	403-9
Other	0.0	0.0	0.0	403-9
LTI SR (Lost Time Injury Severity Rate)  (working days of absence/hours worked) x 1,000	0.11	0.13	0.20	403-9
<b>Employees</b>	<b>0.14</b>	<b>0.16</b>	<b>0.27</b>	403-9
Cement	0.18	0.12	0.25	403-9
RMC	0.06	0.28	0.35	403-9
Aggregates	0.09	0.28	0.08	403-9
Waste	0.08	0.03	0.65	403-9
Other	0.24	0.01	0.01	403-9
<b>Contractors</b>	<b>0.06</b>	<b>0.09</b>	<b>0.09</b>	403-9
Cement	0.07	0.10	0.08	403-9
RMC	0.06	0.08	0.09	403-9
Aggregates	0.00	0.09	0.24	403-9
Waste	0.15	0.05	0.06	403-9
Other	0.00	0.00	0.00	403-9
<b>Near Miss</b> (number)	<b>577</b>	<b>446</b>	<b>526</b>	403-9
Cement	334	182	368	403-9
RMC	206	230	129	403-9
Aggregates	33	27	17	403-9
Waste	2	4	8	403-9
Other	2	3	4	403-9

Health & Safety KPIs		2021	2020	2019	GRI Ref
<b>Man-hours worked</b>	(millions of hours)	<b>9.5</b>	<b>9.1</b>	<b>9.5</b>	403-9
<b>Employees</b>		<b>5.7</b>	<b>5.5</b>	<b>5.9</b>	403-9
Cement		3.4	3.3	3.5	403-9
RMC		1.5	1.4	1.4	403-9
Aggregates		0.3	0.3	0.3	403-9
Waste		0.2	0.2	0.3	403-9
Other		0.3	0.3	0.4	403-9
<b>Contractors</b>		<b>3.8</b>	<b>3.6</b>	<b>3.6</b>	403-9
Cement		2.4	2.4	2.5	403-9
RMC		1.2	1.0	0.8	403-9
Aggregates		0.1	0.1	0.1	403-9
Waste		0.0	0.1	0.1	403-9
Other		0.0	0.0	0.0	403-9
<b>OIFR (Occupational Illness Frequency Rate)</b>	(occupational illness allegations received/hours worked) x 1,000,000	0.4	0.0	0.5	403-10

Hours of training	Unit	2021	2020	2019	GRI Ref
		Total	Total	Total	
Executives	h/per	8.7	8.0	19.9	404-1
Manager	h/per	19.6	17.4	18.8	404-1
Employees	h/per	16	12.6	21.5	404-1
Blue collars	h/per	9.1	10.4	14.1	404-1
<b>Total</b>	<b>h/per</b>	<b>12.2</b>	<b>11.7</b>	<b>16.8</b>	<b>404-1</b>

Biodiversity	n	2021	2020	2019	GRI Ref
	%				
Quarry with rehabilitation plan in place	95	95			304-1

Human rights	n	2021	2020	2019	GRI Ref
	%				
Human rights assessment	95	79			412-1

Communities	n	2021	2020	2019	GRI Ref
	GJ				
Thermal energy delivered to the Aalborg Municipality	1,661,306	1,787,593	1,521,827		412-1

## GRI content index

GRI Standard	Disclosure	Section	Omissions and notes
General Disclosure			
GRI 102: General Disclosures	102-1 Name of the organization	Cementir Holding	-
	102-2 Activities, brands, products, and services	'The Cementir Group' 'Global presence'	-
	102-3 Location of headquarters	Roma - Corso di Francia 200	-
	102-4 Location of operations	'Global presence'	-
	102-5 Ownership and legal form	'The Corporate Governance system'	-
	102-6 Markets served	'The Cementir Group' ' Global presence'	-
	102-7 Scale of the organization	'The Cementir Group'	-
	102-8 Information on employees and other workers	'Workforce number and composition' 'Diversity and inclusion'	-
	102-9 Supply chain	'How cement is made' 'Value chain engagement'	-
	102-10 Significant changes to the organization and its supply chain	'The Cementir Group' 'Methodology note'	-
	102-11 Precautionary Principle or approach	'Risk Management Framework'	-
	102-12 External initiatives	'10-years roadmap' '2050 ambition'	-
	102-13 Membership of associations	The Company is member of several national and international associations related to its business, in almost all the countries where its market is developing	-
	102-14 Statement from senior decision-maker	'Letter to the Stakeholder'	-
	102-16 Values, principles, standards, and norms of behaviour	'Governance'	-
	102-18 Governance structure	'The Cementir Group' and any reference to the Financial Report	-
	102-40 List of stakeholder groups	'Group's stakeholders'	-
	102-41 Collective bargaining agreements	'Industrial relations'	-
	102-42 Identifying and selecting stakeholders	'Group's stakeholders'	-
	102-43 Approach to stakeholder engagement	'Group's stakeholders' 'Value chain engagement' 'We support our communities'	-
	102-44 Key topics and concerns raised	'Group's stakeholders' 'Value chain engagement' 'We support our communities' 'Risks and opportunities'" 'Climate risks'	-
	102-45 Entities included in the consolidated financial statements	'Methodology note'	-
	102-46 Defining report content and topic Boundaries	'Methodology note'	-
	102-47 List of material topics	'Methodology note'	-
	102-48 Restatements of information	'Methodology note'	-
	102-49 Changes in reporting	'Methodology note'	-
	102-50 Reporting period	'Methodology note'	-
	102-51 Date of most recent report	'Methodology note'	-
	102-52 Reporting cycle	'Methodology note'	-
	102-53 Contact point for questions regarding the report	communication@cementirholding.it	-
	102-54 Claims of reporting in accordance with the GRI Standards	'Methodology note'	-

GRI Standard	Disclosure	Section	Omissions and notes
	102-55 GRI content index	'GRI Content Index'	-
	102-56 External assurance	Independent auditor's report on the Consolidated Non-Financial Statement	-
<b>Material Topics</b>			
Economic Performance (Business performances, expansion and consolidation)			
GRI 103: Management approach	103-1 Explanation of the material topic and its Boundary	'Methodology note' 'Earnings and financial results' 'The economic value generated and distributed'	-
	103-2 The management approach and its components	'Earnings and financial results' 'The economic value generated and distributed'	-
	103-3 Evaluation of the management approach	'Earnings and financial results' 'The economic value generated and distributed'	-
GRI 201: Economic Performances	201-1 Direct economic value generated and distributed	'Economic value generated and distributed'	-
Anti-corruption (Ethics, Anti-corruption and Compliance; Transparency and Accountability)			
GRI 103: Management approach	103-1 Explanation of the material topic and its Boundary	'Methodology note' 'Governance' 'The commitment to fighting corruption'	-
	103-2 The management approach and its components	'Governance' 'The commitment to fighting corruption'	-
	103-3 Evaluation of the management approach	'Governance' 'The commitment to fighting corruption'	-
GRI 205: Anti-corruption	205-3 Confirmed incidents of corruption and actions taken	'The commitment to fighting corruption'	-
Anti-competitive behaviour (Fair Competition; Transparency and Accountability)			
GRI 103: Management approach	103-1 Explanation of the material topic and its Boundary	'Methodology note' 'Governance' 'Integrity and competition'	-
	103-2 The management approach and its components	'Governance' 'Integrity and competition'	-
	103-3 Evaluation of the management approach	'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'	-

GRI Standard	Disclosure	Section	Omissions
Materials (Use of alternative fuels and materials)			
GRI 103: Management approach	103-1 Explanation of the material topic and its Boundary	'Methodology note' 'In waste we see resources'	-
	103-2 The management approach and its components	'In waste we see resources' 'The use of alternative fuels' 'Alternative raw materials'	-
	103-3 Evaluation of the management approach	'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'	-
Energy (Use of alternative fuels and materials; Climate Change)			
GRI 103: Management approach	103-1 Explanation of the material topic and its Boundary	'Methodology note' 'In waste we see resources' 'We respect the environment in all our operations'	-
	103-2 The management approach and its components	'In waste we see resources' 'We respect the environment in all our operations'	-
	103-3 Evaluation of the management approach	'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 103: Management approach	103-1 Explanation of the material topic and its Boundary	'Methodology note' 'We respect the environment in all our operations'	-
	103-2 The management approach and its components	'We respect the environment in all our operations'	-
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GRI 303: Water and Effluents	303-1 Interactions with water as a shared resource	'Water consumption'	-
	303-2 Management of water discharge-related impacts	'Water consumption'	-
	303-3 Water withdrawal	'Water consumption'	-

GRI Standard	Disclosure	Section	Omissions
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GRI 103: Management approach	103-1 Explanation of the material topic and its Boundary	'Methodology note' 'We respect the environment in all our operations' 'Task Force on Climate-related Disclosures - TCFD' '10 Year Roadmap' '2050 ambition'	-
	103-2 The management approach and its components	'We respect the environment in all our operations' 'Task Force on Climate-related Disclosures - TCFD' '10 Year Roadmap' '2050 ambition'	-
	103-3 Evaluation of the management approach	'We respect the environment in all our operations' 'Task Force on Climate-related Disclosures - TCFD' '10 Year Roadmap' '2050 ambition'	-
GRI 305: Emissions	305-1 Direct (Scope 1) GHG emissions	'Cementir's CO <sub>2</sub> footprint' 'CO <sub>2</sub> emissions related to cement production'	-
	305-2 Energy indirect (Scope 2) GHG emissions	'Cementir's CO <sub>2</sub> footprint' 'CO <sub>2</sub> emissions related to cement production'	-
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	305-4 GHG emissions intensity	'Cementir's CO <sub>2</sub> footprint' 'CO <sub>2</sub> emissions related to cement production'	-
	305-7 Nitrogen oxides (NO <sub>x</sub> ), sulphur oxides (SO <sub>x</sub> ), and other significant air emissions	'Other air emissions'	-
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GRI 103: Management approach	103-1 Explanation of the material topic and its Boundary	'Methodology note' 'We value our people'	-
	103-2 The management approach and its components	'We value our people'	-
	103-3 Evaluation of the management approach	'We value our people'	-
GRI 401: Employment	401-1 New employee hires and employee turnover	'Workforce number and composition'	-
Labor/Management relations (Industrial Relations)			
GRI 103: Management approach	103-1 Explanation of the material topic and its Boundary	'Methodology note' 'We value our people'	-
	103-2 The management approach and its components	'We value our people'	-
	103-3 Evaluation of the management approach	'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 103: Management approach	103-1 Explanation of the material topic and its Boundary	'Methodological note' 'We value our people'	-
	103-2 The management approach and its components	'We value our people'	-
	103-3 Evaluation of the management approach	'We value our people'	-

GRI Standard	Disclosure	Section	Omissions
GRI 403: Occupational Health & Safety	403-1 Occupational health and safety management system	'Concretely Safe'	-
	403-2 Hazard identification, risk assessment, and incident investigation	'Concretely Safe'	-
<b>Occupational Health &amp; Safety (Health &amp; Safety)</b>			
GRI 403 (2018): Occupational Health & Safety	403-3 Occupational health services	'Concretely Safe'	-
	403-4 Worker participation, consultation, and communication on occupational health and safety	'Concretely Safe'	-
	403-5 Worker training on occupational health and safety	'Concretely Safe'	-
	403-6 Promotion of worker health	'COVID-19 emergency management system'  'Concretely Safe'	-
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	'Concretely Safe'	-
	403-9 "Work-related injuries	'Concretely Safe'	-

GRI Standard	Disclosure	Section	Omissions
Training and education (People management and development)			
GRI 103: Management approach	103-1 Explanation of the material topic and its Boundary	'Methodology note' 'We value our people'	-
	103-2 The management approach and its components	'We value our people'	-
	103-3 Evaluation of the management approach	'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'	The section dedicated to the subject, specifically indicates limits to the scope-
Diversity and Equal Opportunity (Diversity Management)			
GRI 103: Management approach	103-1 Explanation of the material topic and its Boundary	'Methodology note' 'We value our people' 'Diversity and inclusion'	-
	103-2 The management approach and its components	'We value our people' 'Diversity and inclusion'	-
	103-3 Evaluation of the management approach	'We value our people' 'Diversity and inclusion'	-
GRI 405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	'Diversity and inclusion' 'Appendix'	-
Non-discrimination (Human Rights)			
GRI 103: Management approach	103-1 Explanation of the material topic and its Boundary	'Methodology note' 'We value our people' 'Diversity and inclusion' 'The code of ethics' 'Commitment to Human Rights'	-
	103-2 The management approach and its components	'We value our people' 'Diversity and inclusion' 'The code of ethics' 'Commitment to Human Rights'	-
	103-3 Evaluation of the management approach	'We value our people' 'The code of ethics' 'Commitment to Human Rights'	-
GRI 406: Non discrimination	406-1 Incidents of discrimination and corrective actions taken	'The code of ethics' 'Commitment to Human Rights'.	-
Local Communities (Community Engagement)			
GRI 103: Management approach	103-1 Explanation of the material topic and its boundary	'Methodology note' 'We support our communities'	-
	103-2 The management approach and its components	'We support our communities'	-
	103-3 Evaluation of the management approach	'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 for local communities'	

GRI Standard	Disclosure	Section	Omissions
<b>Customer Management</b>			
GRI 103: Management approach	103-1 Explanation of the material topic and its Boundary	'Methodology note' 'Customer engagement'	-
	103-2 The management approach and its components	'Leader in white cement' 'Customer engagement'	-
	103-3 Evaluation of the management approach	'Leader in white cement' '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	'Leader in white cement' 'Customer engagement'	-
<b>White Cement applications and quality</b>			
GRI 103: Management approach	103-1 Explanation of the material topic and its Boundary	'Methodology note' 'Leader in white cement' 'InWhite®'	-
	103-2 The management approach and its components	'Leader in white cement' 'InWhite®'	-
	103-3 Evaluation of the management approach	'Leader in white cement' 'InWhite®'	-
N/A	No disclosure of the GRI applicable. The document presents a qualitative description of the subject and actions taken by the Group	'Leader in white cement' 'InWhite®'	-
<b>Innovation</b>			
GRI 103: Management approach	103-1 Explanation of the material topic and its Boundary	'Methodology note' 'How cement is made' 'Sustainable products'	-
	103-2 The management approach and its components	'How cement is made' 'Sustainable products'	-
	103-3 Evaluation of the management approach	'How cement is made' 'Sustainable products'	-
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' 'Sustainable products'	-
<b>Supplier relations</b>			
GRI 103: Management approach	103-1 Explanation of the material topic and its Boundary	'Methodology note'	-
	103-2 The management approach and its components	'Methodology note' 'How cement is made' 'Value chain engagement'	-
	103-3 Evaluation of the management approach	'Methodology note' 'How cement is made' 'Value chain engagement'	-

Rome, 9 March 2022

Francesco Caltagirone, Jr.

Chairman of the Board of Directors

## Glossary

**Cement equivalent (TCE - Ton(s) of Cement Equivalent):** An indicator related to the plant's production of clinker, calculated based on the produced clinker and on the average clinker/cement ratio for the year.

**CO<sub>2</sub>:** An acidic oxide (anhydride) formed by a carbon atom bound to two oxygen atoms. Colourless, odourless and tasteless gas, heavier than air, which is formed in all the processes of combustion, respiration and decomposition of organic material, due to the total oxidation of the carbon and, in the cement industry, the decarbonation of limestone. It is an essential substance in the biological processes of plants and animals, but it is also responsible for the increase in global warming. Carbon dioxide, which allows sunlight to pass through unimpeded, absorbs infrared radiation emitted by the earth's surface, causing the so-called 'greenhouse effect'. The cement process emits CO<sub>2</sub> 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  $1 \times 10^9$  joules, while a terajoule (TJ) is equal to  $1 \times 10^{12}$  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.

**m3:** Cubic metre.

**NO:** Nitrogen oxide.

**NO2:** Nitrogen dioxide.

**NOx:** Nitrogen oxides (NO and NO2).

**SO2:** Sulphur dioxide.

**'Scope 1' emissions:** All direct emissions from the company's own sources or those controlled by the company.

**'Scope 2' emissions:** The indirect emissions of the company, those linked to the purchase of energy from sources controlled by another subject (e.g. electricity).

### Emission factors used

To calculate the direct emissions of CO<sub>2</sub> equivalents (Scope 1), the default CO<sub>2</sub> emission factors of the Global Cement and Concrete Association were used. Please refer to the Global Cement and Concrete Association (GCCA) The Cement CO<sub>2</sub> and Energy Protocol, Version 3 CO<sub>2</sub> and Energy Accounting and Reporting Standard for the Cement Industry.

To calculate the indirect emissions of CO<sub>2</sub> 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.

## Independent Auditor's Report



**CEMENTIR HOLDING NV**

**INDEPENDENT AUDITOR'S REPORT ON THE SUSTAINABILITY  
REPORT FOR THE YEAR ENDED 31.12.2021**



## ***Independent auditor's report on the Sustainability Report for the year ended 31 December 2021***

To the Board of Directors of Cementir Holding NV

We have undertaken a limited assurance engagement on the Sustainability Report of Cementir Holding NV and its subsidiaries (the “Group”) for the year ended 31 December 2021 (the “Report”) prepared in accordance with GRI - Sustainability Reporting Standard (“GRI Standards”) and approved by the Board of Directors on 9 March 2022.

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 and of the Board of Statutory Auditors for the Report***

The Directors are responsible for the preparation of the Report in accordance with the GRI Standard, identified by them as the reporting standards.

The Directors are also responsible, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of a Report that is free from material misstatement, whether due to fraud or error.

Moreover, the Directors are responsible for defining the sustainability performance targets of the Group, as well as for identifying the stakeholders and the significant aspects to be reported.

Finally, the Directors are responsible for defining the business and organisational model of the Group and, with reference to the matters identified and reported in the Report, for the policies adopted by the Group and for the identification and management of risks generated and/or faced by the Group.

### ***Auditor's Independence and Quality Control***

We are independent in accordance with the principles of ethics and independence set out in the Code of Ethics for Professional Accountants published by the International Ethics Standards Board for Accountants, which are based on the fundamental principles of integrity, objectivity, competence and professional diligence, confidentiality and professional behaviour. Our audit firm adopts International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintains an overall quality control system which includes processes and procedures for compliance with ethical and professional principles and with applicable laws and regulations.

#### **PricewaterhouseCoopers SpA**

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### **Auditor's responsibilities**

We are responsible for expressing a conclusion, on the basis of the work performed, regarding the compliance of the Report with the requirements of the GRI Standards. We conducted our work in accordance with International Standard on Assurance Engagements 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information (“ISAE 3000 Revised”), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. The standard requires that we plan and apply procedures in order to obtain limited assurance that the Report is free from material misstatement. The procedures performed in a limited assurance engagement are less in scope than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised, and, therefore, do not provide us with a sufficient level of assurance that we have become aware of all significant facts and circumstances that might be identified in a reasonable assurance engagement.

The procedures performed on the Sustainability Report were based on our professional judgement and consisted in interviews, primarily of company personnel responsible for the preparation of the information presented in the Report, analysis of documents, recalculations and other procedures designed to obtain evidence considered useful.

In detail, we performed the following procedures:

1. analysis of the process aimed at defining the significant reporting areas to be disclosed in the Sustainability Report, with regard to the methods for their identification, in terms of priority for the various stakeholders, as well as the internal validation of the process findings;
2. understanding of the processes underlying the preparation, collection and management of the significant qualitative and quantitative information included in the Report.

In detail, we held meetings and interviews with the management of Cementir Holding NV and we performed limited analysis of documentary evidence, to gather information about the processes and procedures for the collection, consolidation, processing and submission of the non-financial information to the function responsible for the preparation of the Report.

Moreover, for material information, considering the activities and characteristics of the Group:

- at holding level,
  - a) with reference to qualitative information included in the Sustainability Report, and in particular to the business model, the policies adopted and the main risks, we carried out interviews and acquired supporting documentation to verify its consistency with available evidence;
  - b) with reference to quantitative information, we performed analytical procedures as well as limited tests, in order to assess, on a sample basis, the accuracy of consolidation of the information;
  - c) understanding the processes underlying the generation, collection, consolidation, processing and management of the Scope 3 emissions data and information (“Purchased Goods and Services”, “Capital goods”, “Fuel and energy related activities”, “Upstream transportation & distribution”, “Waste generated in operations”, “Business Travel”, “Downstream transportation & distribution”); performing of limited verification procedures to ascertain the correct calculation and aggregation of Scope 3 emissions;
  - d) Verification of the inclusion, in the Report, of a section dedicated to the disclosure according to EU Taxonomy.

- for the following companies, Cementir Holding NV, Aalborg Portland A/S, Compagnie des Ciments Belges S.A. which were selected on the basis of their activities, their contribution to the performance indicators at a consolidated level and their location, we carried out remote site visits during which we met local management and gathered supporting documentation regarding the correct application of the procedures and calculation methods used for the key performance indicators.

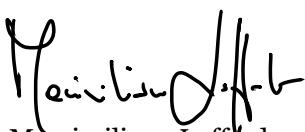
### ***Conclusions***

Based on the work performed, nothing has come to our attention that causes us to believe that the Report of Cementir Holding NV for the year ended 31 December 2021 is not prepared, in all material respects, in accordance with the GRI Standards as disclosed in the paragraph “Methodology note” of the Report.

Our conclusions do not extend to the information set out in the section “EU Taxonomy” of the Report.

Rome, 10 March 2022

PricewaterhouseCoopers SpA



Massimiliano Loffredo  
(Partner)